THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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APPEAL FROM BERKELEY COUNTY
Court of Common Pleas

Robert E. Watson, Master-in-Equity

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Appellate Case No.: 2014-001487

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Linda Gibson, formerly known as Linda Ann Avinger, individually and as Trustee of the Paul William Gibson Family Trust, and Heritage Seven, LLC,

Respondents,

v

Ameris Bank,

Appellant.

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**RECORD ON APPEAL – VOLUME III**

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Multi-Family Sale No. 1

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 144 |
| **Property Type** | Apartment |
| **Property Name** | Hampton Oaks |
| **Address** | 6600 Rivers Avenue, North Charleston, Charleston County, South Carolina 29406 |
| **Tax ID** | 475-08-00-005 |
| **Sale Data** | |
| **Grantor** | MERIDIAN APARTMENTS LLC |
| **Grantee** | MPI MERIDIAN PROP LLC |
| **Sale Date** | June,23,2006 |
| **Deed Book/Page** | K590/0498 |
| **Recorded Plat** | ZPG27 |
| **Property Rights** | Fee Simple |
| **Verification** | RealData; Confirmed by P. Kendall Moore, Jr. |
| **Sale Price** | $6,300,000 |
| **Cash Equivalent** | $6,300,000 |
| **Land Data** | |
| **Land Size** | 7.710 Acres or 335,848 SF |
| **Topography** | Level |
| **Utilities** | All Available |

Unit Mix

| Unit Type | No. of Units | Size SF | Rent/Mo. | Mo. Rent/SF |
|---|---|---|---|---|
| 1 BR 1 Ba | 47 | 675 | $575 | $0.85 |
| 2 BR 1 Ba | 113 | 900 | $650 | $0.72 |

| | |
|---|---|
| **Total Units** | 160 |
| **Avg. Unit Size** | 800 |
| **Avg. Rent/Unit** | $628 |
| **Avg. Rent/SF** | $0.75 |
| **General Physical Data** | |
| **Construction Type** | Brick Ext |
| **Stories** | 2 |
| **Year Built** | 1971 |

**Remarks**

This apartment complex is a two story complex built in 1971 It was in average condition at the time of sale It had a 1.9% vacancy rate as of 02/07.

**MOORE 208**

## Multi-Family Sale No. 2

**Property Identification**

| | |
|---|---|
| **Record ID** | 136 |
| **Property Type** | Garden |
| **Property Name** | South Pointe |
| **Address** | 6220 North Murray Drive, Hanahan, Berkeley County, South Carolina 29406 |
| **Tax ID** | 265-03-00-028 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Quail Run of Charleston, LLC |
| **Grantee** | Novo Properties |
| **Sale Date** | December,29,2006 |
| **Deed Book/Page** | 6237/0097 |
| **Property Rights** | Fee Simple |
| **Verification** | Real Data; Confirmed by P. Kendall Moore, Jr. |
| **Sale Price** | $14,290,000 |
| **Cash Equivalent** | $14,290,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 10.920 Acres or 475,675 SF |
| **Topography** | Level |
| **Utilities** | All Available |

**Unit Mix**

| Unit Type | No. of Units | Size SF | Rent/Mo. | Mo. Rent/SF |
|---|---|---|---|---|
| | 256 | 894 | | |

| | |
|---|---|
| **Total Units** | 256 |
| **Avg. Unit Size** | 894 |

**General Physical Data**

| | |
|---|---|
| **Unit Amenities** | Ceiling Fans, Washer/Dryer Connections, Microwaves |
| **Project Amenities** | Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry, Sports Court |
| **Year Built** | 1970 |

**Remarks**

This is the sale of the 256-unit South Pointe apartment complex in Hanahan, SC. This complex consists of 28 1 BR 1 Ba units measuring 685 SF, 196 2 BR 1 BA units measuring 900 SF, and 32 2 BR 1.5 Ba units measuring 1,043 SF The units were in good condition at the time of sale The sales price is $55,820 per unit.

**MOORE 209**

## Multi-Family Sale No. 3

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 128 |
| **Property Type** | Garden |
| **Property Name** | Driftwood Apartments |
| **Address** | 7360 Stall Road, North Charleston, Charleston County, South Carolina 29406 |
| **Tax ID** | 478-02-00-035 |
| **Sale Data** | |
| **Grantor** | The Whitfield Company |
| **Grantee** | S&K Apartments, LLC |
| **Sale Date** | June,30,2006 |
| **Deed Book/Page** | V589/312 |
| **Recorded Plat** | EJ877 |
| **Verification** | Deed, MLS; Confirmed by Francis B. Kerr |
| **Sale Price** | $2,795,000 |
| **Cash Equivalent** | $2,795,000 |
| **Land Data** | |
| **Land Size** | 3.410 Acres or 148,540 SF |
| **Zoning** | Multi-Family Residential |
| **Topography** | Level |
| **Utilities** | All Available |
| **Net SF** | 82 |
| **General Physical Data** | |
| **Construction Type** | Brick on Slab |
| **HVAC** | Central |
| **Parking** | 2 per unit |
| **Stories** | 2 |
| **Utilities with Rent** | Water |
| **Project Amenities** | Outdoor Pool, Clubhouse, Laundry |
| **Year Built** | 1971 |
| **Condition** | Average(-)/Average |
| **Indicators** | |
| **Sale Price/Net SF** | $34,085.37 |
| **Occupancy at Sale** | 95% |

**Remarks**

This is a 82 unit apartment complex built around 1971 Condition was mixed with units in average and below average condition. There is a pool, clubhouse and laundry. One bedroom units have 480 SF and 2 bedroom units have 600 SF. Rents were below market at the time of sale.

**MOORE 210**

Multi-Family Sale No. 4

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 111 |
| **Property Type** | Garden |
| **Property Name** | Califf Arms Apartments |
| **Address** | 5465 Califf Road, North Charleston, Charleston County, South Carolina 29405 |
| **Tax ID** | 473-13-00-101 |
| **Sale Data** | |
| **Grantor** | Sandover Investments, LLC |
| **Grantee** | K & G Properties, LLC |
| **Sale Date** | November, 15,2005 |
| **Deed Book/Page** | U562/861 |
| **Recorded Plat** | U/157 |
| **Property Rights** | Fee Simple |
| **Verification** | Owen Tyler (Selling Agent; April 13, 2006; Other sources: CTAR MLS; Deed, Confirmed by Gantt Folline |
| **Sale Price** | $955,000 |
| **Land Data** | |
| **Land Size** | 1.640 Acres or 71,438 SF |
| **Zoning** | R-2, Multi-Family |
| **Topography** | Level |
| **Utilities** | All |
| **Avg. Unit Size** | 482 |
| **Gross SF** | 11,568 |
| **General Physical Data** | |
| **No. of Buildings** | 2 |
| **Construction Type** | Brick |
| **Electrical** | Typ. |
| **HVAC** | Good Condition |
| **Parking** | Paved surface |
| **Stories** | 2 |
| **Year Built** | 1970 |
| **Condition** | Average |
| **Income Analysis** | |
| **Potential Gross Income** | $113,600 |
| **Vacancy** | $2,272 Est. @ 2% |
| **Effective Gross Income** | $111,328 |
| **Expenses** | $24,428 |
| **Net Operating Income** | $86,900 |

**MOORE 211**

**Multi-Family Sale No. 4 (Cont.)**

| Indicators | |
|---|---|
| **Sale Price/Gross SF** | $82.56 Actual or $82.56 Adjusted |
| **Sale Price/Unit** | $39,792 Actual or $39,792 Adjusted |
| **PGIM** | 8.41 |
| **EGIM** | 8.58 |
| **Expenses/SF** | $2.11 Gross |
| **Expenses/Unit** | $1,018 |
| **Expenses as % of PGI** | 21 50% |
| **Expenses as % of EGI** | 21.94% |
| **Overall or Cap Rate** | 9.1% |
| **NOI/SF** | $7.51 Gross |
| **NOI/Unit** | $3,621 |

**Remarks**

This is the sale of the Califf Arms Apartments in North Charleston, SC. The property is made up two, 2-story brick buildings with a total of twenty-four, 1 bedroom/1bathroom units that were reported to be in above average condition. The parking lot had been resurfaced in 2002. There is an on-site coin operated laundry. Taxes and insurance for the property was reported to be $13,000 per year at the time of sale.

## INCOME APPROACH

## "AS COMPLETE"

As stated in the Description of Improvements section of this report, the entire subject apartment complex will be undergoing extensive renovations beginning immediately after the transfer of ownership. The total costs of renovations are estimated to be $688,814, or $14,350/unit. Details of the renovation are attached in the addenda of this report. Due to the higher quality and condition of the complex after renovation, one would expect that the rental rates would increase. In this section of the report we value the complex based on rentals of complexes that are in similar condition as the subject as complete.

Please refer to the following study showing five comparable rents.

*Rent Comparable 1 - Coopers Pointe – 2225 Greenridge Road, N. Charleston, SC – Built 1986 -192 Total Units*

Current Occupancy / Rents as of 2/10/2007

| Units | Bdrms | Type | Sq. Ft. | Rent Range | | | Rent/Sq. Ft. | Units Vac. | Vac.% |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | GRDN | 697 | $729 | - | $749 | $1.060 | 76 | 2 2.6% |
| 2 | 2 | GRDN | 931 | $839 | - | $859 | $0.912 | 116 | 3 2.6% |
| Totals/Averages | | | 838 | | | | $0.971 | 192 | 5 2.6% |

*Rent Comparable 2 – Farrington Place – 7927 St. Ives Road, North Charleston, SC Blt 1989 – 168 Units*

Current Occupancy / Rents as of 2/10/2007

| Units | Bdrms | Type | Sq. Ft. | Rent Range | | | Rent/Sq. Ft. | Units Vac. | Vac.% |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | GRDN | 738 | $675 | - | $685 | $0.921 | 84 | 7 8.3% |
| 2 | 2 | GRDN | 988 | $800 | - | $810 | $0.815 | 60 | 5 8.3% |
| 3 | 2 | GRDN | 1,250 | $980 | - | $990 | $0.788 | 24 | 1 4.2% |
| Totals/Averages | | | 900 | | | | $0.864 | 168 | 13 7.7% |

*Rent Comparable 3 – Planters Crossing – 7910 Crossroads Dr., North Charleston, SC Blt 1980 – 256 Units*

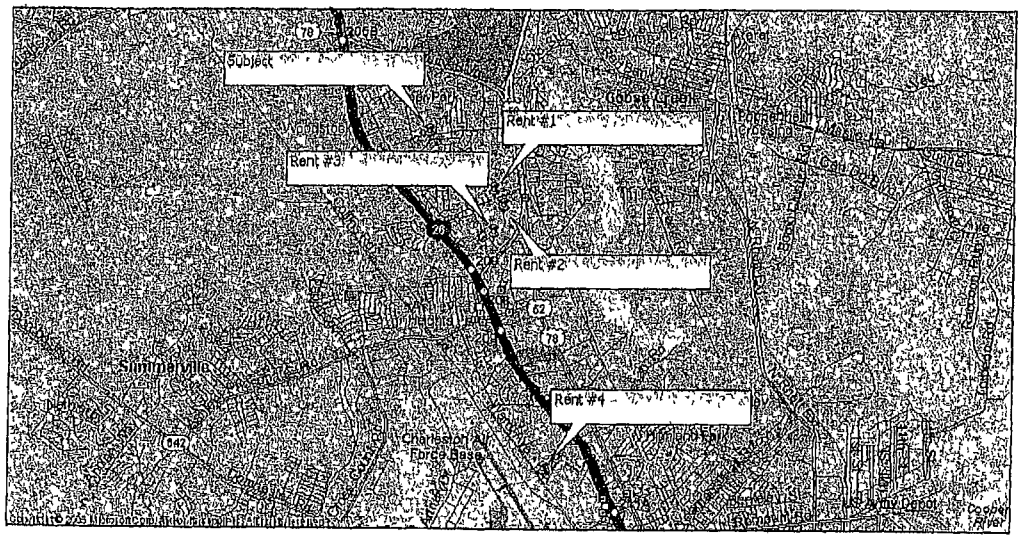
Current Occupancy / Rents as of 2/10/2007

| Units | Bdrms | Type | Sq. Ft. | Rent Range | | | Rent/Sq. Ft. | Units Vac. | Vac.% |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | GRDN | 650 | $629 | - | $629 | $0.968 | 128 | 24 18.8% |
| 2 | 2 | GRDN | 950 | $749 | - | $749 | $0.788 | 128 | 11 8.6% |
| Totals/Averages | | | 800 | | | | $0.878 | 256 | 35 13.7% |

*Rent Comparable 4 – Willow Lake –6834 Ward Avenue, N. Charleston , SC Yr Blt 1974 - 68 Units*

Current Occupancy / Rents as of 2/10/2007

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | GRDN | 425 | $400 | - $400 | $0.941 | 68 | 11 | 16.2% |
| Totals/Averages | | | 425 | | | $0.941 | 68 | 11 | 16.2% |




The subject's one-bedroom units measure 660 SF and the two-bedroom units measure 832 SF SF. Based on the above analysis, we conclude that a reasonable rent for the one-bedroom units "as complete" would be approximately $700/month. The lease rate is adjusted upward slightly due to the fact that the subject will be converted to a "green" building. This will be done using guidelines provided by Earthcraft House. EarthCraft House is a green building program that serves as a blueprint for healthy, comfortable homes that reduce utility bills and protect the environment. There are six one-bedroom apartments resulting in potential income of $4,200 per month, or $50,400 per year. The two bedroom units would rent for approximately $800/month. There are 42 two-bedroom units resulting in potential income of $33,600 per month or $403,200 per year. The subject was built in 1974. The four comparables used were built between 1974 and 1989.

The Income Approach is performed using rental rates found in the market. These rents are of apartment complexes in the subject area that have been well maintained and are in good condition. Once the subject property is renovated, it will be comparable to these comparables.

**Potential Gross Income**

The total potential income for the entire complex, using market rates, is $453,600 *per year*, before vacancy and credit loss.

**Vacancy and Credit Loss**

The vacancy rate in North Charleston has improved slightly from 7.5% in August 2006 to 7.4% in February 2007. The current (02/07) rate for the overall market is 9.6%. For the purpose of this appraisal, we have assumed a 7.4% vacancy rate.

**Effective Gross Income**

Subtracting the estimated vacancy and collection loss ($33,566) from the Potential Gross Income ($453,600) indicates the Effective Gross Income, which is estimated to be $420,033.

**Expenses**

**Management**

A professional property manager who includes the property within their company brochures and pamphlets and is able to offer the property to multiple tenants who contact their offices usually manages apartment complexes of this type. In addition, many types of newer apartment complexes have waiting lists within the subject market. A management fee of 6%, or $25,202, is allocated and is consistent with the existing management cost of other units within the immediate area.

**Taxes**

Real estate taxes are estimated to be $33,600 per year.

**Insurance**

Insurance expenses are estimated to be $26,250 per year.

**Utilities**

According to estimates provided by the agent overseeing the property, annual utilities are

estimated at $16,800.

**Legal and Accounting**

This cost is for basic bookkeeping and tenant legal expenses. This is not meant to account for additional cost that an owner may pay when including the reports within his own personal or business income. Based upon the appraiser's experience, an estimated cost of $300/month or $3,600 is allocated.

**Licenses and Fees**

General business licenses and fees are based on governmental cost. They should be approximately $500 per year.

**Pest Control**

According to the agent overseeing the property, pest control averages about $2,400 per year.

**Reserves**

Reserves have been allocated for the eventual replacement of long-term items such as roofs and repairs to the parking area. Some general maintenance costs may be allocated to these items over time. These annual amounts will be compounded over the years and should be adequate funds for the replacement of these items. Mostly, these items are considered to have 10 to 20 year life expectancies. We have allocated 2.5% or EGI or $10,500/year.

**Maintenance**

Maintenance costs are estimated to be $9,600 per year.

**Landscaping and Clean-up**

Because there are grassed areas and parks associated with these buildings, there should be some amount allocated for the cutting of grass and landscaping. We estimate landscaping costs to equal about $250/month or $3,000 per year.

## NOI

Total expenses equal $131,452 or 31% of effective gross income. After deducting this amount, there is a total net income of **$288,571.**

**MOORE 217**

Using the same capitalization rate found in the "As Is" Income Approach, we capitalize the NOI. Therefore, when the Net Operating Income of **$288,571** is capitalized or divided by .0825, there is an indicated value by the Income Approach of $3,497,951 , rounded to:

**THREE MILLION FIVE HUNDRED THOUSAND DOLLARS**

**$3,500,000**

## DIRECT SALES COMPARISON APPROACH

## "AS COMPLETE"

In a previous section of the report, we used the Direct Sales Comparison Approach to value the property "as is." In this section, we will use the same approach to value the property after all of the renovations have been completed. This is as follows:

| Transaction Number | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Transaction Type | Sale | Sale | Sale | Sale |
| | Rosewood TH | Alta Shores | Woodbridge | Reserve Wescott |
| Tax Map Reference | 252-11-07-011 | 486-00-00-172 | 353-13-00-003 | N/A |
| Date of Sale | 12/29/2006 | 12/1/2005 | 4/15/2006 | 9/15/2005 |
| Sales Price | $7,291,000 | $15,162,786 | $14,500,000 | $16,775,000 |
| Number of Units | 100 | 240 | 198 | 192 |
| Sales Price/Unit | $72,910 | $63,178 | $73,232 | $87,370 |
| Time Adjustment | | | | |
| (10% Per Year) | 7.50% | 17.50% | 10.00% | 20 00% |
| Time Adjusted Price/Unit | $78,378 | $74,234 | $80,556 | $104,844 |

Each of the four sales is listed above along with the name of the complex, the tax map number, the date of sale and the number of units. The sales price is then divided by the number of units to derive a sales price per unit. For sales over one year old, an upward time adjustment of 10% per year is made. This results in a time-adjusted price per unit.

| **ADJUSTMENTS** | | | | |
|---|---|---|---|---|
| Size | 10% | 15% | 15% | 15% |
| Location | 0% | 0% | -15% | -15% |
| Corner/Access | 0% | 0% | 0% | 0% |
| Quality/Condition | -10% | -10% | 0% | -25% |

Adjustments are then made for individual factors such as size, location, access, quality and condition. This is as follows.

**MOORE 219**

***Size***

*Economies of Scale* is defined as a "reduction in cost of production per unit due to a large number of items produced." This same principle can be applied to real estate in that a buyer would pay a lesser price per unit (square foot) for a larger property than he/she would for a similar but smaller property. In other words, as the size of the property increases, the value per unit decreases.

The subject consists of a 48 unit apartment complex. Each of the four sales used are larger than the subject. Therefore, these sales are adjusted upward for size.

***Location***

The subject enjoys a convenient location along Otranto Road proximate to both Hwy 78 and Hwy 52. This is less than one mile east of I-26. Sale #3 is located off Ashley River Road inside of I-526. This is considered to be a superior location when compared to the subject and this sale is adjusted downward for Location. Sale #4 is located in Wescott Plantation off of Dorchester Road. This is considered to be a superior location when compared to the subject and this sale is adjusted downward for Location.

***Quality/Condition***

Sales #1, 2 and 4 were built between 1987 and 2004. Although the subject is being valued as if it were fully renovated, these sales are still considered to be of superior quality and condition. For this reason these sales are adjusted downward.

| *Net Adjustment* | *0%* | *5%* | *0%* | *-25%* |
|---|---|---|---|---|
| **Adjusted Price/Acre** | **$78,378** | **$77,946** | **$80,556** | **$78,633** |

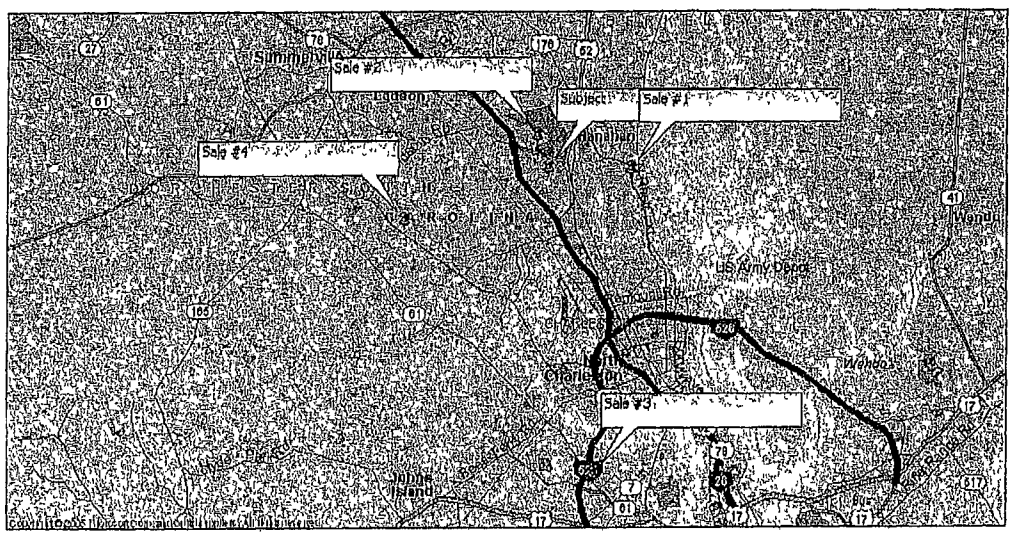
This results in final adjusted sales prices range from $77,946 per unit to $80,556 per unit. Based on the locational characteristics as well as these comparable sales, we believe that the subject apartment complex could command a sales price of $78,000 per unit. The subject contains 48-units. Therefore, we believe that the overall value of the subject property as of the date of inspection is ($78,000 x 48-units) $3,744,000, or:

**THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS**

**$3,750,000**

**APARTMENT SALES SUMMARY TABLE**

| No. | Location | Sale Date | Sale Price | Size in SF | No. of Units | Price/ SF | Price/ Unit |
|---|---|---|---|---|---|---|---|
| 5 | 4501 Harbor Lake Drive | December 29,2006 | $7,291,000 | | 100 | | $72,910 |
| 6. | 2605 Elms Plantation Blvd. | October 05,2004 | $15,162,786 | | 240 | | $63,178 |
| 7. | 2040 Ashley River Road | April 12,2006 | $14,500,000 | | 192 | | $75,521 |
| 8. | 4975 Wescott Boulevard | September 01,2005 | $16,774,000 | | 192 | | $87,365 |




**MOORE 221**

Multi-Family Sale No. 1

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 135 |
| **Property Type** | Townhouse |
| **Property Name** | Rosewood Townhomes |
| **Address** | 4501 Harbor Lake Drive, Goose Creek, Berkeley County, South Carolina 29445 |
| **Tax ID** | 252-11-07-001 |
| **Sale Data** | |
| **Grantor** | Rosewood Investors Lmd. |
| **Grantee** | Charleston I Partners, LLC |
| **Sale Date** | December,29,2006 |
| **Deed Book/Page** | 6237/0110 |
| **Property Rights** | Fee Simple |
| **Verification** | Real Data; Confirmed by P. Kendall Moore, Jr. |
| **Sale Price** | $7,291,000 |
| **Cash Equivalent** | $7,291,000 |
| **Land Data** | |
| **Land Size** | 5.000 Acres or 217,800 SF |
| **Topography** | Level |
| **Utilities** | All Available |

Unit Mix

| Unit Type | No. of Units | Size SF | Rent/Mo. | Mo. Rent/SF |
|---|---|---|---|---|
| townhouse | 100 | 1,150 | $735 | $0.64 |

| | |
|---|---|
| **Total Units** | 100 |
| **Avg. Unit Size** | 1 |
| **Avg. Rent/Unit** | $735 |
| **Avg. Rent/SF** | $0.64 |
| **General Physical Data** | |
| **Construction Type** | All Brick |
| **Stories** | 2-3 |
| **Unit Amenities** | Patios/Balconies, Ceiling Fans, Washer/Dryer Connections |
| **Project Amenities** | Laundry, Sports Court |
| **Year Built** | 1987 |
| **Condition** | Good |
| **Indicators** | |
| **Occupancy at Sale** | 94.00% |

**Remarks**

This is the sale of Rosewood Townhomes in Goose Creek. This complex consists of 100 two story units with brick exteriors. All 100 units consists of 2 BR's and 1.5 Bathrooms. They all measure 1,150 SF and rented for between $729 and $739/month. The complex reported a 6.0% vacancy rate as of February 10, 2007. The project was built in 1987. The sales price is $72,910 per unit.

Multi-Family Sale No. 2

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 106 |
| **Property Type** | Garden |
| **Property Name** | Alta Shores |
| **Address** | 2605 Elms Plantation Blvd., North Charleston, Charleston County, South Carolina 29406 |
| **Location** | North Ch. |
| **Tax ID** | 486-00-00-172 |
| **Sale Data** | |
| **Grantor** | SHORES APARTMENTS LLC |
| **Grantee** | GRAY PROP 5001 LLC |
| **Sale Date** | October,05,2004 |
| **Deed Book/Page** | V511/0502 |
| **Recorded Plat** | EE/063 |
| **Verification** | Deed; Confirmed by P. Kendall Moore, Jr. |
| **Sale Price** | $15,162,786 |
| **Cash Equivalent** | $15,162,800 |
| **Land Data** | |
| **Land Size** | 13.640 Acres or 594,158 SF |
| **Topography** | Level |
| **Utilities** | All Available |
| **General Physical Data** | |
| **Parking** | Adequate |
| **Stories** | 3 |
| **Unit Amenities** | Patios/Balconies, Fire places, Washer/Dryer Connections |
| **Project Amenities** | Outdoor Pool |
| **Year Built** | 2004 |
| **Income Analysis** | |
| **Potential Gross Income** | $1,857,020 |
| **Effective Gross Income** | $1,671,320 |
| **Net Operating Income** | $1,169,930 |
| **Indicators** | |
| **Occupancy at Sale** | 99% |
| **PGIM** | 8.17 |
| **EGIM** | 9.07 |
| **Overall or Cap Rate** | 7.72% |
| **NOI/Unit** | $4,875 |

**Remarks**

**MOORE 223**

This is an upper quality project in North Charleston containing 1 and 2 BR units. The 1 BR units lease for $705-760/mo and the 2 BR units lease for $855-880/mo. The units were 100% leased at the time of sale. These units sold on October 5, 2004 for a price of $15,162,786, or $63,178/unit. The overall rate was 7.72% and the GIM was 8.17

**Multi-Family Sale No. 3**

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 145 |
| **Property Type** | Apartment |
| **Property Name** | Woodbridge |
| **Address** | 2040 Ashley River Road, Charleston, Charleston County, South Carolina 29412 |
| **Tax ID** | 353-13-00-003 |
| **Sale Data** | |
| **Grantor** | ASHLEY HALL GARDENS LLC |
| **Grantee** | RAIA PROP SC 1 LLC |
| **Sale Date** | April,12,2006 |
| **Deed Book/Page** | V579/0682 |
| **Recorded Plat** | A-A/50 |
| **Property Rights** | Fee Simple |
| **Verification** | Real Data; Confirmed by P Kendall Moore, Jr. |
| **Sale Price** | $14,500,000 |
| **Cash Equivalent** | $14,500,000 |
| **Land Data** | |
| **Topography** | Level |
| **Utilities** | All Available |

**Unit Mix**

| Unit Type | No. of Units | Size SF | Rent/Mo. | Mo. Rent/SF |
|---|---|---|---|---|
| 1 BR 1 Ba | 72 | 900 | $715 | $0.79 |
| 2 BR 2 Ba | 84 | 1,155 | $860 | $0 74 |
| 3 BR 2 Ba | 36 | 1,332 | $975 | $0.73 |

| | |
|---|---|
| **Total Units** | 192 |
| **Avg. Unit Size** | 1 |
| **Avg. Rent/Unit** | $827 |
| **Avg. Rent/SF** | $0.76 |
| **General Physical Data** | |
| **Stories** | two |
| **Unit Amenities** | Patios/Balconies, Ceiling Fans, Security System |
| **Project Amenities** | Outdoor Pool, Clubhouse, Laundry |

Year Built 1972

**Remarks**
This is the sale of a 198 unit apartment complex located off of Ashley River Road proximate to Glenn McConnell parkway Vacancy rate was 7.1% at the time of sale. The building was in average condition at the time of sale.

**Multi-Family Sale No. 4**

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 142 |
| **Property Type** | Garden |
| **Property Name** | Reserve @ Wescott Plantation |
| **Address** | 4975 Wescott Boulevard, Summerville, Dorchester County, South Carolina 29485 |
| **Location** | Off of Dorchester Road |
| **Tax ID** | 162-00-00-031 |
| **Sale Data** | |
| **Grantor** | Wescott Reserve, LLC |
| **Grantee** | The Reserve at Wescott Ltd Partnership |
| **Sale Date** | September,01,2005 |
| **Deed Book/Page** | 4900/273 |
| **Recorded Plat** | K-58 |
| **Verification** | Real Data, Deed; Confirmed by P. Kendall Moore, Jr. |
| **Sale Price** | $16,774,000 |
| **Cash Equivalent** | $16,774,000 |
| **Land Data** | |
| **Land Size** | 16.880 Acres or 735,293 SF |
| **Zoning** | Multi-Family |
| **Topography** | Level |
| **Utilities** | All Available |

**Unit Mix**

| Unit Type | No. of Units | Size SF | Rent/Mo. | Mo. Rent/SF |
|---|---|---|---|---|
| 1/1 | 48 | 854 | $715 | $0.84 |
| 1/1 | 24 | 942 | $775 | $0.82 |
| 2/2 | 24 | 1,171 | $899 | $0.77 |
| 2/2 | 48 | 1,132 | $879 | $0.78 |
| 2/2 | 12 | 1,164 | $889 | $0.76 |
| 3/2 | 36 | 1,332 | $1,050 | $0.79 |

| | |
|---|---|
| **Total Units** | 192 |
| **Avg. Rent/Unit** | $860 |
| **Avg. Rent/SF** | $0.79 |

**General Physical Data**

| | |
|---|---|
| **Stories** | 3 |
| **Unit Amenities** | Patios/Balconies, Fire places, Ceiling Fans |
| **Project Amenities** | Outdoor Pool, Clubhouse |
| **Year Built** | 2004 |

**Remarks**

This is the sale of the Reserve @ Wescott Plantation inside of the Wescott Plantation planned development. The complex was built in 2004 and had 8.3% vacancy as of February 10, 2007. The property sold for $87,370 per unit.

**MOORE 226**

## RECONCILIATION

The appraiser has estimated the market value of the subject property under two different scenarios. First, we valued the subject "as is" as of the date of inspection. Next, we valued the subject "as complete" after all renovations have been completed. We valued the property using the Direct Sales Comparison Approach as well as the Income Approach.

| *"As Is"* | |
|---|---|
| Income Approach | $2,700,000 |
| Direct Sales Comparison Approach | $2,880,000 |
| **Final Estimate of Value** | **$2,800,000** |

| *"As Complete"* | |
|---|---|
| Income Approach | $3,500,000 |
| Direct Sales Comparison Approach | $3,750,000 |
| **Final Estimate of Value** | **$3,700,000** |

The Cost Approach estimates total costs associated with building the proposed improvements then adds the land value to determine total value.
We did not use the cost approach in this appraisal due to the age of the subject. It is difficult and unreliable to estimate depreciation for buildings of this age.

We have used the Income Approach to Value in our analysis of this property. The Income Approach estimates expected market rents for the property. After determining an NOI for the property, we capitalize this figure by an estimated capitalization rate to determine a value by the Income Approach. Because the property is to be leased to tenants, this is considered to be a reliable approach to value and significant weight is placed on this approach.

The Direct Sales Comparison Approach to Value estimates the value of the subject property by comparing it to other sales of comparable apartment buildings that have occurred in the market. This is also considered to be a reliable approach and significant weight is placed on this approach as well.

It is our opinion that the value of the "as is" value of the subject property, as of September 12, 2007, is:

**TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS**

**$2,800,000**

It is our opinion that the value of the "as complete" value of the subject property, as of the date of completion, September 12, 2008, is:

**THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS**

**$3,700,000**

**Lease-Up Period**

The subject property will be renovated after the sale. This will require that all current tenants are moved out. The renovations are expected to take 9-12 months to complete. The subject property consists of six different apartment buildings. However, renovations will not take place on all six buildings at once. Rather, the owners will renovate one building at a time. This will allow each building to become available for lease as it is completed. Current vacancy rates for the North Charleston market are at 7.4%. This is extremely low considering that about 5% vacancy can be attributed to turnovers. Based on this evidence, we feel that each building will become fully occupied quickly after it becomes available. It is anticipated that the complex will be aggressively marketed and will accept pre-leases. This will assist in shortening the lease-up period. We do not foresee any significant loss of rent due to a lengthy lease up period. We believe that the apartment complex will achieve stabilization within one year of the date that renovations are begun. Assuming that the renovations will take 9-12 months to complete, the apartment complex will be fully stabilized upon completion of the renovations.

## GENERAL LIMITING CONDITIONS

This appraisal report has been made with, and is subject to, the following General Limiting Conditions:

- The appraiser(s), by reason of this appraisal report, are not required to give further consultation, testimony, or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements.

- The distribution, if any, of the total valuation in this report between land and improvements, if any, applies only under the stated program of utilization. The separated allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.

- Use and disclosure of the content of this report are governed by the bylaws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to the value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute to the MAI or SRA designations) shall be disseminated to the general public through advertising or sales media, public relations media, news media, or other public means of communication without the prior written consent and approval of the appraiser(s).

- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without consent of the appraiser, and in any event only with proper written qualifications and only in its entirety.

- The party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared. However, portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.

- Paul K. Moore & Associates, Inc. has prepared this appraisal for the exclusive use of the stated client. The information and opinions contained in this appraisal set forth the appraiser's best judgement in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal, are the sole responsibility and at the sole risk of the third party. Paul K. Moore & Associates, Inc. nor the appraiser(s) accept any responsibility for damages suffered by any third party as a result of reliance or decisions made or actions taken based on this report.

- Additional copies of this appraisal may be obtained for an appropriate fee only with the knowledge and consent of the client.

**MOORE 229**

## GENERAL AND UNDERLYING ASSUMPTIONS

This appraisal report has been made with, and is subject to, the following general assumptions:

- That title to the property is assumed to be good and marketable unless otherwise stated. No responsibility is assumed for the legal descriptions or for any legal matter.

- That the definition of value together with other definitions and assumptions on which our analyses are based are set forth in appropriate sections of this report and are a part of these General Assumptions as if included here in their entirety.

- That title to the property is assumed to be marketable. The property is considered to be under responsible ownership and management and free of all liens and encumbrances except as specifically discussed herein.

- That the facts, estimates, and opinions furnished the appraiser(s) by others and contained in this report are considered to be from reliable sources and where feasible have been verified. However, no responsibility is assumed for the accuracy of the information. We reserve the right to modify the value estimates should more reliable or accurate information become available subsequent to delivery of this report.

- All engineering and/or surveys are assumed to be correct. The sketches, plot plans, and drawings included in the report are included only to assist the reader in visualizing the property.

- It is assumed that there are no hidden or other unapparent conditions in the soil, subsoil, structures, or property, which would render them more or less valuable. The appraiser specifically accepts no responsibility for damage by termites, woodborers or any other wood-infesting insects.

  No responsibility is assumed for such conditions or for engineering or inspections that would be required to discover them.

- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on, in, or near the property. The appraiser, however, is not qualified to detect such substances.

  The presence of potentially dangerous or hazardous materials, gases, or toxic substances may effect the value of the property and in this appraisal the value estimate is predicated on the assumption that there is no such element on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them.

- Good structural and mechanical conditions are assumed to exist and no opinion as to these matters is to be inferred or constructed from the attached report.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, legislated or administrative consents from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

- It is assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described herein and that there is no encroachment or trespass unless noted within the report.

- The Americans with Disabilities Act of 1990 ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.

- The subject property may or may not be located in or adjacent to a wetland area. The appraisers are not qualified in the area of engineering pertaining to the determination of wetlands. Therefore, the appraisers are unable to determine the wetland status of the subject property. The appraisers assume the appropriate permit, if required, can be or has been obtained from the U.S. Army Corps of Engineers. The appraisers also assume that the jurisdictional determination study and/or permit regarding construction in a wetlands area, if required, does not result in the alteration of the subject property description contained in this appraisal report.

- The appraiser has examined flood maps provided by the Federal Emergency Management Agency (FEMA) and has noted whether the subject property is located in a special flood hazardous area. We are not experts in Flood Zone delineation and make no guarantee regarding the determination since we are not surveyors. A licensed surveyor or engineer should make final determination.

- Unless otherwise noted in the appraisal report, the estimated market value does not include any personal property, fixtures or other non-real estate items.

## QUALIFICATIONS OF THE APPRAISER

**P. Kendall Moore, Jr.**

S.C. State Certified Apprentice Real Estate Appraiser AA #4843 — 11/03 - Present

**Professional Education**

Clemson University, Clemson, SC
Bachelor of Science – Industrial Management — May 2003

**Professional Courses Completed**

Introduction to Real Estate Appraisal, L-1 — November 2003
National Association of Independent Fee Appraisers
St. Louis, MO

Valuation Procedures, L-2 — November 2003
National Association of Independent Fee Appraisers
St. Louis, MO

Uniform Standards of Professional Appraisal Practice, L-3 — November 2003
National Association of Independent Fee Appraisers
St. Louis, MO

**Appraisal Courses Completed**

Appraisal Institute

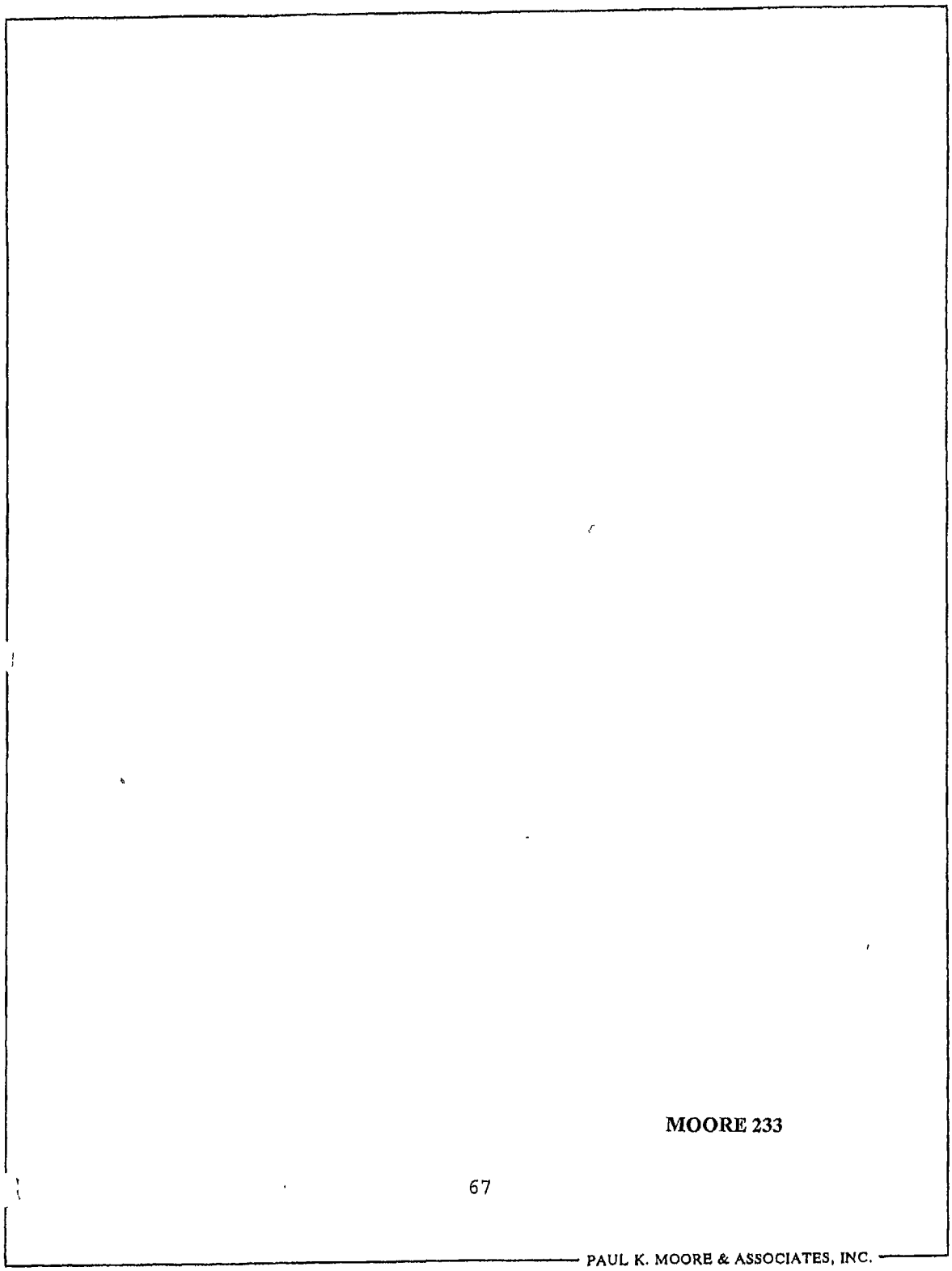
| | | |
|---|---|---|
| | 'Evaluating Residential Construction | 4/23/2004 |
| 420 | Business Practices and Ethics | 5/7/2004 |
| 510 | Advanced Income Capitalization | 5/25/2005 |
| 540 | Report Writing and Valuation Analysis | 2/11/2006 |

**Professional Experience**

Paul K. Moore & Associates, Inc. - Mt. Pleasant, S.C.
Apprentice Real Estate Appraiser — November 2003 – Present

**Property Types Appraised**

Single Family Residential
Multi-Family Residential
Retail/Service Facilities
Office/Retail Facilities
Professional Office
Medical Office



MOORE 233

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PAUL K. MOORE & ASSOCIATES, INC.

QUALIFICATIONS OF THE APPRAISER
PAUL K. MOORE, MAI, SRA

**APPRAISER DESIGNATIONS:**

Appraisal Institute - MAI, SRA, Member #44877
Currently Certified under the Appraisal Institute Mandatory Continuing Education Program

**APPRAISAL CERTIFICATION:**

South Carolina State Certified General Real Estate Appraiser - #CG-155
South Carolina Broker License - Office Code 1769
Georgia State Certified General Real Property Appraiser - #CG-006111
North Carolina State Certified General Real Estate Appraiser - #CG-1353

**PROFESSIONAL EDUCATION:**

Graduate, University of South Carolina, Columbia, S.C.
B.S. Degree in Business Administration - 1973

**APPRAISAL COURSES COMPLETED:**

Appraisal Institute -

| | | |
|---|---|---|
| 101 | Real Property | 1976 |
| 201 | Income Property | 1977 |
| 301 | Real Estate Analysis | 1978 |
| | Narrative Report Seminar | 1978 |
| | R-2 Residential Exam | 1978 |
| | Institute of Financial Education - U.S. Savings & Loan League | 1978 |
| | Valuation of Lease Interest | 1980 |
| | Demonstration Appraisal (Residential) | 1980 |
| II-1 | Case Studies of Real Estate Valuation | 1981 |
| II-2 | Valuation Analysis & Report Writing | 1982 |
| II-3 | Standards of Professional Practice | 1982 |
| IV | Litigation Valuation | 1982 |
| | Demonstration Appraisal (Commercial) | 1982 |
| 1410 | Standards of Professional Practice, Parts A & B | 05/93 |
| 1320 | General Applications (39 Hrs.) | 4/94 |
| | Law Update/Core Course (4 Hrs.) | 2/96 |
| | Law, General (Appraisal Institute 4.0 Hours) | 02/13/96 |
| | Highest and Best Use Applications (Appraisal Institute 7.0 Hours) | 03/22/96 |
| | Real Estate, General (4.0 Hours) | 04/16/96 |
| | Real Estate, Law (4.0 Hours) | 02/35/97 |
| | Special Purpose Properties (7.0 Hours) | 03/14/97 |

QUALIFICATIONS - PAUL K. MOORE, MAI, SRA (cont.)

| | |
|---|---|
| Agency Office Policy (4.0 Hours) | 01/16/98 |
| Appraising High Value and Historic Homes (7.0 Hours) | 01/23/98 |
| Standards of Professional Practice Course 410, Part A | 05/29/98 |
| Standards of Professional Practice, Course 430, Part C (16.0 Hours) | 06/12/98 |
| Separating Real and Personal Property from Intangible Business Assets (Course 800) | 08/26/04 |
| Conservation Easements & Case Studies | 03/4/05 |

**Seminars:**

| | |
|---|---|
| Rates, Ratios & Reasonableness (7 Hrs.) | 1989 |
| General State Certification Review (7 Hrs.) | 1990 |
| Federal Regulators Panel Discussion (7 Hrs.) | 1990 |
| Standards of Professional Practice (7 Hrs.) | 1990 |
| Appraising Troubled Properties (7 Hrs.) | 1991 |
| Appraisal Regulations of the Federal Banking (10 Hrs ) | 1992 |
| The Appraiser's Complete Review Seminar (21 Hrs.) | 1993 |
| "Do Your Homework" (Basic Construction, Inspection Technique & Environmental Hazards & Problem Evaluation) (10 Hrs.) | 3/93 |
| Highest and Best Use Applications (7 Hrs.) | 3/96 |
| Appraising High-Value and Historic Homes (7 Hrs.) | 1/98 |
| Eminent Domain and Condemnation Appraising (7 Hrs.) | 5/98 |
| Appraising Historic Property (10 Hrs.) | 5/98 |
| Litigation Skills for the Appraiser; An Overview (7 Hrs.) | 11/98 |
| Valuation of Detrimental Conditions in Real Estate (7 Hrs.) | 11/98 |
| Loss Prevention Seminar (3.5 Hrs.) | 4/99 |
| Case Studies and Appraisal Litigation (3.5 Hrs.) | 10/99 |
| Residential Sales Comparison Workshop (7 Hrs.) | 05/01 |
| Appraisal Review – Single-Family Residential | 06/06/01 |
| Appraisers Professional Development | 07/26/01 |
| Income Valuation of Small, Mixed-use Properties | 09/21/01 |
| Gramm-Leach-Bliley Act | 01/17/02 |
| Real Estate Fraud: The Appraisers Responsibilities & Liabilities | 01/18/02 |
| Standards of Professional Practice, Part C | 03/08/02 |
| Uniform Appraisal Standards for Federal Land Acquisitions | 12/06/02 |
| Supporting Capitalization Rates | 01/17/03 |
| An Appraiser's Primer to International Building Code (4.0 Hours) | 04/22/04 |
| 7 Hrs-Hour National USPAP Update Course | 05/06/04 |
| 2-Hrs- Analysis and Using Site to Do Business | 10/27/05 |
| 7-Hrs- Highest and Best Use Applications | 10/06/06 |
| 7-Hrs SmallHotel/MotelValuationLimited Service Lodging Facility | 3/03/06 |
| 7- Hour National USPAP Update Course | 5/10/06 |
| 3-Hrs-Inverse Condemnation | 1/25/07 |
| 7_Hrs Forecasting Revenue | 2/2/07 |

**PROFESSIONAL EXPERIENCE:**

| | | |
|---|---|---|
| First Federal Savings & Loan of Charleston | | 1974 to 1980 |
| Licensed Real Estate Broker | **MOORE 235** | 1981-Present |

QUALIFICATIONS - PAUL K. MOORE, MAI, SRA (cont.)

| | |
|---|---|
| Licensed Fee Appraiser | 1981-Present |
| Paul K. Moore & Associates, Inc. (President/Owner) | 1992-Present |
| Member of Appraisal Institute –MAI- | 1983-Present |

Twenty five years experience in sales and appraising property types which include: single family, multi-family, automobile dealerships, financial institutions, condos, office buildings, industrial/manufacturing facilities, warehouses, and various retail and lodging facilities.

**PROFESSIONAL AND PUBLIC ORGANIZATIONS:**

| | |
|---|---|
| President - Charleston Chapter of Society of Real Estate Appraisers - | 1987 |
| Education Chairman - South Carolina Chapter #47 AIREA - | 1987-1988 |
| President - South Carolina Chapter of the Appraisal Institute - | 1991 |
| Appraisal Institute - MAI, SRA - | Present |
| Realtor - Charleston Trident Board of Realtors, Inc. - | Present |
| Charleston County Board of Assessment Appeals - | 1993-1995 |

**APPRAISAL CLIENTS SERVED:**

Branch Banking & Trust Company
Berkeley County Water & Sewer Authority
Carolina First Bank
Conway National Bank
First National Bank of S.C.
South Carolina Bank & Trust
Wachovia Bank
U.S. Army Corps of Engineers
First Federal of Charleston
First Citizens Bank & Trust
First Union National Bank
Goleta National Bank
First Trust Mortgage Corporation
Santee Cooper Electric Co-op
International Paper Company
Regions Bank
South Carolina Federal Credit Union
Cameron & Barkley Co.
Berkeley County School District
Southcoast Community Bank
South Carolina Dept. of Mental Retardation
Coastal Federal Savings & Loan
RBC/Centura Bank
U.S. Dept. of Navy
Farmers and Merchants Bank
Westvaco Development
Community First Bank
Lehman Brothers Bank
Cities of Charleston and N. Charleston
Bank of America (NationsBank)

**SERVICES OFFERED:**
Independent Fee Appraisals and Review Appraisal Services
Consultation and Counseling

**Address:**
Paul K. Moore & Associates, Inc.
528 Johnnie Dodds Blvd., Suite 102
Mt Pleasant, South Carolina 29464

## QUALIFICATIONS - PAUL K. MOORE, MAI, SRA (cont.)


| | | |
|---|---|---|
| Telephone. | (843) 881-0454 | Web Pagecharlestonappraisals.com |
| Fax. | (843) 881-0568 | |
| Toll Free | (888) 607-6834 | |


**MOORE 237**

# ADDENDUM

MOORE 238

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PAUL K. MOORE & ASSOCIATES, INC

# *RE/MAX Professional Realty*

SALES * LEASING * DEVELOPMENT

## EXECUTIVE SUMMARY

# VERDANA

(Formerly Northwood Garden Apartments)

## 2625 Otranto Road
## North Charleston, South Carolina 29406

*ADDRESS:* 2625 Otranto Road
North Charleston, South Carolina 29406

*TAX MAP NUMBER:* *485-03-00-114*

*LOCATION:* VERDANA, to become the new name to former Northwood Garden Apartments, represents lush, green, fresh, urban, verdant nature. VERDANA is located at Northwood Estates, just west of Rivers Avenue, in North Charleston, Charleston County, State of South Carolina. It is approximately 20 miles north of Charleston peninsula via Interstate I-26. It has good proximity to area schools, employment centers, churches, transportation and shopping.

*AREA COMPOSITION:* 2007 Community Summary Report indicates the population at Zip Code 29406 to be 39,046 of which there are a total of 18,303 housing units. 42.1% are owner occupied housing units while there are 46% renter occupied housing units. The remainder of 11.9% is vacant housing units. In addition, Household Consumer Expenditures for maintenance & remodeling services for owned dwellings totaled $18,223,534, in stark contrast to rented dwellings at only $371,213. The population by age concentration from 20 to 29, at a total of 23.00%, is predominant, while the median age is 31.9. 2007 Employed Civilian Population by Industry rates retail trade at 14.5%, health care/social assistance at 10.2% while construction is at 10%.

*BUILDING:* The apartment complex was built sometime in 1974. Comprised of 6 rental buildings, at 2 stories each, all buildings have 8 units each, 4 units at the ground floor and 4 units at the second level. There is also a 1-storey multi-

# VERDANA

## PROJECT LIFE CYCLE

1. **Exterior:**

   a. Roofing
   b. Fascia – Soffitt – Sidings – Shutters
   c. Pressure Wash Exterior Buildings
   d. Demo Building Frontage & Rear Entry & Hallways
   e. Build Building Frontage Pediment & Rear Entry Overhang
   f. Hallway Insulation and Finish
   g. Hallway & Stairwell Flooring and Lighting Finish
   h. Install New Energy Efficient Low-E Double Paned White Vinyl Windows
   i. Driveway Re-Pave and Re-Stripe – Parking Lot
   j. Fencing
   k. Landscaping – Curb Appeal – Front Entry

2. **Interior:**

   a. Demo Kitchen Wall to Living Room – Open Floor Plan
   b. Demo Master Bedroom Double Closet to 6' Framing For Mirrored Wardrobe Sliding Doors
   c. Demo Bathroom
   d. Prep Plumbing & Electrical
   e. Install new bathroom tubs, toilet, cabinets, mirrors, fixtures, lights
   f. HVAC & Tankless Water Heaters
   g. Cable & Internet lines & outlets
   h. Ceiling Fans with Light Fixtures
   i. Fire extinguishers & battery operated-hot wired fire alarms
   j. Kitchen Cabinets, Counters & Sink
   k. New Energy Efficient Kitchen Appliances (ref, stove, microwave, vent, dishwasher, garbage disposal) & Fixtures
   l. Wall coverings – painting – blinds
   m. Flooring – tiles & carpet
   n. Interior doors & locks
   o. Full View Mirrored Glass Closet Doors at Master Bedroom
   p. Unit Entry Doors with peep holes with electronic security door locks

3. Finish:

   a. Furniture displays

**MOORE 240**

| | |
|---|---|
| | function office/clubhouse/maintenance/laundry building of approximately 1,312 square feet. |
| *APPROX SQFT:* | Approximately 832 square feet for 2 bedroom floor plans, and 660 square feet for 1 bedroom floor plans. The property is situated on approximately 2.25 acres of land zoned R-2 multi-family residential, by the City of North Charleston, with street frontage of 198 feet. |
| *EXTERIOR:* | Masonry, brick veneer on slab foundation. Parking index is approximately 2.5 car spaces per unit |
| *DISTRIBUTION:* | 42 units @ 2 bedrooms + 1 bath, 832 approx. sqft.<br>6 units @ 1 bedroom + 1 bath, 660 approx. sqft. |
| *TYPICAL RENT:* | Currently at up to $600 per unit per month |
| *RENOVATION RENT:* | At renovation, up to $850 per month per 2-bedroom unit |
| *CONTACT:* | ROLANDO V. VILLAVICENCIO<br>RE/MAX Professional Realty<br>9209 University Boulevard<br>North Charleston, South Carolina 29406<br>rolandovillavicencio@remax.net |
| *TELEPHONE:* | (843) 767-7777 office (843) 767-4006 fax |

MOORE 241

# Annual Property Operating Data

| | |
|---|---|
| Property Name | VERDANA |
| Location | 2625 Otranto Road |
| Type of Property | 48-Unit Apt Purchase/Renovation |
| Size of Property | 48 Units (Sq Ft /Units) |
| Purpose of analysis | Buy and Hold Apartment Project |

| Assessed/Appraised Values | | |
|---|---|---|
| Land | 875,000 | 25% |
| Improvements | 2,625,000 | 75% |
| Personal Property | 0 | 0% |
| Total | 3,500,000 | 100% |

Adjusted Basis as of 10-Sep-07 $3,514,000

| | |
|---|---|
| Purchase Price | 3,500,000 |
| Plus Acquisition Costs | 14,000 |
| Plus Loan Fees/Costs | 28,000 |
| Less Mortgages | 2,800,000 |
| Equals Initial Investment | 742,000 |

| | Balance | Periodic Pmt | Pmts/Yr | Interest | Amort Period | Loan Term |
|---|---|---|---|---|---|---|
| 1st | $2,800,000 | $24,299 | 12 | 8 5% | 20 | 20 |
| 2nd | | | 12 | | | |

| | ALL FIGURES ARE ANNUAL | $/SQ FT or $/Unit | % of GOI | | | COMMENTS/FOOTNOTES |
|---|---|---|---|---|---|---|
| 1 | **POTENTIAL RENTAL INCOME** | | | | 432,000 | $750 per month per unit |
| 2 | Less Vacancy & Cr Losses | | | ( 5 % of PRI ) | 21,600 | |
| 3 | **EFFECTIVE RENTAL INCOME** | | | | 410,400 | |
| 4 | Plus. Other Income (collectable) | NNN | | | 57,600 | $100 per unit per month |
| 5 | **GROSS OPERATING INCOME** | | | | 468,000 | |
| | OPERATING EXPENSES' | | | | | |
| 6 | Real Estate Taxes | | | 33,600 | | estimate @ 1 20% of $2,800,000 acquisition |
| 7 | Personal Property Taxes | | | | | |
| 8 | Property Insurance | | | 26,250 | | estimate @ 1% of $2625000 improvements |
| 9 | Off Site Management | | | 23,400 | | estimate @ 5% of GOI |
| 10 | Payroll | | | | | |
| 11 | Expenses/Benefits | | | | | |
| 12 | Taxes/Worker's Compensation | | | | | |
| 13 | Repairs and Maintenance | | | 9,600 | | budget @ $200 per unit per year |
| 14 | Utilities: | | | | | |
| 15 | Ground Maintenance | | | 3,000 | | budget @ $250 per month |
| 16 | Common Electrical | | | 4,800 | | budget @ $400 per month |
| 17 | Common Water and Sewer | | | 12,000 | | budget @ $1000 per month |
| 18 | Termite Bond | | | 2,400 | | budget for termite pest control & bonding |
| 19 | Accounting and Legal | | | 1,200 | | |
| 20 | Licenses/Permits | | | | | |
| 21 | Advertising | | | 1,200 | | |
| 22 | Supplies | | | | | |
| 23 | Miscellaneous Contract Services: | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | TOTAL OPERATING EXPENSES | | | | 117,460 | 25 096% TOE to GOI ratio |
| 30 | **NET OPERATING INCOME** | | | | 350,550 | 10 016% Cap Rate |
| 31 | Less. Annual Debt Service | | | | 291,589 | 1 20221 DCR |
| 32 | Less Participation Payments | | | | | 16 820 NOI Decline Allowance |
| 33 | Less: Leasing Commissions | | | | | |
| 34 | Less Funded Reserves | | | | | |
| 35 | **CASH FLOW BEFORE TAXES** | | | | $58,961 | 7 946% Cash on Cash |

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**The statements and figures herein, while not guaranteed, are secured from sources we believe authoritative**

Prepared for: **Heritage Seven LLC**

Prepared by: **Rolando Villavicencio, RE/MAX**

verdi

Verdi Agreement Between Architect and Owner

This AGREEMENT is made: September 17, 2007 (Date) BETWEEN the Owner:

Heritage Seven LLC
Linda A. Gibson, Member
Project Representative: Rolando V. Villavicencio
c/o RE/MAX Professional Realty, 9209 University Boulevard
N. Charleston, SC 29406

and the Design Team, The Verdi Company as Designer/Green Building Consultant for the following Project:

Provide Green Building analysis for the proposed 4 unit VERDANA renovations, 2626 Otranto Road, North Charleston, SC 29406, relative to the owner's budget proposed, not to exceed $700/s gross, goals: (Earth) as possible to be determined within 12 days of contract enactment or by October 6, 2007, whichever occurs first with Energy Star requirements as a secondary goal. Earth rating is not attainable, and intended schedule: Prepare basic permit drawings after owner has signed off on the green code and budget analysis. Coordinate basic S/M/E engineering as required. Provide oversight during construction per below.

The Owner and Architect agree as follows:

ARTICLE 1 ARCHITECT'S RESPONSIBILITIES

1.1 The Architect's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project. The Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services which may be adjusted as the Project proceeds. This schedule shall include allowances for periods of time required for the Owner's review and for approval of submissions by authorities having jurisdiction over the Project. Time limits established by this schedule approved by the Owner shall not, except for reasonable cause, be exceeded by the Architect or Owner.

1.2 The Architect shall designate a representative authorized to act on behalf of the Architect with respect to the Project.

ARTICLE 2 SCOPE OF ARCHITECT'S BASIC SERVICES

2.1 DEFINITION
The Architect's Basic Services consist of those described in Sections 2.2 through 2.6 and any other services identified in Article 12 as part of Basic Services, and include normal structural, mechanical and electrical engineering services.

2.2 SCHEMATIC DESIGN PHASE

2.2.1 The Architect shall review the program furnished by the Owner to ascertain the requirements of the Project and shall arrive at a mutual understanding of such requirements with the Owner. The Architect shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other, subject to the limitations set forth in Section 5.2.1.

2.2.2 The Architect shall review with the Owner alternative approaches to design and construction of the Project. The Architect shall submit to the Owner a preliminary estimate of Construction Cost based on current area, volume or similar conceptual estimating techniques.

2.2.3 Based on the mutually agreed-upon program, schedule and construction budget requirements, the Architect shall prepare, for approval by the Owner, Schematic Design Documents consisting of drawings and other documents illustrating the scale and relationship of Project components.

DEFENDANT'S EXHIBIT 14

DEFENDANT'S DEPOSITION EXHIBIT 3-Gibson 12-5-07-10

VERDI 02

DEFENDANT'S EXHIBIT 5 GIBSON

2.3 DESIGN DEVELOPMENT PHASE

2.3.1 Based on the approved Schematic Design Documents and any adjustments authorized by the Owner in the program, schedule or construction budget, the Architect shall prepare, for approval by the Owner, Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate.

2.3.2 The Architect shall advise the Owner of any adjustments to the preliminary estimate of Construction Cost.

2.4 CONSTRUCTION DOCUMENTS PHASE

2.4.1 Based on the approved Design Development Documents and any further adjustments in the scope or quality of the Project or in the construction budget authorized by the Owner, the Architect shall prepare, for approval by the Owner, Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Project.

2.4.2 The Architect shall assist the Owner in the preparation of the necessary bidding information, bidding forms, the Conditions of the Contract, and the form of Agreement between the Owner and Contractor.

2.4.3 The Architect shall advise the Owner of any adjustments to previous preliminary estimates of Construction Cost indicated by changes in requirements or general market conditions.

2.4.4 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

2.5 BIDDING OR NEGOTIATION PHASE

The Architect, following the Owner's approval of the Construction Documents and of the latest preliminary estimate of Construction Cost, shall assist the Owner in obtaining bids or negotiated proposals and assist in awarding and preparing contracts for construction.

2.6 CONSTRUCTION PHASE—ADMINISTRATION OF THE CONSTRUCTION CONTRACT

2.6.1 The Architect's responsibility to provide Basic Services for the Construction Phase under this Agreement commences with the award of the Initial Contract for Construction and terminates at the earlier of the issuance to Owner of the final Certificate for Payment or 60 days after the date of Substantial Completion of the Work.

2.6.2 The Architect shall provide administration of the Contract for Construction as set forth below and in the edition of AIA Document A205, General Conditions of the Contract for Construction, current as of the date of this Agreement, unless otherwise provided in this Agreement. Modifications made to the General Conditions, when adopted as part of the Contract Documents, shall be enforceable under this Agreement only to the extent that they are consistent with this Agreement or approved in writing by the Architect.

2.6.3 Duties, responsibilities and limitations of authority of the Architect under this Section 2.6 shall not be restricted, modified or extended without written agreement of the Owner and Architect with consent of the Contractor, which consent will not be unreasonably withheld.

2.6.4 The Architect shall be a representative of and shall advise and consult with the Owner during the administration of the Contract for Construction. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement unless otherwise modified by written amendment.

2.6.5 The Architect, as a representative of the Owner, shall visit the site at intervals appropriate to the stage of the Contractor's operations, or as otherwise agreed by the Owner and the Architect in Article 12, (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully

completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect shall neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

2.6.6 The Architect shall report to the Owner known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor. However, the Architect shall not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of and shall not be responsible for acts or omissions of the Contractor, Subcontractors, their agents or employees, or of any other persons or entities performing portions of the Work.

2.6.7 The Architect shall at all times have access to the Work wherever it is in preparation or progress.

2.6.8 Except as otherwise provided in this Agreement or when direct communications have been specially authorized, the Owner shall endeavor to communicate with the Contractor through the Architect about matters arising out of or relating to the Contract Documents. Communications by and with the Architect's consultants shall be through the Architect.

2.6.9 CERTIFICATES FOR PAYMENT

2.6.9.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 2.6.5 and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject (1) to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) to results of subsequent tests and inspections, (3) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Architect.

2.6.9.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

2.6.10 The Architect shall have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons or entities performing portions of the Work.

2.6.11 The Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action shall be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the Owner, Contractor or separate contractors, while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review shall not

constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

2.6.12 If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Architect shall specify appropriate performance and design criteria that such services must satisfy. Shop Drawings and other submittals related to the Work designed or certified by the design professional retained by the Contractor shall bear such professional's written approval when submitted to the Architect. The Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.

2.6.13 The Architect shall prepare Change Orders and Construction Change Directives, with supporting documentation and data if deemed necessary by the Architect as provided in Sections 3.1.1 and 3.3.3, for the Owner's approval and execution in accordance with the Contract Documents, and may authorize minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time which are consistent with the intent of the Contract Documents.

2.6.14 The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, shall receive from the Contractor and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor, and shall issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.

2.6.15 The Architect shall interpret and decide matters concerning performance of the Owner and Contractor under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

2.6.16 Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and initial decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions so rendered in good faith.

2.6.17 The Architect shall render initial decisions on claims, disputes or other matters in question between the Owner and Contractor as provided in the Contract Documents. However, the Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents. The Architect's decisions on claims, disputes or other matters in question between the Owner and Contractor, except for those relating to aesthetic effect as provided in Section 2.6.17, shall be subject to mediation and arbitration as provided in this Agreement and in the Contract Documents.

## ARTICLE 3 ADDITIONAL SERVICES

### 3.1 GENERAL

3.1.1 The services described in this Article 3 are not included in Basic Services unless so identified in Article 12, and they shall be paid for by the Owner as provided in this Agreement, in addition to the compensation for Basic Services. The services described in Sections 3.2 and 3.4 shall only be provided if authorized or confirmed in writing by the Owner. If services described as Contingent Additional Services in Section 3.3 are required due to circumstances beyond the Architect's control, the Architect shall notify the Owner prior to commencing such services. If the Owner deems such services described in Section 3.3 are not required, the Owner shall give prompt written notice to the Architect and if the Owner indicates all or part of such Contingent Additional Services are not required, the Architect shall have no obligation to provide those services.

3.2 PROJECT REPRESENTATION BEYOND BASIC SERVICES

3.2.1 If more extensive representation at the site than is described in Section 2.6.5 is required, the Architect shall provide one or more Project Representatives to assist in carrying out such additional on-site responsibilities.

3.2.2 Project Representatives shall be selected, employed and directed by the Architect, and the Architect shall be compensated therefore as agreed by the Owner and Architect. Through the presence at the site of such Project Representatives, the Architect shall endeavor to provide further protection for the Owner against defects and deficiencies in the Work, but the furnishing of such project representation shall not modify the rights, responsibilities or obligations of the Architect as described elsewhere in this Agreement.

3.3 CONTINGENT ADDITIONAL SERVICES

3.3.1 Making revisions in drawings, specifications or other documents when such revisions are:

.1 inconsistent with approvals or instructions previously given by the Owner, including revisions made necessary by adjustments in the Owner's program or Project budget;

.2 required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents; or

.3 due to changes required as a result of the Owner's failure to render decisions in a timely manner.

3.3.2 Providing services required because of significant changes in the Project including, but not limited to, size, quality, complexity, the Owner's schedule, or the method of bidding or negotiating and contracting for construction, except for services required under Section 5.2.5.

3.3.3 Preparing Drawings, Specifications and other documentation and supporting data, evaluating Contractor's proposals, and providing other services in connection with Change Orders and Construction Change Directives.

3.3.4 Providing services in connection with evaluating substitutions proposed by the Contractor and making subsequent revisions to Drawings, Specifications and other documentation resulting therefrom.

3.3.5 Providing consultation concerning replacement of Work damaged by fire or other cause during construction, and furnishing services required in connection with the replacement of such Work.

3.3.6 Providing services made necessary by the default of the Contractor, by major defects or deficiencies in the Work of the Contractor, or by failure of performance of either the Owner or Contractor under the Contract for Construction.

3.3.7 Providing services in evaluating an extensive number of claims submitted by the Contractor or others in connection with the Work.

3.3.8 Providing services in connection with a public hearing, a dispute resolution proceeding or a legal proceeding except where the Architect is party thereto.

3.3.9 Preparing documents for alternate, separate or sequential bids or providing services in connection with bidding, negotiation or construction prior to the completion of the Construction Documents Phase.

3.4 OPTIONAL ADDITIONAL SERVICES

3.4.1 Providing additional analyses of the Owner's needs and programming the requirements of the Project.
3.4.2 Providing financial feasibility or other special studies.
3.4.3 Providing planning surveys, site evaluations or comparative studies of prospective sites.
3.4.4 Providing special surveys, environmental studies and submissions required for approvals of governmental authorities or others having jurisdiction over the Project.
3.4.5 Providing services relative to future facilities, systems and equipment.
3.4.6 Providing services to investigate existing conditions or facilities or to make measured drawings thereof.

3.4.7 Providing services to verify the accuracy of drawings or other information furnished by the Owner.
3.4.8 Providing coordination of construction performed by separate contractors or by Owner's own forces and coordination of services required in connection with construction performed and equipment supplied by Owner.
3.4.9 Providing services in connection with the work of a construction manager or separate consultants retained by the Owner.
3.4.10 Providing detailed estimates of Construction Cost.
3.4.11 Providing detailed quantity surveys or inventories of material, equipment and labor.
3.4.12 Providing analyses of owning and operating costs.
3.4.13 Providing interior design and other similar services required for or in connection with the selection, procurement or installation of furniture, furnishings and related equipment.
3.4.14 Providing services for planning tenant or rental spaces.
3.4.15 Making investigations, inventories of materials or equipment, or valuations and detailed appraisals of existing facilities.
3.4.16 Preparing a set of reproducible record drawings showing significant changes in the Work made during construction based on marked-up prints, drawings and other data furnished by the Contractor to the Architect.
3.4.17 Providing assistance in the utilization of equipment or systems such as testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.
3.4.18 Providing services after issuance to the Owner of the final Certificate for Payment, or in the absence of a final Certificate for Payment, more than 60 days after the date of Substantial Completion of the Work.
3.4.19 Providing services of consultants for other than architectural, structural, mechanical and electrical engineering portions of the Project provided as a part of Basic Services. Earthcraft ?
3.4.20 Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural practice.

ARTICLE 4 OWNER'S RESPONSIBILITIES

4.1 The Owner shall provide full information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. The Owner shall furnish to the Architect, within 15 days after receipt of a written request, information necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

4.2 The Owner shall establish and periodically update an overall budget for the Project, including the Construction Cost, the Owner's other costs and reasonable contingencies related to all of these costs

4.3 The Owner has designated a representative authorized to act on the Owner's behalf with respect to the Project. The Owner or such designated representative shall render decisions in a timely manner pertaining to documents submitted by the Architect in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

4.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

4.5 The Owner shall furnish the services of geotechnical engineers when such services are requested by the Architect. Such services may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with reports and appropriate recommendations.

4.6 The Owner shall furnish the services of consultants other than those designated in Section 4.5 when such services are requested by the Architect and are reasonably required by the scope of the Project.

4.7 The Owner shall furnish structural, mechanical, and chemical tests; tests for air and water pollution; tests for hazardous materials; and other laboratory and environmental tests, inspections and reports required by law or the Contract Documents.

4.8 The Owner shall furnish all legal, accounting and insurance services that may be necessary at any time for the Project to meet the Owner's needs and interests. Such services shall include auditing services the Owner may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor has used the money paid by or on behalf of the Owner.

4.9 The services, information, surveys and reports required by Sections 4.4 through 4.8 shall be furnished at the Owner's expense, and the Architect shall be entitled to rely upon the accuracy and completeness thereof.

4.10 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

ARTICLE 5 CONSTRUCTION COST

5.1 DEFINITION

5.1.1 The Construction Cost shall be the total cost or, to the extent the Project is not completed, the estimated cost to the Owner of all elements of the Project designed or specified by the Architect.

5.1.2 The Construction Cost shall include the cost at current market rates of labor and materials furnished by the Owner and equipment designed, specified, selected or specially provided for by the Architect, including the costs of management or supervision of construction or installation provided by a separate construction manager or contractor, plus a reasonable allowance for their overhead and profit. In addition, a reasonable allowance for contingencies shall be included for market conditions at the time of bidding and for changes in the Work. Construction Cost does not include the compensation of the Architect and the Architect's consultants, the costs of the land, rights-of-way and financing or other costs that are the responsibility of the Owner as provided in Article 4.

5.2 RESPONSIBILITY FOR CONSTRUCTION COST

5.2.1 Evaluations of the Owner's Project budget, the preliminary estimate of Construction Cost and detailed estimates of Construction Cost, if any, prepared by the Architect, represent the Architect's judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's Project budget or from any estimate of Construction Cost or evaluation prepared or agreed to by the Architect. **The construction cost shall be developed by The Triton Group as consultants to Verdi during the Design and Construction Document Phases.**

5.2.2 No fixed limit of Construction Cost shall be established as a condition of this Agreement by the furnishing, proposal or establishment of a Project budget, unless such fixed limit has been agreed upon in writing and signed by the parties hereto. If such a fixed limit has been established, the Architect shall be permitted to include contingencies for design, bidding and price escalation, to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents, to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids as may be necessary to adjust the Construction Cost to the fixed limit. Fixed limits, if any, shall be increased in the amount of an increase in the Contract Sum occurring after execution of the Contract for Construction.

6.2.3 If the Bidding or Negotiation Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, any Project budget or fixed limit of Construction Cost shall be adjusted to reflect changes in the general level of prices in the construction industry.

ARTICLE 6 USE OF ARCHITECT'S INSTRUMENTS OF SERVICE

6.1 Drawings, specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service for use solely with respect to this Project. The Architect and Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service and shall retain all common law, statutory and other reserved rights, including copyrights.

6.2 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to reproduce ~~the Architect's Instruments of Service solely for purposes of constructing, using and maintaining the Project,~~ provided that the Owner shall comply with all obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. Any termination of this Agreement prior to completion of the Project shall terminate this license. Upon such termination, the Owner shall refrain from making further reproductions of Instruments of Service and shall return to the Architect within seven days of termination all originals and reproductions in the Owner's possession or control. If and upon the date the Architect is adjudged in default of this Agreement, the foregoing license shall be deemed terminated and replaced by a second, nonexclusive license permitting the Owner to authorize other similarly credentialed design professionals to reproduce and, where permitted by law, to make changes, corrections or additions to the Instruments of Service solely for purposes of completing, using and maintaining the Project.

6.3 Except for the licenses granted in Section 6.2, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. However, the Owner shall be permitted to authorize the Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers to reproduce applicable portions of the Instruments of Service appropriate to and for use in their execution of the Work by license granted in Section 6.2. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants. The Owner shall not use the Instruments of Service for future additions or alterations to this Project or for other projects, unless the Owner obtains the prior written agreement of the Architect and the Architect's consultants. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

6.4 Prior to the Architect providing to the Owner any Instruments of Service in electronic form or the Owner providing to the Architect any electronic data for incorporation into the Instruments of Service, the Owner and the Architect shall by separate written agreement set forth the specific conditions governing the format of such Instruments of Service or electronic data, including any special limitations or licenses not otherwise provided in this Agreement.

ARTICLE 7 DISPUTE RESOLUTION

7.1 MEDIATION

7.1.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by arbitration.

7.1.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the

Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

7.1.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

7.2 ARBITRATION

7.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to arbitration. Prior to arbitration, the parties shall endeavor to resolve disputes by mediation in accordance with Section 7.1. A demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

7.2.2 Claims, disputes and other matters in question between the parties that are not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association.

7.2.3 No arbitration arising out of or relating to this Agreement shall include, by consolidation or joinder or in any other manner, an additional person or entity not a party to this Agreement, except by written consent containing a specific reference to this Agreement and signed by the Owner, Architect, and any other person or entity sought to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

7.2.4 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

7.3 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 8.

ARTICLE 8 TERMINATION OR SUSPENSION

8.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, prior to suspension of services, the Architect shall give seven days' written notice to the Owner. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

8.2 If the Project is suspended by the Owner for more than 30 consecutive days, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the

Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

8.3 If the Project is suspended or the Architect's services are suspended for more than 90 consecutive days, the Architect may terminate this Agreement by giving not less than seven days' written notice.

8.4 This Agreement may be terminated by either party upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination. This Agreement may be terminated by the Owner upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

8.5 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 8.7.

8.6 Termination Expenses are in addition to compensation for the services of the Agreement and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

ARTICLE 9 MISCELLANEOUS PROVISIONS

9.1 This Agreement shall be governed by the law of the principal place of business of the Architect, unless otherwise provided in Article 12.

9.2 Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of Substantial Completion for acts or failures to act occurring prior to Substantial Completion or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after Substantial Completion. In no event shall such statutes of limitations commence to run any later than the date when the Architect's services are substantially completed.

9.3 To the extent damages are covered by property insurance during construction, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

9.4 The Owner and Architect, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to an institutional lender providing financing for the Project. In such event, the lender shall assume the Owner's rights and obligations under this Agreement. The Architect shall execute all consents reasonably required to facilitate such assignment.

9.5 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

9.6 Unless otherwise provided in this Agreement, the Architect and Architect's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the Project site.

9.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

9.8 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates that would require knowledge, services or responsibilities beyond the scope of this Agreement.

## ARTICLE 10 PAYMENTS TO THE ARCHITECT

### 10.1 DIRECT PERSONNEL EXPENSE

Direct Personnel Expense is defined as the direct salaries of the Architect's personnel engaged on the Project and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

### 10.2 REIMBURSABLE EXPENSES

10.2.1 Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include expenses incurred by the Architect and Architect's employees and consultants directly related to the Project, as identified in the following Clauses:

.1 transportation in connection with authorized out-of-town travel and subsistence;
.2 fees paid for securing approval of authorities having jurisdiction over the Project;
.3 additional copies, reproductions and plots, overnight postage, delivery of instruments of Service;
.4 expense of overtime work requiring higher than regular rates if authorized in advance by Owner;
.5 renderings, models and mock-ups requested by the Owner;
.6 expense of professional liability insurance dedicated exclusively to this Project or the expense of additional insurance coverage or limits requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants;
.7 reimbursable expenses as designated in Article 12.

### 10.3 PAYMENTS ON ACCOUNT OF BASIC SERVICES

10.3.1 An initial payment as set forth in Section 11.1 is the minimum payment under this Agreement.

10.3.2 Subsequent payments for Basic Services shall be made monthly and, where applicable, shall be in proportion to services performed within each phase of service, on the basis set forth in Section 11.2.2.

10.3.3 If and to the extent that the time initially established in Section 11.5.1 of this Agreement is exceeded or extended through no fault of the Architect, compensation for any services rendered during the additional period of time shall be computed in the manner set forth in Section 11.3.2.

10.3.4 When compensation is based on a percentage of Construction Cost and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions, in accordance with the schedule set forth in Section 11.2.2, based on (1) the lowest bona fide bid or negotiated proposal, or (2) if no such bid or proposal is received, the most recent preliminary estimate of Construction Cost or detailed estimate of Construction Cost for such portions of the Project.

### 10.4 PAYMENTS ON ACCOUNT OF ADDITIONAL SERVICES

Payments on account of the Architect's Additional Services and for Reimbursable Expenses shall be made monthly upon presentation of the Architect's statement of services rendered or expenses incurred.

10.5 PAYMENTS WITHHELD
No deductions shall be made from the Architect's compensation on account of penalty, liquidated damages or other sums withheld from payments to contractors, or on account of the cost of changes in the Work other than those for which the Architect has been adjudged to be liable.

10.6 ARCHITECT'S ACCOUNTING RECORDS
Records of Reimbursable Expenses and expenses pertaining to Additional Services and services performed on the basis of hourly rates or a multiple of Direct Personnel Expense shall be available to the Owner or the Owner's authorized representative at mutually convenient times.

ARTICLE 11 BASIS OF COMPENSATION
The Owner shall compensate the Architect as follows:

11.1 An Initial Non-Refundable Payment of [illegible] ($1,000.00) shall be made upon execution of this Agreement and credited to the Owner's account at final payment.

11.2 BASIC COMPENSATION

11.2.1 For Basic Services, as described in Article 2, and any other services included in Article 12 as part of Basic Services, Basic Compensation shall be computed as follows:

[illegible]

11.2.2 Progress payments for Basic Services in each phase shall total the following percentages of the total Basic Compensation payable:

| | | | | |
|---|---|---|---|---|
| Schematic Design Phase: | [illegible] | (percent | [illegible] | %) |
| Design Development Phase: | [illegible] | (percent | [illegible] | %) |
| Construction Documents Phase: | [illegible] | (percent | [illegible] | %) |
| Bidding or Negotiation Phase: | [illegible] | (percent | [illegible] | %) |
| Construction Phase: | [illegible] | (percent | [illegible] | %) |
| Total Basic Compensation | [illegible] | percent | [illegible] | %) |

11.3 COMPENSATION FOR ADDITIONAL SERVICES

11.3.1 For Project Representation Beyond Basic Services, as described in Section 3.2, compensation shall be computed as follows:

[illegible]

11.3.2 For Additional Services of the Architect, as described in Articles 3 and 12, other than (1) Additional Project Representation, as described in Section 3.2, and (2) services included in Article 12 as part of Basic Services, but excluding services of consultants, compensation shall be computed as follows:

[illegible]

11.3.3 For Additional Services of Consultants, including additional structural, mechanical and electrical engineering services and those provided under Section 3.4.19 or identified in Article 12 as part of Additional Services, a multiple of zero ( 1.0 ) times the amounts billed to the Architect for such services.

11.4 REIMBURSABLE EXPENSES

For Reimbursable Expenses, as described in Section 10.2, and any other items included in Article 12 as Reimbursable Expenses, a multiple of zero times the expenses incurred by the Architect, the Architect's employees and consultants directly related to the Project.

11.5 ADDITIONAL PROVISIONS

11.5.1 If the Basic Services covered by this Agreement have not been completed within twelve ( 12 ) months of the date hereof, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as provided in Sections 10.3.3 and 11.3.2.

11.5.2 Payments are due and payable ten ( 10 ) days from the date of the Architect's invoice. Amounts unpaid thirty ( 30% ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

11.5.3 The rates and multiples set forth for Additional Services shall be adjusted in accordance with the normal salary review practices of the Architect.

ARTICLE 12 OTHER CONDITIONS OR SERVICES

Basic Compensation in Article 11 above will be adjusted if there is a significant change in scope. The Architect's group will serve as lead consultant and project manager for the Owner. The Verdi Group will be credited toward the proposed Overhead & Profit of a future contract for construction of the Owner's plans to use the Verdi Group for construction.

OWNER

(Signature)

Linda Gibson Member

(Printed name and title)

DESIGNERS

(Signature)

David Hall owner

(Printed name and title)

verdi

we know green building

www.theverdicompany.com

2520 Avenue E East
Arlington, TX 76011
(817) 640-1101 phone
(817) 640-1102 fax

FIRST RELIANCE BANK

# Credit Memo

| | |
|---|---|
| **Loan Officer:** | **Karl H. Zerbst, Jr.** |
| **Date:** | **9/17/07** |
| **Borrower Name:** | **Heritage Seven, LLC** |
| **Current Borrower Exposure:** | **$1,220,334.** |
| **Amount Requested:** | **$2,800,000.** |
| **Total Exposure:** *(Including New Request)* | **$4,020,334.** |

**Loan Purpose:**
To purchase the Northwood Garden Apartments and rehab the 48 unit complex into a modern income producing investment. Specifically, the 6 buildings are in need of interior and exterior renovations as the current owner, out of market, has allowed the complex to deteriorate. Linda Gibson, our customer, is purchasing the property as the location is excellent to support the need for Charleston Southern University student housing.

**Proposed Terms:**

| | |
|---|---|
| **Loan Amount:** | **$2,800,000** |
| **Funding @ Closing:** | **$2,100,000** |
| **Terms:** | **9 months interest only then 20 yr amo.** |
| **Pricing:** | **Prime + 25% floating with $10,000 fee.** |
| **Collateral:** | **1st mortgage on subject property.** |
| **Loan to Cost/Value:** | **80%** |

**Borrower's Background:**
Linda Gibson has been in many different investment businesses in Charleston and Berkeley County. She has a strong net worth through real estate holdings but many of her assets are non income producing. See attached statement for clarification. Linda is desirous of redirecting her assets into properties that have limited risks but throw off cash For example, the shopping center that she purchased and allowed us to finance in December, 2005.

**Property Description:**
This apartment complex was built in the 70"s and has filled a viable need in the North Charleston community for many years. However, Linda will now fill another need as the University is running out of space for students. The location is ideal. The property sits just off Rivers Avenue at Northwoods Estates north of Northwoods Mall.

This 48 unit apartment complex will be known as Verdana, one of the state's first suburban "Green" apartment communities to under go expansive adaptive reuse in the city of North Charleston. Verdana shall be an eco-friendly, energy efficient, garden style apartment community.

The 6 buildings are two story with 8 units each, 4 on the bottom and 4 on the top. Approximately 860 sq. ft. for 2 bedrooms and 625 sq. ft. for 1 bedroom. There are 42 2-bedrooms and 6 1-bedrooms. The exterior is brick veneer on slab foundation. Parking provides for 2.5 car spaces per unit. Rolando Villavicencio of



DEFENDANT'S EXHIBIT 15

RE/MAX Professional Realty will handle all leases and property management. He is known to the writer and is well thought of.

**Cash Injection:**
Linda Gibson has $700,000 available as cash equity that would be used at closing. There is another $215,000 from the seller at closing that will be escrowed used for improvements. This provides $915,000 for construction on the 48 units.

**Income Analysis:**
Linda's 2006 tax return reflects several leases on properties that extend for many years. For example, commercial land leases on 2 properties are for a 50 year term from the Bartone family. The cell tower rental has been in place for many years also. Rental income from the leases as well as the income from the center amounts to $34,093, monthly per the 06 tax return.

*Debt payments are as follows.*

| | |
|---|---|
| 1st mortgage payment | $ 1,000 |
| 2nd mortgage payment | $ 1,400 |
| Palm Blvd | $ 9,834 |
| Shopping Center | $12,000 |
| Barn payment | $ 600 |
| Monthly | $24,834 |

**Balance Sheet Analysis:**
The borrower, Heritage Seven, LLC, is a single member asset entity owning the Moncks Corner shopping center. Linda is 50% member in the LLC and so is a trust in the name of her late husband. She has the authorization to act on the behalf of the trust on all matters.

**Cash Flow Analysis:**
The annual property operating data sheet attached and known as Exhibit 1 indicates a fair representation of the net cash flow for the apartment complex once all improvements are complete and lease up as occurred. The only difference from this projection vs. the appraiser is a $150 more for each unit that the property manager expects and plans to receive in the form of lease income.

**Collateral Analysis,**
The appraisal on the complex has been completed and dated 9/12/07 by Paul Moore. The final value as is amounts to $2,800,000 with a final estimate of value of $3,700,000 once improvements are complete. The appraiser points out the substantial deferred maintenance on the 6 buildings and for that the seller has offered at closing $215,000 towards interior upgrades, and exterior costs such as replacement of windows, roofs and landscape. This is all part of the overall rehab project for the complex.

The cost per unit equates to $58,333, while the value per unit is $77,083.

**Additional Collateral:**
Linda Gibson will provide an additional parcel of real estate that has no current mortgage and known as Klister Lane and valued on her statement at $465,000 This is a 3 acre tract of land with cell tower. This property would be part of the collateral until such time as the apartment complex is stabilized on an annual basis

**Contractor:**
The contractor is Triton Group and the builder consultant/designer company is The Verdi Company. This company specializes in the Green Building Design which uses recycled materials and eco-system friendly raw products. As a result they have won many awards for daylighting and space-efficient design. The concept is to provide more energy efficient, better indoor air quality, less

maintenance and more responsible materials. The construction provides for a stronger, healthier and more affordable product. See attachment for more on the company.

**Guarantor One Comments:**
Linda values her personal residence at $690,000 which includes 10 acres with a 6 horse barn. She has another 78 acres adjacent which she values at $1,380,000. Investment in real estate of land only and buildings total $52,686,800. There are 13 different properties of which some are income producing. Several properties are leased to Joe Bartone along Clements Ferry Road, Daniel Island. Her debts include $397,479 owed on primary, 1st and 2nd, Palm Blvd home for sale, shopping center loan and a small loan on the barn.

The Palm Blvd home is on the market for $2,500,000 with a $1,500,000 mortgage. The center in Moncks Corner is valued at $2,200,000 with a mortgage of $1,220,334. The barn loan as well as the mortgages on her primary are with First Citizen Bank.

Linda's monthly debt obligations are $24,834, with income sources from leases of $34,093 monthly. The additional income could be used to service payments for the apartment loan.

**Strengths of the Credit:**
- Net worth of $53,005M – majority of assets are in real estate.
- Property is well situated for good tenant base.
- CBI of 760, 38 ones, no negatives.
- Property managed by profession group.

**Weaknesses of the Credit:**
- Apartment rehab with significant construction.
- 20 year amortization.
- DCR

**Lender Recommendations:**
Given the net worth, credit score, need for the product and cash injection made by Linda Gibson, I recommend this loan be approved as presented at a credit score of 4. The commitment shown by Gibson displays her desire to acquire this type of investment for the long term.

Goose Creek, SC 29445
TritonConstruction@comcast.net

# Contract

| Submitted To | Phone: | Date: |
|---|---|---|
| Heritage Seven, LLC, Linda A. Gibson, Member c/o Rolando Villavicencio RE/Max Professional Realty | (843) 767-7777 | 09/26/2007 |

Street Address:
9209 University Blvd.

| City | State | Zip |
|---|---|---|
| North Charleston | SC | 29406 |

THIS CONTRACT IS SUBJECT TO SOUTH CAROLINA ARBITRATION ACT 15-48

We propose hereby to furnish material, labor, and equipment to complete in accordance with the attached specifications: See Cover Sheet

THE CONTRACT PRICE SHALL BE: not to exceed Seven Hundred Thousand Dollars, ($700,000.00)

Payment To Be Made As Follows: Draws as work progresses

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from attached specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Owner is to carry Fire, Tornado, and other necessary insurance. Any controversy or claim arising out of or relating to this contract, or breach thereof, shall be settled in accordance with rules and procedures of construction arbitration and applicable state law. All work performed will be warranted by a contractor for a period of (1) one year from completion of the job. All uncollected monies shall accrue interest at a rate of 1 ½% per month on the unpaid balance until paid in full. Any reasonable legal fee required in the collection of monies shall be the responsibility of the client.

Triton Construction

| Authorized Signature: | |
|---|---|

Note: We may withdraw this proposal if not accepted within (30) thirty days.

Acceptance of Proposal

The above prices, specifications, and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

| Signature of Accepting Party: | Date of Acceptance: |
|---|---|
| | |
| | |

AMERIS 415

DEFENDANT'S EXHIBIT 16

DEFENDANT'S EXHIBIT SKC
ID/REC 9/20/11

Professional Licensing Boards | Board Member Lookup

Main Menu : Residential Builders Note: All fields are not required for searching

Last Name:
License number: 17133
First name:
City:
Company name:
License Type: All
Find

Your search returned: 1 record(s)

CLICK ON THE LICENSE NUMBER BELOW TO DISPLAY VERIFICATION INFORMATION FOR THAT RECORD.

| | Last | First | Middle | Company | City | State | Type |
|---|---|---|---|---|---|---|---|
| 17133 | VAN HAELST | MARK | | TRITON CONSTRUCTION | GOOSE CREEK | SC | Home Builders |

Search Tip:
For more results, only type in the first few characters of your search.

Questions / Contact Information
Patrice Deas, Administrative Coordinator
Residential Builders Commission
PO Box 11329
Columbia, S C. 29211
Telephone: 803-896-4696

South Carolina Department of Labor, Licensing & Regulation

AMERIS 416

Statement of Experience

Mark VanHaelst
118 N. Pembroke Dr.
Goose Creek, SC 29445
Tel: (843) 224-9486 Fax: (843) 764-1996

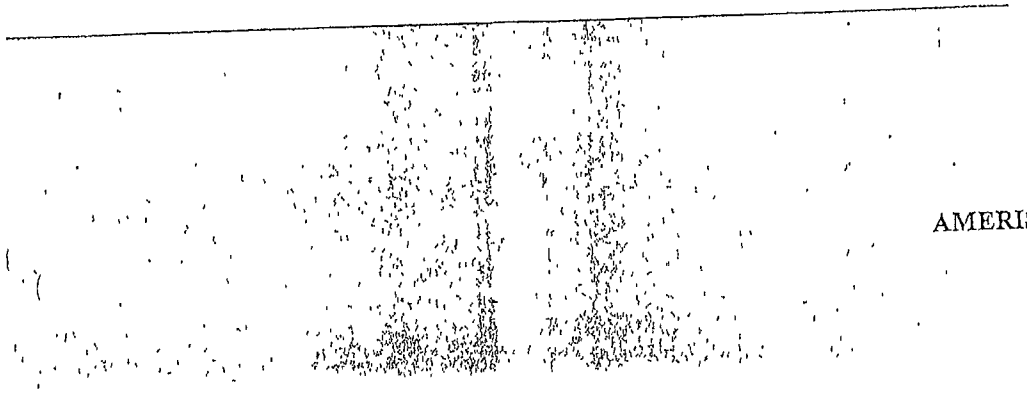
Work History

- 1987 - Graduated Goose Creek High School
- 1988 - 1991: Goer Manufacturing - Computer Saw Specialist
- 1991 - 1999: Anderson Construction - Bookkeeper, Field Supervisor, Estimator, Vice President
- 1999 – 2002: American Construction – President
- 2002 – 2005: Triton Construction – President
- 2004 – Present: Mold and Fungus Remediation – Partner
- 2005 – Present: The Triton Group, LLC – Partner

Related Studies & Credentials:

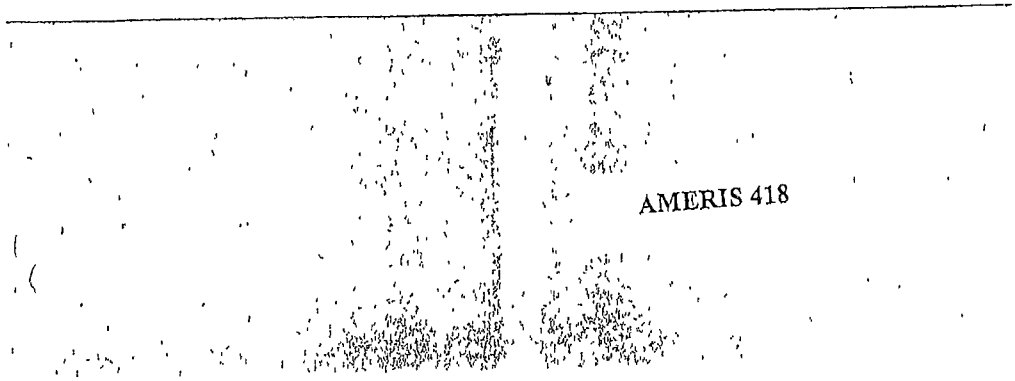
- 1992 – IICRC Smoke and water restoration course
- 1992 – IICRC Odor Control Technician course
- 1994 – Trident Technical College Blueprint Reading
- 1997 – South Carolina Residential Builders License Exam
- 2002 – SC Public Insurance Adjuster exam
- 2003 – MUSC Certified Mold Remediator course
- Exactimate, Best IV, and all forms of Office software

Narrative:
During my career at Goer manufacturing, I learned and operated various computer controlled panel saws in the manufacturing of commercial store fixtures and slat-wall. I was promoted to the highest hourly pay level within two years. When it became apparent that the company rarely promoted hourly employees to salaried positions, I sought a job with advancement opportunities and new challenges. I started work for Anderson Construction (my step-father's company) in the summer of 2001 as a bookkeeper and computer technician. This was a reprisal of a role I had with the company during high school in which I set up their newly acquired computers and estimating software during the summer. These duties allowed me free time to go into the field and learn construction first hand while working with the



AMERIS 417

crews I moved into field supervision eventually and took crews to locations throughout the Carolinas and Georgia performing apartment renovations and fire restorations for Insignia management and NHMS. During this time, I also began estimating and selling residential and commercial repairs. Ultimately, the company expanded to include a commercial division which did work for the US Navy, US Airforce, and various state and local governments. I supported this division as a supervisor and negotiator during various projects. When the company added an interiors division (drywall, metal studs, and acoustical ceilings) I spent some time estimating these projects in support of its manager. In 1999, my step-father retired, and American construction was formed. I was the president of this operation My duties included estimating, selling, supervising, negotiating, and collecting residential and light commercial projects totaling 1.5 million dollars annually. After 3 years, I decided to form my own company. Triton Construction has been performing approximately 1 million dollars of similar projects annually since its inception. To date, I have personally built or supervised the construction of over a dozen residential homes ranging in price from $70,000.00 - $350,000.00. In 2005, I joined forces with a public adjusting firm in an effort to expand our marketplace share forming The Triton Group, LLC. This expanded my scope to include adjusting insurance claims – a skill I acquired while working with insurance companies over the last decade. Also during this period, I began working in mold remediation as a result of relationships built during extensive remodeling over the prior 3 years. This added to our annual volume and profit margins, while eliminating the traditional transitional difficulties between remediators and contractors. Following Hurricane Katrina, I spent 10 months in Gulfport, MS and New Orleans, LA estimating storm damages for the insurance industry. Upon completion of that effort, I contracted with Foster Apartment Group in Winston-Salem, NC to restore a 24 unit apartment building that had been severely damaged by fire. My duties in that arena included negotiating with the insurance company and Mortgage Company for cash flow requirements relative to the one million dollar project's construction needs. I also performed as Construction manager – locating, hiring, and supervising crews necessary to the successful completion of that project. Currently, in addition to some smaller residential restorations in Charleston, I am engaged in contract work with Sandpiper Nursing. The project scope includes analyzing and executing construction functions for a diverse range of needs.



# *Linda Ann Avinger Gibson*

**Personal Financial Statement**
**September 30, 2007**

**Assets:**

**Personal Assets:**

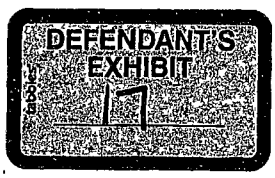
| | | | |
|---|---|---|---|
| Primary - 133 Horse Trail Rd – 10 Acres w/ 6 Horse Barn) Appraisal Value as of 061207 | | $ 500,000 | |
| Supplemental - 171 Quarter Horse Rd – 78 Acres Cross Fencing, Running Track, 14 Stall Barn | | 1,380,000 | |
| Automobiles | | 77,250 | |
| Cato 2000 Trailer | | 60,500 | |
| Other Personal Items | | 185,600 | |
| **Total Personal Assets:** | | | **$ 2,203,350** |

**Investment Assets:**

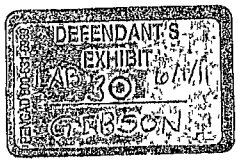
| | | | |
|---|---|---|---|
| Gibson Enterprises | $275,000 | | |
| **Total Investment Assets:** | | | **$ 275,000** |

**Portfolio Assets:**

| | | | |
|---|---|---|---|
| Checking Account: | 3205 Palm Blvd LLC | $667,800 | |
| | Gibson Ranch | $ 40,000 | |
| **Total Portfolio Assets:** | | | **$ 707,800** |




V 096



| Real Estate Assets: | Values |
|---|---|
| Tract B – 17 Acres Daniel Island<br>248-00-02-042 – 17 Acres @ $100,000/ac | $1,700,000 |
| 104 Family Cemetery Rd, Bryan Trc.<br>263-00-01-032 – 3.5 Acres @ $85k/ac | $ 297,500 |
| Tract 5 – Daniel Island<br>271-00-01-003 3.09 Acres @ $150k/ac | $ 463,500 |
| 615 Klister Lane Crown Castle Cell Tower – Daniel Island<br>271-00-01-037 – 5.69 Acres @ $170k/ac | $ 967,300 |
| Clements Ferry Road – Lot A Trt A<br>271-00-01-040 – 2.54 Acres - Improvements | $ 3,450,000 |
| 1006 Pinefield Dr – Lot B<br>271-00-01-084 – 1 Acre - 2 Bldgs - Improvements | $ 1,780,000 |
| 637 Marina Dr – Lot C<br>271-00-01-085 – 1.77 Acres - 3 Bldgs - Improvements | $ 2,625,000 |
| Klister Lane – Crown Castle Cell Tower Access<br>271-01-01-129 – 3 Acres @ $155k/ac | $ 465,000 |
| Daniel Island<br>271-00-02-029 – 55 Acres @ $500k/ac | $27,500,000 |
| 2637 Clements Ferry Road – Tract B<br>271-00-02-030 – 22.5 Acres @ $375k/ac | $ 8,437,500 |
| Highland A – Daniel Island<br>271-00-02-174 | $ 650,000 |
| 3205 Palm Blvd – Appraisal of 071107<br>571-10-00-140 – Vacation Rental Home | $ 2,150,000 |
| 109-111 S. Hwy 52 Monoks Corner Plaza<br>Blockbuster & Advance Auto Building<br>Appraisal Value as of 120505 | $ 2,200,000 |
| Total Real Estate Assets: | $52,685,800 |

V 097

| | | |
|---|---|---|
| GRAND TOTAL ASSETS: | | $55,871,950 |
| **Liabilities:** | | |
| Primary Residence | $ 397,479 | |
| 3205 Palm Blvd Loan | 1,500,000 | |
| 109-111 S. Hwy 52, Moncks Corner | $1,232,980 | |
| Barn Loan | 58,725 | |
| TOTAL LIABILITIES: | | $ 3,189,184 |
| NET WORTH: | | $52,682,766 |
| ***Annual Income:*** | | |
| 1. Cell Tower Lease @ $1,473 per month | | $17,676 |
| 2. Hidden Cove Boat & Yatch Sales Lease | | $84,375 |
| 3. BARGIB 669 Marina Lease | | $90,000 |
| 4. 3205 Palm Vacation Rental | | $85,935 |
| *TOTAL:* | | *$277,986* |

V 098

# Loan Committee Memorandum

Date: 10/22/2007

Borrower's Name: Heritage Seven, LLC

Loan Officer: Benjie Lanier

## I. Business Overview / History

Heritage Seven, LLC is a 2 person entity consisting of a 50/50 ownership by Linda A. Gibson and a trust set up by her late husband. Heritage Seven currently holds two properties in its portfolio. Those properties are a shopping center in Moncks Corner, SC and a beach house on the Isle of Palms. The proposed loan would be the third property in this Real Estate portfolio. The guarantor and sole member of this LLC is Linda A. Gibson. Linda is a real estate investor and has recently sought to liquidate her current non cash flow producing properties and convert the proceeds to cash flowing properties. This was evident in the purchase of the Moncks Corner shopping center she purchased at the end of 2005. Linda has several land parcels in her portfolio valued at over $56MM with only $3MM of debt.

## II. Current Relationship

This will be the first loan extended to Linda and Heritage Seven, LLC.

## III. Requested Credit Facility

Loan Purpose:

The purpose of this loan is to acquire a 48 unit apartment complex and rehab the units for future rental. The loan facility being requested is $2.8MM in the form of a draw down construction LOC. $2.1MM of the loan will be funded at closing with the borrower injecting $700,000 of her own cash to meet the purchase price of the property. The remaining monies on the LOC ($700,000) will be used toward the rehab and upfitting of the apartment units. The loan is to be priced at Prime+1/4% variable for a 12 month period to allow for the rehab and lease up of the units. At the end of the 12 month period the loan shall convert to a 4 year term with principal and interest payments based on a 20 year amortization. An origination fee of $10,000 will be assessed on this loan request.

Collateral / Appraisal Description and Valuation:

This property is a 48 unit apartment complex located on Otranto Rd. in North Charleston, SC. The apartments are to be gutted and completely rehabbed in order to prepare for rental at a higher rent rate. The complex is located one exit from the Charleston Southern campus. There is a great need for apartments in this part of North Charleston due to the colleges and the military base located in the area.

The apartments consist of 6 buildings containing 42 two bedroom/one bath units and 6 one bedroom/one bath units. The two bedroom units consist of 860 sqft and the one bed room units consist of 625 sqft. Each apartment allows for 2.5 parking spaces in the parking lot. The property will be managed by Rolando Villavicencio of Re/Max. Rolando manages the Moncks Corner shopping center which Heritage Seven also owns.

A current appraisal reports that the property is worth $2.8MM "as is" and worth $3.7MM "as renovated". Thus the LTV on the property will be 75% of the purchase price at funding and 75.6% once construction is completed. Linda Gibson will inject $700,000 of her own cash into this project at the time of the purchase.

An additional parcel of land known as Klister Lane property will be pledged in addition to the proposed property. The parcel on Klister Lane consists of 3 acres and has a Cell Phone tower located on the property

DEFENDANT'S EXHIBIT 18

PLAINTIFF'S EXHIBIT 9

PLAINTIFF'S EXHIBIT SKC 9 LANIER 9/20/11

that receives rental income. A first mortgage shall be taken on this property with an assignment of leases/rents/profits.

Loan Pricing / Profitability Issues:
This loan is to be priced at Prime +1/4% (variable) for a 12 month interest only term then converting to 4 years of principal and interest payments based on a 20 year amortization. A $10,000 origination fee will be assessed at the closing of this loan.

**IV. Loan Policy Exceptions / Justifications**
No Policy Exceptions noted

**V. Financial Analysis**
**Income Statement**
See Apartment Analysis Form.

**Guarantors**
Linda A. Gibson has a 760 CBI and a reported net worth of over $53MM. The majority of Linda's net worth is based mainly in large parcels of real estate located throughout the Daniel Island area. Linda owns the majority of her real estate free and clear.

**VII. Strengths / Weaknesses**
Strengths:
Strong cash injection by the borrower in the amount of 25% of the purchase price
There is a definite need for quality rental units in the North Charleston area given Charleston Southern University and the military bases.

Weaknesses:
There is a risk that once the units are rehabbed there will not be a demand for the leases at the proposed rental rate. This is mitigated by lowering the lease rate in order to attract tenants.

**IX. Summary / Conclusion**
Heritage Seven LLC is requesting a $2.8MM loan facility in order to purchase and rehab a 48 unit apartment complex. Linda Gibson, the guarantor of Heritage Seven, LLC, has a strong net worth of over $53MM and is experienced in real estate. Approve as presented.

**PLAINTIFF'S EXHIBIT 9**

**WILLIAM C. BARKSDALE, JR.**
**1119 Princeton Street**
**Columbia, SC 29205**
**WBarksd759@aol.com**
803 256 8009, Cellular 803 422 0202

## CAREER

Principal - **Barksdale & Associates.** Provides services to Financial Institutions, Trade Associations and others on commercial lending matters including expert testimony in lender liability cases. Formerly Senior Vice President, Wachovia Bank of South Carolina and South Carolina National Bank. Career responsibilities include Senior Loan Officer, Head of Loan Administration, Special Assets Management, Lender Training, Loan Policy and Procedures Formulation Maintenance and Management, Commercial Real Estate Workout Management. Extensive involvement in workout and problem credit situations as well as lending, risk management, loan review and OREO functions.

## EDUCATION

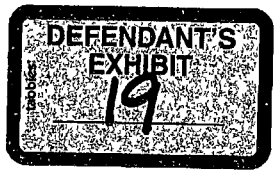
Graduate of the University of South Carolina with a degree in English and an MBA in Finance. Graduate - Stonier Graduate School of Banking -Thesis topic Bank Liquidity Management. Basic, Standard, Advanced and General American Institute of Banking Certificates Risk Management Associates Loan Management Seminar graduate. Certified Lender Business Banking designation.

## TEACHING

Former faculty member at, The Graduate School of Banking at The University of Wisconsin, Madison, Barret School of Banking at Christian Brothers University in Memphis, and The South Carolina Bankers School at The University of South Carolina. Instructor for Risk Management Association in Detecting Problem Loans, Problem Loan Workouts, Cash Flow Analysis and Financial Statement Analysis. Former instructor for The American Institute of Banking's Internet program instructing Analyzing Financial Statements, Commercial Lending and Problem Loans and Workouts.

Teaching experience- Faculty Member Stonier Graduate School of Banking at Georgetown University teaching Commercial Loan Portfolio Management, Credit Quality Maintenance and Problem Loans and Workouts. Interim Problem faculty member The Pacific Coast Banking School at The University of Washington, Faculty member The Southwestern Graduate School of Banking at SMU teaching Basic and Advanced Lending and Problem Loan Management, Faculty Member National Commercial Lending Graduate School, teaching Organization For Lending, Loan Portfolio Management and served as co-coordinator of the school's Interim Case Problem. Faculty Member National Commercial Lending School, teaching Problem Loans and Workouts Faculty Member of





the South Carolina Bankers School, teaching in the Loan Policy and Administration area and Loan Workouts. Served two terms as adjunct professor of Business Administration at the University of South Carolina. Lectured at the USC School of Law on Secured Transactions. Conducted seminars for Georgia Southern University's continuing business education program. Faculty Member Golden Gate University Graduate School teaching Management Policy and Administration in their MBA program. Has spoken and lectured frequently in various capacities in continuing education programs for the legal, accounting and insurance professions. American Institute of Banking instructor for 15 years - teaching Accounting, Principles of Banking, Credit Administration, Bank Management, Fundamentals of Mortgage Lending and Fundamentals of Small Business Banking and Introduction to Commercial Lending. Faculty member Risk Management Association Commercial Lending School at East Carolina University

International teaching experience includes seminars on Problem Asset Management for the Czech Bank Training Institute in Prague, Czech Republic and for The Warsaw Institute of Banking in Warsaw, Poland. Daniel Management Center at The University of South Carolina-conducted seminars on lending and financial analysis in programs for Polish and Lithuanian bankers.

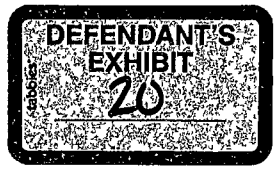
**PROFESSIONAL**

Past President Carolinas-Virginias Chapter of The Risk Management Association, the International Association of Risk Managers. Other duties with RMA at the national level include service on its Chapters Division Council and its Professional Development Council, chairing its Lender Training Round Table, participating in its Loan Management Seminar and service as a Director of the National Association. Life Member of RMA. Past President of the South Carolina Student Loan Corporation Board. Past director of Business Development Corporation of South Carolina. Past Chairman of the South Carolina Bankers School. Served in an advisory capacity to The Stonier Graduate School of Bank Management and The National Commercial Lending Schools Consulted for investment bankers and investors on potential Savings & Loan purchase transactions. Has served on educational advisory boards of ABTAC, Risk Management Association and The American Bankers Association.

**PUBLICATIONS**

Published articles on loan officer training in the RMA "Journal of Commercial Lending". Co-authored the book How to Borrow Money, which has been produced as a video by Bankers Training and Consulting Company for use by banks nationwide in training and community outreach programs.

| | |
|---|---|
| **From:** | Lanier, Benjamin |
| **To:** | Lanier, Benjamin |
| **Sent:** | 10/23/2007 4 43 58 PM |
| **Subject:** | Heritage Seven LLC |
| **Attachments:** | EC-SC970_EXCHANGE_10232007-124309.PDF |




AMERIS-EMAILS-000290

Ameris Bank

# Loan Committee Application

| | | | |
|---|---|---|---|
| Borrower | Heritage Seven, LLC | Bank Location: | Charleston |
| Address: | 133 Horse Trail Rd. | Reg. O: | Yes X No |
| | St George, SC 29477 | Officer: | Benjie Lanier Date 10/22/07 |
| Type of Business: | R E Investor | Participants Needed: | none |
| Customer Since: | na NAICS Code. 531 | Amounts: | |

| | Approval / Ratification | New/ Renewed | Loan Type | Original $ of Commitment | Current Balance | Available Commitment | Rate / Fees | Loan Term/ Expiration | Collateral Summary |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Approval / | New/ | | $ 2,800,000 | | $ 2,800,000 | P+1/4%, $10k Fee | 12 months IO then 4 yrs P&I on 20 yr am | 1st mortgage on a 48 unit apartment complex located on Otranto Rd. N. Charleston |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| | | | | $ - | | $ 2,800,000 | | | = $ 2,800,000 Total Direct Exposure |

## Balance Recap

| | | Avg. Balances |
|---|---|---|
| Demand Deposits | Direct | $ - |
| | Related | $ - |
| Interest Bearing | Direct | $ - |
| | Related | $ - |
| Total Deposits | | $ - |

## Other Direct & Related Borrowers

| | Exposure |
|---|---|
| | $ - |
| | $ - |
| | $ - |
| | $ - |
| Total Direct & Related Exposure | $ 2,800,000 |

## Special Approval Conditions

## Ratification Approval Authority

## Purpose of Credit

1 To purchase, rehab and rent out a 48 unit apartment complex in the N Charleston area
2
3
4
5
6

## Loan to Value Exceptions

Does the loan exceed FDIC Supervisory LTV limit?

☐ Yes ☑ No

If Yes, identify # _____

1 Raw Land (65%)
2 Land Development (75%)
3 Com'l, Multifamily and other Non Residential Construction (80%)
4 1 4 Family Residential Construction (85%)
5 Improved Property (85%)
6 Owner Occupied 1-4 Family, and Home Equity (90%)

## Repayment Terms (frequency of principal and interest payments)

| | | Primary Source of Repayment | Secondary Source of Repayment |
|---|---|---|---|
| 1 | 12 months of interest only pmts then convert to 4 yrs P&I on a 20 year am | CF From Apts | Liquidation of Assets |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |

## Loan Agreement In Use

☑ Check if loan agreement is proposed or in use

If so, complete page 2.

## Loan Policy Exceptions

☐ Check if loan policy exceptions exist

If so complete page 3

## Collateral Recap

| | Date Valued | Gross Value | Margin | Net Value |
|---|---|---|---|---|
| 48 Unit Apt Complex located in N. Charleston | 09/12/07 | $ 3,700,000 | 100.00% | $ 3,700,000 |
| 3 acres on Klister Lane with Cell Tower Lease | | $ 465,000 | 100.00% | $ 465,000 |
| | | $ - | 100.00% | $ - |
| | | $ - | 100.00% | $ - |
| | | $ - | 100.00% | $ - |
| | Less. (Prior Liens) | $ - | | $ - |
| | | $ 4,165,000 | | $ 4,165,000 |
| | LTV = | 67 2% | | |

## Borrower(s) / Guarantor(s)

| Name(s) | Guaranty Amount | Beacon Score | Statement Date | Liquid Assets | Total Assets | Total Liabilities | Net Worth |
|---|---|---|---|---|---|---|---|
| Linda A.Gibson | 100% | 760 | 08/30/07 | $ 840,800 | $ 56,194,950 | $ 3,189,184 | $ 53,005,766 |
| | | | | $ - | $ - | $ - | $ - |
| | | | | $ - | $ - | $ - | $ - |
| | | | | $ - | $ - | $ - | $ - |
| | | | *Totals* | *$ 840,800* | *$ 56,194,950* | *$ 3,189,184* | *$ 53,005,766* |

## Approvals

| | Initials | Date |
|---|---|---|
| Bank President | | |
| Bank ELC | | |
| Regional Executive/SCO | | |
| Ameris OLC | | |
| Ameris ELC | | |

Exposure Strategy: Maintain
Asset Quality Grade: 20
Borrower Beacon Score(s): 760
Debt/Income or DSC Ratio:

AMERIS-EMAILS-000291

## *Global Cash Flow Analysis*

**Linda A. Gibson** 10/22/07

| Name | | Tax Return | Tax Return | Combined | Comments |
|---|---|---|---|---|---|
| Date of Statement | | 12/31/06 | 12/31/06 | | |
| | | | | | |
| Business Income: | | | | | |
| Gross Sales | | $ 11,880 | | $ 11,880 | |
| Net Income | | $ 7,301 | | $ 7,301 | |
| + Depreciation | | | | $ - | |
| + Amortization | | $ - | | $ - | |
| Traditional Cash Flow | | $ 7,301 | | $ 7,301 | |
| + Interest (Business Term) | | $ - | | $ - | |
| + Dividends/Withdrawals | | $ - | | $ - | |
| +/- Nonrecuring or Extraordinary | | $ - | | $ - | |
| Personal Income: | | | | | |
| Salary | | | $ - | $ - | |
| Retirement Benefits | | | $ 1,005 | $ 1,005 | |
| Dividends/Interest Income | | | $ - | $ - | |
| Recurring Capital Gains | | | $ - | $ - | |
| Mortgage/Note Receivable | | | $ - | $ - | |
| Other Income | | | $ 148,849 | $ 148,849 | |
| Withdrawals/Distributions | | | $ - | $ - | |
| Positive Net Rental Cash Flow** | | | $ 9,259 | $ 9,259 | |
| Total Income | | | $ 159,113 | $ 159,113 | |
| - Taxes (incl. Federal, State, FICA, etc) | | | $ 6,104 | $ 6,104 | |
| - Living Expenses | | | $ (47,734) | $ (47,734) | |
| Cash Available to Service Debt | | $ 7,301 | $ 117,483 | $ 124,784 | |
| Debt Service | Monthly Pmt | | | | |
| | | | | | |
| Business Loans: | | | | | |
| Loan 1 | $ - | | | $ - | |
| Loan 2 | $ - | | | $ - | |
| Loan 3 | $ - | | | $ - | |
| Loan 4 | $ - | | | $ - | |
| Loan 5 | $ - | | | $ - | |
| | | | | | |
| Personal Loans: | | | | | |
| Loan 1 | $ - | | | $ - | |
| Loan 2 | $ - | | | $ - | |
| Loan 3 | $ - | | | $ - | |
| Loan 4 | $ - | | | $ - | |
| Loan 5 | $ - | | | $ - | |
| Home Mortgage | $ - | | | $ - | |
| Revolving Credit | $ - | | | $ - | |
| | | | | | |
| - Negative Rental Property Cash Flow | | $ - | | $ - | |
| = Total Debt Service | | $ - | $ - | $ - | |
| Excess (Deficit) | | $ 7,301 | $ 117,483 | $ 124,784 | |
| Debt Service Coverage | | #DIV/0! | #DIV/0! | #DIV/0! | |
| Debt/Income (%) | | | 0.00% | | |
| | | | | | |
| Rental Cash Flow: | | | Tax Return | | Comments |
| Gross Rents (Tax Return /Sch. E) | | | $ 34,093 | $ 34,093 | |
| Net Rental Income (Sch. E) | | | $ 34,093 | $ 34,093 | |
| + Depreciation | | | $ - | $ - | |
| + Interest | | | $ - | $ - | |
| Existing Rental GI | | | $ 34,093 | $ 34,093 | |
| Gross Rents (New Property) | | | $ - | $ - | |
| - Vacancy (8%) | | | $ - | $ - | |
| = Gross Effective Income | | | $ - | $ - | |
| - Other Expenses | | | $ - | $ - | |
| - Maintenance Expenses (3%) | | | $ - | $ - | |
| - Taxes & Insurance | | | $ - | $ - | |
| Total Rental Cash Flow | | | $ 34,093 | $ 34,093 | |
| Existing Rental Debt Service (P&I) | | | $ 24,834 | $ 24,834 | |
| New Rental Debt Service (P&I) | | | $ - | $ - | |
| = Total Rental Debt Service | | | $ 24,834 | $ 24,834 | |
| **Net Rental Cash Flow | | | $ 9,259 | $ 9,259 | |
| Existing Rental DSC | | | 1.37 | | |
| Total Rental DSC | | | 1.37 | | |
| Overall DSC | | | 6.02 | | |

AMERIS-EMAILS-000292

# Loan Committee Memorandum

Date: 10/22/2007

Borrower's Name: Heritage Seven, LLC

Loan Officer: Benjie Lanier

**I. Business Overview / History**

Heritage Seven, LLC is a 2 person entity consisting of a 50/50 ownership by Linda A. Gibson and a trust set up by her late husband. Heritage Seven currently holds two properties in its portfolio. These properties are a shopping center in Moncks Corner, SC and a beach house on the Isle of Palms The proposed loan would be the third property in this Real Estate portfolio. The guarantor and sole member of this LLC is Linda A. Gibson. Linda is a real estate investor and has recently sought to liquidate her current non cash flow producing properties and convert the proceeds to cash flowing properties. This was evident in the purchase of the Moncks Corner shopping center she purchased at the end of 2005. Linda has several land parcels in her portfolio valued at over $56MM with only $3MM of debt.

**II. Current Relationship**

This will be the first loan extended to Linda and Heritage Seven, LLC.

**III. Requested Credit Facility**

Loan Purpose.

The purpose of this loan is to acquire a 48 unit apartment complex and rehab the units for future rental. The loan facility being requested is $2 8MM in the form of a draw down construction LOC. $2.1MM of the loan will be funded at closing with the borrower injecting $700,000 of her own cash to meet the purchase price of the property. The remaining monies on the LOC ($700,000) will be used toward the rehab and upfitting of the apartment units The loan is to be priced at Prime+1/4% variable for a 12 month period to allow for the rehab and lease up of the units At the end of the 12 month period the loan shall convert to a 4 year term with principal and interest payments based on a 20 year amortization. An origination fee of $10,000 will be assessed on this loan request.

Collateral / Appraisal Description and Valuation:

This property is a 48 unit apartment complex located on Otranto Rd. in North Charleston, SC. The apartments are to be gutted and completely rehabbed in order to prepare for rental at a higher rent rate. The complex is located one exit from the Charleston Southern campus. There is a great need for apartments in this part of North Charleston due to the colleges and the military base located in the area.

The apartments consist of 6 buildings containing 42 two bedroom/one bath units and 6 one bedroom/one bath units. The two bedroom units consist of 860 sqft and the one bed room units consist of 625 sqft. Each apartment allows for 2.5 parking spaces in the parking lot. The property will be managed by Rolando Villavicencio of Re/Max. Rolando manages the Moncks Corner shopping center which Heritage Seven also owns.

A current appraisal reports that the property is worth $2.8MM "as is" and worth $3.7MM "as renovated". Thus the LTV on the property will be 75% of the purchase price at funding and 75.6% once construction is completed. Linda Gibson will inject $700,000 of her own cash into this project at the time of the purchase.

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that receives rental income. A first mortgage shall be taken on this property with an assignment of leases/rents/profits.

Loan Pricing / Profitability Issues:
This loan is to be priced at Prime +1/4% (variable) for a 12 month interest only term then converting to 4 years of principal and interest payments based on a 20 year amortization. A $10,000 origination fee will be assessed at the closing of this loan.

**IV. Loan Policy Exceptions / Justifications**
No Policy Exceptions noted

**V. Financial Analysis**
**Income Statement**
See Apartment Analysis Form.

**Guarantors**
Linda A. Gibson has a 760 CBI and a reported net worth of over $53MM. The majority of Linda's net worth is based mainly in large parcels of real estate located throughout the Daniel Island area. Linda owns the majority of her real estate free and clear

**VII. Strengths / Weaknesses**
Strengths:
Strong cash injection by the borrower in the amount of 25% of the purchase price
There is a definite need for quality rental units in the North Charleston area given Charleston Southern University and the military bases

Weaknesses:
There is a risk that once the units are rehabbed there will not be a demand for the leases at the proposed rental rate. This is mitigated by lowering the lease rate in order to attract tenants.

**IX. Summary / Conclusion**
Heritage Seven LLC is requesting a $2.8MM loan facility in order to purchase and rehab a 48 unit apartment complex. Linda Gibson, the guarantor of Heritage Seven, LLC, has a strong net worth of over $53MM and is experienced in real estate. Approve as presented.

# Apartment Economic Analysis Form

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Project | 48 unit apartment rehab | | | Borrower. | Heritage Seven, LLC | | Project Quality | | Good |
| Location' | 2625 Otranto Rd, N Charleston, SC | | | Interest Rate' | | 8 00% | (Excellent, Good, Fair, Poor) | | |
| Loan Amount | | | $ 2,800,000 | Amortization Basis (# months)' | | 300 | Design/Layout' | | Good |
| Year Built: | | | | Loan Term. | | 0 | Location Analysis | | Good |
| Total Project Cost: | | | $ 3,700,000 | Number of Units' | | 48 | Construction Quality: | | Rehab |
| Land Size (ac ) | | Acres | 2 25 | Land Cost/Unit. | | $ - | Parking Spaces: | | 65 |
| Land Cost | | | $ - | Density (Units/Acre). | | 21 33 | Parking Ratio per Unit | | 1.35 |

## Stabilized Income Analysis

| Income | # Units | Type | % of Total | Apt. Size (sf) | Total Rentable Area | Per Unit Rental | Rent/ S.F. | Total Monthly Rental | Existing Income Analysis Actual Income |
|---|---|---|---|---|---|---|---|---|---|
| | 6 | 1 BR/ 1 BTH | 13% | 660 | 3,960 | $750 | $1.14 | $4,500 | |
| | 42 | 2BR/ 1 BTH | 88% | 832 | 34,944 | $750 | $0 90 | $31,500 | |
| | 0 | 2BR/ 1.5 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 2BR/ 2 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 3 BR/ 1 5 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 3 BR/ 2 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 3 BR/ 3 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| Totals/Avg | 48 | | 100% | | 38,904 | | $0 93 | $36,000 | $0 |
| | | | Cost per Sq Ft | | $95 11 | | | | |
| Amenities | | | | | | Yearly Rental (x12) | | $432,000 | $0 |
| | | | | | | Miscellaneous Income * | | $57,600 | $0 |
| | | | | | | Potential Gross Income | | $489,600 | $0 |
| | | | | | | Less Vacancy | 6 0% | $29,376 | $0 |
| *Miscellaneous Income Detail | | | Description | | Amount | Effective Gross Income | | $460,224 | $0 |
| | | | | | | | Vacancy | 6 00% | #DIV/0! |

| Expenses | Per Unit | PSFRA | | Expenses | Expenses |
|---|---|---|---|---|---|
| Real Estate Taxes | $700 | $0.86 | | $33,600 | $0 |
| Insurance | $547 | $0 67 | | $26,250 | $0 |
| Utilities, Garbage Removal | $413 | $0 51 | | $19,800 | $0 |
| Repairs & Maintenance (pool, landscaping, pest control, supplies, redecoration) | $313 | $0.39 | | $15,000 | $0 |
| Capital Reserves (paint, roof, etc ) | $0 | $0 00 | | $0 | $0 |
| Management Fee (% of EGI) 0 0% | $0 | $0 00 | | | $0 |
| Salaries (Manageme it & Maintenance) | $488 | $0 60 | | $23,400 | $0 |
| Advertising & Promotion | $0 | $0 00 | | $0 | |
| Other: | $50 | $0 06 | | $2,400 | $0 |
| Total Expenses | $2,509 | $3 10 | | $120,450 | $0 |
| Net Operating Income | $7,079 | $8 73 | | | |
| | | | Est Value = | $4,118,473 | $4,118,473 |

| Stabilized Valuation Analysis | |
|---|---|
| Capitalization Rate | 8 25% |
| Estimated Value Indication: | $4,118,473 |
| Rounded Value. | $4,120,000 |
| Estimated Loan/Value Ratio: | [redacted] |
| Value/SF Rentable Area' | $105 90 |
| Value/Unit. | $85,833 |
| Loan/Unit | $58,333 |
| NOI/Total Project Cost: | 9 2% |
| *Note The estimated Loan/Value is for reference only, the appropriate Loan/ Value for underwriting policy purposes should utilize the value as determined by an appraisal | |

| Stabilized Projected Debt Service Coverage | | | | |
|---|---|---|---|---|
| 4 60% | U.S 10-year Treasury Bond Rate | | | |
| 250 | + Additional Basis Points | | | |
| 7.10% | = Refinance rate | | | |
| Debt Service (DS). | | $239,626 | | |
| DS Coverage Ratio (DSC): | | [redacted] | X | |
| Default Point (EXP + DS). | | $360,076 | | |
| As a percent of PGI' | | 73 5% | | |
| Per Unit/Month' | | $665 | | |
| Per SF/Month: | | $0.82 | | |
| Calculation of Maximum Loan Amount | | | | |
| Max Loan Amount Assuming a Required DSC of | | | 1 30 | |
| And a rate of | 7.10% | Max Loan = | $3,054,019 | |
| Loan Gap (if any). | | | [redacted] | |

| Existing Project Debt Service Coverage | |
|---|---|
| Loan | $ 2,800,000 |
| Interest Rate: | 8.00% |
| Debt Service (DS)' | $239,626 |
| | |
| DSC Ratio: | [redacted] |

| | |
|---|---|
| Prepared By | |
| Date. | |
| Comments: | |

AMERIS-EMAILS-000295

Department of the Treasury - Internal Revenue Service

# Form 1040 U.S. Individual Income Tax Return 2006

(99) IRS Use Only - Do not write or staple in this space

For the year Jan 1 - Dec 31, 2006, or other tax year beginning , 2006, ending , 20

OMB No 1545-0074

**Label** (See instructions)

Your first name: LINDA | MI: A | Last name: GIBSON

Your social security number: [redacted]

If a joint return, spouse's first name | MI | Last name

Spouse's social security number

Use the IRS label. Otherwise, please print or type.

Home address (number and street) If you have a P.O box, see instructions. | Apartment no

133 HORSE TRAIL ROAD

City, town or post office If you have a foreign address, see instructions | State | ZIP code

ST GEORGE | SC | 29477

You must enter your social security number(s) above.

Presidential Election Campaign

Checking a box below will not change your tax or refund.

A Check here if you, or your spouse if filing jointly, want $3 to go to this fund? (see instructions) . . . G ☐ You ☐ Spouse

## Filing Status

Check only one box

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately Enter spouse's SSN above & full name here G

4 ☒ Head of household (with qualifying person) (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here G ELIZABETH A GIBSON

5 ☐ Qualifying widow(er) with dependent child (see instructions)

## Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a . . .

b ☐ Spouse . . .

Boxes checked on 6a and 6b . . 1

No of children on 6c who:
? lived with you . .
? did not live with you due to divorce or separation (see instrs) . .

Dependents on 6c not entered above

Add numbers on lines above G 1

c Dependents:

| (1) First name / Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) If qualifying child for child tax credit (see instrs) |
|---|---|---|---|
| | | | ☐ |
| | | | ☐ |
| | | | ☐ |
| | | | ☐ |

If more than four dependents, see instructions.

d Total number of exemptions claimed

## Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

| | | | |
|---|---|---|---|
| 7 | Wages, salaries, tips, etc Attach Form(s) W-2 | 7 | |
| 8a | Taxable interest Attach Schedule B if required | 8a | 858. |
| b | Tax-exempt interest Do not include on line 8a (8b) | | |
| 9a | Ordinary dividends Attach Schedule B if required | 9a | 147. |
| b | Qualified dividends (see instrs) (9b) | | |
| 10 | Taxable refunds, credits, or offsets of state and local income taxes (see instructions) | 10 | |
| 11 | Alimony received | 11 | |
| 12 | Business income or (loss) Attach Schedule C or C-EZ | 12 | 7,301. |
| 13 | Capital gain or (loss) Att Sch D if reqd. If not reqd, ck here G ☐ | 13 | |
| 14 | Other gains or (losses). Attach Form 4797 | 14 | |
| 15a | IRA distributions (15a) b Taxable amount (see instrs) | 15b | |
| 16a | Pensions and annuities (16a) b Taxable amount (see instrs) | 16b | |
| 17 | Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E | 17 | 148,849. |
| 18 | Farm income or (loss) Attach Schedule F | 18 | |
| 19 | Unemployment compensation | 19 | |
| 20a | Social security benefits (20a) b Taxable amount (see instrs) | 20b | |
| 21 | Other income | 21 | |
| 22 | Add the amounts in the far right column for lines 7 through 21. This is your total income G | 22 | 157,155. |

## Adjusted Gross Income

| | | | |
|---|---|---|---|
| 23 | Archer MSA deduction Attach Form 8853 | 23 | |
| 24 | Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ | 24 | |
| 25 | Health savings account deduction Attach Form 8889 | 25 | |
| 26 | Moving expenses. Attach Form 3903 | 26 | |
| 27 | One-half of self-employment tax. Attach Schedule SE | 27 | 516 |
| 28 | Self-employed SEP, SIMPLE, and qualified plans | 28 | |
| 29 | Self employed health insurance deduction (see instructions) | 29 | 1,035. |
| 30 | Penalty on early withdrawal of savings | 30 | |
| 31a | Alimony paid b Recipient's SSN G | 31a | |
| 32 | IRA deduction (see instructions) | 32 | |
| 33 | Student loan interest deduction (see instructions) | 33 | |
| 34 | Jury duty pay you gave to your employer | 34 | |
| 35 | Domestic production activities deduction. Attach Form 8903 | 35 | |
| 36 | Add lines 23 - 31a and 32 - 35 | 36 | 1,551. |
| 37 | Subtract line 36 from line 22 This is your adjusted gross income G | 37 | 155,604. |

| | | | |
|---|---|---|---|
| Primary - 155 Horse Trail Rd – 10 Acres | | | |
| Supplemental - 171 Quarter Horse Rd – 78 Acres<br>Cross Fencing, Running Track, 14 Stall Barn | | 1,380,000 | |
| Automobiles | | 77,250 | |
| Cato 2000 Trailer | | 60,500 | |
| Other Personal Items | | 185,600 | |
| **Total Personal Assets:** | | | **$ 2,393,350** |
| **Investment Assets:** | | | |
| Gibson Enterprises | $275,000 | | |
| **Total Investment Assets:** | | | **$ 275,000** |
| **Portfolio Assets:** | | | |
| Checking Account: | 3205 Palm Blvd LLC<br>Gibson Ranch | $667,800<br>$173,000 | |
| **Total Portfolio Assets:** | | | **$ 840,800** |

| | | |
|---|---|---|
| Klister Lane – Daniel Island<br>271-00-01-037 – 5.69 Acres @ $170k/ac | $ 967,300 | |
| Clements Ferry Road – Lot A Trt A<br>271-00-01-040 – 2.54 Acres - Improvements | $ 3,450,000 | |
| 1006 Pinefield Dr – Lot B<br>271-00-01-084 – 1 Acre - 2 Bldgs - Improvements | $ 1,780,000 | |
| 637 Marina Dr – Lot C<br>271-00-01-085 – 1.77 Acres - 3 Bldgs - Improvements | $ 2,625,000 | |
| Klister Lane<br>271-01-01-129 – 3 Acres @ $155k/ac | $ 465,000 | |
| Daniel Island<br>271-00-02-029 – 55 Acres @ $500k/ac | $27,500,000 | |
| 2637 Clements Ferry Road – Tract B<br>271-00-02-030 – 22.5 Acres @ $375k/ac | $ 8,437,500 | |
| Highland A – Daniel Island<br>271-00-02-174 | $ 650,000 | |
| 3205 Palm Blvd<br>571-10-00-140 – Vacation Rental Home | $ 2,500,000 | |
| 109-111 S. Hwy 52 Moncks Corner Plaza<br>Blockbuster & Advance Auto Building | $ 2,500,000 | |
| **Total Real Estate Assets:** | | **$52,685,800** |
| **GRAND TOTAL ASSETS:** | | **$56,194,950** |

AMERIS-EMAILS-000298

| | |
|---|---|
| TOTAL LIABILITIES: | $ 3,189,184 |
| NET WORTH: | $53,005,766 |

*Annual Income:*

| | |
|---|---|
| 1. Cell Tower Lease @ $1,473 per month | $17,676 |
| 2. Hidden Cove Boat & Yatch Sales Lease | $84,375 |
| 3. BARGIB 669 Marina Lease | $90,000 |
| 4. 3205 Palm Vacation Rental | $85,935 |
| *TOTAL:* | *$277,986* |

| | |
|---|---|
| **From:** | Lanier, Benjamin |
| **To:** | ROLANDO VILLAVICENCIO |
| **Sent:** | 10/23/2007 6 47:51 PM |
| **Subject:** | Heritage Seven |
| **Attachments:** | Linda Gibson PFS |

Rolando,
Can you help answer a couple questions our guy in Columbia had about Linda's personal statement? He wanted to know if the assets listed on the personal financial statement were 100% owned by Linda or if she owned a portion of them with an LLC/Trust If you could find this out it would be a huge help If they are not wholly owned by Linda can you please let me know what portion of ownership she does own the properties.

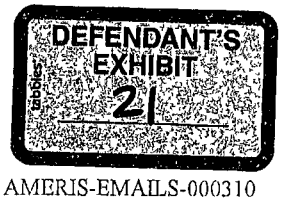
The other question was the location/valuation of the 55 acre parcel on Daniel Island If possible can you give me the valuation determination for that parcel? It is valued on Linda's PFS as $27,500,000 We just wanted to get a clarification on the value in case a Bank Examiner were to question us on this

I have attached the PFS for you to reference. Once these questions are answered I believe we are in good shape for approval

Thanks,

Benjamin R Lanier Jr
Vice President/Business Banker
Ameris Bank
49 Archdale Street
Charleston, SC 29401
Direct 843-534-2939
Cell 843-345-3507
Fax 843-534-2944

benjamin.lanier@amerisbank.com
www.amerisbank.com



| | |
|---|---|
| From: | Lanier, Benjamin |
| To: | Lanier, Benjamin |
| Sent: | 10/23/2007 6 46.08 PM |
| Subject: | Linda Gibson PFS |
| Attachments: | EC-SC970_EXCHANGE_10232007-144500.PDF |

| Real Estate Assets: | Values | |
|---|---|---|
| Tract B – 17 Acres Daniel Island<br>248-00-02-042 – 17 Acres @ $100,000/ac | $1,700,000 | |
| 104 Family Cemetery Rd, Bryan Trc.<br>263-00-01-032 – 3 5 Acres @ $85k/ac | $ 297,500 | |
| Tract 5 – Daniel Island<br>271-00-01-003 3 09 Acres @ $150k/ac | $ 463,500 | |
| Klister Lane – Daniel Island<br>271-00-01-037 – 5 69 Acres @ $170k/ac | $ 967,300 | |
| Clements Ferry Road – Lot A Trt A<br>271-00-01-040 – 2.54 Acres - Improvements | $ 3,450,000 | |
| 1006 Pinefield Dr – Lot B<br>271-00-01-084 – 1 Acre - 2 Bldgs - Improvements | $ 1,780,000 | |
| 637 Marina Dr – Lot C<br>271-00-01-085 – 1 77 Acres - 3 Bldgs - Improvements | $ 2,625,000 | |
| Klister Lane<br>271-01-01-129 – 3 Acres @ $155k/ac | $ 465,000 | |
| Daniel Island<br>271-00-02-029 – 55 Acres @ $500k/ac | $27,500,000 | |
| 2637 Clements Ferry Road – Tract B<br>271-00-02-030 – 22.5 Acres @ $375k/ac | $ 8,437,500 | |
| Highland A – Daniel Island<br>271-00-02-174 | $ 650,000 | |
| 3205 Palm Blvd<br>571-10-00-140 – Vacation Rental Home | $ 2,500,000 | |
| 109-111 S Hwy 52 Moncks Corner Plaza<br>Blockbuster & Advance Auto Building | $ 2,500,000 | |
| **Total Real Estate Assets** | | **$52,685,800** |
| **GRAND TOTAL ASSETS:** | | **$56,194,950** |

**Liabilities:**

| | | |
|---|---|---|
| Primary Residence | $ 397,479 | |
| 3205 Palm Blvd Loan | 1,500,000 | |
| 109-111 S Hwy 52, Moncks Corner | $1,232,980 | |
| Barn Loan | 58,725 | |
| **TOTAL LIABILITIES:** | | **$ 3,189,184** |
| **NET WORTH:** | | **$53,005,766** |

***Annual Income:***

| | |
|---|---|
| 1 Cell Tower Lease @ $1,473 per month | $17,676 |
| 2 Hidden Cove Boat & Yatch Sales Lease | $84,375 |
| 3 BARGIB 669 Marina Lease | $90,000 |
| 4 3205 Palm Vacation Rental | $85,935 |
| ***TOTAL:*** | ***$277,986*** |

FIRST RELIANCE
BANCSHARES

H001627

10-26-07 (Approved $2.8 MM (see Credit Memo)

To: Credit File

CC:

From: Ben Brazell

Date: 10/24/2007

Re: Heritage Seven, LLC

This memo serves as a supplement to the credit memo dated 09/17/07 for the above referenced. The following represents the debt coverage ratio (DCR) of the apartment project in three formats: 1) Per appraisal, 2) Per Borrowers Projections and 3) Adjusted based on a combination of 1 & 2.

DCR ($ In Thousands)

| | #1 (Appraisal) | #2 (Borrower) | #3 |
|---|---|---|---|
| Rent | $454 (2br-800/1b-700) | $482 (2br-850/1b-750) | $454 |
| Vacancy | $ 34 (7.4%) | $ 24 (5%) | $ 24 |
| Vending | 0 | 8 | 8 |
| Net Rent | $420 | $467 | $438 |
| Expenses | 96 | 96 | 96 |
| Advertise | 0 | 1 | 1 |
| Mgmt. | 25 (6%) | 24 (5%) | 24 |
| Reserves | 11 | 0 | 0 |
| NOI | $289 | $346 | $317 |
| Debt Svc | $281 | $281 | $281 |
| CFBT | $ 8 | $ 65 | $ 36 |
| DCR | 1.03x | 1.23x | 1.13x |

- Reasonable Rate Floor
- Key for life insurance

NOTES:

- Rent – adjusted Performa assumes lower rent factor.
- Vacancy – appraiser reports 7.4% of which 5% is attributed to turnover. View of appraiser is fully occupied upon completion.
- Vending – Property currently has Laundromat which generates $8K / year
- Reserves – Appraiser accounts for roof, HVAC, etc. replacement. All will be new after renovation. Repairs/Maintenance of $10/yr. included in expenses.

PPPI-6755
10/24/2007

1

Reliance Loans000817

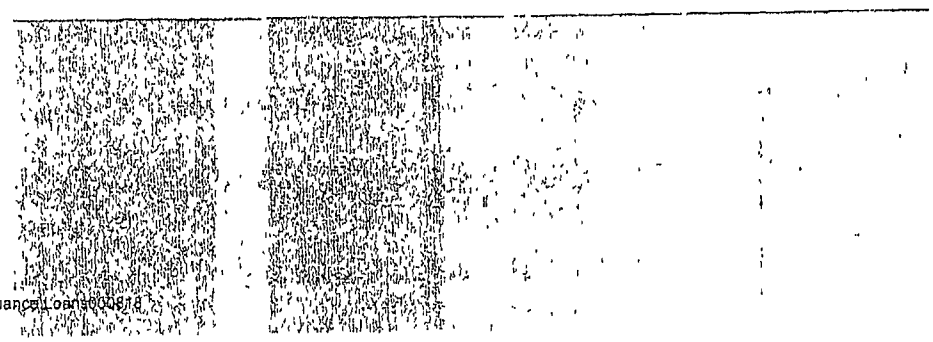
DEFENDANT'S EXHIBIT 22

Due to the unknown DCR at completion and risk involved in converting the apartments, the bank will obtain an additional income producing property (cell tower on Klister Lane) valued at $465K and generating $19,200/ yr in rental income. As a result, the additional assigned income would produce an overall dcr of 1.20x based on scenario #3. LTV would improve to 71%. This collateral would be released upon meeting required 1.25x as underwritten by the bank via tax return

why

As mentioned in the credit memo, the guarantor provides additional financial strength to this credit. She owns @ 78 acres of undeveloped real estate on Daniel Island worth @ $36MM. Given the growth of that area, borrower could easily sell a small portion of this land to reduce or payoff our debt.





| | |
|---|---|
| From | ROLANDO VILLAVICENCIO |
| To | Lanier Benjamin |
| Sent | 10/24/2007 3 51 32 PM |
| Subject | most current PFS for linda gibson benjie response Heritage Seven |
| Attachments | probate last will & testament paul william gibson 052202.pdf |

*ROLANDO V VILLAVICENCIO*
RE/MAX Professional Realty
*9209 University Boulevard*
*North Charleston, South Carolina 29406*
843 767-7777 Office
843 767 4006 Fax
800 633 9275 Toll Free
843 303-3411 Cell
rolandovillavicencio@remax net

---

From. rolandovillavicencio@msn com
To be jlinda lanier@amerisbank com, rolandovillavicencio@remax.net, portlav@remax net
Subject most current PFS for linda gibson - benjie response - Heritage Seven
Date Wed, 24 Oct 2007 11 40 25 0400

benjie i am attaching the following for linda gibson

1 PFS as of 093007,

2. probate last will & testament for paul william gibson

3 probate memorandum from jim kyzik,

4 probate order closing estate

please refer to your email below for answers to your questions

hope this should satisfy the inquiry

let us know if you need anything else

thanks again for your diligence in getting the commitment

we are excited to receive the positive response from you very soon

linda, portia and myself will see you tomorrow evening

rolando

*ROLANDO V VILLAVICENCIO*
RE/MAX Professional Realty
*9209 University Boulevard*
*North Charleston, South Carolina 29406*
843 767 7777 Office
843 767 4006 Fax
800 633 9275 Toll Free
843 303 3411 Cell
rolandovillavicencio@remax net

---

Subject Re benjie - response Heritage Seven
Date Tue, 23 Oct 2007 20 34 13 0400
From. Benjamin.Lanier@amerisbank com
To rolandovillavicencio@msn com

Sounds great! Thanks for your help



DEFENDANT'S EXHIBIT 23

-- Original Message ----
From: ROLANDO VILLAVICENCIO <rolandovillavicencio@msn.com>
To: Lanier, Benjamin, AMG/Rolando Villavicencio <rolandovillavicencio@remax.net>
Sent: Tue Oct 23 20:22:46 2007
Subject: benjie response Heritage Seven

just opened your email tonight

I will get all the info for you first thing tomorrow

we should be able to satisfy all your inquiries below

which means we will be in top shape.

thanks

rolando

ROLANDO V VILLAVICENCIO
RE/MAX Professional Realty
9209 University Boulevard
North Charleston, South Carolina 29406
843 767 7777 Office
843 767 4006 Fax
800 633 9173 Toll Free
843 303 3411 Cell
rolandovillavicencio@remax.net

---

Subject: Heritage Seven
Date: Tue, 23 Oct 2007 11:47:51 -0400
From: Benjamin.Lanier@amg.raymondjames.com
To: rolandovillavicencio@msn.com

Rolando,

Can you help answer a couple questions our guy in Columbia had about Linda's personal statement? He wanted to know if the assets listed on the personal financial statement were 100% owned by Linda or if she owned a portion of them with an LLC/Trust.

all real estate assets, as noted on PFS as of 093007 as owned solely by linda evange. gibson EXCEPT

1 3205 palm blvd. owned by 3205 palm blvd llc which is 50% linda a gibson, and 50% Paul William Gibson Estate, for which linda a gibson is the personal representative and trustee we are attaching supporting documents for this

2 109 111 s hwy 52 owned by heritage seven llc which was originally 600 sweetgum blvd llc, which is also similar to 3205 palm blvd llc this is included in supporting document as attached,

3 PLEASE BE ADVISED, VERY IMPORTANT NOTE linda a gibson's real estate strategy is eventually to turn over all real estate holdings to her entity which is heritage seven llc

acquiring the apartment project under heritage seven llc is a...cash a second property ownership after the 109 111 s hwy 52 shopping center

all other properties, from here on, to eventually follow suit

4 cedar island 55 acres is owned by linda a. gibson at 50% and john avinger and shirley huggins at combined 50%

as per in common agreement is currently being worked on by paul m lynch, esquire

STRICTLY CONFIDENTIAL linda a gibson would like to eventually buy out the 2 cousins and doing this apartment project would place her in a much more strategic position, financially and will also garner linda with a hands-on experience to "development"

STRICTLY CONFIDENTIAL currently, drawings and plans are available for the 55 acres to build some 150 fee simple townhouse units, and some commercial development fronting elements ferry we anticipate project development may well cost in excess of $60 million

but after more careful review we end to lean towards developing the site for all commercial, if not the entire town center, than as currently planned

to buy out the 2 cousins would be the first step to achieve this ultimate goal.

if you need further info on this please call me otherwise, we trust you and the bank will keep this strictly confidential, as noted

if you could find this out it would be a huge help. If they are not wholly owned by Linda can you please let me know what portion of ownership she does own the properties

The other question was the location/valuation of the 55 acre parcel on Cedar Island. If possible can you give me the valuation determination for that parcel?

valuation determination was based on recent real estate transactions in the area of similar comparable acreage

AMERIS-EMAILS-000633

current active listings have asking prices as much as over $1 million per acre

release, which sits on a little over 81 acres, with its current buildings and improvements is already asking $41 million for their property

In addition, numerous inquiries and interest have been received stating values as much as as stated.

fortunately owners are not interested to sell period

It is valued on Linda's PFS as $25,500,000. We just wanted to get a clarification on the value in case a Bank Examiner were to question us on this.

I have attached the PFS for your information. Once these questions are answered I do have we are in good shape for approval

Thanks


Benjamin R. Larner Jr

Vice President/Business Banker

Ameris Bank

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Subject: Linda Gibson PFS
Date: Tue, 23 Oct 2007 14:46:08 -0400
From: Benjamin.Larner@ameris bank.com
To: Benjamin.Larner@amerisbank.com

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Click to the top of the classic Play Star Shuffle the word scramble challenge with star power. Play Now! <http://club.live.msnstar.shuffle.aspx?fcid=starshuffle_winmailtrailer_eng>

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LAST WILL AND TESTAMENT
OF
PAUL WILLIAM GIBSON

Introductory Clause. I, Paul William Gibson, a resident of and domiciled in the County of Dorchester and State of South Carolina, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all Wills and Codicils at any time heretofore made by me.

I am married to Linda Ann Gibson

I have two children: Elizabeth A Gibson and Jennifer L Gibson

ITEM I

Direction to Pay Debts with Discretionary Refinancing by Personal Representative. I direct that all my legally enforceable debts, secured and unsecured, be paid as soon as practicable after my death. I direct that my Personal Representative may cause any debt to be carried, renewed and refinanced from time to time upon such terms and with such securities for its repayment as my Personal Representative may deem advisable taking into consideration the best interest of the beneficiaries hereunder.

ITEM II

I direct that:

(1) Direction to Pay All Taxes from Residuary Estate. Except as provided in (2) herein, all estate, inheritance, succession, death or similar taxes (except generation-skipping transfer taxes) assessed with respect to my estate herein disposed of, or any part thereof, or on any bequest or devise contained in this my Last Will (which term wherever used herein shall include any Codicil hereto), be paid out of my residuary estate and shall not be charged to or against any recipient, beneficiary, transferee or owner of any such property or interests in property included in my estate for such tax purposes.

(2) Apportion Taxes on Nonprobate Property. All such taxes in respect to any property or interests in property included in my gross estate under Sections 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, and 2044 of the Internal Revenue Code shall be charged against and paid by the recipient or beneficiary of such property or interest in property or from the property or interest in the property, provided, however. (a) there shall be no apportionment against any donee or recipient of any such property or interest in property which is a qualified charity under Section 2055 and the property or interest in property was allowed in my federal estate tax proceedings as a charitable deduction; (b) there shall be no apportionment against my surviving wife, if she is a donee or recipient of any such property or interest in property and the property or interest in property was allowed in my federal estate tax proceedings as a marital deduction under I.R.C. Section 2056. The amount of the tax to be charged against such donee or

recipient shall be determined by multiplying a fraction (the numerator of which shall be the federal estate tax value of the property to be apportioned as finally determined in my federal estate tax proceedings and the denominator of which shall be the total value of my taxable estate for such federal estate tax purposes) times the net amount of such taxes payable by my estate after the application of all credits against such taxes.

ITEM III

General Bequest of Personal and Household Effects With a Mandatory Memorandum I give and bequeath all my personal and household effects of every kind including but not limited to furniture, appliances, furnishings, pictures, silverware, china, glass, books, jewelry, wearing apparel, boats, automobiles, and other vehicles, and all policies of fire, burglary, property damage, and other insurance on or in connection with the use of this property, as follows:

(1) I may leave written memoranda disposing of certain items of my tangible personal property. Any such item of tangible personal property shall pass according to the terms of such memoranda in existence at the time of my death. If no such written memoranda is found or identified by my Personal Representative within ninety (90) days after my Personal Representative's qualification, it shall be conclusively presumed that there is no such memoranda and any subsequently discovered memoranda shall be ineffective Any property given and devised to a beneficiary who is not living at the time of my death and for whom no effective alternate provision has been made shall pass according to the provisions of the following paragraph, and not pursuant to any anti-lapse statute

(2) In default of such memoranda, or to the extent such memoranda do not completely or effectively dispose of such property, I give and bequeath the rest of my personal and household effects of every kind to my wife, Linda Ann Gibson, if she shall survive me. If my wife shall not survive me, I give and bequeath all this property to my children surviving me, in approximately equal shares; provided, however, the issue of a deceased child surviving me shall take per stirpes the share their parent would have taken had he or she survived me. If my issue do not agree to the division of the property among themselves, my Personal Representative shall make such division among them, the decision of my Personal Representative to be in all respects binding upon my issue. If any beneficiary hereunder is a minor, my Personal Representative may distribute such minor's share to such minor or for such minor's use to any person with whom such minor is residing or who has the care or control of such minor without further responsibility and the receipt of the person to whom it is distributed shall be a complete discharge of my Personal Representative. The cost of packing and shipping such property shall be charged against my estate as an expense of administration.

ITEM IV

Maximum Marital Deduction, Pecuniary Formula Bequest. Maximize Unified Credit, Payable to Wife. If my wife, Linda Ann Gibson, shall survive me, I give, devise and bequeath to my wife, cash, securities or other property of my estate (undiminished by any estate, inheritance, succession, death or similar taxes) having a value equal to the maximum marital deduction as finally determined in my federal estate tax proceedings, less the aggregate amount of marital



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deductions (if any) allowed for such tax purposes by reason of property or interests in property passing or which have passed to my wife otherwise than pursuant to the provisions of this Item; provided, however, the amount of this bequest shall be reduced by the amount, if any, needed to increase my taxable estate (for federal estate tax purposes) to the largest amount that, after allowing for the unified credit against the federal estate tax, and the state death tax credit against such tax (but only to the extent that the use of such state death tax credit does not increase the death tax payable to any state), will result in the smallest, if any, federal estate tax being imposed on my estate. The term "maximum marital deduction" shall not be construed as a direction by me to exercise any election respecting the deduction of estate administration expenses, the determination of the estate tax valuation date, or any other tax election which may be available under any tax laws, only in such manner as will result in a larger allowable estate tax marital deduction than if the contrary election had been made. My Personal Representative shall have the sole discretion to select the assets which shall constitute this bequest. In no event, however, shall there be included in this bequest any asset or the proceeds of any asset which will not qualify for the federal estate tax marital deduction, and this bequest shall be reduced to the extent that it cannot be created with such qualifying assets My Personal Representative shall value any asset selected by my Personal Representative for distribution in kind as a part of this bequest at the value of such asset at the date of distribution of such asset.

ITEM V

Residuary Gift to Trustee Under the Family Trust. I give, devise and bequeath all the rest, residue and remainder of my property of every kind and description (including lapsed legacies and devises), wherever situate and whether acquired before or after the execution of this Will to the Trustee of the Family Trust. The Family Trust shall be administered as hereinafter set forth.

ITEM VI

The Family Trust Introductory Provision. The Family Trust shall be held, administered and distributed as follows:

(1) Payment to Wife of All Income. If my wife shall survive me, then commencing with the date of my death, my Trustee shall pay to or apply for the benefit of my wife during her lifetime all the net income from the Family Trust in convenient installments but no less frequently than quarter-annually.

(2) Discretionary Payments of Principal for Wife If my wife shall survive me, my Trustee may pay to or apply for the benefit of my wife during her lifetime, such sums from the principal of the Family Trust as in its sole discretion shall be necessary or advisable from time to time for the medical care, education, support and maintenance in reasonable comfort of my wife, taking into consideration to the extent my Trustee deems advisable, any other income or resources of my wife known to my Trustee.

(3) Division Into Shares for Children. Upon or after the death of the survivor of my wife and me, my Trustee shall divide this Trust as then constituted into equal separate shares so



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as to provide One (1) share for each then living child of mine and One (1) share for each deceased child of mine who shall leave issue then living. Each share shall be distributed or retained in Trust as hereinafter provided.

(4) Income/Discretionary Invasion of Principal for Children. After division into shares for children, all the net income from each share so provided for a living child of mine shall be paid in convenient installments to or applied for the benefit of the child until complete distribution of the share as herein provided. In addition to income, my Trustee may pay to or apply for the benefit of the child such sums from the principal of his or her share as in its sole discretion shall be necessary or desirable from time to time for his or her medical care, education, support and maintenance in reasonable comfort, taking into consideration to the extent my Trustee deems advisable, any other income or resources of the child known to my Trustee.

(5) Distribution of Principal to a Child. After division into shares for children, when a child of mine attains the age of Thirty (30) years, my Trustee shall distribute to the child the undistributed balance of his or her share. If a child of mine has already attained age Thirty (30) at the time this Trust is divided into separate shares, my Trustee shall, upon making the division, distribute to the child all of his or her share respectively.

(6) Upon Child's Death to Child's Issue. After division into shares for children, upon the death of a child of mine prior to complete distribution of his or her share, the undistributed balance of the child's share shall be distributed per stirpes to his or her then living issue, or in default of such issue, per stirpes to my then living issue.

(7) Distribution of a Deceased Child's Share. Each share set aside, upon division into shares, for a deceased child of mine who shall leave issue then living, shall be distributed per stirpes to such issue.

ITEM VII

Naming the Personal Representative and Trustee, Personal Representative and Trustee Succession, Personal Representative and Trustee's Fees and Other Matters. The provisions for naming the Personal Representative and Trustee, Personal Representative and Trustee succession, Personal Representative and Trustee's fees and other matters are set forth below:

(1) Naming an Individual Personal Representative and Trustee. I hereby nominate, constitute and appoint as Personal Representative and Trustee of this my Last Will and Testament Linda Ann Gibson and direct that she shall serve without bond.

(2) Naming Individual Successor or Substitute Personal Representative and Trustee. If my individual Personal Representative and Trustee should fail to qualify as Personal Representative and Trustee hereunder, or for any reason should cease to act in such capacity, the successor or substitute Personal Representatives and Trustees who shall also serve without bond shall be Tommy Green, Asheville, NC (husband of my cousin, Regina Green) and Elizabeth A. Gibson. If any Personal Representative and Trustee named herein should fail to qualify as Personal Representative and Trustee hereunder, or for any reason should cease to act in such



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capacity, the remaining Personal Representatives and Trustees named herein shall continue to serve without a successor or substitute

(1) Fee Schedule for Personal Representative and Trustee. For his or her services as Personal Representative, my individual Personal Representative shall receive a fee of $5,000 and reimbursement for reasonable expenses. For his services as Trustee, my individual Trustee shall receive $2,000 per year and reimbursement for reasonable expenses. For its services as Trustee, my corporate Trustee shall receive reasonable compensation for the services rendered and reimbursement for reasonable expenses.

(2) Personal Representative and Trustee Voting Rights. If there is more than one Personal Representative and Trustee serving, then the vote of the Personal Representatives and Trustees for any action hereunder must be by unanimous vote of the Personal Representatives and Trustees.

(3) Limitations on Trustees. No person who at any time is acting as Trustee hereunder shall have any power or obligation to participate in any discretionary authority which I have given to the Trustee to pay principal or income to such person, or for his or her benefit or in relief of his or her legal obligations; provided, however, if an individual trustee (who is also a beneficiary) is the sole trustee or at any time is acting as the sole trustee, and such trustee has discretion to invade principal for himself or herself and such discretionary authority is limited by an ascertainable standard, then such trustee may invade principal (if limited by such standard) for himself or herself but not in relief of his or her legal obligations.

ITEM VIII

Definition of Personal Representative and Trustee. Whenever the word "Personal Representative" and/or the word "Trustee", or any modifying or substituted pronoun therefor are used in this my Will, such words and respective pronouns shall include both the singular and the plural, the masculine, feminine and neuter gender thereof, and shall apply equally to the Personal Representative and/or Trustee named herein and to any successor or substitute Personal Representative and/or Trustee acting hereunder, and such successor or substitute Personal Representative and/or Trustee shall possess all the rights, powers and duties, authority and responsibility conferred upon my Personal Representative and/or Trustee originally named herein.

ITEM IX

Powers for Personal Representative and Trustee. My Personal Representative and Trustee is authorized in its fiduciary discretion (which shall be subject to the standard of reasonableness and good faith to all beneficiaries) with respect to any property, real or personal, at any time held under any provision of this my Will and without authorization by any court and in addition to any other rights, powers, authority and privileges granted by any other provision of this my Will or by statute or general rules of law:



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(1) To retain any property or undivided interests in property owned by me at the time of my death, including residential property and shares of my Personal Representative's or Trustee's own stock, regardless of any lack of diversification, risk or nonproductivity, as long as it deems advisable, and to exchange any such security or property for other securities or properties and to retain such items received in exchange, although such property represents a large percentage of the total property of my estate or the Trust Estate or even the entirety thereof.

(2) To invest and reinvest all or any part of my Estate or the Trust Estate in any property and undivided interests in property, wherever located, including bonds, debentures, notes, secured or unsecured, stocks of corporations regardless of class, interests in limited partnerships, limited liability companies or similar entities, real estate or any interest in real estate whether or not productive at the time of investment, interests in trusts, investment trusts, whether of the open and/or closed fund types, and participation in common, collective or pooled trust funds of my Personal Representative or Trustee, insurance contracts on the life of any beneficiary or annuity contracts for any beneficiary, without being limited by any statute or rule of law concerning investments by fiduciaries.

(3) To sell or dispose of or grant options to purchase any property, real or personal, constituting a part of my estate or the Trust Estate, for cash or upon credit, to exchange any property of my estate or the Trust Estate for other property, at such times and upon such terms and conditions as it may deem best, and no person dealing with it shall be bound to see to the application of any monies paid.

(4) To hold any securities or other property in its own name as Personal Representative or Trustee, in its own name, in the name of a nominee (with or without disclosure of any fiduciary relationship) or in bearer form.

(5) To keep, at any time and from time to time, all or any portion of my Estate or the Trust Estate in cash and uninvested for such period or periods of time as it may deem advisable, without liability for any loss in income by reason thereof.

(6) To sell or exercise stock subscription or conversion rights;

(7) To refrain from voting or to vote shares of stock owned by my Estate or the Trust Estate at shareholders' meetings in person or by special, limited, or general proxy and in general to exercise all the rights, powers and privileges of an owner in respect to any securities constituting a part of my Estate or the Trust Estate

(8) To participate in any plan of reorganization or consolidation or merger involving any company or companies whose stock or other securities shall be part of my Estate or the Trust Estate, and to deposit such stock or other securities under any plan of reorganization or with any protective committee and to delegate to such committee discretionary power with relation thereto, to pay a proportionate part of the expenses of such committee and any assessments levied under any such plan, to accept and retain new securities received by my Personal Representative or Trustee pursuant to any such plan, to exercise all conversion, subscription,



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voting and other rights, of whatsoever nature pertaining to such property, and to pay any amount or amounts of money as it may deem advisable in connection therewith.

(9) To borrow money and to encumber, mortgage or pledge any asset of my estate or the Trust Estate for a term within or extending beyond the term of the trust, in connection with the exercise of any power vested in my Personal Representative or Trustee.

(10) To enter for any purpose into a lease as lessor or lessee with or without option to purchase or renew for a term within or extending beyond the term of the trust,

(11) To subdivide, develop, or dedicate real property to public use or to make or obtain the vacation of plats and adjust boundaries, to adjust differences in valuation on exchange or partition by giving or receiving consideration, and to dedicate easements to public use without consideration.

(12) To make ordinary or extraordinary repairs or alterations in buildings or other structures, to demolish any improvements, to raze existing or erect new party walls or buildings,

(13) To continue and operate any business owned by me at my death and to do any and all things deemed needful or appropriate by my Personal Representative or Trustee, including the power to incorporate the business and to put additional capital into the business, for such time as it shall deem advisable, without liability for loss resulting from the continuance or operation of the business except for its own negligence, and to close out, liquidate or sell the business at such time and upon such terms as it shall deem best.

(14) To collect, receive, and receipt for rents, issues, profits, and income of my Estate or the Trust Estate.

(15) To insure the assets of my Estate or of the Trust Estate against damage or loss and my Personal Representative or Trustee against liability with respect to third persons.

(16) In buying and selling assets, in lending and borrowing money, and in all other transactions, irrespective of the occupancy by the same person of dual positions, to deal with itself in its separate, or any fiduciary, capacity.

(17) To compromise, adjust, arbitrate, sue on or defend, abandon, or otherwise deal with and settle claims in favor of or against my Estate or the Trust Estate as my Personal Representative or Trustee shall deem best.

(18) To employ and compensate agents, accountants, investment advisers, brokers, attorneys-in-fact, attorneys- at-law, tax specialists, realtors, and other assistants and advisors deemed by my Personal Representative or Trustee needful for the proper administration of my Estate or the Trust Estate, and to do so without liability for any neglect, omission, misconduct, or default of any such agent or professional representative provided such person was selected and retained with reasonable care.



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(19) To determine what shall be fairly and equitably charged or credited to income and what to principal.

(20) To hold and retain the principal of my Estate or the Trust Estate undivided until actual division shall become necessary in order to make distributions; to hold, manage, invest, and account for the several shares or parts thereof by appropriate entries on my Personal Representative's or Trustee's books of account; and to allocate to each share or part of share its proportionate part of all receipts and expenses; provided, however, the carrying of several trusts as one shall not defer the vesting in title or in possession of any share or part of share thereof.

(21) To make payment in cash or in kind, or partly in cash and partly in kind upon any division or distribution of my Estate or the Trust Estate (including the satisfaction of any pecuniary distribution) without regard to the income tax basis of any specific property allocated to any beneficiary and to value and appraise any asset and to distribute such asset in kind at its appraised value; and when dividing fractional interests in property among several beneficiaries to allocate entire interests in some property to one beneficiary and entire interests in other property to another beneficiary or beneficiaries.

(22) To exercise any power herein granted with reference to the control, management, investment or disposition of my Estate or the Trust Estate either as Personal Representative or Trustee without having to declare in which capacity it is acting.

(23) In general, to exercise all powers in the management of my Estate or the Trust Estate which any individual could exercise in his own right, upon such terms and conditions as it may reasonably deem best, and to do all acts which it may deem reasonably necessary or proper to carry out the purposes of this my Will.

(24) To combine assets of two or more trusts if the provisions and terms of each trust are substantially identical, and to administer them as a single trust, if my Trustee reasonably determines that the administration as a single trust is consistent with my intent, and facilitates the trust's administration without defeating or impairing the interests of the beneficiaries.

(25) To divide any trust into separate shares or separate trusts or to create separate trusts if my Trustee reasonably deems it appropriate and the division or creation is consistent with my intent, and facilitates the trust's administration without defeating or impairing the interests of the beneficiaries.

(26) To divide property in any trust being held hereunder with an inclusion ratio, as defined in section 2642(a)(1) of the Internal Revenue Code of 1986, as from time to time amended or under similar future legislation, of neither one nor zero into two separate trusts representing two fractional shares of the property being divided, one to have an inclusion ratio of one and the other to have an inclusion ratio of zero; to create trusts to receive property with an inclusion ratio of either one or zero and if this cannot be done to refuse to accept property which does not have a matching inclusion ratio to the receiving trust's ratio, all as my Trustee in its sole discretion deems best.



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(27) To elect to allocate any portion or all of my generation-skipping transfer exemption provided for in Code section 2631 or under similar future legislation, in effect at the time of my death, to any portion or all of any other trusts or bequests in my Will or any other transfer which I am the transferor for purposes of the generation-skipping tax. Generally, I anticipate that my Personal Representative will elect to allocate this exemption first to direct skips as defined in Code section 2612, then to the Family Trust, unless it would be inadvisable based on all the circumstances at the time of making the allocation, and to make the special election under section 2652(a)(3) of the Code to the extent my Personal Representative deems in the best interest of my estate.

ITEM X

Marital Deduction Savings Clause for Outright Bequest. It is expressly provided that the grant of rights, powers, privileges and authority to my Personal Representative in connection with the imposition of duties upon my Personal Representative by any provision of this my Will or by any statute relating thereto shall not be effective if and to the extent that the same, if effective, would disqualify the marital deduction as provided for herein. It is expressly provided that my Personal Representative shall not in the exercise of its discretion make any determination inconsistent with the foregoing intention

ITEM XI

Provision for Trustee to Act as Trustee for Beneficiary Under Age Twenty-One. If any share hereunder becomes distributable to a beneficiary who has not attained the age of Twenty-one (21), such share shall immediately vest in the beneficiary, but notwithstanding the provisions herein, my Trustee shall retain possession of the share in trust for the beneficiary until the beneficiary attains the age of Twenty-one (21), using so much of the net income and principal of the share as my Trustee deems necessary to provide for the medical care, education, support and maintenance in reasonable comfort of the beneficiary, taking into consideration to the extent my Trustee deems advisable any other income or resources of the beneficiary or his or her parents known to my Trustee. Any income not so paid or applied shall be accumulated and added to principal. The beneficiary's share shall be paid over and distributed to the beneficiary upon attaining age Twenty-one (21), or if he or she shall sooner die, to his or her personal representatives. My Trustee shall have with respect to each share so retained all the powers and discretions it had with respect to the trusts created herein generally.

ITEM XII

Trustee's Discretion in Making Payments to a Person Under Age Twenty-One, Incompetent, or Incapacitated Person. In case the income or principal payment under any trust created hereunder or any share thereof shall become payable to a person under the age of Twenty-one (21), or to a person under legal disability, or to a person not adjudicated incompetent, but who, by reason of illness or mental or physical disability, is, in the opinion of my Trustee unable properly to administer such amounts, then such amounts shall be paid out by my Trustee in such of the following ways as my Trustee deems best: (1) directly to the beneficiary; (2) to the legally appointed guardian of the beneficiary; (3) to some relative or friend



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for the medical care, education, support and maintenance in reasonable comfort of the beneficiary, (4) by my Trustee using such amounts directly for the beneficiary's care, support and education; (5) to a custodian for the beneficiary under the Uniform Gifts or Transfers to Minors Act.

ITEM XIII

Discretion Granted to Personal Representative in Reference to Tax Matters. My Personal Representative as the fiduciary of my estate shall have the discretion, but shall not be required when allocating receipts of my estate between income and principal, to make adjustments in the rights of any beneficiaries, or among the principal and income accounts to compensate for the consequences of any tax decision or election, or of any investment or administrative decision, that my Personal Representative believes has had the effect, directly or indirectly, of preferring one beneficiary or group of beneficiaries over others; provided, however, my Personal Representative shall not exercise its discretion in a manner which would cause the loss or reduction of the marital deduction as may be herein provided. In determining the state or federal estate and income tax liabilities of my estate, my Personal Representative shall have discretion to select the valuation date and to determine whether any or all of the allowable administration expenses in my estate shall be used as state or federal estate tax deductions or as state or federal income tax deductions and shall have the discretion to file a joint income tax return with my wife.

ITEM XIV

Definition of Children; Definition of Per Stirpes. For purposes of this Will, "children" means the lawful blood descendants in the first degree of the parent designated; and "issue" and "descendants" mean the lawful blood descendants in any degree of the ancestor designated; provided, however, that if a person has been adopted, that person shall be considered a child of such adopting parent and such adopted child and his or her issue shall be considered as issue of the adopting parent or parents and of anyone who is by blood or adoption an ancestor of the adopting parent or either of the adopting parents. The terms "child," "children," "issue," "descendant" and "descendants" or those terms preceded by the terms "living" or "then living" shall include the lawful blood descendant in the first degree of the parent designated even though such descendant is born after the death of such parent.

The term "per stirpes" shall mean that a gift shall be divided into as many equal shares as there are takers who (a) survive the applicable event that permits them to take such gift, or (b) are deceased but leave lineal descendants who survive such applicable event. Each living person shall be entitled to receive one equal share and the living lineal descendants of a deceased person shall take the share that their deceased ancestor would have taken had such deceased ancestor survived the applicable event.

ITEM XV

Definition of Words Relating to the Internal Revenue Code. As used herein, the words "gross estate," "adjusted gross estate," "taxable estate," "unified credit" ("unified credit" shall



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also mean "applicable credit amount"), "state death tax credit," "maximum marital deduction," "marital deduction," "pass," and any other word or words which from the context in which it or they are used refer to the Internal Revenue Code shall have the same meaning as such words have for the purposes of applying the Internal Revenue Code to my estate. For purposes of this Will, my "available generation-skipping transfer exemption" means the generation-skipping transfer tax exemption provided in section 2631 of the Internal Revenue Code of 1986, as amended, in effect at the time of my death reduced by the aggregate of (1) the amount, if any, of my exemption allocated to lifetime transfers of mine by me or by operation of law, and (2) the amount, if any, I have specifically allocated to other property of my gross estate for federal estate tax purposes. For purposes of this Will if at the time of my death I have made gifts with an inclusion ratio of greater than zero for which the gift tax return due date has not expired (including extensions) and I have not yet filed a return, it shall be deemed that my generation-skipping transfer exemption has been allocated to these transfers to the extent necessary (and possible) to exempt the transfer(s) from generation-skipping transfer tax. Reference to sections of the Internal Revenue Code and to the Internal Revenue Code shall refer to the Internal Revenue Code amended to the date of my death

ITEM XVI

Statement by Testator of Intent Not to Exercise Power of Appointment. I hereby refrain from exercising any power of appointment that I may have at the time of my death.

ITEM XVII

Simultaneous Death Provision Presuming Beneficiary Predeceases Testator. If any beneficiary and I should die under such circumstances as would make it doubtful whether the beneficiary or I died first, then it shall be conclusively presumed for the purposes of this Will that the beneficiary predeceased me.

ITEM XVIII

Perpetuities Savings Clause. Notwithstanding anything herein to the contrary, the trust created hereunder shall immediately vest and terminate one day prior to the maximum time allowed under the South Carolina Uniform Statutory Rule Against Perpetuities. This is intended to allow the trust to continue until that point which is not later than one day prior to ninety (90) years after the creation of this trust. If there is any remaining principal at that time, the Trustee shall distribute each remaining share hereunder to the beneficiary or beneficiaries of the current income thereof and, if there is more than one beneficiary, in the proportion in which they are beneficiaries or if no proportion is designated, in equal shares to such beneficiaries. If there is a possibility that this provision will not be effective to avoid violation of the South Carolina Uniform Statutory Rule Against Perpetuities, the Trustee is empowered to amend the trust for this limited purpose (without court approval) in order to carry out the Settlor's intent.



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Testimonium, Attestation and Self-Proving Affidavit. I, Paul William Gibson, the Testator, sign my name to this instrument this 22nd day of May, 2002, and being first duly sworn, do hereby declare to the undersigned authority that I sign and execute this instrument as my last will and that I sign it willingly (or willingly direct another to sign for me), that I execute it as my free and voluntary act for the purposes therein expressed, and that I am eighteen years of age or older, of sound mind, and under no constraint or undue influence.

PAUL WILLIAM GIBSON

We, James Kuyk and Keenan Tomlinson, the witnesses, sign our names to this instrument, being first duly sworn, and do hereby declare to the undersigned authority that the Testator signs and executes this instrument as his last will and that he signs it willingly (or willingly directs another to sign for him), and that each of us, in the presence and hearing of the Testator, and in the presence of each other, hereby signs this will as witness to the Testator's signing, and that to the best of our knowledge the Testator is eighteen years of age or older, of sound mind, and under no constraint or undue influence.

(Witness)

(Witness)

STATE OF SOUTH CAROLINA )
)
COUNTY OF DORCHESTER )

Subscribed, sworn to, and acknowledged before me by Paul William Gibson, the Testator, and subscribed and sworn to before me by Keenan Tomlinson, the witness, this 22 day of May, 2002.

(Seal)
Notary Public for South Carolina
My Commission Expires: 10/12/2024

| | |
|---|---|
| From: | Lanier, Benjamin |
| To: | Hipp, John |
| CC: | Bogan, Marc |
| Sent: | 10/24/2007 5 37:03 PM |
| Subject: | Heritage Seven LLC |
| Attachments: | Linda Gibson RE ownership |

John/Marc
Below are the responses given in regards to the questions about Linda Gibson's ownership in the real estate on her personal financial statement and the valuation of the 55 acre Daniel Island tract The responses are from Linda's RE Agent Rolando Rolando handles a good portion of Linda's RE dealings Please let me know if you have any questions outside of these responses I have attached a listing of Linda's RE from her PFS that details her ownership in each

Rolando,

Can you help answer a couple questions our guy in Columbia had about Linda's personal statement? He wanted to know if the assets listed on the personal financial statement were 100% owned by Linda or if she owned a portion of them with an LLC/Trust.

all real estate assets, as noted on PFS as of 093007, are owned solely by linda avinger gibson EXCEPT·

1. 3205 palm blvd· - owned by 3205 palm blvd llc which is 50% linda a. gibson, and 50% Paul William Gibson Estate, for which linda a. gibson is the personal representative and trustee - we are attaching supporting documents for this,

2. 109-111 s hwy 52: - owned by heritage seven llc, which was originally 600 carolina blvd llc, which is also similar to 3205 palm blvd llc - this is included in supporting document as attached;

3 PLEASE HIGHLIGHT, VERY IMPORTANT NOTE: linda a. gibson's real estate strategy is eventually to turn over all real estate holdings to one entity, which is heritage seven llc.

acquiring the apartment project under heritage seven llc is already a second property ownership after the 109-111 s. hwy 52 shopping center.

all other properties, from here on, to eventually follow suit;

4. daniel island 55 acres is owned by linda a. gibson at 50% and john avinger and shirley huggins at combined 50%.

tenancy in common agreement is currently being worked out by paul m. lynch, esquire.

STRICTLY CONFIDENTIAL: linda a. gibson would like to eventually buy out the 2 cousins, and doing this apartment project would place her in a much more strategic position, financially, and will also garner linda with a hands-on experience to "development".

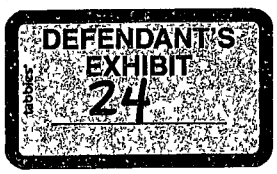
STRICTLY CONFIDENTIAL: currently, drawings and plans are available for the 55 acres to build some 150 fee simple townhouse units, and some commercial development fronting clements ferry. we anticipate project development may well cost in excess of $60 million.

but after more careful review, we end to lean towards developing the site for all commercial, like the mt pleasant town center, than as currently planned.

to buy out the 2 cousins would be the first step to achieve this ultimate goal.

if you need further info on this, please call me. otherwise, we trust you and the bank will keep this strictly confidential, as noted.

If you could find this out it would be a huge help. If they are not wholly owned by Linda can you please let me know what portion of ownership she does own the properties.




AMERIS-EMAILS-000015

The other question was the location/valuation of the 55 acre parcel on Daniel Island. If possible can you give me the valuation determination for that parcel?

valuation determination was based on recent real estate transactions in the area of similar comparable acreage.

current active listings have asking prices as much as over $1 million per acre.

mikasa, which sits on a little over 81 acres, with its current buildings and improvements, is already asking $41 million for their property

in addition, numerous inquiries and interest have been received stating values as much as as-stated.

fortunately, owners are not interested to sell, period.

It is valued on Linda's PFS as $27,500,000. We just wanted to get a clarification on the value in case a Bank Examiner were to question us on this.

Benjamin R. Lanier Jr.
Vice President/Business Banker
Ameris Bank
49 Archdale Street
Charleston, SC 29401
Direct. 843-534-2939
Cell. 843-345-3507
Fax. 843-534-2944

benjamin.lanier@amerisbank.com
www.amerisbank.com

| | |
|---|---|
| **From.** | Lanier, Benjamin |
| **To·** | Lanier, Benjamin |
| **Sent.** | 10/24/2007 5 33:51 PM |
| **Subject:** | Linda Gibson RE ownership |
| **Attachments:** | EC-SC970_EXCHANGE_10242007-133243 PDF |

| Real Estate Assets: | Values | |
|---|---|---|
| Tract B – 17 Acres Daniel Island<br>248-00-02-042 – 17 Acres @ $100,000/ac | $1,700,000 | 100% Linda |
| 104 Family Cemetery Rd, Bryan Trc.<br>263-00-01-032 – 3.5 Acres @ $85k/ac | $ 297,500 | 100% Linda |
| Tract 5 – Daniel Island<br>271-00-01-003 3.09 Acres @ $150k/ac | $ 463,500 | 100% Linda |
| 615 Klister Lane Crown Castle Cell Tower – Daniel Island<br>271-00-01-037 – 5.69 Acres @ $170k/ac | $ 967,300 | 100% Linda |
| Clements Ferry Road – Lot A Trt A<br>271-00-01-040 – 2.54 Acres - Improvements | $ 3,450,000 | 100% Linda |
| 1006 Pinefield Dr – Lot B<br>271-00-01-084 – 1 Acre - 2 Bldgs - Improvements | $ 1,780,000 | 100% Linda |
| 637 Marina Dr – Lot C<br>271-00-01-085 – 1.77 Acres - 3 Bldgs - Improvements | $ 2,625,000 | 100% Linda |
| Klister Lane – Crown Castle Cell Tower Access<br>271-01-01-129 – 3 Acres @ $155k/ac | $ 465,000 | 100% Linda |
| Daniel Island<br>271-00-02-029 – 55 Acres @ $500k/ac | $27,500,000 | 50% Linda Gibson<br>50% John Aumiller<br>(Linda's cousin) |
| 2637 Clements Ferry Road – Tract B<br>271-00-02-030 – 22.5 Acres @ $375k/ac | $ 8,437,500 | 100% Linda |
| Highland A – Daniel Island<br>271-00-02-174 | $ 650,000 | 100% Linda |
| 3205 Palm Blvd – Appraisal of 071107<br>571-10-00-140 – Vacation Rental Home | $ 2,150,000 | 50% Linda<br>50% Bill Gibson Estate |
| 109-111 S. Hwy 52 Moncks Corner Plaza<br>Blockbuster & Advance Auto Building<br>Appraisal Value as of 120505 | $ 2,200,000 | 50% Linda Gibson<br>50% [redacted] Family Trust |
| **Total Real Estate Assets:** | **$52,685,800** | |

# COMMERCIAL LOAN APPLICATION

IMPORTANT APPLICANT INFORMATION: Federal regulations require financial institutions to obtain applicant information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

☒ New
☐ Refinance/Consolidation
☐ Renewal/Extension (No New Advances)
☐ Renewal with New Advance
☐ Other Modification (Explain)

☐ Joint application (Identify other applicants)

Loan Number(s), Balance, and Lender's Name:

To:
Ameris Bank
49 Archdale Street
Charleston, SC 29401

*For Internal Use Only*

Date Received 10/25/07 By _____
Action Taken: ☒ Approved ☐ Declined ☐ Rejected
Date Reviewed _____ By _____
Action Taken: ☐ Approved ☐ Declined ☐ Rejected
Date Notified _____ By _____
Notification Sent: ☐ In Person ☐ Telephone ☐ Letter

## LOAN APPLICANT'S GENERAL INFORMATION

Legal Name
Heritage Seven, LLC

Organizational Form, Where and When Organized (ex., Corporation, Delaware, 1984)
Limited Liability Company, Ohio, May 30, 2002

☐ Franchise, in full force and without defaults, with (Name of Franchisor)

Name(s) of Affiliated Entities

Current Tradename(s)

Other Tradenames Used in Last 10 Years

Local Address
133 Horse Trail Rd
St George, SC 29477

Phone No: (843) 767-7777
Fax No:

Principal Executive Office Address

Phone No:
Fax No:

Tax Identification Number
02-0612118

Nature of Business
Real Estate holding

NAICS Code
531311

Principals' Names, Addresses, Position Titles, Social Security Numbers and Date of Birth - (for individuals only)

Accountant Name, Address, and Phone Number

Financial Statements. (Check all that apply and attach statements to this application.)
Fiscal Year _____ Calendar Year _____
☐ Financial Statements covering _____ to _____
☐ Accounts Receivable Schedule covering _____ to _____
☐ Inventory Schedule covering _____ to _____
☐ Income Tax/Informational Returns for tax years _____
☐ Other (Specify) _____

Other Statements. (Check all that apply and attach statements to this application.)
☐ Business Plan dated _____
☐ Project Plans & Specifications ☐ Project Budget dated _____
☐ Franchise Agreement, FTC Franchisor Disclosure Statement
☐ List of outstanding judgments or threatened lawsuits, arbitration, or other proceeding against loan applicant.
☐ Other (Articles of Incorporation, Resolutions, etc.) _____

## LOAN REQUEST AND SOURCE OF REPAYMENT

Amount Requested $ 2,800,000.00
☒ Commercial Purpose Loan
☐ Agricultural Purpose Loan
Use of Proceeds (Brief Description of Intended Use):
Purchase Real Estate
Real Estate Improvement

Loan Advances (Choose One)
☐ Single Advance/Closed End
☐ Revolving Draw Loan
☐ Draw Loan
☒ Construction/Permanent Loan
☐ Revolving Draw Construction Loan
☐ Draw Construction Loan

Loan Payment (Choose One)
☐ Principal and Interest
☐ Principal, plus Interest
☒ Interest Only
☐ Single Payment
☐ Other (describe)

Requested Payment Amount $ 9,357.45 ☐ with Balloon $ _____
Requested First Payment Date 12/02/07 Requested Loan Term 60.000 months
Payment Frequency (if installment) ☐ Monthly ☐ Quarterly ☐ Semi Annually ☐ Other (describe) _____
Requested Interest Rate ☐ Fixed ☒ Variable Index (if Variable) Wall Street Journal Prime
Plan of primary and secondary sources of repayment for this loan:



DEFENDANT'S EXHIBIT 25

DEFENDANT'S EXHIBIT 6/11/10 FLESON

**LOAN PURPOSE / COLLATERAL**

☐ All loan proceeds will be for purchase of collateral.
Description of purchase money collateral:

☐ $ _____ of the proceeds will be for purchase of collateral.
Appraised value of purchase money collateral $ _____

Brief description of non purchase money collateral:

Appraised value $ _____

Description of current property insurance on non purchase money collateral
Type: Deductible:
Coverage: Term:

Liens on collateral (List any collateral with liens on it, the amount of underlying debt, the names and addresses of collateral's lienholders)

☐ Non-Applicant owners of collateral. Attach a separate list with name(s), address(es), and phone number(s) of any other owner(s) of the collateral.

**GUARANTOR**

Legal name: Linda A Gibson

Address: [redacted]

Phone No:

☐ Guarantor or affiliate were declared bankrupt within the last 10 years.
☐ There are outstanding judgments against Guarantor. (Attach Summary)
☐ On a separate sheet, list each threatened or pending lawsuit, arbitration, or other proceeding and the amount claimed.

☐ Guarantor Financial Statements. If checked, Guarantor is an entity and will provide financial statements upon request by Lender.

☐ Security. Brief description of collateral to secure this guaranty

Description of current property insurance on existing collateral
Type: Deductible:
Coverage: Term:

Appraised value of guaranty collateral $ _____

Liens on collateral (List any collateral with liens on it, the amount of underlying debt, and the names and addresses of collateral's lienholders):

☐ Non-Guarantor owners of collateral. If checked, attach a separate list with the name(s), address(es), and phone number(s) of any other owner(s) of the collateral.

☐ NOTICE - JOINT CREDIT.
We intend to apply for joint credit. (Initials) _____

**CREDIT DENIAL NOTICE.** If your gross revenues were $1,000,000 or less in your previous fiscal year, or you are requesting trade credit, a factoring agreement, or similar types of business credit in this Commercial Loan Application, and if your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement please contact (Name, address, and telephone number of the person or office from which the statement of reasons can be obtained):
Benjamin Lanier, Ameris Bank 4Se Archdale Street, Charleston, South Carolina 29401

within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement. The notice that follows describes additional protections extended to you.

**EQUAL CREDIT OPPORTUNITY NOTICE:** The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (providing the applicant has the capacity to enter into a binding contract), because all or a part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is:
State Board of Financial Institutions
1015 Sumter Street #309
Columbia, South Carolina

**SIGNATURES.** By signing below, Loan Applicant submits this application and the information provided on all accompanying financial statements and schedules for the purpose of obtaining credit and represents that the information submitted is accurate and complete. Loan Applicant acknowledges that representations made in this application will be relied on by Lender in evaluating this application and, if approved, in extending credit. Loan Applicant represents that none of the parties named in this application have relied on advice from the Lender in applying for or receiving any credit. Loan Applicant acknowledges that Lender has not made any commitment to approve this application and extend credit, unless otherwise agreed to in writing. Lender is authorized to conduct any inquiries it decides are necessary to verify the accuracy of the information contained in this application and to use any reasonable method to determine the creditworthiness of the Loan Applicant. Lender is also authorized to answer any questions from others about Lender's credit experience with the parties in this application. Loan Applicant will promptly notify Lender of any subsequent changes which would affect the accuracy of this application, and will provide all documents and information that Lender decides are necessary to complete this application. Loan Applicant authorizes Lender to retain this application, whether or not Lender approves any extension of credit. Any intentional misrepresentation of the information contained herein could result in criminal action under federal law.

In addition, each individual signing below authorizes the Creditor to check their individual credit account and employment history and have a credit reporting agency prepare a consumer credit report on them.

Heritage Seven, LLC
Applicant Name

By X _____ for Applicant — Title: Manager — Date: 11/2/07

By X _____ for Applicant — Title: _____ — Date: _____

*For Internal Use Only*

Ameris Bank

Benjamin R. Lanier Jr.
Vice President- Business Banker

October 25th, 2007

Heritage Seven, LLC
133 Horse Trail Road
St. George, SC, 29477

Dear Linda:

Ameris Bank ("Bank") is pleased to offer Heritage Seven, LLC ("Borrower", "You" or "Your") the following loan commitment. This loan will become effective upon Your acceptance of this commitment letter, the return of the executed copy of same to the Bank and, subject to the conditions set forth herein, a closing of the transaction in a manner satisfactory to the Bank. This loan commitment is subject to You maintaining a condition satisfactory to the Bank, and the following terms and conditions.

| | |
|---|---|
| Commitment Amount: | $2,800,000; $2,100,000 funded at closing and the residual $700,000 will be disbursed in the form of a draw down line of credit. |
| Purpose of Loan: | To purchase and rehab an apartment complex |
| Rate/Fees: | Prime+1/4%; $10,000 origination fee |
| Maturity: | 5 year term |
| Terms: | 12 months of interest only payments; then the loan will convert to monthly principal and interest payments for the remaining four years based on a 20 year amortization. |
| Collateral: | 1st mortgage on the land and improvements known as 2625 Otranto Road North Charleston, SC 29406 and 1st mortgage on 3 acres on Klister Lane (TMS 271-01-01-129). An assignment of leases, rents and profits shall be taken on both properties. |
| Conditions Precedent: | Open and maintain deposit accounts with Ameris Bank. |

PLAINTIFF'S EXHIBIT SVC 12 LANIER 9/20/11

24 Second Avenue, S.E. • Moultrie, GA 31768 • Phone: 229.890.6365 • Fax: 229.890.6384

PLAINTIFF'S EXHIBIT 12

DEFENDANT'S EXHIBIT 26

Ameris Bank

**General Conditions:**

1. You will pay all of the Bank's ordinary and customary expenses associated with closing this loan. These may include the cost of the Bank's outside legal counsel, recording and transfer fees, taxes due, title charges, survey and appraisal costs, environmental audit (if required), UCC search fees, and any other third party costs as the Bank may incur in conjunction with preparing or documenting the loan.

2. The Bank shall be furnished with such loan documents as the Bank shall deem necessary for its protection. The loan documents will include standard corporation documents, promissory note, and other documents which the Bank deems necessary in order to document the loan.

3. This commitment is not assignable by You and no other party is entitled to rely on this commitment.

4. No conditions or other terms of this commitment may be waived or modified except in writing, signed by both You and the Bank.

5. The Bank may terminate this commitment prior to the closing of the transaction contemplated herein by notice in writing to You, in the event that:
   a) You fail or refuse to comply in a timely manner with any of the terms, provisions, or conditions of this commitment;
   b) The Bank determines, in its sole discretion, that a material adverse change has occurred in Your financial condition;
   c) Any of the information, data, representations, exhibits, or other materials submitted to the Bank by You shall contain any inaccuracies or misrepresentations or shall omit any information that is material to the completeness and accuracy of such information, which the Bank has relied on to issue this commitment; or,
   d) Any default by You under any obligation to the Bank or third party shall occur or exist.

   Upon giving of such notice by the Bank, the obligations and liabilities of the Bank under this commitment shall cease and terminate without further act and all notes shall become due and payable.

6. During the term of this commitment, there shall be no change in control, ownership, or legal structure of You without the written consent of the Bank.

In addition to any other defaults normally specified in the Bank's documents, to the extent permitted by law, You agree that a default under this commitment will also cause a default under any other loan or obligation of Yours to the Bank and that a default under any other loan or obligation of Yours will cause a default under this commitment.

24 Second Avenue, S.E. • Moultrie, GA 31768 • Phone: 229.890.6365 • Fax: 229.890.6384

PLAINTIFF'S EXHIBIT 12

Ameris Bank

Upon return by You to the Bank of a fully executed copy of this commitment by November 10th, this commitment will be considered accepted and will constitute an agreement obligating the Bank to make and You to accept the loan in accordance with the terms and conditions set forth herein. If the Bank does not receive the executed copy by the date noted above, this commitment, at the option of the Bank, shall be considered null and void. If this commitment is accepted by You, it must be closed within 90 days of the acceptance date; otherwise it will be considered null and void. Time is of the essence. If this commitment is accepted, it shall survive the closing and execution of the related documents. The terms and conditions shall be in full force and effect until the commitment is paid in full.

Sincerely,

Benjamin R. Lanier Jr.
Vice President- Business Banker

Accepted this ____ day of _____, 2007.

Heritage Seven, LLC

By: _____
Linda A. Gibson

Title: _____
Member

Ameris Bank

By: _____
Benjamin R. Lanier Jr.

Date: _____

24 Second Avenue, S.E. • Moultrie, GA 31768 • Phone: 229.890.6365 • Fax: 229.890.6384

PLAINTIFF'S EXHIBIT 12

| | |
|---|---|
| From: | ROLANDO VILLAVICENCIO |
| To: | Lanier, Benjamin, AMGRolando Villavicencio |
| Sent: | 10/26/2007 6:37 17 PM |
| Subject: | linda gibson and heritage seven |
| Attachments: | Articles of Organization LLC & W9 062107.pdf, driver's license 081407 pdf |

as you had requested, attached are:

1 driver's license for linda gibson;

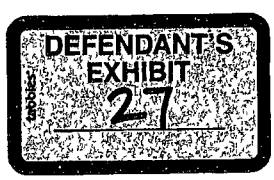
2. articles of incorporation & others for heritage seven llc

thanks.

rolando

*ROLANDO V. VILLAVICENCIO*
**RE/MAX Professional Realty**
*9209 University Boulevard*
*North Charleston, South Carolina 29406*
**843-767-7777 Office**
**843-767-4006 Fax**
**800-633-9275 Toll Free**
**843-303-3411 Cell**
**rolandovillavicencio@remax.net**

Boo! Scare away worms, viruses and so much more! Try Windows Live OneCare! Try now!




AMERIS-EMAILS-000666

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

DEC 1 3 2005

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

# AMENDED ARTICLES OF ORGANIZATION
# LIMITED LIABILITY COMPANY

(PURSUANT TO SECTION 33-44-204 OF THE 1976 SOUTH CAROLINA CODE OF LAWS, AS AMENDED)

TYPE OR PRINT CLEARLY IN BLACK INK

The limited liability company amends its articles of organization in accordance with Section 33-44-204 of the 1976 South Carolina Code of Laws, as amended.

1. The name of the limited liability company is:

   600 Carolina Boulevard, LLC

2. The dates the articles of organization were filed

   May 30, 2002

3. The articles of organization are amended in the following respects, of which all amended provisions may lawfully be included in the articles of organization

   The name of the Limited Liability Company is Heritage Seven, LLC

Date December 12, 2005

Signature

Linda Gibson Member
Name/Capacity

FILING INSTRUCTIONS

1 Management of the limited liability company is vested in managers, a manager shall execute these amended articles of organization. If management of the limited liability company is reserved to the members, a member shall execute these amended articles of organization. Specify whether a member or manager is executing these amended articles of organization.

2 File two copies of this form, the original and either a duplicate original or a conformed copy

3. This form must be accompanied by the filing fee of $110.00, payable to the Secretary of State

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

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THIS CORPORATE NAME ON OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE IF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARKS DIVISION OF THE SECRETARY OF STATE=S OFFICE AT (803) 734-2511

051213-0179 FILED: 12/13/2005
HERITAGE SEVEN, LLC
Filing Fee: $110.00 ORIG

Articles Amend Anthg

Mark Hammond South Carolina Secretary of State

AMERIS-EMAILS-000667

ENTERED FROM AND ATTACHED WITH THE
AS TAKEN FROM AND
ORIGINAL ON FILE IN THIS OFFICE

DEC 1 3 2005

SECRETARY OF STATE OF SOUTH CAROLINA

# STATE OF SOUTH CAROLINA
# SECRETARY OF STATE

## ARTICLES OF TERMINATION
## FOR A
## LIMITED LIABILITY COMPANY

TYPE OR PRINT CLEARLY IN BLACK INK

The following Limited Liability Company having dissolved and completed its winding up, terminates its existence by filing these articles of termination in accordance with Section 33-44-805 of the 1976 South Carolina Code of Laws, as amended.

1. The name of the Limited Liability Company is:

   Heritage Seven, LLC

   The original filing date for the Limited Liability Company was November 30, 2005

2. The date of the dissolution of this Limited Liability Company was:

   December 12, 2005

3. The company's business has been wound up and the legal existence of the company has been terminated.

4. Unless otherwise specified, these articles are effective when endorsed for filing by the Secretary of State. Specify the time and date of any delayed effective date:

Date December 12, 2005

Signature

Linda Gibson — Name
Member — Capacity

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk, which will allow for expansion of space on this form
3. This form must be accompanied by the filing fee of $10 00, payable to the Secretary of State.

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

LLC-ARTICLES OF TERMINATION FOR A LIM — REVISED BY SOUTH CAROLINA SECRETARY OF STATE MAY 1999

051213-0178 FILED: 12/13/2005
HERITAGE SEVEN LLC
Filing Fee: $10 00 ORIG

Mark Hammond — South Carolina Secretary of State

AMERIS-EMAILS-000668

Form **W-9** (Rev November 2005)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2

Name (as shown on your income tax return)
Heritage Seven, LLC

Business name, if different from above

Check appropriate box. ☐ Individual/ Sole proprietor ☑ Corporation ☐ Partnership ☐ Other ▶ ☐ Exempt from backup withholding

Address (number, street, and apt or suite no.)
139 Horse Trail Road

Requester's name and address (optional)

City, state and ZIP code
St. George, South Carolina 29477

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
___ ___ ____

or

Employer identification number
0 2 0 6 1 2 1 1 2

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

## Part II Certification

Under penalties of perjury, I certify that

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here — Signature of U.S. person ▶ — Date ▶

## Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

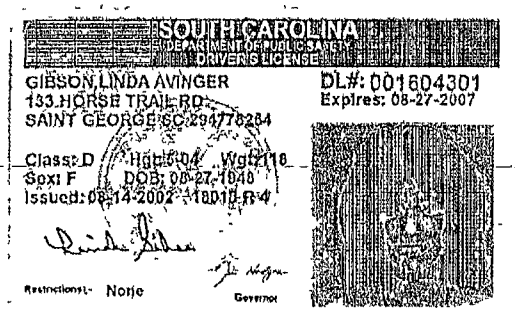
**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



AMERIS-EMAILS-000669


SOUTH CAROLINA
DEPARTMENT OF PUBLIC SAFETY
DRIVER'S LICENSE

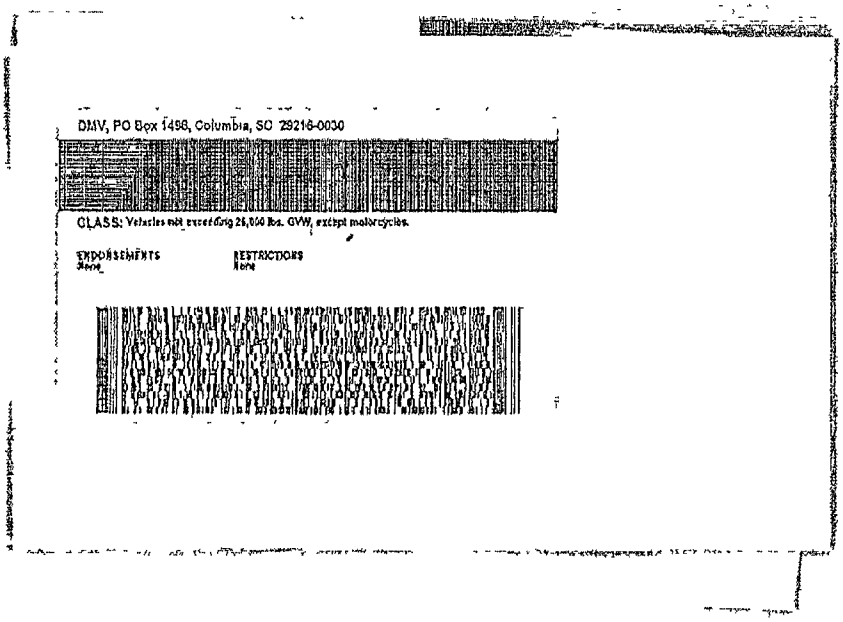
GIBSON,LINDA AVINGER
133 HORSE TRAIL RD
SAINT GEORGE SC 294778284

DL#: 001604301
Expires: 08-27-2007

Class: D Hgt: 5-04 Wgt: 116
Sex: F DOB: 08-27-1948
Issued: 08-14-2002 18010 R-4

Restrictions: None

Governor


DMV, PO Box 1498, Columbia, SC 29216-0030

CLASS: Vehicles not exceeding 26,000 lbs. GVW, except motorcycles.

ENDORSEMENTS
None

RESTRICTIONS
None

AMERIS-EMAILS-000670

**From:** Lanier, Benjamin
**To:** Amy Korngiebel
**CC.** ROLANDO VILLAVICENCIO
**Sent:** 11/1/2007 8:49 54 PM
**Subject:** RE: Heritage Seven

Amy,
The borrower (Heritage Seven, LLC) is correct I have agreed to release the mortgage on the acreage on Klister Rd once the apartments on Otranto Road are completed and the units are leased up Please let me know if you need anything in addition to this and I will be happy to provide it

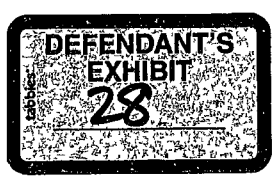
Thanks,
Benjie

---

**From:** Amy Korngiebel [mailto:amyk@weekslawfirm.net]
**Sent:** Thursday, November 01, 2007 4:45 PM
**To:** Lanier, Benjamin
**Subject:** Heritage Seven
**Importance:** High

The borrower is of the understanding that once 100% occupancy is attained, the Klister Road property will be released from the mortgage I do not see any documents or language in the commitment to the effect Please advise

**Amy C. Korngiebel**
**Weeks, Foti, Irvine & Donaldson, LLC**
**8086-B Rivers Avenue**
**N. Charleston, SC 29406**
**(843) 553-9800, ext. 3073**
**Fax: (843) 553-5847**
**amyk@weekslawfirm.net**




AMERIS-EMAILS-000110

# GUARANTY
(Continuing Debt Unlimited)

DATE AND PARTIES The date of this Guaranty is October 31 2007 The parties and their addresses are

LENDER:
AMERIS BANK
48 Archdale Street
Charleston South Carolina 29401
Telephone (843) 534 2340

BORROWER
HERITAGE SEVEN LLC
a South Carolina Limited Liability Company
133 Horse Trail Rd
St George, South Carolina 29477

GUARANTOR:
PAUL WILLIAM GIBSON FAMILY TRUST
Dated October 31, 2005 a South Carolina Trust
133 Horse Trail Rd
St George, South Carolina 29477

1 DEFINITIONS As used in this Guaranty the terms have the following meanings

A Pronouns The pronouns "I" "me" and "my" refer to all persons or entities signing this Guaranty, individually and together "You" and "your" refer to the Lender

B Note "Note" refers to the document that evidences the Borrower's indebtedness and any extensions, renewals modifications and substitutions of the Note

C Property "Property" means any property real personal or intangible that secures performance of the obligations of the Note Debt or this Guaranty

2 SPECIFIC AND FUTURE DEBT GUARANTY For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and to induce you at your option, to make loans or engage in any other transactions with the Borrower from time to time I absolutely and unconditionally agree to all terms of and guaranty to you the payment and performance of each and every Debt, of every type purpose and description that the Borrower either individually, among all or a portion of themselves or with others, may now or at any time in the future owe you, including but not limited to the following described Debts) including without limitation, all principal accrued interest attorneys' fees and collection costs which allowed by law that may become due from the Borrower to you in collecting and enforcing the Debt and all other agreements with respect to the Borrower

A promissory note or other agreement No 7870000175 101 dated November 2, 2007 from Heritage Seven, LLC (Borrower) to you, in the amount of 12 810 164 60

In addition Debt refers to debts liabilities and obligations of the Borrower (including but not limited to amounts agreed to be paid under the terms of any notes or agreements securing the payment of any debt, loan liability or obligation, overdrafts, letters of credit, guaranties advances for taxes insurance repairs and storage and all extensions renewals refinancings and modifications of these debts) whether now existing or created or incurred in the future due or to become due or absolute or contingent including obligations and duties arising from the terms of all documents prepared or submitted for the transaction such as applications security agreements disclosures and the Note

You may without notice, apply this Guaranty to such Debt of the Borrower as you may select from time to time

3 EXTENSIONS I consent to all renewals extensions, modifications and substitutions of the Debt which may be made by you upon such terms and conditions as you may see fit from time to time without further notice to me and without limitation as to the number of renewals extensions, modifications or substitutions

4 UNCONDITIONAL LIABILITY I am unconditionally liable under this Guaranty regardless of whether or not you pursue any of your remedies against the Borrower, against any other maker, surety guarantor or endorser of the Debt or against any Property You may sue me alone or anyone else who is obligated on this Guaranty or any number of us together, to collect the Debt My liability is not conditioned on the signing of this Guaranty by any other person and further is not subject to any condition not expressly set forth in this Guaranty or any instrument executed in connection with the Debt My obligation to pay according to the terms of this Guaranty shall not be affected by the illegality invalidity or unenforceability of any notes or agreements evidencing the Debt the violation of any applicable usury laws forgery or any other circumstances which make the indebtedness unenforceable against the Borrower I will remain obligated to pay on this Guaranty even if any other person who is obligated to pay the Debt, including the Borrower, has such obligation discharged in bankruptcy foreclosure or otherwise discharged by law

5 BANKRUPTCY If a bankruptcy petition should at any time be filed by or against the Borrower the maturity of the Debt, as far as my liability is concerned shall be accelerated and the Debt shall be immediately payable by me I acknowledge and agree that this Guaranty and the Debt secured hereby, will remain in full force and effect at all times, notwithstanding any action or undertakings by or against, you or against any Property in connection with any obligation in any proceeding in the United States Bankruptcy Courts, Such action or undertaking includes without limitation, valuation of Property election of remedies or imposition of secured or unsecured claim status upon claims by you, pursuant to the United States Bankruptcy Code as amended In the event that any payment of principal or interest received and paid by any other guarantor Borrower surety endorser or co-maker is deemed, by final order of a court of competent jurisdiction to have been a voidable preference under the bankruptcy or insolvency laws of the United States or otherwise, then my obligation will remain as an obligation to you and will not be considered as having been extinguished

6 REVOCATION I agree that this is an absolute and unconditional Guaranty I agree that this Guaranty will remain binding on me, whether or not there are any Debts outstanding, until you have actually received written notice of my revocation or written notice of my death or incompetence Notice of revocation or notice of my death or incompetence will not affect my obligations under this Guaranty with respect to any Debts incurred by or for which you have made a commitment to Borrower before you actually receive such notice and all renewals extensions refinancings and modifications of such Debts I agree that if any other person signing this Guaranty provides a notice of revocation to you I will still be obligated under this Guaranty until I provide such a notice of revocation to you If any other person signing this Guaranty dies or is declared incompetent, such fact will not affect my obligations under this Guaranty

7 PROPERTY I agree that any Property may be assigned exchanged, released in whole or in part or substituted without notice to me and without defeating discharging or diminishing my liability My obligation is absolute and your failure to perfect any security interest or any act or omission by you which impairs the Property will not relieve me or my liability under this Guaranty You are under no duty to preserve or protect any Property until you are in actual or constructive possession For purposes of this paragraph, you will only be in actual possession when you have physical immediate and exclusive control over the Property and have accepted such control in writing, Further you will only be deemed to be in constructive possession when you have both the power and intent to exercise control over the Property

8 DEFAULT I will be in default if any of the following occurs

A Payments I fail to make a payment in full when due

B Insolvency or Bankruptcy The death, dissolution or insolvency of, appointment of a receiver by or on behalf of application of any debtor relief law the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by or the commencement of any proceeding under any present or future federal or state insolvency bankruptcy reorganization composition or debtor relief law by or against me Borrower, or any co-signer, endorser surety or guarantor of this Guaranty or any Debt

C Business Termination I merge dissolve reorganize, and my business or existence or a partner or majority owner dies or is declared legally incompetent.

D Failure to Perform I fail to perform any condition or to keep any promise or covenant of this Guaranty

E Other Documents A default occurs under the terms of any other document relating to the Debt.

F Other Agreements I am in default on any other debt or agreement I have with you

G Misrepresentation I make any verbal or written statement or provide any financial information that is untrue inaccurate or conceals a material fact at the time it is made or provided

H Judgment I fail to satisfy or appeal any judgment against me

I Forfeiture The Property is used in a manner or for a purpose that threatens confiscation by a legal authority

J Name Change I change my name or assume an additional name without notifying you before making such a change

K Property Transfer I transfer all or a substantial part of my money or property

L Property Value You determine in good faith that the value of the Property has declined or is impaired

M Material Change Without first notifying you, there is a material change in my business including ownership, management and financial conditions



DEFENDANT'S EXHIBIT 29

N Insecurity You determine in good faith that a material adverse change has occurred in my financial condition from the conditions set forth in my most recent financial statement before the date of this Guaranty or that the prospect for payment or performance of the Debt is impaired for any reason.

9 WAIVERS AND CONSENT To the extent not prohibited by law, I waive protest, presentment for payment, demand notice of acceleration, notice of intent to accelerate and notice of dishonor.

A Additional Waivers In addition, to the extent permitted by law I consent to certain actions you may take and generally waive defenses that may be available based on these actions or based on the status of a party to the Debt or this Guaranty.

(1) You may renew or extend payments on the Debt regardless of the number of such renewals or extensions.

(2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.

(3) You may release, substitute or impair any Property.

(4) You, or any institution participating in the Debt, may invoke your right of set-off.

(5) You may enter into any sales, repurchases or participations of the Debt to any person in any amounts and I waive notice of such sales, repurchases or participations.

(6) I agree that the Borrower is authorized to modify the terms of the Debt or any instrument securing, guarantying or relating to the Debt.

(7) You may undertake a valuation of any Property in connection with any proceedings under the United States Bankruptcy Code concerning the Borrower or me, regardless of any such valuation, or actual amounts received by you arising from the sale of such Property.

(8) I agree to consent to any waiver granted the Borrower and agree that any delay or lack of diligence in the enforcement of the Debt, or any failure to file a claim or otherwise protect any of the Debt in no way affects or impairs my liability.

(9) I agree to waive reliance on any anti-deficiency statutes, through subrogation or otherwise, and such statutes in no way affect or impair my liability. In addition, until the obligations of the Borrower to Lender have been paid in full I waive any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any other right I may have to enforce any remedy which you now have or in the future may have against the Borrower or another guarantor or as to any Property.

Any Guarantor who is an insider as contemplated by the United States Bankruptcy Code 11 U.S.C. 101, as amended, makes these waivers permanently. (An insider includes, among others a director, officer, partner, or other person in control of the Borrower, a person or an entity that is a co-partner with the Borrower, an entity in which the Borrower is a general partner, director, officer or other person in control or a close relative of any of these other persons.) Any Guarantor who is not an insider makes these waivers until all Debt is fully repaid.

B No Waiver By Lender Your course of dealing or your forbearance from, or delay in the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provision contained in the Debt instruments, shall not be construed as a waiver by you unless any such waiver is in writing and is signed by you.

C Waiver of Claims I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith.

10 REMEDIES After the Borrower or I default, you may at your option do any one or more of the following.

A Acceleration You may make all or any part of the amount owing by the terms of this Guaranty immediately due.

B Sources You may use any and all remedies you have under state or federal law or in any documents relating to the Debt.

C Insurance Benefits You may make a claim for any and all insurance benefits or refunds that may be available on default.

D Payments Made on the Borrower's Behalf Amounts advanced on the Borrower's behalf will be immediately due and may be added to the balance owing under the Debt.

E Termination You may terminate my right to obtain advances and may refuse to make any further extensions of credit.

F Set-Off You may use the right of set-off. This means you may set off any amount due and payable under the terms of this Guaranty against any right I have to receive money from you.

My right to receive money from you includes any deposit or share account balance I have with you, any money owed to me on an item presented to you or in your possession for collection or exchange, and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Guaranty" means the total amount to which you are entitled to demand payment under the terms of this Guaranty at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay the Debt, 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 arise only in a representative capacity. 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 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.

G Waiver Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use 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.

11 COLLECTION EXPENSES AND ATTORNEYS' FEES On or after Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Guaranty or any other document relating to the Debt. To the extent permitted by law, expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. All fees and expenses will be created by the Property I have granted to you. If any, in addition to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me.

12 WARRANTIES AND REPRESENTATIONS I make to you the following warranties and representations which will continue as long as this Guaranty is in effect:

A Power I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.

B Authority The execution, delivery and performance of this Guaranty and the obligation evidenced by this Guaranty are within my powers, have been duly authorized, have 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 I am a party or to which I am or any of my Property is subject.

In addition, I represent and warrant that this Guaranty was entered into at the request of the Borrower, and that I am satisfied regarding the Borrower's financial condition and existing indebtedness, authority to borrow and the use and intended use of all Debt proceeds. I further represent and warrant that I have not relied on any representations or omissions from you or any information provided by you respecting the Borrower, the Borrower's financial condition and existing indebtedness, the Borrower's authority to borrow or the Borrower's use and intended use of all Debt proceeds.

13 RELIANCE. I acknowledge that you are relying on this Guaranty in extending credit to the Borrower, and I have signed this Guaranty to induce you to extend such credit. I represent and warrant to you that I have a direct and substantial economic interest in the Borrower and expect to derive substantial benefits from any loans and financial accommodations resulting in the creation of indebtedness guaranteed hereby, and that this Guaranty is given for a business purpose. I agree to rely exclusively on the right to revoke this Guaranty prospectively as to future transactions in the manner as previously described in this Guaranty if at any time in my opinion or the opinion of the directors or officers of my business, the benefits then being received by me in connection with this Guaranty are not sufficient to warrant the continuance of this Guaranty. You may rely conclusively on a continuing warranty that I continue to be benefited by this Guaranty and you will have no duty to inquire into or confirm the receipt of any such benefits, and this Guaranty will be effective and enforceable by you without regard to the receipt, nature or value of any such benefits.

14 APPLICABLE LAW This Guaranty is governed by the laws of South Carolina, the United States of America, and to the extent required by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

15 AMENDMENT, INTEGRATION AND SEVERABILITY This Guaranty may not be amended or modified by oral agreement. No amendment or modification of this Guaranty is effective unless made in writing and executed by you and me. This Guaranty is the complete and final expression of the agreement. If any provision of this Guaranty is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

16 ASSIGNMENT If you assign any of the Debts, you may assign all or any part of this Guaranty without notice to me or my consent, and this Guaranty will inure to the benefit of your assignee to the extent of such assignment. You will continue to have the unimpaired right to enforce this Guaranty as to any of the Debts that are not assigned. This Guaranty shall inure to the benefit of and be enforceable by you and your successors and assigns and any other person to whom you may grant an interest in the Debts and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.

17 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 Guaranty.

18 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 to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Guarantor will be deemed to be notice to all Guarantors. I will inform you in writing of any change in my name, address or other application information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Guaranty and to confirm your lien status on any Property. Time is of the essence.

Paul William Gibson Family Trust
South Carolina Guaranty
SC/Senatest00022000006731032110107Y

©1998 Bankers Systems, Inc. St. Cloud, MN

Initials



Ameris 00158

19 CREDIT INFORMATION I agree that from time to time you may obtain credit information about me from others, including other lenders and credit reporting agencies, and report to others (such as a credit reporting agency) your credit experience with me. I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

20 SIGNATURES By signing under seal, I agree to the terms contained in this Guaranty. I also acknowledge receipt of a copy of this Guaranty

GUARANTOR:

Paul William Gibson Family Trust

By: _____

Linda A Gibson, Trustee

# GUARANTY
(Continuing Debt Unlimited)

DATE AND PARTIES The date of this Guaranty is October 31, 2007 The parties and their addresses are:

LENDER
AMERIS BANK
40 Archdale Street
Charleston, South Carolina 29401
Telephone: (843) 534-2940

BORROWER
HERITAGE SEVEN, LLC
a South Carolina Limited Liability Company
133 Horse Trail Rd
St George, South Carolina 29477

GUARANTOR
LINDA A GIBSON
133 Horse Trail Rd
St George, South Carolina 29477

1. DEFINITIONS. As used in this Guaranty, the terms have the following meanings:

A Pronouns The pronouns "I", "me" and "my" refer to all persons or entities signing this Guaranty, individually and together "You" and "your" refer to the Lender.

B Note "Note" refers to the document that evidences the Borrower's indebtedness, and any extensions, renewals, modifications and substitutions of the Note.

C Property "Property" means any property, real, personal or intangible, that secures performance of the obligations of the Note, Debt, or this Guaranty.

2. SPECIFIC AND FUTURE DEBT GUARANTY. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce you, at your option, to make loans or engage in any other transactions with the Borrower from time to time, I absolutely and unconditionally agree to all terms of and guaranty to you the payment and performance of each and every Debt of every type, purpose and description that the Borrower either individually, among all or a portion of themselves or with others, may now or at any time in the future owe you, including, but not limited to the following described Debt(s) including without limitation all principal, accrued interest, attorneys' fees and collection costs, when allowed by law, that may become due from the Borrower to you in collecting and enforcing the Debt and all other agreements with respect to the Borrower:

A promissory note or other agreement, No. 7970000179 101, dated November 2, 2007 from Heritage Seven, LLC (Borrower) to you, in the amount of $2 810,164 00

In addition Debt refers to debts, liabilities and obligations of the Borrower (including, but not limited to amounts agreed to be paid under the terms of any notes or agreements securing the payment of any debt, loan, liability or obligation, overdrafts, letters of credit, guarantee, advances for taxes, insurance, repairs and storage, and all extensions, renewals, refinancings and modifications of these debts) whether now existing or created or incurred in the future, due or to become due, or absolute or contingent, including obligations and duties arising from the terms of all documents prepared or submitted for the transaction such as applications, security agreements, disclosures, and the Note.

You may, without notice, apply this Guaranty to such Debt of the Borrower as you may select from time to time.

3. EXTENSIONS I consent to all renewals, extensions, modifications and substitutions of the Debt which may be made by you upon such terms and conditions as you may see fit from time to time without further notice to me and without limitation as to the number of renewals, extensions, modifications or substitutions.

4. UNCONDITIONAL LIABILITY. I am unconditionally liable under this Guaranty, regardless of whether or not you pursue any of your remedies against the Borrower, against any other maker, surety, guarantor or endorser of the Debt or against any Property. You may sue me alone, or anyone else who is obligated on this Guaranty, or any number of us together, to collect the Debt. My liability is not conditioned on the signing of this Guaranty by any other person and further is not subject to any condition not expressly set forth in this Guaranty or any instrument executed in connection with the Debt. My obligation to pay according to the terms of this Guaranty shall not be affected by the illegality, invalidity or unenforceability of any notes or agreements evidencing the Debt, the violation of any applicable usury laws, forgery, or any other circumstances which make the indebtedness unenforceable against the Borrower. I will remain obligated to pay on this Guaranty even if any other person who is obligated to pay the Debt, including the Borrower, has such obligation discharged in bankruptcy, foreclosure, or otherwise discharged by law.

5. BANKRUPTCY. If a bankruptcy petition should at any time be filed by or against the Borrower, the maturity of the Debt, so far as my liability is concerned, shall be accelerated and the Debt shall be immediately payable by me. I acknowledge and agree that this Guaranty and the Debt secured hereby will remain in full force and effect at all times, notwithstanding any action or undertakings by or against you or against any Property, in connection with any obligation in any proceeding in the United States Bankruptcy Courts. Such action or undertaking includes, without limitation, valuation of Property, election of remedies or imposition of secured or unsecured claim status upon claims by you, pursuant to the United States Bankruptcy Code, as amended. In the event that any payment of principal or interest received and paid by any other guarantor, borrower, surety, endorser or co-maker is deemed, by final order of a court of competent jurisdiction, to have been a voidable preference under the bankruptcy or insolvency laws of the United States or otherwise, then my obligation will remain as an obligation to you and will not be considered as having been extinguished.

6. REVOCATION. I agree that this is an absolute and unconditional Guaranty. I agree that this Guaranty will remain binding on me, whether or not there are any Debts outstanding, until you have actually received written notice of my revocation or written notice of my death or incompetence. Notice of revocation or notice of my death or incompetence will not affect my obligations under this Guaranty with respect to any Debts incurred by or for which you have made a commitment to Borrower before you actually receive such notice, and all renewals, extensions, refinancings, and modifications of such Debts. I agree that if any other person signing this Guaranty provides a notice of revocation to you, I will still be obligated under this Guaranty until I provide such a notice of revocation to you. If any other person signing this Guaranty dies or is declared incompetent, such fact will not affect my obligations under this Guaranty.

7. PROPERTY. I agree that any Property may be assigned, exchanged, released in whole or in part or substituted without notice to me and without defeating, discharging or diminishing my liability. My obligation is absolute and your failure to perfect any security interest or any act or omission by you which impairs the Property will not relieve me of my liability under this Guaranty. You are under no duty to preserve or protect any Property until you are in actual or constructive possession. For purposes of this paragraph, you will only be in "actual" possession when you have physical, immediate and exclusive control over the Property and have accepted such control in writing. Further, you will only be deemed to be in "constructive" possession when you have both the power and intent to exercise control over the Property.

8. DEFAULT. I will be in default if any of the following occur:

A Payments I fail to make a payment in full when due.

B Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against me, Borrower, or any co-signer, endorser, surety or guarantor of this Guaranty or any Debt.

C Death or Incompetency. I die or am declared legally incompetent.

D Failure to Perform I fail to perform any condition or to keep any promise or covenant of this Guaranty.

E Other Documents A default occurs under the terms of any other document relating to the Debt.

F Other Agreements I am in default on any other debt or agreement I have with you.

G. Misrepresentation I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

H. Judgment I fail to satisfy or appeal any judgment against me.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J Name Change I change my name or assume an additional name without notifying you before making such a change.

K Property Transfer. I transfer all or a substantial part of my money or property.

L. Property Value You determine in good faith that the value of the Property has declined or is impaired.

M Insecurity You determine in good faith that a material adverse change has occurred in my financial condition from the conditions set forth in my most recent financial statement before the date of this Guaranty or that the prospect for payment or performance of the Debt is impaired for any reason.



DEFENDANT'S EXHIBIT 30

9 WAIVERS AND CONSENT To the extent not prohibited by law, I waive protest, presentment for payment demand, notice of acceleration, notice of intent to accelerate and notice of dishonor

A Additional Waivers In addition, to the extent permitted by law I consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to the Debt or this Guaranty

(1) You may renew or extend payments on the Debt, regardless of the number of such renewals or extensions

(2) You may release any Borrower endorser guarantor, surety accommodation maker or any other co-signer

(3) You may release substitute or impair any Property

(4) You or any institution participating in the Debt may invoke your right of set-off

(5) You may enter into any sales, repurchases or participations of the Debt to any person in any amounts and I waive notice of such sales, repurchases or participations

(6) I agree that the Borrower is authorized to modify the terms of the Debt or any instrument securing guaranteeing or relating to the Debt

(7) You may undertake a valuation of any Property in connection with any proceedings under the United States Bankruptcy Code concerning the Borrower or me regardless of any such valuation or actual amounts received by you arising from the sale of such Property

(8) I agree to consent to any waiver granted the Borrower and agree that any delay or lack of diligence in the enforcement of the Debt or any failure to file a claim or otherwise protect any of the Debt, in no way affects or impairs my liability

(9) I agree to waive reliance on any anti-deficiency statutes, through subrogation or otherwise and such statutes in no way affect or impair my liability In addition, until the obligations of the Borrower to Lender have been paid in full I waive any right of subrogation, contribution reimbursement, indemnification exoneration, and any other right I may have to enforce any remedy which you now have or in the future may have against the Borrower or another guarantor or as to any Property

Any Guarantor who is an 'insider,' as contemplated by the United States Bankruptcy Code, 11 U.S.C. 101 as amended makes these waivers permanently (An insider includes, among others a director officer partner or other person in control of the Borrower a person or an entity that is a co partner with the Borrower an entity in which the Borrower is a general partner director officer or other person in control or a close relative of any of these other persons ) Any Guarantor who is not an insider makes these waivers until all Debt is fully repaid.

B No Waiver By Lender Your course of dealing or your forbearance from, or delay in the exercise of any of your rights remedies privileges or right to insist upon my strict performance of any provisions contained in the Debt instruments shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you

C Waiver of Claims I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith

10 REMEDIES After the Borrower or I default, you may at your option do any one or more of the following.

A Acceleration You may make all or any part of the amount owing by the terms of this Guaranty immediately due

B Sources You may use any and all remedies you have under state or federal law or in any documents relating to the Debt

C Insurance Benefits You may make a claim for any and all insurance benefits or refunds that may be available on default

D Payments Made on the Borrower's Behalf Amounts advanced on the Borrower s behalf will be immediately due and may be added to the balance owing under the Debt

E Termination. You may terminate my right to obtain advances and may refuse to make any further extensions of credit.

F Set-Off You may use the right of set-off This means you may set-off any amount due and payableunder the terms of this Guaranty against any right I have to receive money from you

My right to receive money from you includes any deposit or share account balances I have with you any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation Any amount due and payable under the terms of this Guaranty means the total amount to which you are entitled to demand payment under the terms of this Guaranty at the time you set off

Subject to any other written contract If my right to receive money from you is also owned by someone who has not agreed to pay the Debt, 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 arise only in a representative capacity 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 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.

G Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use 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.

11 COLLECTION EXPENSES AND ATTORNEYS' FEES On or after Default, to the extent permitted by law I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Guaranty or any other document relating to the Debt To the extent permitted by law, expenses include but are not limited to, reasonable attorneys' fees, court costs and other legal expenses All fees and expenses will be secured by the Property I have granted to you If any in addition to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me

12 WARRANTIES AND REPRESENTATIONS I have the right and authority to enter into this Guaranty The execution and delivery of this Guaranty will not violate any agreement governing me or to which I am a party

In addition I represent and warrant that this Guaranty was entered into at the request of the Borrower and that I am satisfied regarding the borrower s financial condition and existing indebtedness authority to borrow and the use and intended use of all Debt proceeds I further represent and warrant that I have not relied on any representations or omissions from you or any information provided by you respecting the Borrower the Borrower's financial condition and existing indebtedness the Borrower s authority to borrow or the Borrower s use and intended use of all Debt proceeds

13 RELIANCE I acknowledge that you are relying on this Guaranty in extending credit to the Borrower and I have signed this Guaranty to induce you to extend such credit I represent and warrant to you that I have a direct and substantial economic interest in the Borrower and expect to derive substantial benefits from any loans and financial accommodations resulting in the creation of indebtedness guaranteed hereby I agree to rely exclusively on the right to revoke this Guaranty prospectively as to future transactions in the manner as previously described in this Guaranty if at any time in my opinion, the benefits then being received by me in connection with this Guaranty are not sufficient to warrant the continuance of this Guaranty You may rely conclusively on a continuing warranty that I continue to be benefited by this Guaranty and you will have no duty to inquire into or confirm the receipt of any such benefits and this Guaranty will be effective and enforceable by you without regard to the receipt nature or value of any such benefits

14 APPLICABLE LAW This Guaranty is governed by the laws of South Carolina the United States of America and to the extent required by the laws of the jurisdiction where the Property is located except to the extent such state laws are preempted by federal law

15 AMENDMENT INTEGRATION AND SEVERABILITY This Guaranty may not be amended or modified by oral agreement No amendment or modification of this Guaranty is effective unless made in writing and executed by you and me This Guaranty is the complete and final expression of the agreement If any provision of this Guaranty is unenforceable then the unenforceable provision will be severed and the remaining provisions will still be enforceable

16 ASSIGNMENT If you assign any of the Debts you may assign all or any part of this Guaranty without notice to me or my consent, and this Guaranty will inure to the benefit of your assignee to the extent of such assignment You will continue to have the unimpaired right to enforce this Guaranty as to any of the Debts that are not assigned This Guaranty shall inure to the benefit of and be enforceable by you and your successors and assigns and any other person to whom you may grant an interest in the Debts and shall be binding upon and enforceable against me and my personal representatives, successors heirs and assigns

17 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 Guaranty

18 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 to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing Notice to one Guarantor will be deemed to be notice to all Guarantors I will inform you in writing of any change in my name address or other application information I will provide you any financial statement or information you request All financial statements and information I give you will be correct and complete I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Guaranty and to confirm your lien status on any Property Time is of the essence

19 CREDIT INFORMATION I agree that from time to time you may obtain credit information about me from others including other lenders and credit reporting agencies and report to others (such as a credit reporting agency) your credit experience with me. I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others

20 SIGNATURES By signing under seal I agree to the terms contained in this Guaranty I also acknowledge receipt of a copy of this Guaranty

GUARANTOR:

Linda A Gibson
Individually

| LOAN NUMBER | LOAN NAME | ACCT. NUMBER | AGREEMENT DATE | INITIALS |
|---|---|---|---|---|
| 7970000179-101 | Heritage Seven, LLC | | 11/02/07 | BL |
| NOTE AMOUNT | INDEX (w/Margin) | RATE | MATURITY DATE | LOAN PURPOSE |
| $2,810,164.50 | First Phase - Wall Street Journal Prime plus 0.250% | First Phase - 7.75% Second Phase - 7.75% | 11/02/12 | Commercial |
| | Second Phase - Wall Street Journal Prime plus 0.250% | | | |

Creditor Use Only

# CONSTRUCTION LOAN AGREEMENT

Construction/Permanent Loan

DATE AND PARTIES. The date of this Construction Loan Agreement (Agreement) is November 2, 2007. The parties and their addresses are:

CONSTRUCTION/PERMANENT LENDER:
AMERIS BANK
49 Archdale Street
Charleston, South Carolina 29401

BORROWER:
HERITAGE SEVEN, LLC
a South Carolina Limited Liability Company
133 Horse Trail Rd
St George, South Carolina 29477

1. DEFINITIONS. All references to dollar amounts refer to amounts in lawful money of the United States of America. For the purposes of this Agreement, the following words will be defined as indicated:

A. Agreement. This Agreement is this Construction Loan Agreement and any attached exhibits and schedules, and their amendments.

B. Commitment. The Commitment, dated October 26th, 2007 is your commitment to extend a Permanent Loan to me or my assignor.

C. Completion Date. By the Project's Completion Date of December 2, 2008 I will complete or cause to be completed: the Project's development and construction; the installation of all fixtures and equipment that are required for the operation of the Property; and at your request for any or all leases, the tenants' execution of letters of acceptance for possession of their leased premises.

D. Construction Contract. The Construction Contract includes all contracts between me and the Project's general contractor, and any subcontractors, laborers, material suppliers and others contributing work, equipment or materials to the Project.

E. Construction Liens. Construction Liens include any notices or claims created by statutes for the purpose of securing priority of payment of the price or value of labor or work performed and materials supplied in the Project's development, construction and equipping and that attaches to the Property and the Project, or any notices or claims to withhold funds related-to-the-Loan. Construction liens include without limitation mechanic's liens, materialmen liens, construction liens and all similar statutory liens.

F. Construction Title Insurance Policy. The Construction Title Insurance Policy is the ALTA Extended Coverage Loan Policy form, revised to the most recent date, and any endorsements that you require.

G. Conversion. Conversion will occur when the Permanent Loan takes effect under the Commitment, which will occur when I complete the Project's development, construction and equipping and I comply with all of this Commitment's conditions precedent. Prior to the Conversion date, I will strive to fulfill all conditions for Conversion of the Loan into a Permanent Loan on or before December 2, 2008.

H. Disbursement Schedule. The Disbursement Schedule provides a schedule of the amounts and the dates for each Loan advance, subject to this Agreement's terms and conditions. The Disbursement Schedule is incorporated by reference into this Agreement.

I. Environmental Law. Environmental Law includes without limitation the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Hazardous Materials Transportation Act, and the Resource Conservation and Recovery Act, and all 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.

J. Hazardous Substance. A Hazardous Substance is any toxic, radioactive, ignitable, corrosive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to health, safety, welfare or the environment if such substance is or becomes regulated by any federal, state, or local law, regulation or ordinance. The term includes without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any environmental law.

K. Improvements. Improvements include all existing physical development of the Property, all buildings or other structures on the Property and all of the Project's future improvements and construction, except for any demolition as specified in the Plans and Specifications.

L. Loan. The Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction. Under the Loan, Borrower may obtain advances from you up to the total principal amount of $2,810,164.50, subject to this Agreement's conditions and terms. This Loan is made in reliance on your Commitment to me to convert the construction Loan into a permanent Loan when I perform the Commitment's conditions.

M. Loan Documents. Loan Documents refer to all the documents executed as a part of or in connection with the Loan.



DEFENDANT'S EXHIBIT 31

DEFENDANT'S EXHIBIT 120 GIBSON

N. Permanent Lender. You are also the Permanent Lender in this construction/permanent Loan.

O. Permanent Loan. The Permanent Loan is the Loan after Conversion.

P. Plans and Specifications. The Plans and Specifications include the Project's plans, specifications and drawings, with the certifications, any studies, data, working or shop drawings, any models, any contracts or agreements, and any changes and additions made concerning these plans, specifications, models and drawings.

Q. Project. As set forth in the Plans and Specifications, the Project includes all future physical development of the Property and offsite improvements as well as construction on the Property, except for any planned demolition. The Project also includes any furniture, furnishings, fixtures, or equipment when required in any Commitment, the Plans and Specifications, or any leases required by any Commitment. If all or part of these improvements will add or alter existing improvements, then the Project also includes the addition or alteration. Physical development of the Property will include without limitation grading, landscaping, and installation of streets, sidewalks, utility lines, drainage, hydrants, retention basins, and similar physical improvement of the land. Construction on the Property will include without limitation buildings, structures, fixtures, additions and alterations, and similar construction on the Property.

R. Promissory Note. The Promissory Note includes any note or notes or other written and executed evidence of the borrower's and co-signer's promise to pay you for debts, liabilities and obligations that are extended under the Loan and any riders, extensions, renewals, modifications, substitutions and amendments thereto.

S. Pronouns. "I", "me" and "my" refers to Borrower and every person, individually or together, who signs the Promissory Note, evidencing my promise to pay you for credit extended subject to this Agreement, any riders, extensions, renewals, amendments and modifications, and to Owner and every person, individually or together, who owns the Property on which the Project's development, construction and equipping will occur. "You" and "your" refers to the construction/permanent lender.

T. Property. Property includes all of the real property on which this Project will occur. The Property's Owners are .

U. Security Agreement. The Security Agreement includes any agreement which creates or provides for an interest in personal property or fixtures which is used to secure payment or performance of an obligation owed to you.

V. Security Instrument. The Security Instrument includes a mortgage, deed of trust, deed to secure debt or other similar instrument that transfers an interest in real estate for the purpose of securing repayment and performance of the Loan.

W. Title Insurance Company. Under the Loan, will serve as the Title Insurance Company.

2. OBLIGATORY LOAN ADVANCES. In consideration of my agreement to construct and complete the improvements described herein, you are obligated to open the Loan and to disburse advances up to the total principal amount of $2,810,164.60, as long as I have complied with all conditions precedent required for each advance.

3. TITLE. Owner has or will acquire a good and marketable fee simple ownership or a leasehold interest in the Property.

4. TERM. This Agreement will remain effective until I fully perform all of the Loan's debts, liabilities and obligations and you end this Agreement in writing.

5. ARCHITECTS AND GENERAL CONTRACTOR. The Project's architects and professional engineers exclude your consulting architect. You will choose your consulting architect, an independent architect, professional engineer or other construction consultant to periodically inspect the Project's progress and quality, to protect your interests exclusively. The Project's general contractor is Triton Construction.

6. SECURITY. I hereby transfer, assign and grant to you all of my right, title and interest in and to all of the following property as security for the Loan:

A. Utility Deposits. All amounts deposited with any public or private utility for utilities installation or service on or for the Property.

B. Fixtures. All construction materials, machinery and appliances acquired with Loan reserves or proceeds.

C. Plans and Specifications. The Project's Plans and Specifications.

D. Account. Any deposit account created under this Agreement and on any amounts placed in such account.

E. Construction Contract. The Construction Contract and the General Contractor's Consent and Acknowledgment. The General Contractor's Consent and Acknowledgment includes the Project general contractor's consent to and acknowledgment of the terms and conditions of this Agreement; representations about the Construction Contract, the Plans and Specifications, and the Project's budget; the general contractor's agreement to continue to perform general contractor's Construction Contract with you after my default; subordination to you of all claims, liens and encumbrances that general contractor has or will acquire in the Property; and agreement to other terms.

F. Architect's Contract. The contract with the Project's architect and professional engineers and the Architect's Consent and Acknowledgment, which includes the Architect's consent to and acknowledgment of the terms and conditions of this Agreement; representations about the Architect's contract, the Plans and Specifications, and the Project's budget; subordination to you of all claims, liens and encumbrances that Architect has or will acquire in the Property; the Architect's agreement to continue to perform its Architect's contract with you after my default; and agreement to other terms.

G. Other Agreements. Any other agreement which, in your sole judgment, would assist you in completing the Project should I be in default under the Loan.

H. Other Collateral. To the extent possible under state law in any and all government licenses, permits and approvals necessary for the Project. In addition, any and all other collateral described in any other Loan Document.

7. CONDITIONS PRECEDENT TO FIRST LOAN DISBURSEMENT. You will open the Loan and disburse or at your option, the Title Insurance Company disburses, the Loan's first advance only after I comply with all of the following conditions on or before November 2, 2007.

A. Other Loan Documents. I will execute the other Loan Documents and provide you with all other documents, information and warranties that you request. I will provide these in a form, a substance and with an execution acceptable to you.

B. Record Security Instrument. I will not permit any work or any materials to be furnished for the Project until you properly perfect or otherwise make effective as to third parties any security interests, assignments or other consensual liens or encumbrances.

C. Title Insurance. I will have furnished to you a title insurance commitment, interim binder or a Construction Title Insurance Policy, acceptable to you, from the Title Insurance Company. I will also furnish any title insurance statements and other instruction or documents required by Title Insurance Company for the issuance of the title insurance commitments, interim binders, and Construction Title Insurance Policy. The Construction Title Insurance Policy will insure your lien on the Property and all appurtenant easements required by this Agreement against all defects, other liens, encumbrances and exceptions except those you approve in writing and the Construction Title Insurance Policy's customary objections and exceptions that will be cured by the Project's completion and the final disbursement.

this Agreement. I agree to pay the fees, costs and expenses that Title Insurance Company charges for its services under the construction escrow agreement.

B. Payments. I will make timely payments of any amounts due and payable under the Loan.

C. Survey. At your request, I will furnish you with a survey plat of the Property of recent date, prepared and certified by a licensed surveyor or prepared by a licensed professional engineer and certified by a licensed surveyor.

D. Inspection. At your sole discretion, you, your consulting architect or your agent will have inspected the project and have found that the project at that time reflects good quality work and materials, complies with the plan and specification and completes that construction stage. You are under no obligation to supervise, inspect or inform me of the progress of construction, and I will not rely upon you therefor. You will incur no liability or obligation to me arising out of such inspection. All your inspections and approvals are solely for your own benefit and may not be relied upon by any third party.

E. No Default Declared. I have not received written notice from you that a default under this Agreement or any of the Loan Documents has occurred.

F. No Waiver. Your acquiescence to my failure to comply with any condition of any Loan disbursement does not waive my need to comply with this condition, so you may require my compliance with this condition at any time after your acquiescence.

G. Documents Furnished. Before each disbursement of the Loan reserves and proceeds, I will furnish or cause to be furnished to you (or the Title Insurance Company when they are making the disbursements) the following documents.

(1) Application For Disbursement. I will provide you with a properly executed standard American Institute of Architect's payment request form (or another form you approve) and any supporting evidence that you require before disbursing Loan reserves and proceeds. I will only apply for a disbursement for work actually done and materials actually incorporated in the Project. My requests are my certification that all of the request's contents are true, complete and correct as of the request's date.

(2) Certification. At your request, I will have furnished to you a certification by the Project's architect or another qualified inspector acceptable to you that the Project's development, construction and equipping has complied and will continue to comply with all applicable laws.

(3) Verification Of Contracts. At your request, I will provide you a sworn statement as to the contract amounts due to the Project's architect, professional engineers, contractors and material suppliers for all of their work and labor performed, equipment and materials supplied to a reasonably current and specified date. You may require each listed person's verification before making any disbursements. If my list of all contracts that I have made for the Project has changed, then I will provide you with written statement advising you of the changes. I will provide you with a written statement advising you that no changes have occurred, when my list of all contracts has not changed.

(4) Lien Waivers and Subordinations. I will supply you with waivers, releases of Construction Liens as well as lien subordinations or disclaimers from Project fixture and equipment suppliers that satisfy your requirements and applicable law. I will also supply you with any supporting data that you request from those benefiting from the disbursement.

(5) Disbursement Requirements. I will furnish any other documentation that is requested by whomever is administering the disbursements.

(6) Title Insurance Documentation. I will furnish other documentation that the Title Insurance Company requires when it is administering the disbursements.

9. CONDITIONS PRECEDENT TO THE FINAL LOAN DISBURSEMENT. You or at your option, the Title Insurance Company, will make the final disbursement of the Loan reserves and proceeds, except for any undisbursed Loan proceeds or reserves allocated for tenant improvements, after I furnish or cause to be furnished the following to your satisfaction.

A. Certifications and Lien Waivers. After fully completing and equipping the Project, I will supply you with sworn statements, certifications and final unconditional waivers or releases of Construction Liens from the Project's general contractor, subcontractors and material suppliers. These sworn statements, certifications and final unconditional waivers or releases will satisfy your requirements and applicable law. I will also supply you with any supporting data that you request from those benefiting from Loan disbursements.

B. Certificate of Occupancy or Completion. I will provide you with a copy of the certificate of occupancy, completion or other satisfactory written confirmation that the Project is complete and any structures are ready for occupancy. You will also receive satisfactory evidence that all utilities are available at the improvements and all connection fees are paid.

C. Title Insurance. I will provide you with the Title Insurance Company's final endorsement to the Construction Title Insurance Policy as you require at your sole discretion, and a Construction Title Insurance Policy will be issued for the face amount of the Promissory Note, free of all exceptions and objections.

D. Property Insurance Policy. I will provide you with evidence that an insurance policy has been obtained for the Property and its improvements that provides fire and extended coverage for replacement cost of the improvements, with a Lender's loss payable endorsement.

E. Taxes and Insurance. I will have made all tax and insurance deposits, if any, required by the Security Instrument.

F. As-Built Plans and Specifications. I will furnish you a full and complete certified set of "as built" Plans and Specifications.

G. Commitment. You must receive evidence that any Commitment remains valid and its conditions have been satisfied.

H. All Other Requirements. I will comply with all other requirements of this Agreement.

I. Free of Liens. All fixtures and equipment required for the operation of the Property are installed and are free and clear of all liens and security interests.

J. Tenant Certificates. At your request, you will receive from each tenant, if any, an estoppel certificate and an executed acknowledgment of their acceptance of their real estate leasehold interest in all or part of the Property. Each certificate will be in writing and its form and substance will be satisfactory to you.

10. PERMANENT LOAN PROVISIONS. The following terms will apply to the Loan and Permanent Loan.

A. Governing Agreement. This Agreement will govern over the Commitment whenever any inconsistency exists between this Agreement and the Commitment.

B. Commitment. This Loan will become a Permanent Loan after completing the Project's development, construction and equipping and fully complying with the Commitment's conditions.

C. Keep Commitment In Full Force. I agree that I will keep the Commitment in good standing and in full force and effect.

11. RESERVES AND DEPOSITS. You may set aside and reserve Loan proceeds for I oan interest, fees and expenses, taxes and insurance, unpaid Commitment fees and expenses.

A. Reserves. No interest will be paid on any reserve Loan proceeds. Disbursement of reserves is disbursement of the Loan's proceeds. At my request, you will disburse the reserves for the purpose they were set aside for, as long as I am not in default under this Agreement and the undisbursed Loan reserves and proceeds cover or exceed your estimated cost for completing the Project. You may directly pay these reserved items, reimburse me for payments I made, or reduce the reserves and increase the Loan proceeds available for disbursement.

B. Deposits. You may also require me to deposit with you amounts needed to finish the Project, including any installation of any required fixtures and equipment, when the Loan's undisbursed proceeds and reserves are less than your estimated cost for completing the Project. You make these estimates solely to protect your interests. You will provide me with a written request for a deposit with supporting documentation of your estimate, which is final and conclusive, and I will deposit this deficiency as soon as you request. You may apply the amounts that I deposit with you to cure any default or to reimburse yourself for payments that you made on my behalf.

C. Account. You may establish a non interest bearing account for any reserved Loan proceeds and amounts I am required to deposit with you.

12. DISBURSING LOAN PROCEEDS. Disbursement of Loan reserves and proceeds will be subject to the following terms and conditions.

A. Disbursement Schedule. You will disburse the Loan reserves and proceeds to yourself for reimbursements of fees, costs and expenses that you advance for me and to me as indicated in the Disbursement Schedule and subject to the conditions precedent under this Agreement.

B. Payments. You may make advances payable to me or jointly to me and Project's general contractor, the subcontractors or the material suppliers for amounts due under the Construction Contract. Alternatively, you may make payments for the Project's construction costs directly to any contractor, subcontractor, material supplier; this power is coupled with an interest that makes it irrevocable and survives my default. Any disbursement may be deposited into an account established by me or another payee entitled to payment under the Construction Contract. You may also pay yourself for amounts I owe you or you pay others. I will receive and hold advances made payable to me in trust to be applied first to paying the cost of improvements before any other purpose.

C. Fees and Expenses. I will pay all fees, costs and expenses relating to the Loan's closing before or at the time of the first disbursement of Loan reserves and proceeds or at another time that you specify. I may pay these fees and expenses in cash by a cashiers check or request that the amount due for these fees and expenses be disbursed to you from the Loan's proceeds. Any fees, costs and expenses that you advance or incur on my behalf become a part of the Loan's debt and secured by the Property, even when these amounts and the Loan disbursements exceed the face amount of the Note.

D. Your Right to Advance Funds. You may (but are not required to) advance amounts to cure any default and these advances will become a part of the Loan's debt and secured by the Property, even when these amounts and the Loan disbursements exceed the face amount of the Note.

13. WARRANTIES AND REPRESENTATIONS. I make to you the following warranties and representations which will continue as long as this Agreement is in effect, except when this Agreement provides otherwise.

A. Power. I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.

B. Authority. The execution, delivery and performance of this Agreement and the obligation evidenced by this Agreement are within my powers, have been duly authorized, have 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 I am a party or to which I am or any of my Property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name. Without your prior written consent, I do not and will not use any other name and will preserve my existing name, trade names and franchises.

D. Ownership or Lease of Property. I have the power and authority to own, develop, construct and equip the Property.

E. Validity. The execution and performance of this Agreement and other Loan Documents is not and will not cause a default under any other agreement binding or affecting me, or a violation of any law or court order that may affect the Property or the Property's planned usage. I represent and warrant that the copy of the Project architect's contract and the Construction Contract that I provide you are true, correct and complete copies and that they are not subject to any claim, setoff or encumbrance.

F. Legal Assurances. I am not in violation of any law or any order from a court or any other type of governmental unit that may affect my ability to perform this Agreement or that may affect the validity or priority of your lien on the Property.

No lawsuits or other proceedings are pending or threatened against me, the Project's general contractor or the Property that may adversely affect your lien on the Property, my ability to perform this Agreement or the Construction Contracts or any leases required under the Loan, except those already disclosed to and acknowledged by you in writing.

G. Accuracy of Information. All financial statements, other information or certifications furnished by me to you are true, complete and correct as of the date made, and do not misstate or omit any fact necessary to avoid being misleading.

H. Project Budget. The Project's budget that I submitted to you accurately and completely reflects all costs which I reasonably expect to incur in the acquisition, development, construction, equipping and furnishing of the Property and the Project. I will prevent the Project's actual cost from exceeding the Project's budgeted cost.

I. Utility Services. All necessary utility services are available or can be brought into the Property without extra cost, except as the final cost breakdown that I submitted to you provides. Utility services are necessary if required to construct and operate the improvements for their intended purposes. I have obtained all easements authorizing installation of these off site utilities.

J. Environmental Representations, Warranties and Agreements. I represent, warrant and agree to the following.

(1) Except as previously disclosed and acknowledged in writing to you, 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.

(2) Except as previously disclosed and acknowledged in writing to you, I have not and will not cause, contribute to or permit the release of any Hazardous Substance on the Property.

(3) I will immediately notify you if one or more of the following occurs:

(a) A release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property.

(b) There is a violation of any Environmental Law concerning the Property; in such an event, I will take all necessary remedial action in accordance with any Environmental Law.

(4) Except as previously disclosed and acknowledged in writing to you, I have no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to one or more of the following:

(a) Any Hazardous Substance located on, under or about the Property.

(b) Any violation by me or any tenant (or landlord) of any Environmental Law. I will immediately notify you in writing as soon as I have reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, you have 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.

(5) Except as previously disclosed and acknowledged in writing to you, I and every tenant (or landlord) have been, are and will remain in full compliance with any applicable Environmental Law.

(6) Except as previously disclosed and acknowledged to you in writing, 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 you first agree in writing.

(7) I 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.

(8) I will permit, or cause any tenant (or landlord) to permit, you or your agent to enter and inspect the Property and review all records at any reasonable time to determine all of the following:

(a) The existence, location and nature of any Hazardous Substance on, under or about the Property.

(b) The existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property.

(c) Whether or not I and any tenant (or landlord) are in compliance with any applicable Environmental Law.

(d) Upon your request, I agree, at my expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to you. The choice of the environmental engineer who will perform such audit is subject to your approval.

(9) You have the right, but not the obligation, to perform any of my obligations under this subsection at my expense.

(10) As a consequence of any breach of any representation, warranty or promise made in this subsection, all of the following applies:

(a) I will indemnify and hold you and your successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and reasonable attorneys' fees to the extent not prohibited by law which you and your successors or assigns may sustain.

(b) At your discretion, you may release the Security Instrument and in return I will provide you with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of your rights under this Security Instrument.

(11) Despite any of the language contained in the Security Instrument to the contrary, the terms of this subsection will survive any foreclosure or enforcement of the lien or satisfaction of any Security Instrument regardless of any passage of title to you or any disposition by you of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

14. **AGREEMENTS.** Until the Loan and all related debts, liabilities and obligations are paid and discharged, I will comply with the following terms, unless you waive compliance in writing.

**A. Contractors and Suppliers.** I will ensure that the Project uses contractors, subcontractors and material suppliers that you regard as financially sound and qualified.

**B. Material Suppliers' Liens.** I will seek your prior approval before permitting the purchase and installation of any fixtures or personal property on the Property, when the material suppliers reserve title, the right to remove or repossess, or the right to consider such items as personal property, after these are incorporated into the improvements.

**C. Construction Liens.** I will not permit any Construction Lien relating to the Project to be filed, recorded or asserted against the Property, any appurtenant interest or right, any account created under this Agreement or any funds due to the Project's general contractor. Within 10 days after any Construction Liens are filed, recorded or asserted, I will diligently dispute their validity or promptly procure their discharge or release by providing security or indemnity sufficient to either release the Construction Lien or obtain title insurance insuring against all Construction Liens; you may act on my behalf in this manner when I fail to do so. You need not inquire into the validity or amount of these Construction Liens when settling, compromising, discharging or releasing these Construction Liens. I will pay all of your costs, expenses and reasonable attorney's fees for obtaining the discharge or release of these Construction Liens. You may opt to recover these items on demand from me, from any account created under this Agreement, or treat your payment as an advance and disbursement under the Promissory Note.

**D. Indemnity.** I will defend, indemnify and hold harmless you, your agents, successors and assigns for anything that anyone, other than you or your agents, do or fail to do under or about the Property. I will defend you against all claims, demand, cleanup response and remediation requirements that result from these actions or omissions. This includes without limitation losses, punitive and compensatory damages, expenses, costs and attorneys' fees, and liability resulting from a finding that you, your agents, successors and assigns and I are engaged in a joint venture or partnership. My duty continues after the Loan's debts, liabilities and obligations are paid and discharged until your interest in the Property has ended.

**E. No Third Party Beneficiary Rights.** You and I do not intend to create any third-party beneficiary rights under this Agreement. No one other than me will have any right to obtain or compel a disbursement of the Loan's reserves or proceeds.

**F. Right to Assign.** I will not assign or attempt to assign my rights under this Agreement. An attempted assignment in violation of this agreement will not vest any rights in the purported assignee. You may assign, negotiate, pledge or transfer the Promissory Note, the Security Instrument and other Loan Documents to anyone to secure a Loan from them to you.

**G. Inspection.** I will help you or your consulting architect or other representatives to enter onto the Property and inspect the quality and progress of the Project's performance, labor and materials. I will promptly comply with your requirements to remove any dissatisfaction about the Project's quality or progress.

**H. Publicity.** I agree that you may display a sign at the construction site informing the public that you are the construction lender for the Project. I will provide you with the opportunity to participate in any other favorable publicity opportunities with the Project, like mentioning your role in press releases and providing you with the opportunity to participate in the ground-breaking, opening ceremonies and other similar events.

I. Construction. I will cause the Project's development, construction and equipping and any offsite development to be done diligently, continuously, on time, with high quality labor and materials and strictly by the Plans and Specifications. I will cause the Project development, construction and equipping to begin on November 2, 2007 and to be fully completed no later than December 2, 2008. On the completion date, for any leased premises I will have obtained all tenants' executed letters of acceptance of possession for their leased premises.

J. Change Orders. The Plans and Specifications will not be materially changed until you give written approval of each material change.

K. Extras and Contract Changes. I will obtain your prior written approval of any substantial extras or any material changes to any contract or subcontract with any contractor, subcontractor, supplier, architect or professional engineer. I will promptly furnish you all executed copies of all contracts not already furnished to you that are between me and project managers, architects, professional engineers, contractors, subcontractors and material suppliers and those that are between the Project's general contractor and all of its subcontractors and material suppliers.

L. Fees and Expenses. I will pay all reasonable and bona fide pre closing, closing and post closing fees, costs and expenses incurred by you incidental to the Loan.

M. Improvement District. I will not consent or vote to have any of the Property incorporated or annexed into any improvement or other district or area.

N. Loan Disbursements. I will apply or cause Project contractors and suppliers to apply the Loan disbursements only to work actually done and materials actually incorporated in the Project and scheduled to be paid under the Disbursement Schedule.

O. Taxes and Insurance. I will pay all taxes when due. I will pay all insurance premiums when due on all insurance required by this Agreement. If I fail to obtain or maintain any insurance required by the Loan, you may obtain insurance to protect your interest in the Property. You may obtain insurance with different coverage and at higher rates than what I could have obtained. You may obtain this insurance from a company other than the one I would choose. I will also cause Project's general contractor, any subcontractor or material supplier to obtain and maintain any insurance required under this Agreement.

P. Financial Records. I will maintain my financial books and records by consistently applied generally accepted accounting principles then in effect. I will provide or cause to be provided to you financial records from me and my parent or subsidiaries, if any, and the general contractor or any subcontractors involved in the Project. Any interim financial records will be provided as soon as available or at least within 30 days after the close of each of my interim business periods. Annual statements will be provided as soon as available or at least within days after the close of my fiscal year.

Financial statements will be certified by my chief financial or accounting officer or by independent public accountant as fairly representing my financial condition for the stated periods as current, complete, true and accurate in all material respects and without any direct or contingent liabilities, except as disclosed on such financial statements. The annual and interim financial statements and auditing reports will state whether they are audited, reviewed, compiled or prepared statements. I will promptly inform you in writing of any material adverse changes in my financial condition or that of the Project's general contractor.

Q. Additional Information. I will provide you with any:

(1) Of my reports, notices or statements to the Securities and Exchange Commission or any securities exchange and to my stockholders, owners, or the holders of any material indebtedness or the trustee under any indenture as soon as available or at least 30 days after issuance.

(2) Information that may materially and adversely affect my ability to perform this Agreement and notify you of this information and its anticipated effect with an immediate telephone call or similar contact.

(3) Other information about my business operations and financial affairs and condition within 30 days after your request.

R. Claims. I will promptly inform you in writing of any threatened or pending lawsuits, arbitration or other proceeding against me, the Project's architect, the general contractor or the Property that singly or together with other proceedings may adversely affect my ability to perform this Agreement, the Construction Contract or the leases required under the Loan. I will use my best efforts to bring about a favorable and speedy result of any of these lawsuits, arbitration or other proceedings.

I authorize you to intervene in my name in any condemnation, eminent domain, or other proceeding to take the Property. I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments. This assignment is subject to any prior mortgage, deed of trust, security agreement or other lien document.

S. Leasehold. If I have a leasehold interest in the Property, I will make all lease payments on or before their respective due dates and will not otherwise breach my lease agreement.

T. Leases and Rents. I will not lease all or substantially all of the Property without obtaining your prior written consent and approval of these leases' form, terms and provisions. I will not modify, amend, or terminate any of the leases assigned to you. I will not accept any rental payment in advance of its due date, without your prior written consent. I will not breach my obligations or fail to meet my conditions or requirements under any of the leases assigned to you.

U. Notice of Default. I will promptly notify you in writing of any work stoppage or labor dispute affecting the Project as well as any claims filed against Loan reserves and proceeds, any account created under this Agreement or the Property, and any condition or event that is a breach or failure of any condition, warranty, representation, or term of this Agreement, the other Loan Documents or any contract related to the Project.

V. Lender's Actions Only for Lender's Protection. I agree that you and your consulting architect are not obligated to inspect, supervise, prevent Construction Liens, or inform me about the Project's progress or performance. You and your consulting architect act for your protection when inspecting the Project, procuring sworn statements and waivers of liens, approving change orders and similar actions. You will incur no liability or obligation to me arising out of such inspection. An inspection for or by you does not waive any default and is not a representation that I have complied with this Agreement, any applicable laws or that the Project is free from defective materials or labor.

15. DEFAULT. I understand that you may demand payment anytime at your discretion. For example, you may demand payment in full if any of the following occur:

A. Payments. I fail to make a payment in full when due.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against me or any co-signer, endorser, surety or guarantor of this Agreement or any other obligations I have with you.

C. Business Termination. I merge, dissolve, reorganize, end my business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. Failure to Perform. I fail to perform any condition or to keep any promise or covenant of this Agreement.

E. Other Documents. A default occurs under the terms of any other Loan Document.

F. Other Agreements. I am in default on any other debt or agreement I have with you.

G. Misrepresentation. I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

H. Judgment. I fail to satisfy or appeal any judgment against me.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. Name Change. I change my name or assume an additional name without notifying you before making such a change.

K. Property Transfer. I transfer all or a substantial part of my money or property.

L. Property Value. You determine in good faith that the value of the Property has declined or is impaired.

M. Material Change. Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

N. Insecurity. You determine in good faith that a material adverse change has occurred in Borrower's financial condition from the conditions set forth in Borrower's most recent financial statement before the date of this Agreement or that the prospect for payment or performance of the Loan is impaired for any reason.

O. Deposits. I fail to promptly deposit any amounts that you require me to deposit with you.

P. Contractor's Insolvency. Any Project general contractor or subcontractor becomes insolvent, either because its liabilities exceed its assets or the Project's general contractor or subcontractor is unable to pay its debts as they become due, and I fail to procure a contract with a new contractor or subcontractor, reasonably satisfactory to you, within 30 days from the occurrence of this insolvency.

Q. Commitment. Any governmental agency or another lender, committed to insuring the obligation secured by the Security Instrument or making an interim or permanent loan, fails or refuses to insure, purchase or fund the Loan from you by the time specified in the Commitment or other commitment, and I then fail to promptly pay to you all sums advanced by you under this Agreement. A failure of any condition or a default occurs under any Commitment that will disable or prevent me from doing everything necessary to enable you to sell and deliver the Loan to any interim or permanent lender or to bring about a Conversion within the time and in the manner required in any Commitment.

R. Encroachment. Any encroachment to the Property or to other property results from the existence or construction of the Improvements when this encroachment is not removed or corrected within 30 days.

S. Unsatisfactory Construction. You or your consulting architect determine that any construction work is not constructed according to the Plans and Specifications or the Construction Contract, communicate this failure to me, and I do not obtain correction of the unsatisfactory construction to the satisfaction of you and your consulting architect within 30 days after notification of this disapproval.

T. Interruption of Construction. Construction on the Improvements is delayed or discontinued for the shortest period provided under any performance or payment bonds or otherwise 10 or more continuous days, as your consulting architect in its sole discretion concludes that the construction may not be completed on or before the Completion Date. The permissible delays for certain events may be increased from 10 to 15 continuous days for a single continuous period or 30 total non-continuous days or shorter periods required by the payment or performance bonds. These certain events permitting delay or discontinuance include fire, earthquake, or other acts of God, acts of the public enemy, riot, insurrection, governmental regulation of the sale of material and supplies or the transportation thereof, or strikes directly affecting the work of construction, or shortages of material or labor resulting directly from governmental controls or diversions.

18. REMEDIES. After I default, you may at your option do any one or more of the following.

A. Acceleration. You may make all or any part of the amount owing by the terms of this Agreement immediately due.

B. Sources. You may use any and all remedies you have under state or federal law or in any Loan Document.

C. Termination. You may terminate my right to obtain advances and may refuse to make any further extensions of credit.

D. Waiver. By choosing any one or more of these remedies you do not give up your right to use 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.

E. Take Possession of the Property. You may take possession of the Property to the extent and in a manner not otherwise prohibited by law.

F. Complete Project. You may, but are not obligated to, do anything you determine is necessary or desirable to complete the Project under the Plans and Specifications or as you otherwise consider appropriate. You may at your sole discretion advance funds to complete the Project even when all of these advances exceed the Loan's maximum total principal amount. You may discontinue completing the Project at any time without liability. I appoint and constitute you as my attorney in fact with full power and substitution in the Property to complete the Project's development, construction and equipping in my name. This power of attorney is irrevocable since it is a power coupled with an interest.

G. Lender's Right to Cure. You may, but are not obligated to, advance Loan reserves or proceeds to cure any default that may be cured by a payment of money.

H. Casualty. If all or part of the Improvements are damaged or destroyed by a casualty, I will proceed diligently to make settlement with the insurance company and cause the insurance proceeds to be deposited with you. If you decide that sufficient insurance proceeds and undisbursed Loan reserves and proceeds exist to complete the Project on or before the Completion Date, then you may disburse any insurance proceeds I deposit with you for the Project's restoration and completion. You need not make any disbursements of the Loan reserves and proceeds until such restoration is completed to your satisfaction. If you decide that insufficient insurance proceeds and undisbursed Loan reserves and proceeds exist to complete the Project on or before the Completion Date, then you will collect, retain and apply these insurance proceeds to reduce the Loan's principal balance.

I. Correction of Improper Condition. You may, but are not required to, order any of the following conditions be corrected before the Project's development, construction and equipping may continue when, in your reasonable discretion, you determine that:

(1) The Plans and Specifications are defective.

(2) The Project substantially deviates from the Plans and Specifications.

(3) The Project's workmanship or materials are defective.

(4) Encroachments exist that I did not consent to.

(5) A violation of any applicable law, regulation or ordinance has occurred on the Property or with the development, construction or equipping of the Property.

17. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Agreement or any other Loan Document. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Promissory Note. All fees and expenses will be secured by the Property I have granted to you, if any. In addition, to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me.

18. APPLICABLE LAW. This Agreement is governed by the laws of South Carolina, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

19. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect my duty under the Loan and I will still be obligated to pay the Loan. You may assign all or part of your rights or duties under this Agreement or the Loan Documents without my consent. If you assign this Agreement, all of my covenants, agreements, representations and warranties contained in this Agreement or the Loan Documents will benefit your successors and assigns. I may not assign this Agreement or any of my rights under it without your prior written consent. The duties of the Loan will bind my successors and assigns.

20. AMENDMENT, INTEGRATION AND SEVERABILITY. This Agreement may not be amended or modified by oral agreement. No amendment or modification of this Agreement is effective unless made in writing and executed by you and me. This Agreement and the other Loan Documents are the complete and final expression of the understanding between you and me. If any provision of this Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

21. 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 Agreement.

22. 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 to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. Notice to one Owner will be deemed to be notice to all Owners. I will inform you in writing of any change in my name, address or other application information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

23. LIST OF EXHIBITS. The following documents, that are checked, are incorporated by reference into this Agreement:

☒Builder's Risk Insurance
☐Construction Contract
☐Copy of any Leases
☐Disbursement Schedule
☒Plans and Specifications
☒Project Budget
☐Subdivision Price List
☐Surety Bonds
☒Title Insurance Policy or Title Insurance Commitment or Interim Binder
☐Abstract and Title Opinion
☐Architect's Consent and Acknowledgment
☐General Contractor's Consent and Acknowledgment
☒Promissory Note
☒Security Agreement
☐Security Instrument
☒Guaranty Agreement
☐Affidavit Under Section 22 of the Lien Law of the State of New York

24. SIGNATURES. By signing under seal, I agree to the terms contained in this Agreement. I also acknowledge receipt of a copy of this Agreement.

BORROWER:

Heritage Seven, LLC

By _____ (Seal)
Linda Gibson, Member

By Paul William Gibson Family Trust, Member

By _____ (Seal)
Linda A. Gibson, Trustee


©1996 Bankers Systems, Inc., St. Cloud, MN

OWNER:

Individually

Entity Name: _____

By _____
(Signature, Title)

Ameris Lending

7970000179-101

BK L 643PG739

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This document was prepared by

# MORTGAGE

(With Future Advance Clause)

**DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is November 2, 2007. The parties and their addresses are:

**MORTGAGOR:**
HERITAGE SEVEN, LLC
A South Carolina Limited Liability Company
133 Horse Trail Rd
St George, South Carolina 29477

**LENDER:**
AMERIS BANK
Organized and existing under the laws of Georgia
49 Archdale Street
Charleston, South Carolina 29401

**1. CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys and mortgages to Lender, the following described property:

The property is located in Charleston County at 2625 Otranto Rd, N. Charleston, South Carolina 29406.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, ditches and water stock, crops, timber, all diversion payments or third party payments made to crop producers and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

**2. MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time will not exceed $2,810,164.50. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument. 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.

**3. SECURED DEBTS.** The term "Secured Debts" includes and this Security Instrument will secure each of the following:

**A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note or other agreement, No. 7970000179-101, dated November 2, 2007, from Mortgagor to Lender, with a loan amount of $2,810,164.50 and maturing on November 2, 2012. One or more of the debts secured by this Security Instrument contains a future advance provision.

**B. All Debts.** All present and future debts from Mortgagor to Lender, even if this Security Instrument 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 Security Instrument, each agrees that it will secure debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument 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 any required notice of the right of rescission, Lender waives any subsequent security interest in the Mortgagor's principal dwelling that is created by this Security Instrument. This Security Instrument 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

DEFENDANT'S EXHIBIT 32

governing unfair and deceptive credit practices. This Security Instrument 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 Security Instrument.

4. PAYMENTS. Mortgagor 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 Security Instrument.

5. WARRANTY OF TITLE. Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell and mortgage the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

6. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

A. To make all payments when due and to perform or comply with all covenants.

B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

7. CLAIMS AGAINST TITLE. Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

8. DUE ON SALE OR ENCUMBRANCE. Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.

9. TRANSFER OF AN INTEREST IN THE MORTGAGOR. If Mortgagor 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 Mortgagor 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 Security Instrument.

10. WARRANTIES AND REPRESENTATIONS. Mortgagor makes to Lender the following warranties and representations which will continue as long as this Security Instrument is in effect:

A. Power. Mortgagor is duly organized, and validly existing and in good standing in all jurisdictions in which Mortgagor operates. Mortgagor has the power and authority to enter into this transaction and to carry on Mortgagor's business or activity as it is now being conducted and, as applicable, is qualified to do so in each jurisdiction in which Mortgagor operates.

B. Authority. The execution, delivery and performance of this Security Instrument and the obligation evidenced by this Security Instrument are within Mortgagor's powers, have been duly authorized, have 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 Mortgagor is a party or to which Mortgagor is or any of Mortgagor's property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to Lender, Mortgagor has not changed Mortgagor's name or principal place of business within the last 10 years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve Mortgagor's existing name, trade names and franchises.

11. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor will not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

12. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints

Lender as attorney-in-fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

13. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Payments. Mortgagor fails to make a payment in full when due.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Mortgagor, Borrower, or any co-signer, endorser, surety or guarantor of this Security Instrument or any other obligations Borrower has with Lender.

C. Business Termination. Mortgagor merges, dissolves, reorganizes, ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. Failure to Perform. Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument.

E. Other Documents. A default occurs under the terms of any other document relating to the Secured Debts.

F. Other Agreements. Mortgagor is in default on any other debt or agreement Mortgagor has with Lender.

G. Misrepresentation. Mortgagor 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.

H. Judgment. Mortgagor fails to satisfy or appeal any judgment against Mortgagor.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. Name Change. Mortgagor changes Mortgagor's name or assumes an additional name without notifying Lender before making such a change.

K. Property Transfer. Mortgagor transfers all or a substantial part of Mortgagor's money or property. This condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the DUE ON SALE section.

L. Property Value. Lender determines in good faith that the value of the Property has declined or is impaired.

M. Material Change. Without first notifying Lender, there is a material change in Mortgagor's business, including ownership, management, and financial conditions.

N. Insecurity. Lender determines in good faith that a material adverse change has occurred in Mortgagor's financial condition from the conditions set forth in Mortgagor's most recent financial statement before the date of this Security Instrument or that the prospect for payment or performance of the Secured Debts is impaired for any reason.

14. REMEDIES. On or after default, Lender may use any and all remedies Lender has under state or federal law or in any document relating to the Secured Debts. Any amounts advanced on Mortgagor's behalf will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to any right to cure, required time schedules or any other notice rights Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

At any time after default (whether before or after judgment), Lender may take possession of any collateral for the loan or obtain the appointment of a receiver pursuant to SC Code §15-65-10, et seq. or otherwise as permitted by law. Any receiver shall be vested with all of the powers, rights and duties of receivers generally. Lender or any receiver may collect any rents and profits from the collateral and may rent, sell, operate or manage the collateral without notice to Mortgagor or any other party (Mortgagor waives any right to notice) and without consideration of the value of the collateral or Mortgagor's solvency. All amounts collected by Lender or the receiver shall, after the expenses of taking possession, renting, selling, operating and managing (and of any receivership), be applied to payment of the loan. If Lender should take possession or if a receiver should be appointed or if there should be a sale of the collateral, Mortgagor, or any person in possession of the collateral, shall become a tenant at will of Lender, the receiver or the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

15. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, Mortgagor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Security Instrument or any other document relating to the Secured Debts. Mortgagor agrees to pay expenses for Lender to inspect and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. In addition, to the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees incurred by Lender to protect Lender's rights and interests in connection with any bankruptcy proceedings initiated by or against Mortgagor.

16. 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 substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor 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, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor 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, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor 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 Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor 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, Mortgagor 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. Mortgagor 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. Mortgagor 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 Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor'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 Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor 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, 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 Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property without prejudice to any of Lender's rights under this Security Instrument.

L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument 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.

17. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

18. INSURANCE. Mortgagor agrees to keep the Property insured against the risks reasonably associated with the Property. Mortgagor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debts. Mortgagor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.

All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause." If required by Lender, Mortgagor agrees to maintain comprehensive general liability insurance and rental

loss or business interruption insurance in amounts and under policies acceptable to Lender. The comprehensive general liability insurance must name Lender as an additional insured. The rental loss or business interruption insurance must be in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing).

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured, Lender may obtain insurance to protect Lender's interest in the Property and Mortgagor will pay for the insurance on Lender's demand. Lender may demand that Mortgagor pay for the insurance all at once, or Lender may add the insurance premiums to the balance of the Secured Debts and charge interest on it at the rate that applies to the Secured Debts. This insurance may include coverages not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance. Mortgagor acknowledges and agrees that Lender or one of Lender's affiliates may receive commissions on the purchase of this insurance.

**19. ESCROW FOR TAXES AND INSURANCE.** Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

**20. CO-SIGNERS.** If Mortgagor signs this Security Instrument but is not otherwise obligated to pay the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree by signing this Security Instrument to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

**21. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all homestead exemption rights relating to the Property.

**22. CONSTRUCTION LOAN.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.

**23. APPLICABLE LAW.** This Security Instrument is governed by the laws of South Carolina, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

**24. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.

**25. AMENDMENT, INTEGRATION AND SEVERABILITY.** This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument and any other documents relating to the Secured Debts are the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

**26. 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 Security Instrument.

**27. NOTICE, FINANCIAL REPORTS, ADDITIONAL DOCUMENTS AND RECORDING TAXES.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the *DATE AND PARTIES* section, or to any other address designated in writing. Notice to one Mortgagor will be deemed to be notice to all Mortgagors. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording of this Security Instrument. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property, and Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording thereof. Time is of the essence.

BK L 643PG744

**SIGNATURES.** By signing under seal, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

**MORTGAGOR:**

Heritage Seven, LLC

By _____ (Seal) Member
Linda Gibson, Member

_____
(Witness)

_____
(Witness)

By Paul William Gibson Family Trust, Member

By _____ (Seal)
Linda A. Gibson, Trustee

_____
(Witness)

_____
(Witness)

**ACKNOWLEDGMENT.**

State of South Carolina
County of Charleston

by Heritage Seven, LLC

The foregoing instrument was acknowledged before me by Linda Gibson a/k/a Linda P. Gibson this 2nd day of November 2007.

member

_____
Notary Public for South Carolina
My commission expires:

NOTARY PUBLIC SOUTH CAROLINA
T. H. LEWIS
My Commission Expires 04/23/2012

# EXHIBIT "A"

ALL that certain tract, piece or parcel of land in Northwood Estates containing 3.633 acres, situate, lying and being in the County of Charleston, State of South Carolina, as shown and designated on a plat made by Sigma Engineers, Inc., which plat is dated April 14, 1971 and was duly recorded in the RMC Office for Charleston County on April 28, 1971 in Plat Book AA, Page 37. The exact property herein conveyed is as shown on the aforesaid plat as "Tracts A & B". The said tracts having such size, shape and dimensions as will be shown by reference to the aforesaid plat.

BEING the same property conveyed to the Mortgagor herein by Deed of abesPRO, LLC of even date and recorded in the RMC Office for Charleston County simultaneously herewith.

Doc # 00035748

00035748 Vol# 6975 Pg# 209

Space Above This Line For Recording Data

This document was prepared by

# MORTGAGE

(With Future Advance Clause)

**DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is November 2, 2007. The parties and their addresses are:

MORTGAGOR:
LINDA A GIBSON f/k/a LINDA ANN AVINGER
An unmarried individual
133 Horse Trail Rd
St George, South Carolina 29477

LENDER:
AMERIS BANK
Organized and existing under the laws of Georgia
49 Archdale Street
Charleston, South Carolina 29401

**1. CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys and mortgages to Lender, the following described property:

The property is located in Berkley County at TMS # 271-00-01-129
Kister Lane, Charleston, South Carolina 29492.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, ditches and water stock, crops, timber, all diversion payments or third party payments made to crop producers and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

**2. MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time will not exceed $2,810,164.50. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument. 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.

**3. SECURED DEBTS.** The term "Secured Debts" includes and this Security Instrument will secure each of the following:

**A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note or other agreement, No. 7970000179-101, dated November 2, 2007, from Heritage Seven, LLC (Borrower) to Lender, with a loan amount of $2,810,164.50 and maturing on November 2, 2012. One or more of the debts secured by this Security Instrument contains a future advance provision.

**B. All Debts.** All present and future debts from Heritage Seven, LLC to Lender, even if this Security Instrument 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 Security Instrument, each agrees that it will secure debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument 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 any required notice of the right of rescission, Lender waives any subsequent security interest in the Mortgagor's principal dwelling that is created by this Security Instrument. This Security Instrument will not secure any debt for which a non-possessory, non purchase money security interest is



DEFENDANT'S EXHIBIT 33

Ameris-00035

Weeks, Foti, Irvine & Donnida, LLC
Attorneys At Law
8086 S Rivers Ave
North Charleston, SC 29420

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 Security Instrument 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 Security Instrument.

4 PAYMENTS. Mortgagor 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 Security Instrument.

5. WARRANTY OF TITLE. Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell and mortgage the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

6. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

A. To make all payments when due and to perform or comply with all covenants.

B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

7. CLAIMS AGAINST TITLE. Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

8. DUE ON SALE OR ENCUMBRANCE. Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.

9. WARRANTIES AND REPRESENTATIONS. Mortgagor has the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Mortgagor or to which Mortgagor is a party.

10. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor will not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

11. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

12. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Payments. Mortgagor or Borrower fail to make a payment in full when due.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Mortgagor, Borrower, or any co-signer, endorser, surety or guarantor of this Security Instrument or any other obligations Borrower has with Lender.

C. Death or Incompetency. Mortgagor dies or is declared legally incompetent.

D. Failure to Perform. Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument.

E. Other Documents. A default occurs under the terms of any other document relating to the Secured Debts.

F. Other Agreements. Mortgagor is in default on any other debt or agreement Mortgagor has with Lender.

G. Misrepresentation. Mortgagor 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.

H. Judgment. Mortgagor fails to satisfy or appeal any judgment against Mortgagor.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. Name Change. Mortgagor changes Mortgagor's name or assumes an additional name without notifying Lender before making such a change.

K. Property Transfer. Mortgagor transfers all or a substantial part of Mortgagor's money or property. This condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the DUE ON SALE section.

L. Property Value. Lender determines in good faith that the value of the Property has declined or is impaired.

M. Insecurity. Lender determines in good faith that a material adverse change has occurred in Borrower's financial condition from the conditions set forth in Borrower's most recent financial statement before the date of this Security Instrument or that the prospect for payment or performance of the Secured Debts is impaired for any reason.

**13. REMEDIES.** On or after default, Lender may use any and all remedies Lender has under state or federal law or in any document relating to the Secured Debts. Any amounts advanced on Mortgagor's behalf will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to any right to cure, required time schedules or any other notice rights Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

At any time after default (whether before or after judgment), Lender may take possession of any collateral for the loan or obtain the appointment of a receiver pursuant to SC Code §15-65-10, et seq. or otherwise as permitted by law. Any receiver shall be vested with all of the powers, rights and duties of receivers generally. Lender or any receiver may collect any rents and profits from the collateral and may rent, sell, operate or manage the collateral without notice to Mortgagor or any other party (Mortgagor waives any right to notice) and without consideration of the value of the collateral or Mortgagor's solvency. All amounts collected by Lender or the receiver shall, after the expenses of taking possession, renting, selling, operating and managing (and of any receivership), be applied to payment of the loan. If Lender should take possession or if a receiver should be appointed or if there should be a sale of the collateral, Mortgagor, or any person in possession of the collateral, shall become a tenant at will of Lender, the receiver or the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

**14. COLLECTION EXPENSES AND ATTORNEYS' FEES.** On or after Default, to the extent permitted by law, Mortgagor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Security Instrument or any other document relating to the Secured Debts. Mortgagor agrees to pay expenses for Lender to inspect and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. In addition, to the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees incurred by Lender to protect Lender's rights and interests in connection with any bankruptcy proceedings initiated by or against Mortgagor.

**15. 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 substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor 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, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor 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, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor 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 Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor 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, Mortgagor 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. Mortgagor 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. Mortgagor 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 Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor'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 Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor 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, 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 Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property without prejudice to any of Lender's rights under this Security Instrument.

L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument 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.

**16. CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

**17. INSURANCE.** Mortgagor agrees to keep the Property insured against the risks reasonably associated with the Property. Mortgagor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debts. Mortgagor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.

All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause." If required by Lender, Mortgagor agrees to maintain comprehensive general liability insurance and rental loss or business interruption insurance in amounts and under policies acceptable to Lender. The comprehensive general liability insurance must name Lender as an additional insured. The rental loss or business interruption insurance must be in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing).

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured, Lender may obtain insurance to protect Lender's interest in the Property and Mortgagor will pay for the insurance on Lender's demand. Lender may demand that Mortgagor pay for the insurance all at once, or Lender may add the insurance premiums to the balance of the Secured Debts and charge interest on it at the rate that applies to the Secured Debts. This insurance may include coverages not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance. Mortgagor acknowledges and agrees that Lender or one of Lender's affiliates may receive commissions on the purchase of this insurance.

**18. ESCROW FOR TAXES AND INSURANCE.** Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

**19. CO-SIGNERS.** If Mortgagor signs this Security Instrument but is not otherwise obligated to pay the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree by signing this Security Instrument to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive

any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

20. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all homestead exemption rights relating to the Property.

21. CONSTRUCTION LOAN. This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.

22. APPLICABLE LAW. This Security Instrument is governed by the laws of South Carolina, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

23. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.

24. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument and any other documents relating to the Secured Debts are the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

25. 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 Security Instrument.

26. NOTICE, FINANCIAL REPORTS, ADDITIONAL DOCUMENTS AND RECORDING TAXES. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Mortgagor will be deemed to be notice to all Mortgagors. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording of this Security Instrument. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property, and Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording thereof. Time is of the essence.

SIGNATURES. By signing under seal, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

MORTGAGOR:

Linda A Gibson f/k/a Linda Ann Avinger

Individually

(Witness)

(Witness)



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0003574B Vol# 6976 Pg# 210

ACKNOWLEDGMENT.
(Individual)

State OF South Carolina County OF Charleston ss.

I, T. H. Lewis a notary public for South Carolina, do hereby certify that Linda A Gibson*, an unmarried individual, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 2nd day of November 2007.

Signature of Notary Public

*f/k/a Linda Ann Avinger

My commission expires: 04-22-2012

T. H. LEWIS NOTARY PUBLIC SOUTH CAROLINA My Comm. Exp. 04-22-2012

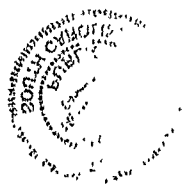
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Initials

Page 6

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Ameris-00042

# EXHIBIT "A"

All that certain piece, parcel or lot of land, situate, lying and being in the County of Berkeley, State of South Carolina, and shown and designated as "Residual Property of Linda Ann Gibson TMS 271-00-01-037" (now bearing TMS #271-00-01-129), on a "Plat Showing a 100' Right-of-Way Designated Parcels "A" & "B" and a 50' Right-of-Way Designated Parcels "C" and "D", Parcels "B" and "D" Being Owned by Linda Ann Gibson, Parcels "A" & "C" Being Owned by Heirs of Ben Bellinger, Parcels "A" Thru "D" About to be Acquired by the South Carolina State Ports Authority, Parcels Located in Saint Thomas - Saint Dennis Parish, Berkeley County, South Carolina" prepared by Cornerstone Surveying & Engineering, Inc. on June 6, 1997 and recorded in the RMC Office for Berkeley County in Plat Cabinet N, at Page 86.

BEING a portion of the property conveyed to the Mortgagor herein by Deed of New Mary Ann Baptist Church a/k/a Maryann Baptist Church dated May 24, 1985 and recorded in the RMC Office for Berkeley County in Book A616, at page 220, and by Deed of W. R. Detyens dated May 15, 1969 and recorded in Book A261, at page 40.

| LOAN NUMBER | LOAN NAME | ACCT. NUMBER | DATE | INITIALS |
|---|---|---|---|---|
| 7870200017-101 | Heritage Seven, LLC | | 11/02/07 | BL |
| NOTE AMOUNT | INDEX (w/Margin) | RATE | MATURITY DATE | LOAN PURPOSE |
| $2,810,164.50 | First Phase - Wall Street Journal Prime plus 0.250% | First Phase - 7.75% | 11/02/12 | Commercial |
| | Second Phase - Wall Street Journal Prime plus 0.250% | Second Phase - 7.75% | | |
| | | Creditor Use Only | | |

# PROMISSORY NOTE

(Commercial - Draw)

DATE AND PARTIES. The date of this Promissory Note (Note) is November 2, 2007. The parties and their addresses are:

LENDER:
AMERIS BANK
49 Archdale Street
Charleston, South Carolina 29401
Telephone: (843) 534-2840

BORROWER:
HERITAGE SEVEN, LLC
a South Carolina Limited Liability Company
132 Horse Trail Rd
St George, South Carolina 29477

1. DEFINITIONS. As used in this Note, the terms have the following meanings:

A. Pronouns. The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together. "You" and "Your" refer to the Lender.

B. Note. Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.

C. Loan. Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.

D. Loan Documents. Loan Documents refer to all the documents executed as a part of or in connection with the Loan.

E. Property. Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.

F. Percent. Rates and rate change limitations are expressed as annualized percentages.

2. PROMISE TO PAY. For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, amounts advanced from time to time under the terms of this Note up to the maximum total principal balance of $2,810,164.50 (Principal) plus interest from the date of disbursement, on the unpaid outstanding Principal balance until this Note matures or this obligation is accelerated.

All advances made will be made subject to the terms of a separate construction loan agreement and all other terms and conditions of the Loan.

3. INTEREST. Interest will accrue on the unpaid Principal balance of this Note during the first phase at a rate of 7.75 percent (Interest Rate) until November 3, 2007, after which time it may change as described in the Variable Rate subsection." Then, interest will accrue on the unpaid Principal balance during the second phase at a rate of 7.75 percent (Second Phase Interest Rate) until November 3, 2007, after which time it may change as described in the Variable Rate subsection.

A. Interest After Default. If you declare a default under the terms of this Loan, including for failure to pay in full at maturity, you may increase the Interest Rate payable on the outstanding Principal balance of this Note. In such event, interest will accrue on the outstanding Principal balance at 18.000 percent until paid in full.

B. Maximum Interest Amount. Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by state or federal law, whichever is greater. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.

C. Statutory Authority. The amount assessed or collected on this Note is authorized by the South Carolina usury laws under S.C. Code Ann. §§ 37-3-508, 37-3-105 and 37-10-101 et. seq.

D. Accrual. Interest accrues using an Actual/360 days counting method.

E. Variable Rate. The Interest Rate may change during the term of this transaction.

(1) Index. Beginning with the first Change Date of the first phase, the Interest Rate will be based on the following Index: the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate.

The Current Index is the most recent index figure available on each Change Date. You do not guaranty by selecting this Index, or the margin, that the Interest Rate on this Note will be the same rate you charge on any other loans or class of loans you make to me or other borrowers. If this Index is no longer available, you will substitute a similar index. You will give me notice of your choice.

Beginning with the first Change Date of the second phase, the Interest Rate will be based on the following Index: the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate.

The Current Index is the most recent index figure available on each Change Date. You do not guaranty by selecting this Index, or the margin, that the Interest Rate on this Note will be the same rate you charge on any other loans or class of loans you make to me or other borrowers. If this Index is no longer available, you will substitute a similar index. You will give me notice of your choice.

(2) Change Date. Each date on which the Interest Rate may change is called a Change Date. The Interest Rate during the first phase of the Loan may change November 3, 2007 and daily thereafter.

The Interest Rate during the second phase of the Loan may change November 3, 2007 and daily thereafter.

(3) Calculation Of Change. On each Change Date during the first phase of the Loan, you will calculate the Interest Rate, which will be the Current Index plus 0.250 percent. The result of this calculation will be rounded to the nearest .001 percent. Subject to any limitations, this will be the Interest Rate until the next Change Date. The new Interest Rate will become effective on each Change Date. The Interest Rate and other charges on this Note will never exceed the highest rate or charge allowed by law for this Note.

On each Change Date during the second phase of the Loan, you will calculate the Interest Rate, which will be the Current Index plus 0.250 percent. The result of this calculation will be rounded to the nearest .001 percent. Subject to any limitations, this will be the Interest Rate until the next Change Date. The new Interest Rate will become effective on each Change Date. The Interest Rate and other charges on this Note will never exceed the highest rate or charge allowed by law for this Note.

(4) Effect Of Variable Rate. A change in the Interest Rate during the first phase of the Loan will have the following effect on the payments. The amount of scheduled payments will change.

A change in the Interest Rate during the second phase of the Loan will have the following effect on the payments: The amount of scheduled payments will change.

4. ADDITIONAL CHARGES. As additional consideration, I agree to pay, or have paid, these additional fees and charges.

A. Nonrefundable Fees and Charges. The following fees are earned when collected and will not be refunded if I prepay this Note before the scheduled maturity date.

Loan Origination. A(n) Loan Origination fee of $10,180.00 payable from the loan proceeds.
FLD LOL. A(n) FLD LOL fee of $6.50 payable from the loan proceeds.
FLD Doc. A(n) FLD Doc fee of $9.00 payable from the loan proceeds.

5. REMEDIAL CHARGES. In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

A. Returned Check Charge. I agree to pay a fee not to exceed $25.00 for each check, negotiable order of withdrawal or draft I issue in connection with the Loan that is returned because it has been dishonored.



DEFENDANT'S EXHIBIT 34

6 PAYMENT I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in 60 installment payments During the first phase of the Loan I will make 12 payments of accrued interest beginning December 2, 2007, and then on the 2nd day of each month thereafter

Then I agree to make 48 installment payments during the second phase of the Loan The second phase of this Note is amortized over 240 payments A payment of $23 428 41 will be due December 2, 2008, and on the 2nd day of each month thereafter This scheduled payment amount may change to reflect changes in the interest rate as described in the Variable Rate subsection of this Note. A final payment of the entire unpaid balance of principal and interest will be due November 2 2012

Payments will be rounded to the nearest $ 01 With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will instead, be made on the last day of such month

If the amount of a scheduled payment does not equal or exceed interest accrued during the payment period the unpaid portion will be added to, and will be payable with, the next scheduled payment

Each payment I make on this Note will be applied first to interest that is due then to any charges that I owe other than principal and interest, and finally to principal that is due If you and I agree to a different application of payments, we will describe our agreement on this Note You may change how payments are applied in your sole discretion without notice to me The actual amount of my final payment will depend on my payment record

7 PREPAYMENT. If I prepay in full I will pay a prepayment penalty of $300 00.

8 LOAN PURPOSE The purpose of this Loan is purchase and rehabilish apartment complex

9 SECURITY This Loan is secured by separate security instruments prepared together with this Note as follows:

| Document Name | Parties to Document |
|---|---|
| Leases And Rents Assignment - TMS # 271-09-01 129 Kilister Lane | Linda A Gibson |
| Leases And Rents Assignment - 2825 Otranto Rd | Heritage Seven, LLC |
| Mortgage 2825 Otranto Rd | Heritage Seven, LLC |
| Mortgage TMS # 271-09-01 129 Kilister Lane | Linda A Gibson |

10 DEFAULT. I understand that you may demand payment anytime at your discretion For example, you may demand payment in full if any of the following occurs

A. Payments. I fail to make a payment in full when due.

B Insolvency or Bankruptcy The death dissolution or insolvency of appointment of a receiver by or on behalf of, application of any debtor relief law the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary commission of substance by, or the commencement of any proceeding under any present or future federal or state insolvency bankruptcy, reorganization, composition or debtor relief law by or against me or any co-signer, endorser, surety or guarantor of this Note or any other obligations I have with you.

C Business Termination I merge dissolve, reorganize end my business or existence, or a partner or majority owner dies or is declared legally incompetent.

D Failure to Perform I fail to perform any condition or to keep any promise or covenant of this Note

E. Other Documents A default occurs under the terms of any other Loan Document.

F Other Agreements I am in default on any other debt or agreement I have with you.

G Misrepresentation I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided

H Judgment. I fail to satisfy or appeal any judgment against me

I Forfeiture The Property is used in a manner or for a purpose that threatens confiscation by a legal authority

J Name Change I change my name or assume an additional name without notifying you before making such a change

K. Property Transfer I transfer all or a substantial part of my money or property

L Property Value You determine in good faith that the value of the Property has declined or is impaired

M Material Change. Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

N Insecurity You determine in good faith that a material adverse change has occurred in my financial condition from the conditions set forth in my most recent financial statement before the date of this Note or that the prospect for payment or performance of the Loan is impaired for any reason

11 DUE ON SALE OR ENCUMBRANCE You may, at your option, declare the entire balance of this Note to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.

12. WAIVERS AND CONSENT. To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor

A Additional Waivers By Borrower In addition, I, and any party to this Note and Loan, to the extent permitted by law consent to certain actions you may take and generally waive defenses that may be available based on these actions or based on the status of a party to this Note

(1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions

(2) You may release any Borrower, endorser, guarantor surety, accommodation maker or any other co-signer

(3) You may release, substitute or impair any Property securing this Note

(4) You, or any institution participating in this Note, may invoke your right of set-off

(5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales repurchases or participations

(6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

(7) I agree that you may inform any party who guarantees this Loan of any Loan accommodations, renewals, extensions, modifications, substitutions or future advances.

B No Waiver By Lender Your course of dealing or your forbearance from, or delay in the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or any other Loan Document, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you

12 REMEDIES After I default, you may at your option do any one or more of the following.

A Acceleration You may make all or any part of the amount owing by the terms of this Note immediately due

B Sources You may use any and all remedies you have under state or federal law or in any Loan Document.

C Insurance Benefits You may make a claim for any and all insurance benefits or refunds that may be available on my default.

D Payments Made On My Behalf Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of this Note, and accrue interest at the highest post-maturity interest rate.

E Termination You may terminate my right to obtain advances and may refuse to make any further extensions of credit

F Set-Off You may use the right of set off This means you may set-off any amount due and payable under the terms of this Note against any right I have to receive money from you

My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation Any amount due and payable under the terms of this Note means the total amount to which you are entitled to demand payment under the terms of this Note at the time you set-off

Subject to any other written contract, if any 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 arise only in a representative capacity 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 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

G Waiver Except as otherwise required by law by choosing any one or more of these remedies you do not give up your right to use 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

14 COLLECTION EXPENSES AND ATTORNEYS' FEES On or after Default to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Note or any other Loan Document Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses These expenses are due and payable immediately If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Note All fees and expenses will be secured by the Property I have granted to you, if any In addition to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me.

15 COMMISSIONS I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate

16 WARRANTIES AND REPRESENTATIONS I make to you the following warranties and representations which will continue as long as this Note is in effect:

A Power I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate

B Authority The execution delivery and performance of this Note and the obligation evidenced by this Note are within my powers, have been duly authorized, have 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 I am a party or to which I am or any of my Property is subject.

C Name and Place of Business Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name Without your prior written consent, I do not and will not use any other name and will preserve my existing name trade names and franchises

17 INSURANCE. I agree to obtain the insurance described in this Loan Agreement.

A Property Insurance. I will insure or retain insurance coverage on the Property and abide by the insurance requirements of any security instrument securing the Loan

B Flood Insurance Flood insurance is not required at this time. It may be required in the future should the property be included in an updated flood plain map. If required in the future, I may obtain flood insurance from anyone I want that is reasonably acceptable to you

C. Insurance Warranties I agree to purchase any insurance coverages that are required, in the amounts you require, as described in this or any other documents I sign for the Loan. I will provide you with continuing proof of coverage I will buy or provide insurance from a firm licensed to do business in the State where the Property is located If I buy or provide the insurance from someone other than you the firm will be reasonably acceptable to you. I will have the insurance company name you as loss payee on any insurance policy You will apply the insurance proceeds toward what I owe you on the outstanding balance I agree that if the insurance proceeds do not cover the amounts I still owe you, I will pay the difference. I will keep the insurance until all debts secured by this agreement are paid If I want to buy the insurance from you, I have signed a separate statement agreeing to this purchase

18 APPLICABLE LAW This Note is governed by the laws of South Carolina, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located except to the extent such state laws are preempted by federal law

19 JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan will not affect my duty under the Loan and I will still be obligated to pay the Loan This Note shall inure to the benefit of and be enforceable by you and your successors and assigns and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns

20 AMENDMENT INTEGRATION AND SEVERABILITY. This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me This Note and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable

21 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 Note

22 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 to the appropriate party's address listed in the DATE AND PARTIES section, or to another address designated in writing Notice to one Borrower will be deemed to be notice to all Borrowers I will inform you in writing of any change in my name, address or other application information I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property Time is of the essence

23 CREDIT INFORMATION I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information

24 ERRORS AND OMISSIONS I agree, if requested by you, to fully cooperate in the correction, if necessary in the reasonable discretion of you or any and all loan closing documents so that all documents accurately describe the loan between you and me I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing unreasonably comply with your requests within thirty (30) days

25. SIGNATURES By signing under seal I agree to the terms contained in this Note I also acknowledge receipt of a copy of this Note.

BORROWER:

Heritage Bevan, LLC

By _____, Member
Linda Gibson, Member

By Paul William Gibson Family Trust, Member

By _____, Trustee
Linda A Gibson, Trustee

# IN-HOUSE REAL ESTATE APPRAISAL

**Part I: Borrower Information**

| | | | |
|---|---|---|---|
| Borrower: | Heritage Seven, LLC | Property Owner: | Linda A. Gibson |
| Property Address: | Klister Lane Tms# 271-01-01-129 | Property Type: | Commercial |

**Part II: Loan Information**

| | | | |
|---|---|---|---|
| Loan Amount. | Additional Collateral | Date of Loan | 11/2/2007 |
| Lien Position | 1st | Amount of Prior Liens: | |

**Part III. Property Description**

RESIDENTIAL: Type, structure, date erected, size of lot, # stories, # bedrooms/baths/car garage, construction quality, etc.:

| | | | |
|---|---|---|---|
| Original cost or sales price. | | Replacement value: | |
| Last sales price (Year ____): | | Tax-assessed value | |
| Average rent paid in area: | | Actual or potential rental value. | $1473/mo |
| Taxes paid / past due: | Paid | Annual real estate taxes: | |
| Type of neighborhood: | Commercial | | |

COMMERCIAL: Description of structure, date erected, present use, condition of business district, construction quality, etc.:

| | | | |
|---|---|---|---|
| Original cost or sales price: | | Replacement value. | |
| Last sales price (Year ____): | | Tax-assessed value: | |
| Gross annual rents: | 17676 | Net rental earnings: | 1473/mo |
| Taxes paid / past due: | Paid | Annual real estate taxes: | |

Special purpose realty or adaptable for other uses: Currently used as a cell tower lease site.

AGRICULTURAL: Principal source of farm income, i.e., dairy, cotton, peanuts, etc.:

| | | | |
|---|---|---|---|
| Acres under cultivation. | | Pasture acreage: | |
| Timberland acreage. | | Total acreage: | |
| Normal productivity: | Good | Assessed Value: | |
| Taxes paid / past due. | Paid | Annual real estate taxes: | |

Description and condition of dwelling, barns, silos, etc.:

**Part IV: Appraised Value**

| | Subject | Comp 1 | Comp 2 | Comp 3 |
|---|---|---|---|---|
| Proximity | | Neighborhood | Neighborhood | Neighborhood |
| Sale/Listing | | Sale | Sale | Sale |
| Land Value | 465000 | | | |
| Improvements | | | | |
| Adjustments | | | | |
| Adjusted Value | | | | |

* Attach photographs of subject and/or comparables as appropriate

Loan Officer Signature _____ Date _____

Reviewer Signature _____ Date _____

DEFENDANT'S EXHIBIT 35

Ameris-00218

## Appraisal Review Form

Borrower: Heritage Sewer LLC Loan Amount: 2,800,000*

Property Type & Location: 48 unit apartment complex
2625 Otranto Rd N Charleston SC

Real Property Interest (fee simple, leased fee, leasehold, etc ): fee simple

Name of Appraiser: Paul K. Moore. MAI

Appraisal Date: 9/12/2007 Appraised Value: 3,700,000

The following sections apply to the major areas of an appraisal. A thorough reading of the report should precede the completion of the remainder of the checklist. The reviewer should check the appropriate answer box If additional comments are necessary, so indicate.

| | | Yes | No |
|---|---|---|---|
| | *Minimum Appraisal Standards* | | |
| 1 | Does the appraisal reflect that the appraiser has sufficient knowledge and/or experience to do an appraisal of this type of property? | ✓ | |
| 1a | Does the appraisal contain sufficient information and analysis to support the estimate of value? | ✓ | |
| 1b | Does the appraisal conform to Uniform Standards of Professional Appraisal Practice (USPAP)? | ✓ | |
| 1c | Does the appraiser properly state the underlying purpose of the appraisal with a clear indication of the value sought, marketing time necessary to achieve the value reported, conditions or assumption limiting the report? | ✓ | |
| 1d | Is the appraisal performed by a State licensed or certified appraiser, as required? | ✓ | |
| 1e | Does the appraisal contain a certification signed by the principal appraiser? | ✓ | |
| 1f | Did the principal appraiser inspect the property? | ✓ | |
| 1g | Are the appraiser's qualifications stated in the report? | ✓ | |
| 1h | Is the value based on the definition of market value per the Bank's instructions? | ✓ | |
| Comments | | | |

| | | | |
|---|---|---|---|
| | *Market Conditions / Location* | | |
| 2 | Does the appraisal adequately identify the property and its location, owners of record, tax information, any deed restrictions, special conditions, easements, and current sales information? | ✓ | |
| 2a | Does the appraisal adequately describe or identify the region and neighborhood with discussions of important trends, nuisances or hazards (comment on any areas that may be detrimental to the property)? | ✓ | |
| 2b | Was the marketing period clearly stated? | ✓ | |
| 2c | In the opinion of the reviewer, is this a sufficient marketing period for this type of property? | | |
| 2d | Does the appraisal adequately define the property's highest and best use? | ✓ | |
| 2e | Is this use conducive to the loan request? | ✓ | |
| Comments | | | |

DEFENDANT'S EXHIBIT 36

| | | Yes | No |
|---|---|---|---|
| | *Estimate of Value* | | |
| 3 | Did the appraiser consider all approaches to valuation (cost, sales comparison, and income)? | ✓ | |
| 3a | If the appraiser omitted a particular approach, did he adequately explain why the approach was omitted? | — | |
| 3b | If income-producing property, does the appraisal include information on current revenues, expenses, and vacancies? | ✓ | |
| 3c | Does the appraisal assess market trends, such as vacancy rates, rental prices, value trends, that might affect the value of the property? | ✓ | |
| 3d | Does the appraisal identify and separately value all personal property, fixtures, or intangible items that are not real property but are included in the estimate of value? | ✓ | |
| 3e | Do the report sections reconcile without contradicting information? | ✓ | |
| 3f | Does the value conclusion reconcile within an appropriate value range considering the approaches used? | ✓ | |
| Comments | | | |

| | | | |
|---|---|---|---|
| | *Officer Responsibilities* | | |
| 4 | Did you visit property and make a physical inspection of the property and surrounding neighborhood? | ✓ | |
| 4a | Do you concur with the soundness of the appraiser's conclusion? | ✓ | |
| 4b | Have you ascertained that no one in the Bank established a minimum valuation that was suggested to the appraiser as part of the engagement? | ✓ | |
| 4c | | | |
| Comments | | | |

Officer Signature [signature] Date 11/2/07

OMB NO. 2502-0265

A.

U S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

## SETTLEMENT STATEMENT

B. TYPE OF LOAN: 1. ☐ FHA 2. ☐ FmHA 3. ☒ CONV. INS. 4. ☐ VA 5. ☐ CONV. INS

6. FILE NUMBER: NC07-3345AK

7. LOAN NUMBER:

8. MORTGAGE INS CASE NUMBER

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

10/ 3/08 (NC07-3345AK-PFD/NC07-3345AK/ZB)

| D. NAME AND ADDRESS OF BORROWER: | E. NAME AND ADDRESS OF SELLER | F. NAME AND ADDRESS OF LENDER. |
|---|---|---|
| HERITAGE SEVEN, LLC<br>133 Horse Trail Road<br>St. George, SC 29477 | abesPRO, LLC<br>1202 East Butler Road<br>Greenville, SC 29607 | AMERIS BANK<br>48 Archdale Street<br>Charleston, SC 29401 |

| G. PROPERTY LOCATION: | H. SETTLEMENT AGENT: 20-3390403 | I. SETTLEMENT DATE: |
|---|---|---|
| 2625 Otranto Road<br>N. Charleston, SC 29406<br>Charleston County, South Carolina<br>3.633 acres, Northwood Garden Apts./Add'l Collateral<br>615 Kilster Lane | Weeks, Foil, Irvine & Donaldson, LLC<br>PLACE OF SETTLEMENT<br>8086 Rivers Avenue, Suite B<br>N Charleston, SC 29406 | November 2, 2007 |

### J. SUMMARY OF BORROWER'S TRANSACTION

| | | |
|---|---|---|
| 100. GROSS AMOUNT DUE FROM BORROWER: | | |
| 101. Contract Sales Price | | 2,800,000 00 |
| 102. Personal Property | | |
| 103. Settlement Charges to Borrower (Line 1400) | | 6,796.82 |
| 104 | | |
| 105 | | |
| *Adjustments For Items Paid By Seller in advance* | | |
| 106. City/Town Taxes | to | |
| 107. County Taxes | to | |
| 108. Assessments | to | |
| 109 | | |
| 110. | | |
| 111. | | |
| 112. | | |
| 120. *GROSS AMOUNT DUE FROM BORROWER* | | 2,806,796.82 |
| 200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER: | | |
| 201. Deposit or earnest money | | |
| 202. Principal Amount of New Loan(s) | | ( 2,810,164 50) |
| 203. Existing loan(s) taken subject to | | |
| 204. | | |
| 205 | | |
| 206 | | |
| 207. Construction Draw | | 2,110,164 50 |
| 208. Exterior Improvements | | 75,000 00 |
| 209. Interior Upgrades | | 45,000 00 |
| *Adjustments For Items Unpaid By Seller* | | |
| 210. City/Town Taxes | to | |
| 211. County Taxes | to | |
| 212. Assessments | to | |
| 213. Deferred Maintenance Reserve | | 95,000 00 |
| 214. Transfer Security Deposits | | 10,200 00 |
| 215 | | |
| 216. | | |
| 217 | | |
| 218 | | |
| 219 | | |
| 220. *TOTAL PAID BY/FOR BORROWER* | | 2,335,364 50 |
| 300. CASH AT SETTLEMENT FROM/TO BORROWER. | | |
| 301. Gross Amount Due From Borrower (Line 120) | | 2,806,796 82 |
| 302. Less Amount Paid By/For Borrower (Line 220) | | ( 2,335,364 50) |
| 303. *CASH ( X FROM ) ( TO ) BORROWER* | | 471,432.32 |

### K. SUMMARY OF SELLER'S TRANSACTION

| | | |
|---|---|---|
| 400. GROSS AMOUNT DUE TO SELLER: | | |
| 401. Contract Sales Price | | 2,800,000 00 |
| 402. Personal Property | | |
| 403 | | |
| 404 | | |
| 405 | | |
| *Adjustments For Items Paid By Seller in advance* | | |
| 406. City/Town Taxes | to | |
| 407. County Taxes | to | |
| 408. Assessments | to | |
| 409 | | |
| 410 | | |
| 411 | | |
| 412 | | |
| 420. *GROSS AMOUNT DUE TO SELLER* | | 2,800,000 00 |
| 500. REDUCTIONS IN AMOUNT DUE TO SELLER. | | |
| 501. Excess Deposit (See Instructions) | | |
| 502. Settlement Charges to Seller (Line 1400) | | 245,615 53 |
| 503. Existing loan(s) taken subject to | | |
| 504. Payoff of first Mortgage to FIRST NATIONAL BANK OF | | 1,317,326.55 |
| 505. Payoff of second Mortgage | | |
| 506. | | |
| 507 | | |
| 508. Exterior Improvements | | 75,000 00 |
| 509. Interior Upgrades | | 45,000 00 |
| *Adjustments For Items Unpaid By Seller* | | |
| 510. City/Town Taxes | to | |
| 511. County Taxes | to | |
| 512. Assessments | to | |
| 513. Deferred Maintenance Reserve | | 95,000 00 |
| 514. Transfer Security Deposits | | 10 200 00 |
| 515 | | |
| 516 | | |
| 517 | | |
| 518. | | |
| 519 | | |
| 520. *TOTAL REDUCTION AMOUNT DUE SELLER* | | 1,788,142.08 |
| 600. CASH AT SETTLEMENT TO/FROM SELLER. | | |
| 601. Gross Amount Due To Seller (Line 420) | | 2,800,000 00 |
| 602. Less Reductions Due Seller (Line 520) | | ( 1,788,142 08) |
| 603. *CASH ( X TO ) ( FROM ) SELLER* | | 1,011,857 92 |

HUD-1 (3-86) RESPA, HB4305.2

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DEFENDANT'S EXHIBIT 37

## L. SETTLEMENT CHARGES

| | | PAID FROM BORROWER'S FUNDS AT SETTLEMENT | PAID FROM SELLER'S FUNDS AT SETTLEMENT |
|---|---|---|---|
| 700. TOTAL COMMISSION Based on Price [redacted] @ % 155,000.00 | | | |
| Division of Commission (line 700) as Follows | | | 155,000.00 |
| 701 $ 155,000.00 to RE/MAX PROFESSIONAL REALTY | | | 8,000.00 |
| 702. $ to | | | |
| 703 Commission Paid at Settlement | | | |
| 704. Exch Invest Planning Consult to ROLANDO VILLAVICENCIO | | | 10,000.00 |
| 800. ITEMS PAYABLE IN CONNECTION WITH LOAN | | | |
| 801 Loan Origination Fee 0.3559 % to AMERIS BANK | *** | | |
| 802 Loan Discount % to | | | |
| 803. Appraisal Fee to PAUL K. MOORE & ASSOCIATES | POC.B3000.00 | | |
| 804. Credit Report to | | | |
| 805. Lender's Inspection Fee to | | | |
| 806. Mortgage Ins. App. Fee to | | | |
| 807. Assumption Fee to | | | |
| 808. Processing Fee to AMERIS BANK | *** | | 150.00 |
| 809. Flood Cert Fee to AMERIS BANK | *** | | 25.00 |
| 810 | *** | | |
| 811 | | | |
| 900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE | | | |
| 901 Interest From 11/02/07 to 12/01/07 @ $ /day ( 29 days %) | | | |
| 902 Mortgage Insurance Premium for months to | | | |
| 903 Hazard Insurance Premium for 1.0 years to MCKENNA AGENCY | *** | 1,300.94 | 22,280.00 |
| 904 Flood Insurance Premium 1.0 years | | | |
| 905 | | | |
| 1000. RESERVES DEPOSITED WITH LENDER | | | |
| 1001 Hazard Insurance months @ $ per month | | | |
| 1002 Mortgage Insurance months @ $ per month | | | |
| 1003 City/Town Taxes months @ $ per month | | | |
| 1004. County Taxes months @ $ per month | | | |
| 1005 Assessments months @ $ per month | | | |
| 1006 Flood Insurance Premium months @ $ per month | | | |
| 1007 months @ $ per month | | | |
| 1008 Aggregate Analysis Adjustment months @ $ per month | | | |
| 1100. TITLE CHARGES | | | |
| 1101 Settlement or Closing Fee to Weeks, Foti, Irvine & Donaldson, LLC | *** | | 7,500.00 |
| 1102 Abstract or Title Search to Weeks, Foti, Irvine & Donaldson, LLC | *** | | 1,150.00 |
| 1103 Title Examination to | | | |
| 1104 Title Insurance Binder to Weeks, Foti, Irvine & Donaldson, LLC | *** | | 250.00 |
| 1105 Deed Preparation to Babb & Brown, P.C. | | | 175.00 |
| 1106 FedEx Fee to Babb & Brown | | | 20.00 |
| 1107 Attorney's Fees to Babb & Brown, P.C. | | | 150.00 |
| (includes above item numbers: ) | | | |
| 1108 Title Insurance to Lowcountry Title of Charleston, LLC | *** | | 5,550.00 |
| (includes above item numbers: ) | | | |
| 1109 Lender's Coverage $ 2,810,164.50 4,425.00 | | | |
| 1110 Owner's Coverage $ 3,500,000.00 1,125.00 | | | |
| 1111 Mortgage Research Release Fee to Weeks, Foti, Irvine & Donaldson, LLC | | | 30.00 |
| 1112 Courier/Express Mail Fee-Buyer to Weeks, Foti, Irvine & Donaldson, LLC | *** | | 35.00 |
| 1113 Courier / Express Mail Fee(s) to Weeks, Foti, Irvine & Donaldson, LLC | | | 35.00 |
| 1200. GOVERNMENT RECORDING AND TRANSFER CHARGES | | | |
| 1201. Recording Fees Deed $ 10.00; Mortgage $ 25.00, Releases $ | *** | | 35.00 |
| 1202. City/County Tax/Stamps Deed , Mortgage | | | |
| 1203 State Tax/Stamps Revenue Stamps 10,360.00; Mortgage | | | 10,360.00 |
| 1204. Record Mtg/ALRP - Berkeley to Charleston County Register of Deeds | *** | | 25.00 |
| 1205 | | | |
| 1300. ADDITIONAL SETTLEMENT CHARGES | | | |
| 1301 Survey to Not Requested/Not Required | | | |
| 1302 Pest Inspection to | | | |
| 1303 Reimburse POC Appraisal to HERITAGE SEVEN, LLC | *** | | 3,000.00 |
| 1304 County Taxes/485-03-00-114 to CHARLESTON CO. TREASURER | | 4,212.05 | 21,845.53 |
| 1305 County Taxes/271-00-01-129 to Berkeley County Treasurer | | 1,283.83 | |
| 1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K) | | 6,796.82 | 245,615.53 |

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement

*** SELLER PAYING UP TO $50,000 TOWARDS BUYER'S COSTS

Weeks, Foti, Irvine & Donaldson, LLC
Settlement Agent

( NC07-3345AK / NC07-3345AK / 23 )

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## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

**Borrower:** HERITAGE SEVEN, LLC
**Seller:** abesPRO, LLC
**Lender:** AMERIS BANK
**Settlement Agent:** Weeks, Fotl, Irvine & Donaldson, LLC
(843)553-9800
**Place of Settlement:** 8086 Rivers Avenue, Suite B
N Charleston, SC 29406
**Settlement Date:** November 2, 2007
**Property Location:** 2625 Otranto Road
N. Charleston, SC 29406
Charleston County, South Carolina
3.633 acres, Northwood Garden
Apts./Add'l Collateral
615 Klister Lane

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

HERITAGE SEVEN, LLC

BY: Linda A. Gibson, Manager
Linda A. Gibson, Manager

abesPRO, LLC

BY: _____
Authorized Signatory

BY: _____
Authorized Signatory

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction

_____
Weeks, Fotl, Irvine & Donaldson, LLC
Settlement Agent

WARNING It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment For details see. Title 18 U S Code Section 1001 and Section 1010

HUD-1 (3-86) RESPA, HB4305.2

-1450-

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

**Borrower:** HERITAGE SEVEN, LLC
**Seller:** abesPRO, LLC
**Lender:** AMERIS BANK
**Settlement Agent:** Weeks, Foil, Irvine & Donaldson, LLC
(843)553-9800
**Place of Settlement:** 8086 Rivers Avenue, Suite B
N. Charleston, SC 29406
**Settlement Date:** November 2, 2007
**Property Location:** 2625 Otranto Road
N. Charleston, SC 29406
Charleston County, South Carolina
3 633 acres, Northwood Garden
Apts /Add'l Collateral'
615 Kilster Lane

---

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

HERITAGE SEVEN, LLC

BY: _____
Linda A. Gibson, Manager

abesPRO, LLC

BY: _____ /member
Authorized Signatory

BY: _____ /member
Authorized Signatory

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction

_____
Weeks, Foil, Irvine & Donaldson, LLC
Settlement Agent

WARNING. It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see Title 18 U S Code Section 1001 and Section 1010

-1451-

**From:** Lanier, Benjamin
**To:** Edwards, Jon
**Sent:** 11/14/2007 2:24:12 PM
**Subject:** FW Heritage Seven, LLC
**Attachments:** Heritage Seven LLC

Jon,
Here is a copy of the email I sent to John Hipp and Marc Bogan in regards to Heritage Seven LLC This was a customer of mine at a previous bank and they will have several future loan requests with Ameris Bank Please review and let me know if you have any questions

Thanks,

---

**From:** Lanier, Benjamin
**Sent:** Tuesday, October 23, 2007 12:47 PM
**To:** Hipp, John; Bogan, Marc
**Subject:** Heritage Seven, LLC

John/Mark,
Attached is the write up and underwriting for Linda Gibson and her loan request for Heritage Seven, LLC Please review and I will be happy to answer any questions you guys may have I would like to take you guys by the property if you have time on Thursday.

Thanks and let me know if you need anything further

Benjamin R Lanier Jr
Vice President/Business Banker
Ameris Bank
49 Archdale Street
Charleston, SC 29401
Direct. 843-534-2939
Cell 843-345-3507
Fax. 843-534-2944

benjamin.lanier@amerisbank.com
www.amerisbank.com

DEFENDANT'S EXHIBIT 38

AMERIS-EMAILS-001153

| | |
|---|---|
| **From:** | Lanier, Benjamin |
| **To:** | Lanier, Benjamin |
| **Sent.** | 10/23/2007 4 43:58 PM |
| **Subject:** | Heritage Seven LLC |
| **Attachments:** | EC-SC970_EXCHANGE_10232007-124309 PDF |

Ameris Bank

# Loan Committee Application

Borrower: Heritage Seven, LLC
Address: 133 Horse Trail Rd.
St. George, SC 29477
Type of Business: R E Investor
Customer Since: na NAICS Code: 531

Bank Location: Charleston
Reg. O: Yes X No
Officer: Benjie Lanier Date 10/22/07
Participants Needed: none
Amounts:

| | Approval / Ratification | New/ Renewed | Loan Type | Original $ of Commitment | Current Balance | Available Commitment | Rate / Fees | Loan Term/ Expiration | Collateral Summary |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Approval / | New/ | | $ 2,800,000 | | $ 2,800,000 | P+1/4%, $10k Fee | 12 months IO then 4 yrs P&I on 20 yr am | 1st mortgage on a 48 unit apartment complex located on Otranto Rd. N Charleston |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| | | | | $ - | $ 2,800,000 | | | | = $ 2,800,000 Total Direct Exposure |

## Balance Recap

| | | Avg. Balances |
|---|---|---|
| Demand Deposits | Direct | $ - |
| | Related | $ - |
| Interest Bearing | Direct | $ - |
| | Related | $ - |
| Total Deposits | | $ - |

## Other Direct & Related Borrowers

| | Exposure |
|---|---|
| | $ - |
| | $ - |
| | $ - |
| | $ - |
| Total Direct & Related Exposure | $ 2,800,000 |

## Special Approval Conditions

## Ratification Approval Authority

## Purpose of Credit

1 To purchase, rehab and rent out a 48 unit apartment complex in the N Charleston area
2
3
4
5
6

## Loan to Value Exceptions

Does the loan exceed FDIC Supervisory LTV limits?
☐ Yes ☑ No
If Yes, identify fi

1 Raw Land (65%)
2 Land Development (75%)
3 Com'l, Multifamily and other Non Residential Construction (80%)
4 1 4 Family Residential Construction (85%)
5 Improved Property (85%)
6 Owner Occupied 1-4 Family, and Home Equity (90%)

## Repayment Terms (frequency of principal and interest payments)

| | | Primary Source of Repayment | Secondary Source of Repayment |
|---|---|---|---|
| 1 | 12 months of interest only pmts then convert to 4 yrs P&I on a 20 year am | CF From Apts | Liquidation of Assets |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |

## Loan Agreement In Use

☑ Check if loan agreement is proposed or in use.
If so, complete page 2.

## Loan Policy Exceptions

☐ Check if loan policy exceptions exist
If so, complete page 3

## Collateral Recap

| | Date Valued | Gross Value | Margin | Net Value |
|---|---|---|---|---|
| 48 Unit Apt Complex located in N. Charleston | 09/12/07 | $ 3,700,000 | 100.00% | $ 3,700,000 |
| 3 acres on Klister Lane with Cell Tower Lease | | $ 465,000 | 100.00% | $ 465,000 |
| | | $ - | 100.00% | $ - |
| | | $ - | 100.00% | $ - |
| | | $ - | 100.00% | $ - |
| | Less. (Prior Liens) | $ - | | $ - |
| | | $ 4,165,000 | | $ 4,165,000 |
| | | LTV = | 67.2% | |

| Borrower(s) / Guarantor(s) Name(s) | Guaranty Amount | Beacon Score | Statement Date | Liquid Assets | Total Assets | Total Liabilities | Net Worth |
|---|---|---|---|---|---|---|---|
| Linda A.Gibson | 100% | 760 | 08/30/07 | $ 840,800 | $ 56,194,950 | $ 3,189,184 | $ 53,005,766 |
| | | | | $ - | $ - | $ - | $ - |
| | | | | $ - | $ - | $ - | $ - |
| | | | | $ - | $ - | $ - | $ - |
| | | | *Totals* | *$ 840,800* | *$ 56,194,950* | *$ 3,189,184* | *$ 53,005,766* |

| Approvals | Initials | Date |
|---|---|---|
| Bank President | | |
| Bank ELC | | |
| Regional Executive/SCO | | |
| Ameris OLC | | |
| Ameris ELC | | |

Exposure Strategy: Maintain
Asset Quality Grade: 20
Borrower Beacon Score(s): 760
Debt/Income or DSC Ratio:

AMERIS-EMAILS-001155

## *Global Cash Flow Analysis*

**Linda A. Gibson** 10/22/07

| Name | Tax Return | Tax Return | Combined | Comments |
|---|---|---|---|---|
| Date of Statement | 12/31/06 | 12/31/06 | | |
| | | | | |
| Business Income: | | | | |
| Gross Sales | $ 11,880 | | $ 11,880 | |
| Net Income | $ 7,301 | | $ 7,301 | |
| Depreciation | | | $ - | |
| Amortization | $ - | | $ - | |
| Traditional Cash Flow | $ 7,301 | | $ 7,301 | |
| Interest (Business term) | $ - | | $ - | |
| Dividends/Withdrawals | $ - | | $ - | |
| Nonrecurring or Extraordinary | $ - | | $ - | |
| Personal Income: | | | | |
| Salary | | $ - | $ - | |
| Retirement Benefits | | $ 1,005 | $ 1,005 | |
| Dividends/Interest Income | | $ - | $ - | |
| Recurring Capital Gains | | $ - | $ - | |
| Mortgage/Note Receivable | | $ - | $ - | |
| Other Income | | $ 148,849 | $ 148,849 | |
| Withdrawals/Distributions | | $ - | $ - | |
| Positive Net Rental Cash Flow** | | $ 9,259 | $ 9,259 | |
| Total Income | | $ 159,113 | $ 159,113 | |
| Taxes (incl. Federal, State, FICA, etc) | | $ 6,104 | $ 6,104 | |
| Living Expenses | | $ (47,734) | $ (47,734) | |
| Cash Available to Service Debt | $ 7,301 | $ 117,483 | $ 124,784 | |
| Debt Service | Monthly Pmt | | | |
| | | | | |
| Business Loans: | | | | |
| Loan 1 | $ - | | $ - | |
| Loan 2 | $ - | | $ - | |
| Loan 3 | $ - | | $ - | |
| Loan 4 | $ - | | $ - | |
| Loan 5 | $ - | | $ - | |
| | | | | |
| Personal Loans: | | | | |
| Loan 1 | $ - | | $ - | |
| Loan 2 | $ - | | $ - | |
| Loan 3 | $ - | | $ - | |
| Loan 4 | $ - | | $ - | |
| Loan 5 | $ - | | $ - | |
| Home Mortgage | $ - | | $ - | |
| Revolving Credit | $ - | | $ - | |
| | | | | |
| Negative Rental Property Cash Flow | | | $ - | |
| Total Debt Service | | $ - | $ - | |
| Excess (Deficit) | $ 7,301 | $ 117,483 | $ 124,784 | |
| Debt Service Coverage | #DIV/0! | #DIV/0! | #DIV/0! | |
| Debt/Income (%) | | 0.00% | | |
| | | | | |
| | | Tax Return | | Comments |
| Rental Cash Flow: | | | | |
| Gross Rents (Tax Return/Sch.E) | | $ 34,093 | $ 34,093 | |
| Net Rental Income (Sch. E) | | $ 34,093 | $ 34,093 | |
| Depreciation | | $ - | $ 0 | |
| Interest | | $ - | $ 0 | |
| Existing Rental GI | | $ 34,093 | $ 34,093 | |
| Gross Rents (New Property) | | $ - | $ 0 | |
| Vacancy (8%) | | $ - | $ 0 | |
| Gross Effective Income | | $ - | $ 0 | |
| Other Expenses | | $ - | $ 0 | |
| Maintenance Expenses (3%) | | $ - | $ 0 | |
| Taxes & Insurance | | $ - | $ 0 | |
| Total Rental Cash Flow | | $ 34,093 | $ 34,093 | |
| Existing Rental Debt Service (P&I) | | $ 24,834 | $ 24,834 | |
| New Rental Debt Service (P&I) | | $ - | $ 0 | |
| Total Rental Debt Service | | $ 24,834 | $ 24,834 | |
| **Net Rental Cash Flow | | $ 9,259 | $ 9,259 | |
| Existing Rental DSC | | 1.37 | | |
| Total Rental DSC | | 1.37 | | |
| Overall DSC | | 6.02 | | |

# Loan Committee Memorandum

Date: 10/22/2007

Borrower's Name: Heritage Seven, LLC

Loan Officer: Benjie Lanier

**I. Business Overview / History**

Heritage Seven, LLC is a 2 person entity consisting of a 50/50 ownership by Linda A. Gibson and a trust set up by her late husband. Heritage Seven currently holds two properties in its portfolio. These properties are a shopping center in Moncks Corner, SC and a beach house on the Isle of Palms. The proposed loan would be the third property in this Real Estate portfolio. The guarantor and sole member of this LLC is Linda A. Gibson. Linda is a real estate investor and has recently sought to liquidate her current non cash flow producing properties and convert the proceeds to cash flowing properties. This was evident in the purchase of the Moncks Corner shopping center she purchased at the end of 2005. Linda has several land parcels in her portfolio valued at over $56MM with only $3MM of debt.

**II. Current Relationship**

This will be the first loan extended to Linda and Heritage Seven, LLC

**III. Requested Credit Facility**

Loan Purpose:

The purpose of this loan is to acquire a 48 unit apartment complex and rehab the units for future rental. The loan facility being requested is $2 8MM in the form of a draw down construction LOC. $2.1MM of the loan will be funded at closing with the borrower injecting $700,000 of her own cash to meet the purchase price of the property The remaining monies on the LOC ($700,000) will be used toward the rehab and upfitting of the apartment units The loan is to be priced at Prime+1/4% variable for a 12 month period to allow for the rehab and lease up of the units At the end of the 12 month period the loan shall convert to a 4 year term with principal and interest payments based on a 20 year amortization An origination fee of $10,000 will be assessed on this loan request.

Collateral / Appraisal Description and Valuation:

This property is a 48 unit apartment complex located on Otranto Rd. in North Charleston, SC. The apartments are to be gutted and completely rehabbed in order to prepare for rental at a higher rent rate. The complex is located one exit from the Charleston Southern campus. There is a great need for apartments in this part of North Charleston due to the colleges and the military base located in the area.

The apartments consist of 6 buildings containing 42 two bedroom/one bath units and 6 one bedroom/one bath units. The two bedroom units consist of 860 sqft and the one bed room units consist of 625 sqft. Each apartment allows for 2.5 parking spaces in the parking lot. The property will be managed by Rolando Villavicencio of Re/Max. Rolando manages the Moncks Corner shopping center which Heritage Seven also owns

A current appraisal reports that the property is worth $2.8MM "as is" and worth $3.7MM "as renovated". Thus the LTV on the property will be 75% of the purchase price at funding and 75.6% once construction is completed. Linda Gibson will inject $700,000 of her own cash into this project at the time of the purchase.

An additional parcel of land known as Klister Lane property will be pledged in addition to the proposed property. The parcel on Klister Lane consists of 3 acres and has a Cell Phone tower located on the property

that receives rental income. A first mortgage shall be taken on this property with an assignment of leases/rents/profits.

Loan Pricing / Profitability Issues:
This loan is to be priced at Prime +1/4% (variable) for a 12 month interest only term then converting to 4 years of principal and interest payments based on a 20 year amortization. A $10,000 origination fee will be assessed at the closing of this loan.

## IV. Loan Policy Exceptions / Justifications
No Policy Exceptions noted

## V. Financial Analysis
**Income Statement**
See Apartment Analysis Form.

**Guarantors**
Linda A. Gibson has a 760 CBI and a reported net worth of over $53MM. The majority of Linda's net worth is based mainly in large parcels of real estate located throughout the Daniel Island area Linda owns the majority of her real estate free and clear.

## VII. Strengths / Weaknesses
Strengths:
Strong cash injection by the borrower in the amount of 25% of the purchase price
There is a definite need for quality rental units in the North Charleston area given Charleston Southern University and the military bases.

Weaknesses.
There is a risk that once the units are rehabbed there will not be a demand for the leases at the proposed rental rate. This is mitigated by lowering the lease rate in order to attract tenants.

## IX. Summary / Conclusion
Heritage Seven LLC is requesting a $2.8MM loan facility in order to purchase and rehab a 48 unit apartment complex. Linda Gibson, the guarantor of Heritage Seven, LLC, has a strong net worth of over $53MM and is experienced in real estate. Approve as presented.

# Apartment Economic Analysis Form

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Project: | 48 unit apartment rehab | | | Borrower | Heritage Seven, LLC | | Project Quality | | Good |
| Location | 2625 Otranto Rd N Charleston, SC | | | Interest Rate* | | 8 00% | (Excellent, Good, Fair, Poor) | | |
| Loan Amount* | | | $ 2,800,000 | Amortization Basis (# months): | | 300 | Design/Layout | | Good |
| Year Built: | | | | Loan Term* | | 0 | Location Analysis: | | Good |
| Total Project Cost: | | | $ 3,700,000 | Number of Units | | 48 | Construction Quality | | Rehab |
| Land Size (ac ) | | Acres | 2 25 | Land Cost/Unit: | | $ - | Parking Spaces: | | 65 |
| Land Cost: | | | $ - | Density (Units/Acre) | | 21 33 | Parking Ratio per Unit* | | 1.35 |

## Stabilized Income Analysis

| Income | # Units | Type | % of Total | Apt. Size (sf) | Total Rentable Area | Per Unit Rental | Rent/ S F. | Total Monthly Rental | Existing Income Analysis Actual Income |
|---|---|---|---|---|---|---|---|---|---|
| | 6 | 1 BR/ 1 BTH | 13% | 660 | 3,960 | $750 | $1.14 | $4,500 | |
| | 42 | 2BR/ 1 BTH | 88% | 832 | 34,944 | $750 | $0 90 | $31,500 | |
| | 0 | 2BR/ 1.5 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 2BR/ 2 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 3 BR/ 1 5 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 3 BR/ 2 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| | 0 | 3 BR/ 3 BTH | 0% | 0 | 0 | $0 | #DIV/0! | $0 | |
| Totals/Avg | 48 | | 100% | | 38,904 | | $0 93 | $36,000 | $0 |
| | | | Cost per Sq Ft | | $95 11 | | | | |
| Amenities: | | | | | | Yearly Rental (x12) | | $432,000 | $0 |
| | | | | | | Miscellaneous Income * | | $57,600 | $0 |
| | | | | | | Potential Gross Income | | $489,600 | $0 |
| | | | | | | Less Vacancy | 6 0% | $29,376 | $0 |
| *Miscellaneous Income Detail | | | Description | | Amount | Effective Gross Income | | $460,224 | $0 |
| | | | - | | | | Vacancy | 6 00% | #DIV/0! |

| Expenses | | Per Unit | | PSFRA | | Expenses | Expenses |
|---|---|---|---|---|---|---|---|
| Real Estate Taxes | | $700 | | $0.86 | | $33,600 | $0 |
| Insurance | | $547 | | $0 67 | | $26,250 | $0 |
| Utilities, Garbage Removal | | $413 | | $0 51 | | $19,800 | $0 |
| Repairs & Maintenance (pool, landscaping, pest control, supplies, redecoration) | | $313 | | $0.39 | | $15,000 | $0 |
| Capital Reserves (paint, roof, etc ) | | $0 | | $0 00 | | $0 | $0 |
| Management Fee (% of EGI) | 0 0% | $0 | | $0 00 | | | $0 |
| Salaries (Management & Maintenance) | | $488 | | $0 60 | | $23,400 | $0 |
| Advertising & Promotion | | $0 | | $0 00 | | $0 | |
| Other | | $50 | | $0 06 | | $2,400 | $0 |
| | Total Expenses | $2,509 | | $3 10 | | $120,450 | $0 |
| | Net Operating Income | $7,079 | | $8 73 | | | |
| | | | | | Est Value = | $4,118,473 | $4,118,473 |

| Stabilized Valuation Analysis | |
|---|---|
| Capitalization Rate | 8 25% |
| Estimated Value Indication | $4,118,473 |
| Rounded Value: | $4,120,000 |
| Estimated Loan/Value Ratio: | |
| Value/SF Rentable Area: | $105.90 |
| Value/Unit | $85,833 |
| Loan/Unit* | $58,333 |
| NOI/Total Project Cost: | 9.2% |
| *Note* The estimated Loan/Value is for reference only, the appropriate Loan/ Value for underwriting policy purposes should utilize the value as determined by an appraisal | |

| Stabilized Projected Debt Service Coverage | | | |
|---|---|---|---|
| 4 60% | U S 10 year Treasury Bond Rate | | |
| 250 | + Add'tional Basis Points | | |
| 7.10% | = Refinance rate | | |
| Debt Service (DS) | | $239,626 | |
| DS Coverage Ratio (DSC): | | | X |
| Default Point (EXP + DS): | | $360,076 | |
| As a percent of PGI | | 73 5% | |
| Per Unit/Month: | | $665 | |
| Per SF/Month* | | $0 82 | |
| Calculation of Maximum Loan Amount | | | |
| Max Loan Amount Assuming a Required DSC of | | | 1 30 |
| And a rate of | 7.10% | Max Loan = | $3,054,019 |
| Loan Gap (if any). | | | |

| Existing Project Debt Service Coverage | |
|---|---|
| Loan | $ 2,800,000 |
| Interest Rate: | 8 00% |
| Debt Service (DS): | $239,626 |
| DSC Ratio: | |

| | |
|---|---|
| Prepared By: | |
| Date: | |
| Comments: | |

Department of the Treasury - Internal Revenue Service

# Form 1040 U.S. Individual Income Tax Return 2006

(99) IRS Use Only - Do not write or staple in this space

For the year Jan 1 - Dec 31, 2006, or other tax year beginning , 2006, ending , 20

OMB No 1545-0074

**Label** (See instructions)

Your first name: LINDA | MI: A | Last name: GIBSON

Your social security number: [redacted]

If a joint return, spouse's first name | MI | Last name

Spouse's social security number

Use the IRS label. Otherwise, please print or type.

Home address (number and street). If you have a P.O. box, see instructions. Apartment no

133 HORSE TRAIL ROAD

City, town or post office. If you have a foreign address, see instructions. State ZIP code

ST GEORGE SC 29477

You must enter your social security number(s) above.

Presidential Election Campaign

Checking a box below will not change your tax or refund

A Check here if you, or your spouse if filing jointly, want $3 to go to this fund? (see instructions) . . . . . G ☐ You ☐ Spouse

## Filing Status

Check only one box

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here . G

4 ☒ Head of household (with qualifying person) (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here G ELIZABETH A GIBSON

5 ☐ Qualifying widow(er) with dependent child (see instructions)

## Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a . . . . . Boxes checked on 6a and 6b: 1

b ☐ Spouse . . . . . No of children on 6c who:

c Dependents:

| (1) First name / Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) ☐ if qualifying child for child tax credit (see instrs) |
|---|---|---|---|
| | | | ☐ |
| | | | ☐ |
| | | | ☐ |
| | | | ☐ |

? lived with you . . . .

? did not live with you due to divorce or separation (see instrs)

Dependents on 6c not entered above

If more than four dependents, see instructions.

d Total number of exemptions claimed . . Add numbers on lines above G: 1

## Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

| | | | |
|---|---|---|---|
| 7 | Wages, salaries, tips, etc. Attach Form(s) W-2 | 7 | |
| 8a | Taxable interest. Attach Schedule B if required | 8a | 858. |
| b | Tax-exempt interest. Do not include on line 8a (8b) | | |
| 9a | Ordinary dividends. Attach Schedule B if required | 9a | 147 |
| b | Qualified dividends (see instrs) (9b) | | |
| 10 | Taxable refunds, credits, or offsets of state and local income taxes (see instructions) | 10 | |
| 11 | Alimony received | 11 | |
| 12 | Business income or (loss). Attach Schedule C or C-EZ | 12 | 7,301. |
| 13 | Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here G ☐ | 13 | |
| 14 | Other gains or (losses). Attach Form 4797 | 14 | |
| 15a | IRA distributions (15a) b Taxable amount (see instrs) | 15b | |
| 16a | Pensions and annuities (16a) b Taxable amount (see instrs) | 16b | |
| 17 | Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E | 17 | 148,849. |
| 18 | Farm income or (loss). Attach Schedule F | 18 | |
| 19 | Unemployment compensation | 19 | |
| 20a | Social security benefits (20a) b Taxable amount (see instrs) | 20b | |
| 21 | Other income | 21 | |
| 22 | Add the amounts in the far right column for lines 7 through 21. This is your total income G | 22 | 157,155. |

## Adjusted Gross Income

| | | | |
|---|---|---|---|
| 23 | Archer MSA deduction. Attach Form 8853 | 23 | |
| 24 | Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ | 24 | |
| 25 | Health savings account deduction. Attach Form 8889 | 25 | |
| 26 | Moving expenses. Attach Form 3903 | 26 | |
| 27 | One-half of self-employment tax. Attach Schedule SE | 27 | 516 |
| 28 | Self-employed SEP, SIMPLE, and qualified plans | 28 | |
| 29 | Self-employed health insurance deduction (see instructions) | 29 | 1,035. |
| 30 | Penalty on early withdrawal of savings | 30 | |
| 31a | Alimony paid b Recipient's SSN G | 31a | |
| 32 | IRA deduction (see instructions) | 32 | |
| 33 | Student loan interest deduction (see instructions) | 33 | |
| 34 | Jury duty pay you gave to your employer | 34 | |
| 35 | Domestic production activities deduction. Attach Form 8903 | 35 | |
| 36 | Add lines 23 - 31a and 32 - 35 | 36 | 1,551. |
| 37 | Subtract line 36 from line 22. This is your adjusted gross income G | 37 | 155,604. |



AMERIS-EMAILS-001160

| | | | |
|---|---|---|---|
| Primary - 155 Horse Trail Rd – 10 Acres – 3 Units | | | |
| Supplemental - 171 Quarter Horse Rd – 78 Acres<br>Cross Fencing, Running Track, 14 Stall Barn | | 1,380,000 | |
| Automobiles | | 77,250 | |
| Cato 2000 Trailer | | 60,500 | |
| Other Personal Items | | 185,600 | |
| **Total Personal Assets:** | | | **$ 2,393,350** |
| **Investment Assets:** | | | |
| Gibson Enterprises | $275,000 | | |
| **Total Investment Assets:** | | | **$ 275,000** |
| **Portfolio Assets:** | | | |
| Checking Account: | 3205 Palm Blvd LLC<br>Gibson Ranch | $667,800<br>$173,000 | |
| **Total Portfolio Assets:** | | | **$ 840,800** |

| | | |
|---|---|---|
| Klister Lane – Daniel Island<br>271-00-01-037 – 5 69 Acres @ $170k/ac | $ 967,300 | |
| Clements Ferry Road – Lot A Trt A<br>271-00-01-040 – 2.54 Acres - Improvements | $ 3,450,000 | |
| 1006 Pinefield Dr – Lot B<br>271-00-01-084 – 1 Acre - 2 Bldgs - Improvements | $ 1,780,000 | |
| 637 Marina Dr – Lot C<br>271-00-01-085 – 1.77 Acres - 3 Bldgs - Improvements | $ 2,625,000 | |
| Klister Lane<br>271-01-01-129 – 3 Acres @ $155k/ac | $ 465,000 | |
| Daniel Island<br>271-00-02-029 – 55 Acres @ $500k/ac | $27,500,000 | |
| 2637 Clements Ferry Road – Tract B<br>271-00-02-030 – 22.5 Acres @ $375k/ac | $ 8,437,500 | |
| Highland A – Daniel Island<br>271-00-02-174 | $ 650,000 | |
| 3205 Palm Blvd<br>571-10-00-140 – Vacation Rental Home | $ 2,500,000 | |
| 109-111 S. Hwy 52 Moncks Corner Plaza<br>Blockbuster & Advance Auto Building | $ 2,500,000 | |
| **Total Real Estate Assets:** | | **$52,685,800** |
| **GRAND TOTAL ASSETS:** | | **$56,194,950** |

| | |
|---|---|
| **TOTAL LIABILITIES:** | **$ 3,189,184** |
| **NET WORTH:** | **$53,005,766** |

***Annual Income:***

| | |
|---|---|
| 1. Cell Tower Lease @ $1,473 per month | $17,676 |
| 2. Hidden Cove Boat & Yatch Sales Lease | $84,375 |
| 3. BARGIB 669 Marina Lease | $90,000 |
| 4. 3205 Palm Vacation Rental | $85,935 |
| ***TOTAL:*** | ***$277,986*** |

DEFENDANT'S EXHIBIT 13 - Gibson 12-30-10

# RESIDENTIAL MANAGEMENT AGREEMENT

This agreement is made by and between RE/MAX Professional Realty hereinafter referred to as BROKER and, Heritage Seven, LLC hereinafter referred to as OWNER to secure the services of BROKER in the management of real property known as: VERDANA @ 2625 Otranto Road, North Charleston, SC 29406 hereinafter referred to as the PREMISES, for a period beginning on November 2, 2007 and ending on November 2, 2017, and subject to the following terms and conditions.

1. APPOINTMENT AND AUTHORITY OF BROKER
   a. OWNER hereby appoints BROKER as the sole and exclusive BROKER to rent, lease, manage, collect and receipt for rents and operate the PREMISES. The OWNER, however, retains the right to make all management decisions concerning establishing parameters for new tenants, rental terms, and capital or repair expenditures in excess of $ 100000.00* in any [x] month [ ] year and must advise BROKER of these terms at onset of Agreement.
   b. BROKER is authorized to secure the services of other real estate agents and conduct other marketing activities for purposes of securing a new tenant.
   c. It is agreed that the BROKER is entitled to compensation as provided herein in connection with any lease that may be executed during the term of this agreement, even if said lease was negotiated by the OWNER or any other party. BROKER shall be paid compensation at the rate as provided herein in connection with any lease which is being negotiated at the time of termination of this agreement if the tenant was introduced to the PREMISES by BROKER.

2. TERMS: IN THE EVENT THAT THE PREMISES ARE RENTED OR LEASED THROUGH THE EFFORTS OF BROKER, AND THE LEASE TERM RUNS LONGER THAN THE TERMS OF THE AGREEMENT, BROKER SHALL CONTINUE TO BE COMPENSATED AS STATED IN PARAGRAPH 6. In the event that the PREMISES is not rented or leased within sixty (60) days of the date of this Agreement, or remains vacant without being subject to a lease for any sixty (60) day period, either party may terminate this Agreement upon thirty (30) days written notice to the other party of such intention to terminate, provided that such written notice is delivered to the other party prior to the rental or lease of the premises through the efforts of BROKER. If the PREMISES contain multiple rental units, the termination provisions of this section will only apply if all units were not rented or leased within sixty (60) days of the date of this Agreement, or all units remained vacant for any sixty (60) day period. Termination of this Agreement shall not adversely affect the rights of tenants under then existing leases.

3. SPECIFIC AUTHORITY FOR REPAIR AND ALTERATIONS
   a. OWNER hereby gives BROKER the following authority and powers and agrees to pay promptly on demand all legitimate expenses in connection with the following: to purchase necessary supplies; to contract for such utility services as BROKER may deem advisable; to make necessary repairs to the PREMISES without the express written consent of OWNER, limited to $ 100000.00* in any [x] month [ ] year, and to make Owner authorized alterations and decorations. In addition to other authority of BROKER, BROKER may pay or incur without limitation on behalf of OWNER monthly or recurring operating charges and/or emergency repair, if, in the reasonable opinion of the BROKER, such repairs are necessary to protect the property from damage or maintain services to the tenants as called for in state law or Rental Agreement. BROKER is authorized on behalf of OWNER to hire, discharge, supervise and pay any employees or contractors for work performed. All providers of services shall be deemed to be acting on behalf of the OWNER and not the BROKER. BROKER will not be liable to the OWNER or others for any act, default or negligence on the part of such persons, contractors or other workmen, providing BROKER has taken reasonable care in engaging them or their employers.
   b A Reserve Fund will be established and maintained from property proceeds in the amount of $ 80000.00**, to be paid (a) _____ from first rental payments, or (b) _____ $ _____ per month from rental proceeds.

4 BROKER'S RESPONSIBILITIES
In addition to the foregoing, the BROKER will perform the following functions on OWNER'S behalf:
a. Make reasonable efforts to collect all the rents and other fees due from tenants when such amounts become due, and deposit same into an agency account maintained on behalf of the OWNER, but BROKER does not guarantee the payment of any tenant's rent;
b. Withdraw from such account all funds needed for proper disbursements for expenses payable by the OWNER including without limitation, BROKER's compensation; and remit balance of rent to OWNER at OWNER'S address set forth in Paragraph 9 with a written statement within 30 days of rent receipt, indicating said receipts and disbursements; and

[ ] OWNER, [ ] OWNER AND [ ] BROKER HAVE READ THIS PAGE. Form 430 PAGE 1 OF 4



DEFENDANT'S EXHIBIT 39

DEFENDANT'S EXHIBIT MARKED IN EVIDENCE 6/7/11 GIBSON

c. Collect and place into escrow accounts, as required by law, security deposits under any lease. BROKER is authorized to disburse the security deposit at such times and to such persons as BROKER shall in good faith believe to be entitled to such funds in accordance with the South Carolina laws governing security deposits. Any interest earned on said deposits, shall with tenant's permission belong to BROKER.

5. BROKER'S COMPENSATION

In consideration of the services rendered by BROKER, OWNER agrees to pay BROKER the following forms of compensation:

a. FOR SET-UP/ORIGINATION - a fee of $ _____ to be paid at the time of execution of the contract.

b. FOR MANAGEMENT - a fee equal to 10.000 % of gross receipts collected including all sums collectible under any leases, with a minimum monthly fee of $ _____.

c. FOR LEASING - a fee equal to 10.000 % of the first full month's rent for each new tenant's lease shall be paid to BROKER, in addition to the management fee provided for in paragraph 5b above, but shall not be payable in connection with renewals.

d. CHARGES TO TENANTS - Late Rent Administration Charge, Returned Check Charges, Releasing Administration Charge and application fees paid by tenants under any lease are the property of BROKER to offset expenses in enforcing the respective provisions unless otherwise stipulated in paragraph 15.

e. SALE TO TENANT. If a sale or exchange of the PREMISES to the Tenant, or to anyone acting for or on behalf of a tenant or to any member of a tenant's immediate family is contracted for or effected during the term of this Management Agreement or within 12 months of its termination, the BROKER will be paid by the OWNER promptly a commission of 10.000 % of the sales price, if the BROKER has a valid South Carolina real estate license for the sale of real property in effect on the date such sale or exchange is closed.

f. SUPERVISION OF RESTORATION/IMPROVEMENTS; BROKER shall be paid 10.000 % of the cost of any and all new construction, substantial repairs and capital improvements made to premises during the term of this agreement in excess of $ * _____, provided that BROKER receives written authorization from OWNER for each specific project. Any such construction shall be scheduled, coordinated supervised by BROKER on behalf of OWNER. No fee will be charged for routine maintenance and repairs.

g. OWNER further agrees to pay BROKER actual costs for advertising or not more than $ _____ per _____, and for all long distance phone calls and other out-of-pocket expenses actually and reasonably incurred in connection with said PREMISES.

6. INDEMNIFICATION

OWNER agrees (a) to indemnify, defend and save the BROKER harmless from all loss, expense, damage, claim suits and costs whatsoever (including without limit attorney's fees and expenses) incurred and arising from performance or attempted performance by BROKER of its duties and powers hereundor whether for personal injury and/or property damage suffered by any person whomsoever on or about the PREMISES or otherwise, and (b) to carry at OWNER'S expense liability insurance of at least $300,000 to protect the interest of the parties hereto. Policies shall be so written as to protect the BROKER in the same manner and to the same extent as they protect the OWNER, and will name the BROKER as an additional insured or certified holder of the policy. The BROKER also shall not be liable for any error of judgment or for any mistake of fact or law or for anything which BROKER may do or refrain from doing, hereinafter, except in cases of willful misconduct or gross negligence. The BROKER shall not be responsible for any damage to the PREMISES, under any circumstance, by the tenant or others.

7. LEGAL PROCEEDINGS

BROKER is empowered to sign and/or cancel leases on OWNER'S behalf, to enforce the provisions of same, to institute legal action or other proper proceedings to collect rents and other sums due, and when expedient, to settle, compromise and release such actions and suits, and to dispossess tenants, and other persons, including without limit institution of eviction proceedings in the name of and on behalf of OWNER. BROKER may select the attorney of BROKER'S choice to handle any such matters and incur court costs at owner's expense. BROKER is not responsible for defending owner against any claim brought in a proceeding or court action.

8. BINDING AUTHORITY

This agreement shall be binding upon the successors and assigns of BROKER, and upon the heirs, administrators, executors, successors, and assigns of OWNER.

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[LG] OWNER, [____] OWNER AND [____] BROKER HAVE READ THIS PAGE. Form 430 PAGE 2 OF 4

9. COMMUNICATIONS/NOTICE
Owner agrees to receive any and all communications from Broker at the address, phone and fax numbers and the email address below. Any notice required or permitted to be given pursuant to the provisions of this agreement shall be deemed given (1) when delivered personally, or (2) on the date such notice is deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, at following addresses.

| BROKER | OWNER |
|---|---|
| RE/MAX Professional Realty | 133 Horse Trail Road, St. George, SC |
| 9209 University Boulevard | 29477 |
| North Charleston 29406 | |
| Phone: (843)767-7777 | Phone: (843)563-2984 |
| Fax: (843)767-4006 | Fax: |
| Email: rolandovillavicencio@remax.net | Email: |
| | SS/ID# 02-0612112 |

10. OWNER REPRESENTATIONS AND WARRANTIES
a. OWNER represents and warrants to the BROKER that, to the best of OWNER'S knowledge, the PREMISES are free of hazardous and/or toxic wastes and/or substances (as such terms are defined under applicable federal and state laws); that the PREMISES are fit for human habitation; that there are no hidden or latent defects or conditions on or affecting the PREMISES other than _____, that the PREMISES are not the subject of any order to repair or to demolish or other order of any governmental authority; that the PREMISES comply with all currently applicable laws, statutes and governmental rules and regulations; that the OWNER will at all times during the term of this Agreement fully and promptly comply with the lawful requirements of all applicable governmental authorities.
b. OWNER declares that all mortgage payments have been made and account is current.
c. OWNER warrants that there are operating smoke detectors on the premises.

11. LEAD-BASED PAINT DISCLOSURE
For dwellings built before 1978, and as required by applicable law, a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (the "Disclosure") must be signed by OWNER and attached to this agreement. OWNER represents that either (1) the improvements on the property were all submitted, commenced, and constructed after December 31, 1977, or (2) the Disclosure has been fully completed and is attached to this agreement. OWNER agrees to provide BROKER with any such additional information or reports as may come to OWNER'S possession during the term of this agreement. OWNER acknowledges that BROKER has informed OWNER of the OWNER'S obligations to provide a tenant of the property with the pamphlet "Protect Your Family From Lead In Your Home," to provide information to a Tenant of the property with copies of available records and reports with respect to the property and lead-based paint and lead-based paint hazards, all pursuant to 42USC4852 (d), as amended.

12. FORCE MAJEURE
Any delays in the performance of any obligation of BROKER under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of BROKER, and any time periods required for performance shall be extended accordingly.

13. PAYMENT FROM OWNER'S FUNDS
BROKER shall have no duty to expend BROKER's individual funds in fulfillment of BROKER's responsibilities under this agreement. All payments required or permitted to be made by BROKER shall be made from OWNER'S funds. OWNER agrees to deposit with BROKER promptly on demand such funds as may be necessary in BROKER's reasonable judgment for performance by BROKER as provided in this Agreement.

14. AVAILABILITY OF TENANTS
BROKER shall make a good faith effort to obtain tenants for the PREMISES, but BROKER makes no guarantee that tenants can be found.

15. OTHER STIPULATIONS
* applicable to VERDANA green building construction and renovation project. Thereafter, no more than $50,000 in any given month. ** Derived from funds at closing of 110207.

16. BINDING EFFECT
This agreement shall be binding on, and for the benefit of the parties hereto and their respective heirs, successors and assigns. This agreement shall be governed by, interpreted under and enforced in accord with the law of the State of South Carolina. This is the entire agreement between the parties and may not be modified except in writing signed by both parties.

17. SURVIVAL
Indemnification and other provisions of this Agreement which benefit BROKER shall survive any termination of this Agreement.

18. FACSIMILE AND OTHER ELECTRONIC MEANS
The parties agree that the offer, any counteroffer and/or acceptance of any offer or counteroffer may be communicated by use of a fax or other secure electronic means, including but not limited to electronic mail and the Internet, and the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the original signatures, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party.

WHEREFORE, the parties have executed this Residential Management Agreement or caused the same to be executed by their authorized representative.

THIS AGREEMENT supersedes all prior written or oral agreements and can be amended only through a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have subscribed their names on this 18th day of December, 2007.

| | |
|---|---|
| 12/18/07<br>BROKER Rolando V. Villavicencio | Witness to BROKER |
| Broker-In-charge/Property Manager In Charge<br>RE/MAX Professional Realty | Witness to BIC/PMIC |
| Owner Heritage Seven, LLC | Witness to Owner |
| Owner | Witness to Owner |

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DEFENDANT'S EXHIBIT
14-Gibson
12-30-10

# EXCLUSIVE RIGHT TO LEASE LISTING AGREEMENT
## (COMMERCIAL)

In consideration of the covenants herein contained, Heritage Seven, LLC, Sole Property Owner(s) (hereinafter called "OWNER") and RE/MAX Professional Realty, Real Estate Company (hereinafter called "BROKER"), agree as follows:

For the period of time beginning on November 2, 2007, and ending at midnight on November 2, 2017, Owner hereby grants to Broker the sole and exclusive right to lease the real property known as:

Lot A & B Block _____ Section _____ Subdivision Northwood Estates

Address VERDANA @ 2625 Otranto Road

Tax Map # 405-03-00-114 City North Charleston Zip 29406

County of Charleston, State of South Carolina.

1. EMPLOYMENT: In consideration of the services and facilities of your office and of your agreement to enter the within described property in the Multiple Listing Service of which BROKER is a member, the undersigned Owner does hereby employ the above named BROKER as the sole and exclusive agent, and give said BROKER the exclusive right and authority to lease the herein described property, From November 2, 2007, To November 2, 2017, inclusive, subject to all the terms and conditions hereof.

2. LEASE RATE: Said property is, hereby, listed to lease at a rate of $ Up to $850/2br unit & $750/1br unit

3. TERMS: Said property may be leased subject to the following terms: _____

4. POSSESSION of property shall be relinquished by the Owner to the Tenant in accordance with the terms of the rental agreement.

5. DEFECTS: Owner represents that the property is not subject to any defect and does not contain any hazardous or toxic substance to the best of Owner's belief after due inquiry, unless expressly disclosed herein. Owner agrees to disclose to the BROKER any defects (whether latent affects or otherwise) of the herein described property and to hold said BROKER harmless from any liability or damages including without limit attorney's fees arising from any defects. Owner represents to the best of Owner's information and belief after due inquiry (i) that Owner has not received notice of any claimed environmental hazard or condition in connection with the property; (ii) that the property contains no hazardous or toxic wastes, asbestos or other substance dangerous or harmful to human health or the environment, and has not been used for the manufacture, storage, or transport of any such substance; and (iii) that no part of the property consists of federal jurisdictional wetlands. Any additional stipulations shall be set forth in writing in this agreement.

6. TERMS:
1. Owner agrees that said BROKER has earned a commission of ten percent (10%) if a tenant who is ready, willing, and able to lease the herein described property at the lease rate and on the terms aforesaid or at any price and terms acceptable to the Owner. Commission to be paid by Owner as follows: ten percent (10%) of gross operating income collected each and every month

LG OWNER, ___ OWNER, AND 12/18/07 BROKER HAVE READ THIS PAGE.



RE/MAX Professional Realty 311 Johnnie Dodds Blvd, Ste 181 Mt. Pleasant, SC 29464
Phone: Fax: Rolando Villavicencio



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for the initial term and any renewals, extensions or modifications of this lease and for any expansions of, or additions to, the space covered by any lease entered into pursuant to this listing agreement.

2. Owner understands that Broker shall pay cooperating agents a fee of $ _____ or a commission of 10% of 1 mo % of gross lease price. Owner and Broker agree that there shall be no variation or exception in the amount of the fee or commission to be paid, unless otherwise specified in this agreement.
3. Said commission to be paid to BROKER whether said Tenant is found by BROKER, by another Broker, by the undersigned Owner or by any other person.
4. If within 180 consecutive days after the termination of this agreement, a lease of the herein described property is made or effected by the undersigned Owner, directly or through any other person to a prospective tenant to whom any agent of the Listing BROKER, any Cooperating Broker, or the Owner has shown or offered said property during this exclusive listing period, the Owner shall pay the aforementioned commission to the Listing BROKER, provided that the names of the prospective tenants to whom the property was shown by the Listing BROKER or any Cooperating Broker are furnished to the Owner by the Listing BROKER in writing within ten (10) days after termination of this exclusive listing period.
   This protection period shall end at 11:59 p.m. on November 2, 2017.
5. In the event that property is sold during the term of this agreement, owner agrees that any outstanding commissions owed to Listing BROKER will be payable at closing.

7. **MULTIPLE LISTING SERVICE:** The property [X] shall be [ ] shall not be entered into the Multiple Listing Services of which Broker is a member, which shall constitute an offer of cooperating brokerage to all members of the listing service. Owner agrees that Broker may compensate an agent representing the buyer from the fee described above.

8. **LEAD-BASED PAINT:** For dwellings built before 1978, and as required by applicable law, a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (the "Disclosure" must be signed by Owner and attached to this agreement. Owner represents that either (1) the improvements on the property were all constructed after December 31, 1977, or (2) the Disclosure has been fully completed and is attached to this agreement. Owner agrees to provide Broker with any such additional information or reports as may come to Owner's possession during the term of this agreement. Owner acknowledges that Broker has informed Owner of the Owner's obligations to provide a buyer of the property with the pamphlet "Protect your Family from Lead in Your Home," to provide information to a buyer of the property with copies of available records and reports with respect to the property and lead-based paint and lead-based paint hazards, all pursuant to 42USC4852(d), as amended.

9. **ADDITIONAL TERMS AND CONDITIONS:** The following terms and conditions are a part of this Exclusive Right To Lease Listing Agreement of which other terms and conditions are set forth on the front side hereof. The Owner and BROKER do further agree:

1. Said property to be leased subject to zoning ordinances, restrictions, easements and conditions of public record; and
2. Owner shall refer to BROKER any inquiries received by the owner and shall not deal directly with prospective tenants for this property during the continuance of this agency and shall allow the BROKER or any participating Broker to show said property at reasonable times upon reasonable notice and shall commit no act which might tend to obstruct the BROKER 's performance hereunder; and
3. Owner shall cooperate with BROKER to ascertain all pertinent data concerning subject property so as to avoid error, exaggeration, misrepresentation or concealment of pertinent facts. Owner warrants the accuracy of the information furnished herein and agrees to hold the BROKER harmless from any liabilities or damages arising out of incorrect or undisclosed information. Owner agrees to notify the listing BROKER promptly of any material changes in said information; and
4. The listing BROKER is not responsible for vandalism, theft, damage or maintenance of herein described property; and
5. The Owner agrees to enter into a contract of lease with and to lease said Property to any such ready, willing and able tenant for the rent or upon such other terms and conditions as Owner may hereafter approves, said approval to specifically include Owner's review and acceptance of the credit worthiness of any such tenant; and
6. BROKER [X] shall or [ ] shall not place such "For Lease" signs on said property as BROKER may deem advisable and no other signs shall be placed on said property; and
7. Broker is granted the authority and approval to list and publish all lease data pertaining to the lease of the hereinabove described property. Owner understands and acknowledges that lease data are published for the use and information of the members of all the Boards/Associations of REALTORS® and the Multiple Listing Services (MLS) of which Broker is a member; for their use of same in marketing, leasing and selling of all properties listed in said publication; and

[LS] OWNER, [ ] OWNER, AND [ ] BROKER HAVE READ THIS PAGE. 12/2017



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8. Owner shall carry at own expense public liability insurance in an amount of at least $ 1,000,000.00 to protect the interest of the parties to this Agreement; and

9. Owner hereby indemnifies Agent against and agrees to hold and save Agent, its directors, officers, partners, members, employees and agents, harmless from and against any loss, damage, or expense (including courts costs and reasonable attorneys' fees) resulting from any breach of Client's duties and obligations under this Agreement or the negligence, gross negligence, willful misconduct or fraud of Client or its employees, agents and contractors. Agent hereby indemnifies Owner against and agrees to hold and save Owner, it directors, officers, partners, members, employees and agents, harmless from and against any loss, damage, or expense (including courts costs and reasonable attorneys' fees) resulting from any breach of Agent's duties and obligations under this Agreement or the negligence, gross negligence, willful misconduct or fraud of Agent or its employees, agents and contractors.

10. **RESPONSIBILITIES OF BROKER:** In consideration of granting BROKER this Exclusive Right to Lease Listing, the BROKER agrees:

1. To direct concentrated efforts in bringing about a lease.
2. To advertise said property as BROKER deems advisable.
3. To encourage cooperating brokers in lease efforts of said property by furnishing information and assistance.
4. To keep the Owner/s informed as to the progress made toward finding a tenant for said property.
5. To make an earnest and continued effort to lease the property.
6. To input the listing into the MLS system within 5 work days of the effective date of listing.

11. **NOTICES:** All notices provided for this Listing Agreement shall be in writing and shall be deemed to be given when sent by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Owner: Linda A. Gibson, Member - Heritage
Seven, LLC
133 Horse Trail Road
St. George, South Carolina 29477

If to Agent: Rolando V. Villavicencio, RE/MAX
Professional Realty
9209 University Boulevard
North Charleston, South Carolina 29406

12. **CONFIDENTIALITY:** All financial data and other proprietary information with regard to the Property shall be treated as confidential by Agent and shall be disseminated to third parties on a "need to know" basis only. Upon the termination or completion of this agreement, Broker shall keep confidential all information received during the course of this agreement which was made confidential by written request or instructions from the client, except as provided for under South Carolina law.

13. **SPECIAL STIPULATIONS:** The following stipulations shall, if conflicting with printed matter, control (use addendum if necessary): _____

14. **ENFORCEMENT:** The parties agree that Broker may take action to enforce this Agreement or collect any associated costs, fees, and damages. Owner agrees to reimburse or indemnify or pay all Broker costs in enforcing this Agreement or collecting costs, fees, and damages including any incidental expenses or attorneys fees.

15. **MEDIATION CLAUSE:** Any dispute or claim arising out of or relating to this Agreement, the breach of this Agreement or the services provided in relation to this Agreement, shall be submitted to mediation in accordance with the Rules and Procedures of the Dispute Resolution System of the NATIONAL ASSOCIATION OF BROKERS®. Disputes shall include representations made by Owner or Broker in connection with the services to which this Agreement pertains, including without limitation, allegations of concealment, misrepresentation, negligence and/or fraud. Any agreement signed by the parties pursuant to the mediation conference shall be binding. This mediation clause shall survive for a period of 120 days after the date of the closing.

16. **NO CONTROL OF COMMISSION RATES OR FEES:** The Broker's compensation for services rendered in respect to any listing is solely a matter of negotiation between the Broker and the Owner and is not fixed, controlled, suggested, recommended, or maintained by the board/association, the MLS, or by any persons not a party to the listing agreement.

[LG] OWNER, [ ] OWNER, AND [ ] BROKER HAVE READ THIS PAGE. 12/8/07



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The subagency compensation paid by the Listing Broker to a Cooperating Broker or Buyer's Broker in respect to any listing is established by the Listing Broker in Broker's offer of subagency, and is not fixed, controlled, suggested, recommended or maintained by the board/association, the MLS or by any persons other than the Listing Broker.

17. OTHER TERMS AND CONDITIONS: _____

THE UNDERSIGNED HEREBY WARRANT THAT THEY OWN THE PROPERTY AND/OR HAVE THE AUTHORITY TO EXECUTE THIS AGREEMENT. THIS IS A LEGALLY BINDING AGREEMENT. OWNER SHALL SEEK FURTHER ASSISTANCE IF THE CONTENTS ARE NOT UNDERSTOOD. OWNER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT. OWNER AGREES TO RECEIVE COMMUNICATIONS FROM BROKER AT THE EMAIL ADDRESS, PHONE AND FAX NUMBER LISTED BELOW.

IN WITNESS WHEREOF, this agreement has been duly executed by the parties.

Owner: _____ Date 12/18/2007 Time _____
Heritage Seven, LLC

Email: _____ Phone: (843)563-2984 Fax: _____

Witness: _____ Date _____ Time _____

Owner: _____ Date _____ Time _____

Email: _____ Phone: _____ Fax: _____

Witness: _____ Date _____ Time _____

Owner's Mailing Address: 133 Horse Trail Road
St. George, SC 29477

Real Estate Firm: RE/MAX Professional Realty Phone: (843)767-7777

By: _____ 12/18/07 Date 12/18/2007 Time _____
Rolando V. Villavicencio

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Company. *As a disclosed dual agent, the Company and its associated licensees cannot advocate on behalf of one client over the other, and cannot disclose confidential client information concerning the price negotiations, terms, or factors motivating the buyer/client to buy or the seller/client to sell.* Each Dual Agency Agreement contains the names of both the seller client(s) and the buyer client(s) and identifies the property.

### Designated Agency

In designated agency, a broker-in-charge may designate individual associated licensees to act solely on behalf of each client. Designated agents are not limited by the Company's agency relationship with the other client, but instead have a duty to promote the best interest of their clients, including negotiating a price. The broker-in-charge remains a disclosed dual agent for both clients, and ensures the assigned agents fulfill their duties to their respective clients.

At the time you sign an agency agreement, you may be asked to acknowledge whether you would consider giving written consent allowing the Company to designate a representative for you and one for the other client in a designated agency.

Each Designated Agency Agreement contains the names of both the seller client(s) and the buyer client(s) and identifies the property.

### What to Look For in Any Agreement

When you choose client-level service, your written Agency Agreement or your agent should answer these questions.

- Can I work with other Companies during the time of the Agreement?
- What will happen if I buy or sell on my own without the agent?
- When will this agreement expire?
- How will the Company be paid for its services?
- Does this Company represent both buyers and sellers as clients?
- If so, what are the choices if two clients become involved in one transaction?
- What duties will the Company continue to provide me after the transaction is completed?

If you plan to become a client of a Company, the licensee will explain the agreement to you fully and will answer questions you may have about the agreement. **Remember, however, that until you enter into a representation agreement with the Company, you are considered a customer and the Company cannot be your advocate, cannot advise you on price or terms, and cannot keep your confidences.**

### It's Your Choice

As a real estate consumer in South Carolina, it is your choice as to the type and nature of services you receive.

- You can choose to remain a customer and represent yourself while the Company represents the other party.
- You can choose to hire the Company for representation through a written agreement.
- If represented by the Company, you can decide whether to go forward under the shared services of dual agency or designated agency or to remain in single agency.

The choice of services belongs to you—the South Carolina real estate consumer.

This brochure has been approved by the S C Real Estate Commission for use in explaining representation issues in real estate transactions and consumers rights as a buyer or seller. Reprinting without permission is permitted provided no changes or modifications are made.

# Agency Disclosure Brochure

## Agency Relationships in Real Estate

South Carolina Department of Labor, Licensing and Regulation

**South Carolina Real Estate Commission**
PO Box 11847
Synergy Business Park, Kingstree Building
110 Centerview Dr., Suite 201
Columbia, SC 29210

**Telephone.** (803) 896-4400
**Fax:** (803) 896-4404

www.llr.state.sc.us/POL/RealEstateCommission/

(Rev 1/05)

PLAINTIFF EX 5

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## Agency Relationships in South Carolina

The SC Real Estate License Law, in Section 40-57-139 (A) (1) and (2), requires a real estate licensee to provide you this brochure and a meaningful explanation of agency relationships offered by the licensee's Company. This must be done at the first practical opportunity when you and the licensee have substantive contact.

Before you begin to work with a real estate licensee, it is important for you to know the difference between a broker-in-charge and associated licensees. The broker-in-charge is the person in charge of a real estate Company. Associated licensees may work only through a broker-in-charge. **In other words, when you choose to work with any real estate licensee, your business relationship is legally with the Company and not with the associated licensee.**

A real estate Company and its associated licensees can provide buyers and sellers valuable real estate services, whether in the form of basic customer services, or through client-level agency representation. The services you can expect will depend upon the legal relationship you establish with the Company. It is important for you to discuss the following information with the real estate licensee and agree on whether in your business relationship you will be a customer or a client.

### Now You Are a Customer of the Company

South Carolina license law defines customers as buyers or sellers who choose NOT to establish an agency relationship. The law requires real estate licensees to perform the following *basic duties* when dealing with *any* real estate buyer or seller as customers.

- Present all offers in a timely manner
- Account for money or other property received on your behalf
- Provide an explanation of the scope of services to be provided
- Be fair and honest and provide accurate information
- Disclose "adverse material facts" about the property or the transaction which are within the licensee's knowledge.

***Unless or until you enter into a written agreement with the Company for agency representation, you are considered a "Customer" of the Company, and the Company will not act as your agent. As a Customer, you should not expect the Company or its licensees to promote your best interest, or to keep your bargaining information confidential.***

Customer service does not require a written agreement; therefore, you are not committed to the Company in any way.

### You Can Become a Client

Clients receive more services than customers. If client status is offered by the real estate Company, you can become a client by entering into a written agency agreement requiring the Company and its associated licensees to act as an agent on your behalf and promote your best interests. If you choose to become a client, you will be asked to confirm in your written representation agreement that you received this brochure in a timely manner.

A seller becomes a client of a real estate company by signing a formal listing agreement with the Company. For a seller to become a client, this agreement must be in writing and must clearly establish the terms of the agreement and the obligations of both the seller and the Company which becomes the agent for the seller.

A buyer becomes a client of a real estate Company by signing a formal buyer agency agreement with the Company. For a buyer to become a client, this agreement must be in writing and must clearly establish the terms of the agreement and the obligations of both the buyer and the Company which becomes the agent for the buyer.

If you enter into a written agency agreement, as a Client, you can expect the real estate Company to provide the following client-level services.

- Obedience
- Loyalty
- Disclosure
- Confidentiality
- Accounting
- Reasonable care and skill

Client-level services also include advice, counsel and assistance in negotiations.

### Single Agency

When the Company represents only one client in the same transaction (the seller or the buyer), it is called single agency.

### Dual Agency

Dual Agency exists when the real estate Company has two clients in one transaction – a seller client and a buyer client.

At the time you sign an agency agreement, you may be asked to acknowledge whether you would consider giving written consent allowing the Company to represent both you and the other client in a disclosed dual agency relationship.

### Disclosed Dual Agency

In a disclosed dual agency, the Company's representation duties are limited because a buyer and seller have recognized conflicts of interest. Both clients' interests are represented by the

5784 050707



PLAINTIFF EX 5

1150

Ameris Bank

January 10, 2008

Mr. Karl H. Zerbst, Jr.
REDACTED

Re: Employment Offer Letter

Dear Karl:

On behalf of Ameris Bank ("Company"), I would like to extend a proposal to employ you as a Bank President – Murrells Inlet, South Carolina; pay grade 62. As a Bank President, we would also request to the Board to approve a corporate title of Bank President for your role.

We are excited about the opportunity to work with you and would like to move forward with the hiring process as expeditiously as is practical. This proposal is contingent on a few final steps as outlined below.

**Base Salary:** The base salary offered is $150,000. Future reviews are scheduled annually for possible salary adjustments. Adjustments are based on conditions and practices in the industry, your performance and other factors. Your next review would be at the annual review period scheduled in 2009.

All employee benefits are reviewed on an annual basis and may be subject to change.

**Signing/Relocation Bonus:** $10,000

**Vacation:** We are pleased to offer you four (4) weeks vacation annually.

**Short Term Incentive Plan:** The Company also offers an annual incentive plan providing you with a potential target incentive of up to 25% of your earned base salary. This is our basic plan and additional incentive dollars may be available for achievement of Company performance factors. The plan calls for a review by the Company's Board of Directors of each of the various potential levels of incentive in the plan.

49 Archdale Street • Charleston, SC 29401 • Phone. 843.573.2200

DEFENDANT'S EXHIBIT 40

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01834

**Qualified Benefit Plan:**

You will participate in all of the Company's qualified benefit plans along with other employees, as adjusted from time to time, subject to the vesting provisions and other provisions of the plan or plans, ERISA, the Internal Revenue Code, and other laws.

After one hour of service, you are eligible to participate in our 401(k) Profit Sharing Plan. After 12 months of service and 1,000 hours, our Plan provides a Company match of ½ of your deferral up to 6%, and a 5% annual contribution to your account. The match of up to 3% and the 5% would be effective at the next quarterly enrollment period after your one year anniversary.

**Other Employee Benefits:**

You will be eligible for all other employee benefits available to full time employees in accordance with guidelines for each program as outlined in our employee benefits information. Some of these include: Medical Insurance through Georgia Bankers Association with the Company paying 100% of the employee's individual coverage; Dental coverage at the employee's expense, Long Term Disability and a life insurance product provided by the Company; and paid sick leave.

**Indemnification language:**

You have advised us of an Employment Agreement with your prior employer, First Reliance Bank. We strongly encourage you to strictly comply with that Agreement, as may have been modified by any settlement agreements (employee non-solicitation expires October 4, 2009, and non-compete expires October 4, 2008) (collectively "Expiration Dates"). You should not subject yourself or Ameris Bank to any accusations that the terms of the Employment Agreement have been violated. We ask that you not enter into any conversations prior to the Expiration Dates with Ameris Bank representatives concerning First Reliance employees or customers in the Territory, and if anyone should approach you concerning these matters, please contact the undersigned immediately. Ameris Bank takes these Employment Agreements very seriously and will not be a party of any violation of those Agreements. You agree to indemnify and hold harmless Ameris Bank and its employees in connection to any of your actions that may cause claim, action, or costs asserted against Ameris Bank by First Reliance Bank in connection with these Agreements.

Ameris Bank

This proposal does not constitute a contract for employment. It is contingent upon the completion of a background check of your references and other people you have known and with whom you have worked, a credit history check, a criminal activities check and drug screening. We reserve the right to

withdraw this proposal should the results of any of these result in a judgment that, in our opinion, you would not be able to perform adequately as Bank President.

Assuming that you agree to the terms of this proposal, please sign the enclosed copy of this letter and return it to me. We are excited that you have in interest in joining our organization I look forward to hearing from you as soon as possible, and certainly welcome your call, if you have any questions.

Sincerely,

Marc J. Bogan
Coastal Regional Executive

Offer Letter
accepted this 11th day of January, 2008

By: _____ By: _____
Karl H. Zerbst, Jr. Marc Bogan

Ameris Document

**Bigham, Amy**

**From:** Bogan, Marc
**Sent:** Wednesday, January 09, 2008 3:25 PM
**To:** Bigham, Amy
**Subject:** RE: Karl Zerbst

Will you please prepare an Offer Letter w/ the following terms:

Position: Bank President - Murrells Inlet, SC
Salary - $150,000 per year
Job Grade – Bank President job grade 64 (? I think, but you may want to check on this)
Bonus Potential – Up to 30% of Base Salary (please check on this also based on job grade)
Signing / Relocation Bonus - $10,000
Vacation – 4 weeks
Indemnification language: see below

You have advised us of an Employment Agreement with your prior employer, First Reliance Bank. We strongly encourage you to strictly comply with that Agreement, as may have been modified by any settlement agreements (employee non-solicitation expires October 14, 2009, and non-compete expires October 14, 2008) (collectively "Expiration Dates"). You should not subject yourself or Ameris Bank to any accusations that the terms of the Employment Agreement have been violated. You are not to enter into any conversations prior to the Expiration Dates with Ameris Bank representatives concerning First Reliance employees or customers in the Territory, and if anyone should approach you concerning these matters, please contact the undersigned immediately. Ameris Bank takes these Employment Agreements very seriously and will not be a party of any violation of those Agreements. You agree to indemnify and hold harmless Ameris Bank and its employees in connection with any action, claim or costs First Reliance Bank may assert against Ameris Bank in connection with these Agreements. You should fully discuss this with your attorney.

Thanks

---

**From:** Bigham, Amy
**Sent:** Wednesday, January 09, 2008 3:07 PM
**To:** Bogan, Marc
**Subject:** Karl Zerbst

Marc,

Karl is good to go. I am working on the benefit summary sheet and can include when I send the offer letter. Some of the benefits are outlined in the offer letter.

Thank you,

*Amy Bigham*
Executive Assistant
to C. John Hipp III, Group President

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01837

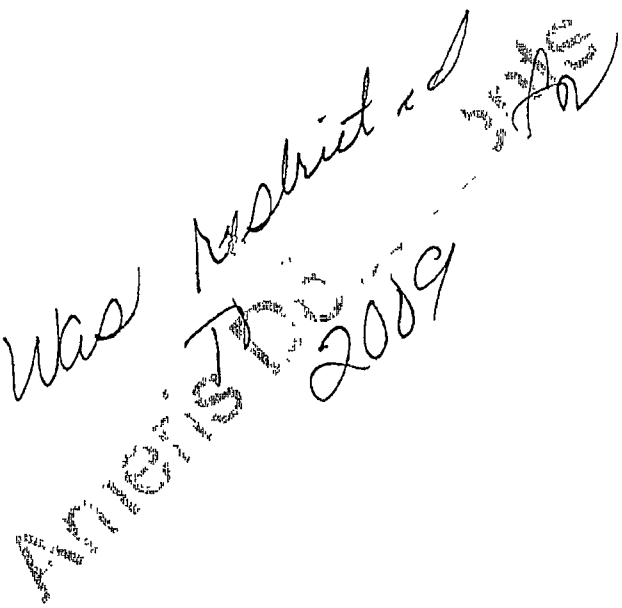
**Folsom, Kayla**

**From:** Zerbst, Karl
**Sent:** Friday, December 26, 2008 11:33 AM
**To:** Folsom, Kayla
**Subject:** 401(k) for 2009

REDACTED

Please allow this email to serve for me keeping the deduction in salary for my 2009 401(k) contribution. Let me know if you need anything further and thank you.

Karl H Zerbst, Jr.
Market President
Ameris Bank
3955 Hwy 17 Bypass
P.O. Box 2250
Murrells Inlet, SC 29576
W 843-357-4007
D 843-652-7444
C 843-452-3838
F 843-357-4008



12/26/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01838

Ameris Bank

Date 1/9/08

## APPLICATION FOR EMPLOYMENT

*We sincerely appreciate your interest in seeking employment with us. The questions asked on this application are designed to give us a clear understanding of your background and work experience. Please let us know if you require an accommodation to complete this application or any other part of the application process.*

(PLEASE PRINT PLAINLY)

### PERSONAL INFORMATION

Full Name Karl Henry Zerbst, Jr. Social Security Number REDACTED

Street Address REDACTED Phone Number

City, State, Zip Code

Is there another phone number at which you may be reached? N/A

How were you referred to us? Marc Bogen / Charles Hudgens

Are you at least 18 years of age? ☒ Yes ☐ No If you are less than 18, list your age

Name and address of parent or guardian

### PLACEMENT

What position are you applying for? Market Executive

Starting salary you are seeking? $150,000 per yr. When could you begin employment? 1/15/08

What type of employment are you applying for?

☐ Temporary – Part-Time ☐ Temporary – Full-Time ☐ Regular – Part-Time ☒ Regular – Full-Time

Please list any special training, skills, or experience you may have, indicating fluency or speed where appropriate.

Executive Level training courses on Leadership, Management, Senior Leader

WE DO NOT DISCRIMINATE IN HIRING OR EMPLOYMENT ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, AGE, DISABILITY OR ANY OTHER FACTOR PROHIBITED BY LAW OR REGULATION NO QUESTION ON THIS APPLICATION IS INTENDED TO SECURE INFORMATION TO BE USED FOR THAT PURPOSE.

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Ameris - 01839

## EDUCATION

| Type of School | Name and Address | Last Grade Completed | Did you graduate? | Major Course of Study and Degree Granted |
|---|---|---|---|---|
| High School | R. B. Stall | 12th | ☑ Yes ☐ No | Diploma |
| College | The Citadel | Graduate | ☑ Yes ☐ No | B.S. in Bus. Admin. |
| Other (Specify) | MBA The Citadel | | ☑ Yes ☐ No | MBA |

## EMPLOYMENT HISTORY

Have you ever worked for us before? ☐ Yes ☑ No If yes, from _____ to _____

May we contact your present employer? ☐ Yes ☐ No N/A May we contact you at your present employer? ☐ Yes ☐ No

Please list your last five years of employment history in chronological order with the most recent position first.

Present or Last Employer First Reliance Bank — Name & Title of Supervisor Tom Ewart

Address 25 Cumberland Street — Phone Number _____

Dates: From 9/04 (month/year) To 10/07 (month/year) — Salary $ 120,000 (beginning) $ 137,500 + bonus (ending)

Starting Position Market President — Ending Position _____

Reason for Leaving Mutually agreed

Previous Employer SouthTrust Bank — Name & Title of Supervisor Charlie Rivers MCT CEO

Address 158 Meeting Street — Phone Number _____

Dates: From 1/92 (month/year) To 9/04 (month/year) — Salary $ 44,000 (beginning) $ 110,000 (ending)

Starting Position Commercial Lender — Ending Position Commercial Banking Manager

Reason for Leaving To join First Reliance

Previous Employer Union Tri-County — Name & Title of Supervisor Ed Bentley

Address Airport Rd N. Chas — Phone Number _____

Dates: From 1/90 (month/year) To 12/91 (month/year) — Salary $ 32,000 (beginning) $ 40,000 (ending)

Starting Position Controller — Ending Position Financial Officer

Reason for Leaving _____

*Military Service, if applicable*

Branch of Service U.S. Army Reserve — Service Schools Attended Many

Date Entered 5/82 — Reserve Status Retired w/ 22 yrs.

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01840

## REFERENCES

Please list persons whom we may contact regarding your qualifications.

| Name | Address | Telephone | Occupation |
|---|---|---|---|
| Marshall Simon | Mt. Pleasant SC | 884-9518 | owner - Gwynn's |
| Guy Torrent | 80 S. Battery Charleston SC | 577-6676 | real estate developer |
| Skipper Woolly | Mt Pleasant | 442-3701 | attorney |

## GENERAL INFORMATON

Have you ever been convicted of a misdemeanor or felony offense (excluding minor traffic offenses)? ☐ Yes ☑ No

If yes, please describe in full, _____

Are you related to anyone currently employed by an Ameris Bank in any of our locations? ☐ Yes ☑ No

If yes, whom? _____ What relation? _____ Which location? _____

Are you authorized to work in the United States? ☑ Yes ☐ No

## SIGNATURE

1. WE MAKE NO PROMISE OF EMPLOYMENT BY OFFERING THIS APPLICATION FORM OR ACCEPTING YOUR WRITTEN RESPONSE.
2. A FINAL OFFER OF EMPLOYMENT SHOULD BE CONFIRMED IN WRITING. DO NOT MAKE OR CHANGE ANY PLANS BASED ON VERBAL COMMUNICATION. ANY EMPLOYMENT WE MAY OFFER YOU WILL BE TERMINABLE AT WILL. THIS MEANS YOU CAN QUIT ANY TIME. IT ALSO MEANS WE CAN TERMINATE YOU AT ANY TIME, WITH OR WITHOUT CAUSE.
3. BY COMPLETING THIS APPLICATION AND SIGNING BELOW, YOU AUTHORIZE US TO INVESTIGATE YOUR QUALIFICATIONS AND TO MAKE INQUIRIES ABOUT YOU GENERALLY AND TO PERFORM A THOROUGH BACKGROUND CHECK. YOU ALSO AUTHORIZE US TO SHARE THIS APPLICATION AND ITS CONTENTS WITH OUR EMPLOYEES AND ANY OUTSIDE AGENCIES OR REPRESENTATIVE WE DEEM APPROPRIATE. IF THERE IS ANYONE YOU DO NOT WANT US TO CONTACT, PLEASE TELL US IN WRITING. BY COMPLETING THIS APPLICATION AND SIGNING BELOW, YOU ARE EXPRESSLY GIVING THE COMPANY YOUR CONSENT TO CONDUCT ANY SCREENING, TESTING OR OTHER SECURITY MEASURE DEEMED NECESSARY BY THE COMPANY, INCLUDING, WITHOUT LIMITATION, BLOOD TESTS, URINALYSIS AND INSPECTION OF YOUR PERSON TO THE EXTENT PERMITTED BY LAW. SUCH CONSENT IS A PREREQUISITE TO EMPLOYMENT BY THE COMPANY.
4. BY SIGNING BELOW, YOU ARE AFFIRMING THAT THE STATEMENTS YOU MAKE IN THIS APPLICATION, PLUS ANY ADDITIONAL WRITTEN AND VERBAL INFORMATION YOU PROVIDE US ABOUT YOURSELF (SUCH AS A RESUME OR INTERVIEW) ARE TRUE, AND THAT YOU HAVE NOT OMITTED ANYTHING ABOUT YOURSELF THAT MIGHT BE IMPORTANT TO US IN DECIDING WHETHER TO HIRE YOU. YOU UNDERSTAND THAT ANY FALSE STATEMENT OR MATERIAL OMISSION IS SUFFICIENT GROUNDS FOR US TO REJECT THIS APPLICATION WITHOUT FURTHER CONSIDERATION.

Date 1/9/08 Signature of Applicant Kat A. Zapp

In case of emergency, please notify:

Name [redacted]

Address [redacted]

Phone _____

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01841

## APPLICANT

### Do Not Write On This Page.

*Comments:* _____

_____

_____

_____

_____

Interviewed By:

_____ Date _____

_____ Date _____

_____ Date _____

_____ Date _____

Employment Approved By: _____

☐Regular – Part-Time ☐Regular - Full-Time ☐Temporary - Part-Time ☐Temporary - Full-Time

**To be completed after applicant has been hired.**

Starting Date _____ Department _____

Functional Job Title _____ Job Grade _____

Starting Salary $_____ per _____ Salary Range $_____ to $_____

_____ _____

Signature of Hiring Manager Date

_____ _____

Signature of President or Senior Manager Date

_____ _____

Signature of HR Coordinator Date

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01842

**NOTIFICATION TO APPLICANT/EMPLOYEE**
**THAT A CONSUMER CREDIT REPORT MAY BE OBTAINED BY EMPLOYER**

In compliance with Public Law 91-508 (the Fair Credit Reporting Act), as amended by Public Law 104-208 (the Consumer Credit Reporting Act of 1996) and applicable state law, this notice is to inform you that a consumer credit report may be obtained in connection with your application for employment or current employment with the Employer.

Karl H. Zerbst

Signature of Applicant/Employee

REDACTED

Social Security Number

Karl H. Zerbst Jr.

Print Name

Name of Employer/Company

1/9/08

Date

Ameris Document

**DISCLOSURE**

**(Required under Fair Credit Reporting Act)**

*In processing my application for employment, I hereby authorize Ameris Bank or its affiliate banks to procure or have prepared consumer reports and/or investigative consumer reports about me. I understand that the investigative consumer report may contain information about my character, general reputation, personal characteristics, and mode of living and that information may be obtained through personal interviews with my neighbors, friends, associates, or other acquaintances.*

*Upon my written request to Ameris Bank or its affiliate banks, I will be informed of whether a consumer report was procured, and, if so, of the name and address of the consumer reporting agency that furnished the report. Upon my written request to Ameris Bank or its affiliate banks, I will be informed of whether an investigative consumer report was requested, and, if so, of the name and address of the consumer reporting agency to whom the request was made, together with a complete and accurate disclosure of the nature and scope of the investigation.*

*I also understand that as an employee of Ameris or its affiliate banks, my employer and/or its affiliate banks may, subsequently, from time to time, request consumer reports, other than investigative consumer reports, in connection with my employment.*

Carl A. Zeb — 1/9/08

**Applicant/Employee Signature** **Date**

Ameris Copy

# Release Authorization

## Applicant Complete the Following

I. In connection with my application for employment, I understand that a consumer report or an investigative consumer report may be requested that will include information as to my character, work habits, performance, and experience, along with reasons for termination of past employment. I understand that as directed by company policy and consistent with the job described, you may be requesting information from public and private sources about my: workers' compensation injuries, driving record, court record, education, credentials, credit, and references. If company policy requires, I am willing to submit to drug testing to detect the use of illegal drugs prior to and during employment.

II Medical and workers' compensation information will only be requested in compliance with the Federal Americans with Disabilities Act (ADA) and/or any other applicable state laws. According to the Fair Credit Reporting Act, I am entitled to know if employment is denied because of information obtained by my prospective employer from a Consumer Reporting Agency. If so, I will be notified and given the name and address of the agency or the source that provided the information.

III. I acknowledge that a telephonic facsimile (FAX) or photographic copy shall be as valid as the original. This release is valid for most federal, state and county agencies including the Minnesota Department of Labor.

IV. Minnesota, Oklahoma and California applicants only. If you want a copy of the report(s) ordered, check this box ☐. The report(s) will be sent by the reporting agency to you at the address below. The reports will be processed by: ADP Screening and Selection Services, 301 Remington Street, Fort Collins, Colorado 80524.

V. I hereby authorize, without reservation, any law enforcement agency, institution, information service bureau, school, employer, reference or insurance company contacted by _____ or its agent, to furnish the information described in Section 1.

VI. I hereby authorize release of information from my Department of Transportation regulated drug and alcohol testing records by my previous employer to _____. This release is in accordance with DOT Regulation 49 CFR Part 40, Section 40.25. I understand that information to be released by my previous employer, is limited to the following DOT-regulated items: alcohol tests with a result of 004 or higher, verified positive drug tests, refusals to be tested, other violations of DOT agency drug and alcohol testing regulations, information obtained from previous employers of a drug and alcohol rule violation and any documentation of completion of the return-to-duty process following a rule violation.

The following information is required by law enforcement agencies and other entities for positive identification purposes when checking public records. It is confidential and will not be used for any other purposes. I hereby release the employer and agents and all persons, agencies, and entities providing information or reports about me from any and all liability arising out of the requests for or release of any of the above mentioned information or reports.

Please print your full name: Zerbst (LAST) Karl (FIRST) Henry Jr. (MIDDLE)

Please print other names you have used:

Home Address: REDACTED

City: _____ State: _____ Zip Code: _____

Social Security Number: _____ Date of Birth: _____

The following states require sex and/or race to obtain information: AL, AR, FL, GA, IA, IL, IN, MI, OR, SC, TX, WI

Sex: ☑ Male ☐ Female

Race: ☐ Asian ☐ Black ☐ Hispanic ☑ White ☐ Other

Driver's License Number: REDACTED State Issuing License: _____

Name as it appears on license: Karl H. Zerbst Jr.

Signature: Karl H. Zerbst Today's Date: 1/9/08

If required, notarize here
When using an embossed seal, please shade with a pencil before faxing.

Subscribed and sworn before me:

Name: _____

Date: _____

Notary Public: _____

My Commission Expires: _____

THIS PAGE CONTAINS SENSITIVE INFORMATION. KEEP ONLY IN SECURE FILES, SEPARATELY FROM PERSONNEL RECORDS!

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01845

# Form W-4 (2008)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2008 expires February 16, 2009. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** You cannot claim exemption from withholding if (a) your income exceeds $900 and includes more than $300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on their tax return.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earner/multiple job situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances.

**Head of household.** Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

***Nonresident alien.*** *If you are a nonresident alien,* see the instructions for Form 8233 before completing this Form W-4.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your projected total tax for 2008. See Pub. 919, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

## Personal Allowances Worksheet (Keep for your records.)

| | | | |
|---|---|---|---|
| A | Enter "1" for **yourself** if no one else can claim you as a dependent | A | 1 |
| B | Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less. | B | |
| C | Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job (Entering "-0-" may help you avoid having too little tax withheld.) | C | |
| D | Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return | D | |
| E | Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above) | E | |
| F | Enter "1" if you have at least $1,500 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.) | F | |
| G | **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $58,000 ($86,000 if married), enter "2" for each eligible child. • If your total income will be between $58,000 and $84,000 ($86,000 and $119,000 if married), enter "1" for each eligible child plus "1" additional if you have 4 or more eligible children. | G | |
| H | Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ▶ | H | 1 |

**For accuracy, complete all worksheets that apply.**

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed $40,000 ($25,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Cut here and give Form W-4 to your employer. Keep the top part for your records.

## Form W-4 Employee's Withholding Allowance Certificate

Department of the Treasury Internal Revenue Service

▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

OMB No. 1545-0074

**2008**

| | | |
|---|---|---|
| 1 Type or print your first name and middle initial. Last name | 2 Your social security number |
| [redacted] Zerbst | [redacted] |
| Home address (number and street or rural route) [redacted] | 3 ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box. |
| City or town, state, and ZIP code | 4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ ☐ |
| 5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) | 5 1 |
| 6 Additional amount, if any, you want withheld from each paycheck | 6 $ |
| 7 I claim exemption from withholding for 2008, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here | 7 |

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (Form is not valid unless you sign it.) ▶ [redacted] Date ▶ 1/18/08

| | | |
|---|---|---|
| 8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) | 9 Office code (optional) | 10 Employer identification number (EIN) |

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2008)

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01846

# Form W-4 (2010)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2010 expires February 16, 2011. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** You cannot claim exemption from withholding if (a) your income exceeds $950 and includes more than $300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on his or her tax return.

**Basic instructions.** If you are not exempt, complete the Personal Allowances Worksheet below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the *Personal Allowances Worksheet* below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

**Nonresident alien.** If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 919 to see how the amount you are having withheld compares to your projected total tax for 2010. See Pub 919, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

## Personal Allowances Worksheet (Keep for your records.)

| | | | |
|---|---|---|---|
| A | Enter "1" for yourself if no one else can claim you as a dependent | A | 1 |
| B | Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less. | B | |
| C | Enter "1" for your spouse. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) | C | |
| D | Enter number of dependents (other than your spouse or yourself) you will claim on your tax return | D | 2 |
| E | Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above) | E | |
| F | Enter "1" if you have at least $1,800 of child or dependent care expenses for which you plan to claim a credit (**Note.** Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.) | F | |
| G | **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $61,000 ($90,000 if married), enter "2" for each eligible child; then less "1" if you have three or more eligible children. • If your total income will be between $61,000 and $84,000 ($90,000 and $119,000 if married), enter "1" for each eligible child plus "1" additional if you have six or more eligible children. | G | |
| H | Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ▶ | H | 3 |

**For accuracy, complete all worksheets that apply.**
- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2.
- If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed $18,000 ($32,000 if married), see the Two-Earners/Multiple Jobs Worksheet on page 2 to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Cut Here and give Form W-4 to your employer. Keep the top part for your records.

**Form W-4** — **Employee's Withholding Allowance Certificate**

Department of the Treasury, Internal Revenue Service

▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

OMB No. 1545-0074

**2010**

| | | | |
|---|---|---|---|
| 1 | Type or print your first name and middle initial. Ryan H. | Last name Zerbst | 2 Your social security number REDACTED |
| | Home address (number and street or rural route) REDACTED | 3 ☒ Single ☐ Married ☐ Married, but withhold at higher Single rate. Note: If married, but legally separated, or spouse is a nonresident alien, check the "Single" box. | |
| | City or town, state, and ZIP code | 4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ ☐ | |
| 5 | Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) | 5 | |
| 6 | Additional amount, if any, you want withheld from each paycheck | 6 | $ |
| 7 | I claim exemption from withholding for 2010, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ▶ | 7 | |

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (Form is not valid unless you sign it) ▶ [signature] Date ▶ 4/14/10

| | | | |
|---|---|---|---|
| 8 | Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) | 9 Office code (optional) | 10 Employer identification number (EIN) |

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2010)

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01847

OMB No. 1615-0047; Expires 06/30/08

Department of Homeland Security
U.S. Citizenship and Immigration Services

# Form I-9, Employment Eligibility Verification

**Please read instructions carefully before completing this form. The instructions must be available during completion of this form.**

**ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work eligible individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents have a future expiration date may also constitute illegal discrimination.**

**Section 1. Employee Information and Verification.** To be completed and signed by employee at the time employment begins.

| Print Name: Last | First | Middle Initial | Maiden Name |
|---|---|---|---|
| Zerbst | Karl | Henry | Jr. |

| Address (Street Name and Number) | Apt. # | Date of Birth (month/day/year) |
|---|---|---|
| REDACTED | | REDACTED |

| City | State | Zip Code | Social Security # |
|---|---|---|---|
| | | | |

**I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.**

I attest, under penalty of perjury, that I am (check one of the following):
- [x] A citizen or national of the United States
- [ ] A lawful permanent resident (Alien #) A
- [ ] An alien authorized to work until (Alien # or Admission #)

Employee's Signature: Karl H. Zerbst — Date (month/day/year): 1/18/08

**Preparer and/or Translator Certification.** *(To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.*

Preparer's/Translator's Signature — Print Name

Address (Street Name and Number, City, State, Zip Code) — Date (month/day/year)

**Section 2. Employer Review and Verification.** To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number and expiration date, if any, of the document(s).

| List A | OR | List B | AND | List C |
|---|---|---|---|---|
| Document title: | | Ga. Driver's License | | Social Security Card |
| Issuing authority: | | REDACTED | | REDACTED |
| Document #: | | | | |
| Expiration Date (if any): | | | | |
| Document #: | | | | |
| Expiration Date (if any): | | | | |

**CERTIFICATION.** I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) _____ and that to the best of my knowledge the employee is eligible to work in the United States. (State employment agencies may omit the date the employee began employment.)

| Signature of Employer or Authorized Representative | Print Name | Title |
|---|---|---|
| | Amy Bigham | SC - HR Coordinator |

| Business or Organization Name and Address (Street Name and Number, City, State, Zip Code) | Date (month/day/year) |
|---|---|
| Ameris Bank 24 Second Ave. Moultrie GA 31768 | 1/18/2008 |

**Section 3. Updating and Reverification.** To be completed and signed by employer.

| A. New Name (if applicable) | B. Date of Rehire (month/day/year) (if applicable) |
|---|---|
| | |

C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment eligibility.

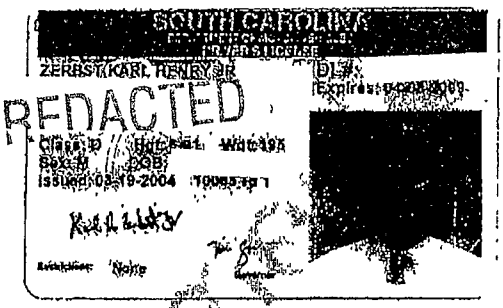
Document Title: _____ Document #: _____ Expiration Date (if any): _____

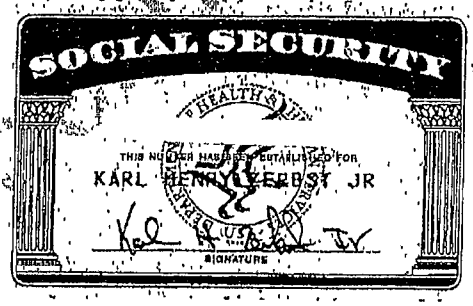
**I attest, under penalty of perjury, that to the best of my knowledge, this employee is eligible to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.**

| Signature of Employer or Authorized Representative | Date (month/day/year) |
|---|---|
| | |

Form I-9 (Rev. 06/05/07) N

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01848




REDACTED

Amended

# Direct Deposit

We are pleased to be able to offer you a new payday convenience—*Direct Deposit*. Now you can have your paycheck automatically deposited in your checking or savings account on payday. **And you don't have to change your present banking relationship to take advantage of this service.**

*Direct Deposit* will help you in many ways.
- It saves trips to your financial institution
- It saves time in depositing checks—no long payday lines to wait in.
- It eliminates the possibility of lost, stolen or forged checks.
- Your money is deposited faster—reduces the possibility of overdrafts.
- It means you get your money deposited to your account even if you're on vacation or away from the office on business or illness.

Here's how *Direct Deposit* works:
On payday you will receive an earnings statement showing gross salary, taxes, other deductions, and net pay. *Your money will already have been deposited in* your account. The amount of the deposit will appear on your bank statement. We believe you will like the added convenience of having your net pay automatically deposited for you.

*Direct Deposit* is safe, convenient and easy. To take advantage of this service, complete the attached authorization form and return it to the Payroll Department.

*The authorization form, which is provided on the reverse side, gives your company and your financial institution authority to deposit your pay to your account. Simply complete the form in order to take advantage of Direct Deposit.*

All you need do is
1. Mark the box before type of account to indicate whether your pay will be deposited in your checking or savings account
2. Fill in your name, financial institution name and location, and date.
3. Attach a voided check for verification of all financial institution information. If you are unable to attach the voided check, please fill in your account number.

NOTE: Be sure to sign the form!

## EMPLOYEE'S AUTHORIZATION

Please fill out and return to the Payroll Department

I authorize you and the financial institution listed below to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credit entries in error to my:

☑ checking account ☐ savings account

each pay period. This authority will remain in effect until I have cancelled it in writing.

11/18/08
Date

REDACTED
FINANCIAL INSTITUTION

Karl H. Zerbst Jr.
NAME (PLEASE PRINT)

REDACTED
BRANCH

REDACTED
ACCOUNT NUMBER AT FINANCIAL INSTITUTION

CITY STATE

Karl H. Zerbst
SIGNATURE

TRANSIT ROUTING NUMBER ACCOUNT NUMBER INFORMATION

REDACTED ]

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01850

## AUTOMATIC DEPOSIT OF ACH AGREEMENT

Please type or print this form legibly to avoid delay in processing payment. If you have any questions, contact the Accounts Payable Department, Ameris Bank in Moultrie, GA at 229 890-1111.

Individual Name Karl A. Zerbst Jr. Bank Location: _____

Address _____

City REDACTED State _____ Zip _____

Telephone # _____

I hereby authorize Ameris Bank to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my checking or savings account as indicated below and the DEPOSITORY named below to credit and/or debit the same to such account.

Depository Name _____

Depository Branch _____

City _____ State _____ Zip _____

Transit/ABA # REDACTED

Checking Account _____

Or

Savings Account _____

This authority is to remain in full force and effect until written notification of termination has been received by either party in such time and in such manner as to afford Ameris Bank a reasonable opportunity to act on such notification.

Signed Karl A. Zerbst Jr.
(Individual)

Print Name Karl A. Zerbst Jr.

Date of Signature 1/18/08 Position/ Title Market President

Attached to this form a voided check of the checking account to credit.

Mailing address is as follows:

Ameris Bank
Accounts Payable
P O Box 3668
Moultrie, GA 31776

Or fax this form and voided check to Accounts Payable Dept (229) 873-3614.

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01851

SSN: RE[illegible] Name. KARL H ZERBST JR Participant Web Site

General Info. | Transaction History | Loan Info. | Vesting Info. | Acct. Balance | Beneficiaries | Select another participant

Transaction History Oct-25-2010 to Apr-25-2011

| Confirmation Number | Effective Date | Transaction Type | Amount |
|---|---|---|---|
| Total | | | |

Display

- ○ Summary
- ◉ All Transactions (Including Dividends and Fees)
- ○ Contribution Transactions
- ○ Transfer Transactions
- ○ Withdrawal Transactions

Select new dates to view between Apr-25-2007 and today.

From: Oct 25 2010

To: Apr 25 2011

Submit



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01852

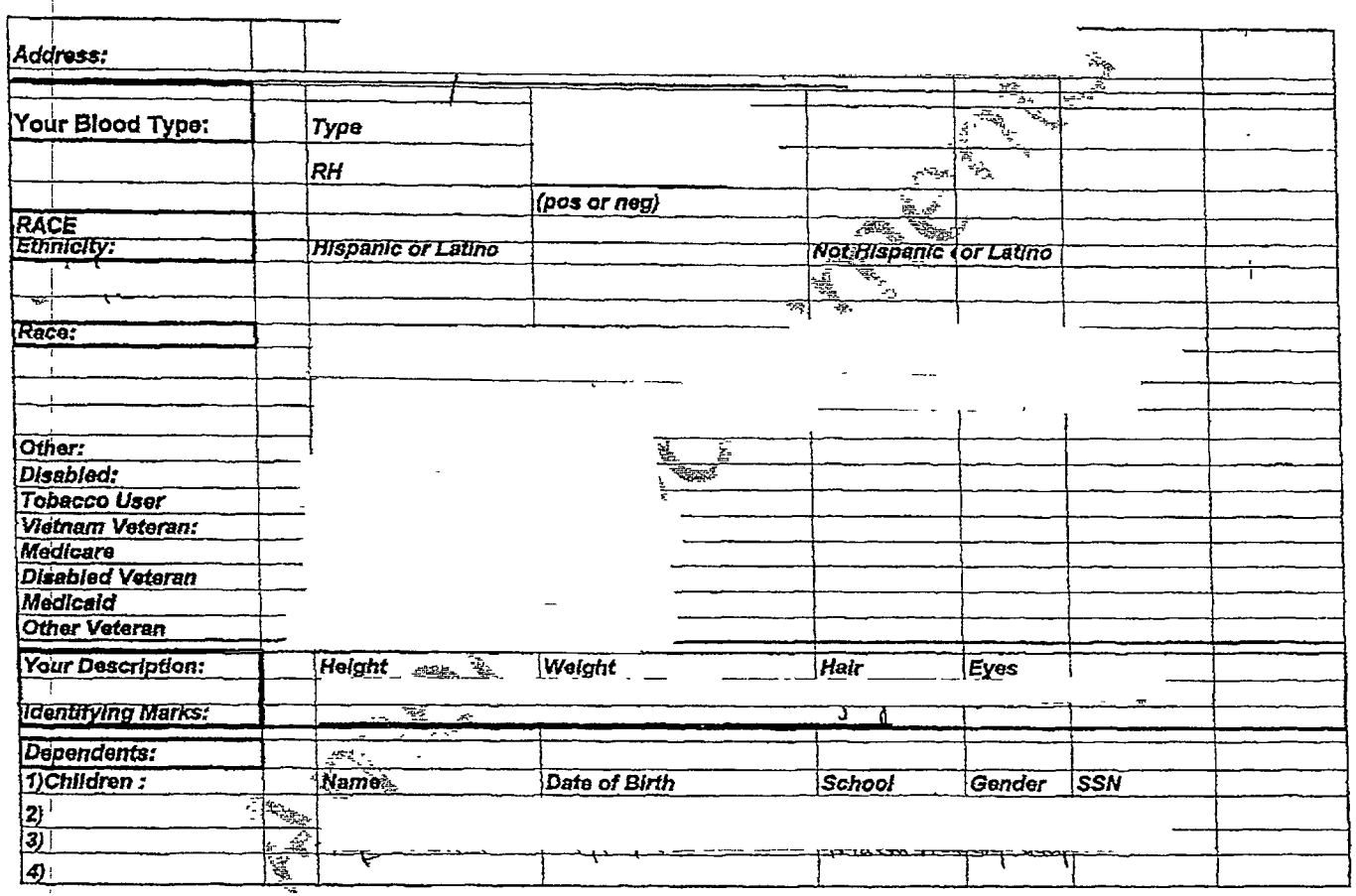
REDACTED

| AMERIS BANK PERSONAL DATA SHEET - CONFIDENTIAL | | | | | | |
|---|---|---|---|---|---|---|
| **Employee Information:** | | | | | | |
| *First Name* | *Middle Name* | *Last Name* | | | | |
| Karl | Henry | Zerbst Jr. | | | | |
| *Date of Birth* | *Gender* | *SSN* | | | | |
| | Male | | | | | |
| *Phone:* | *Listed* | *Unlisted* | *Cell* | | | |
| | | | Same | | | |
| **Address:** | | | | | | |
| *Street* | | | | | | |
| *City* | | | | | | |
| *State* | | | | | | |
| *Zip Code* | | | | | | |
| **Marital Status:** | | | | | | |
| *Married* | | | | | | |
| *Single* | | | | | | |
| *Unmarried* | | | | | | |
| *Divorced* | | | | | | |
| **Physician's Name and Address:** | | | | | | |
| *Name:* | | | | | | |



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01853

REDACTED



| | | | | | |
|---|---|---|---|---|---|
| Address: | | | | | |
| Your Blood Type: | Type | | | | |
| | RH | | | | |
| | | (pos or neg) | | | |
| RACE | | | | | |
| Ethnicity: | Hispanic or Latino | | Not Hispanic or Latino | | |
| Race: | | | | | |
| Other: | | | | | |
| Disabled: | | | | | |
| Tobacco User | | | | | |
| Vietnam Veteran: | | | | | |
| Medicare | | | | | |
| Disabled Veteran | | | | | |
| Medicaid | | | | | |
| Other Veteran | | | | | |
| Your Description: | Height | Weight | Hair | Eyes | |
| Identifying Marks: | | | | | |
| Dependents: | | | | | |
| 1)Children : | Name | Date of Birth | School | Gender | SSN |
| 2) | | | | | |
| 3) | | | | | |
| 4) | | | | | |

Ameris Bank Personal Data Sheet

last up date 6/3/2007

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01854

REDACTED

| | | | | | | |
|---|---|---|---|---|---|---|
| 5) | | | | | | |
| 6) | | | | | | |
| Spouse's Name: | | | | | | |
| Spouse's Description: | | | | | | |
| Spouse's day time phone: | | | | | | |
| Should we use your spouse as the person to call in case of emergency? | | | | | | |
| YES | | | | | | |
| NO | | | | | | |
| If No, who? | | | | | | |
| | Day time phone number: | | | | | |
| | Night time phone number: | | | | | |
| Family Vehicles: | Make | Year | Model | Color | License | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| Contact Information: | | | | | | |
| | Home Phone | Personal Wireless | Personal Pager | Home E-mail | | |
| Contact name (1) | | | | | | |
| Contact name (2) | | | | | | |
| Beneficiary (if other than spouse): | | | | | | |



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01855

LabCorp
Laboratory Corporation of America

LabCorp OTS RTP
1904 Alexander Drive, RTP, NC 27709-0000

Phone 919-572-6900

| SPECIMEN | TYPE | PRIMARY LAB | REPORT STATUS | Page #: |
|---|---|---|---|---|
| | | | COMPLETE | 1 |

1778

ADDITIONAL INFORMATION SS#

CLINICAL INFORMATION
S01 LM N CD: 0034902122

| PATIENT NAME | SEX | AGE(YR./MOS.) |
|---|---|---|
| ZERLOST,KARL | N | |

PT ADD:

PHYSICIAN ID. | NPI | PATIENT ID.

ACCOUNT.

| DATE OF COLLECTION | TIME | DATE RECEIVED | DATE REPORTED | TIME |
|---|---|---|---|---|
| 1/14/2008 | | | | |

ACCOUNT NUMBER.

| TEST | RESULT | LIMITS | LAB |
|---|---|---|---|

REDACTED

Pat Name: ZERLOST,KARL | Pat ID: | Spec #: | Seq #:

Results are Flagged in Accordance with Age Dependent Reference Ranges

Last Page of Report

LCM Version: 03.20.00

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01856

**SS&C TECHNOLOGIES** **CREDIT REPORT**

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED | 1/9/2008 | RQD' BY AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED<br>REPOSITORIES<br>PRICE<br>REF. # | 1/9/2008 | PRPD' BY<br>LOAN TYPE |

PROPERTY ADDRESS

| | APPLICANT | | CO-APPLICANT |
|---|---|---|---|
| APPLICANT | ZERBST, KARL HENRY | CO-APPLICANT | |
| SOC SEC # | DOB | SOC SEC # | DOB |
| MARITAL STATUS | | DEPENDENTS | |
| CURRENT ADDRESS | | | LENGTH |
| PREVIOUS ADDRESS | | | LENGTH |

SCORE MODELS

REDACTED

ECOA KEY: B=BORROWER, C=CO-BORROWER; J=JOINT, U=UNDESIGNATED; A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER



The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence as it complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHMC, FHA, VA and the Farmers Home Administration

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01857

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED 1/9/2008<br>REPOSITORIES<br>PRICE<br>REF. # | PRPD' BY<br>LOAN TYPE | |

PROPERTY ADDRESS

| | APPLICANT | | CO-APPLICANT | |
|---|---|---|---|---|
| APPLICANT | ZERBST, KARL HENRY | | CO-APPLICANT | |
| SOC SEC # | | DOB | SOC SEC # | DOB |
| MARITAL STATUS | | | DEPENDENTS | |

REDACTED

ECOA KEY: B=BORROWER; C=CO-BORROWER; J=JOINT; U=UNDESIGNATED; A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER



The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHLMC, FHA, VA and the Farmers Home Administration.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01858

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED | 1/9/2008 | RQD' BY AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED<br>REPOSITORIES<br>PRICE<br>REF. # | 1/9/2008 | PD' BY<br>LOAN TYPE |

PROPERTY ADDRESS

| APPLICANT | | CO-APPLICANT | |
|---|---|---|---|
| APPLICANT | ZERBST, KARL HENRY | CO-APPLICANT | |
| SOC SEC # | DOB | SOC SEC # | DOB |
| MARITAL STATUS | | DEPENDENTS | |

REDACTED

ECOA KEY: B=BORROWER, C=CO-BORROWER; J=JOINT; U=UNDESIGNATED, A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER



The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquiry has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complied with the provisions of Public Law 91 508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHLMC, FHA, VA and the Farmers Home Administration.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01859

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED | 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED<br>REPOSITORIES<br>PRICE<br>REF # | 1/9/2008 | PRPD' BY<br>LOAN TYPE | |
| PROPERTY ADDRESS | | | | | | |
| | APPLICANT | | | CO-APPLICANT | | |
| APPLICANT | ZERBST, KARL HENRY | | CO-APPLICANT | | | |
| SOC SEC # | | DOB | SOC SEC # | | DOB | |
| MARITAL STATUS | | | DEPENDENTS | | | |

REDACTED

ECOA KEY: B=BORROWER; C=CO-BORROWER; J=JOINT; U=UNDESIGNATED, A=AUTHORIZED USER; P=PARTICIPANT, S=CO-SIGNER

SS&C TECHNOLOGIES: 7803 GLENROY RD, STE 100, BLOOMINGTON, MN 55439 (P) 866-344-0556 (F) 952-928-0774
The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHLMC, FHA, VA and the Farmers Home Administration.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01860

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED 1/9/2008<br>REPOSITORIES<br>PRICE<br>REF. # | PRPD' BY<br>LOAN TYPE | |
| PROPERTY ADDRESS | | | | | |
| | APPLICANT | | | CO-APPLICANT | |
| APPLICANT | ZERBST, KARL HENRY | | CO-APPLICANT | | |
| SOC SEC # | | DOB | SOC SEC # | DOB | |
| MARITAL STATUS | | | DEPENDENTS | | |

REDACTED

ECOA KEY: B=BORROWER; C=CO-BORROWER; J=JOINT; U=UNDESIGNATED; A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER



The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquiry has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91 508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHLMC, FHA, VA and the Farmers Home Administration



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01861

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED | 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED<br>REPOSITORIES<br>PRICE<br>REF. # | 1/9/2008 | PRPD' BY<br>LOAN TYPE | |

PROPERTY ADDRESS

| APPLICANT | | CO-APPLICANT | |
|---|---|---|---|
| APPLICANT | ZERBST, KARL HENRY | CO-APPLICANT | |
| SOC SEC # | DOB | SOC SEC # | DOB |
| MARITAL STATUS | | DEPENDENTS | |

REDACTED

ECOA KEY: B=BORROWER, C=CO-BORROWER; J=JOINT; U=UNDESIGNATED; A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER

SS&C TECHNOLOGIES, 7803 GLENROY RD, STE 100, BLOOMINGTON, MN 55439 (P) 866-344-0566 (F) 952-928-0774
The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The requirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHMC, FHA, VA and the Farmers Home Administration



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01862

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED | 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED<br>REPOSITORIES<br>PRICE<br>REF. # | 1/9/2008 | PRPD' BY<br>LOAN TYPE | |

PROPERTY ADDRESS

| APPLICANT | | CO-APPLICANT | |
|---|---|---|---|
| APPLICANT | ZERBST KARL HENRY | CO-APPLICANT | |
| SOC SEC # | DOB | SOC SEC # | DOB |
| MARITAL STATUS | | DEPENDENTS | |

REDACTED

ECOA KEY. B=BORROWER; C=CO-BORROWER; J=JOINT; U=UNDESIGNATED; A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER

SS&C TECHNOLOGIES, 7803 GLENROY RD, STE 100, BLOOMINGTON, MN 55429 (P) 866-344-0556 (F) 952-928-0774
The information is furnished in response to an inquiry for the purpose of evaluating credit data. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHMC, FHA, VA and the Farmers Home Administration.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01863

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED | 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED<br>REPOSITORIES<br>PRICE<br>REF. # | 1/9/2008 | PRPD' BY<br>LOAN TYPE | |

PROPERTY ADDRESS

| APPLICANT | | CO-APPLICANT | |
|---|---|---|---|
| APPLICANT | ZERBST, KARL HENRY | CO-APPLICANT | |
| SOC SEC # | DOB | SOC SEC # | DOB |
| MARITAL STATUS | | DEPENDENTS | |

An asterisk (*) following the payment amount indicates the repositories have no payment data and that the amount was automatically calculated as a percentage of the account balance.

This is a report containing information supplied by the repositories listed above. The merge process is automated and the report may include some duplications and/or omissions. Inquiries regarding any disputed items should be directed to the creditor reporting the item, or to the appropriate repository service center(s) listed below.

| EXPERIAN | TRANSUNION | EQUIFAX |
|---|---|---|
| PO BOX 2002 | PO BOX 1000 | PO BOX 740241 |
| ALLEN, TX 75013 | CHESTER, PA 19022 | ATLANTA, GA 30374 |
| 888-397-3742 | 800-888-4213 | 800-685-1111 |
| www experian.com/reportaccess | www.transunion com | www.equifax.com |

*MISCELLANEOUS INFORMATION*

ECOA KEY, B=BORROWER; C=CO-BORROWER; J=JOINT, U=UNDESIGNATED, A=AUTHORIZED USER; P=PARTICIPANT, S=CO-SIGNER

SS&C TECHNOLOGIES; 7803 GLENROY RD. STE 100, BLOOMINGTON, MN 55439 (P) 866-344-0556 (F) 952-928-0774
The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHMC, FHA, VA and the Farmers Home Administration.

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01864

| | | | | | |
|---|---|---|---|---|---|
| FILE # | 437844 | FNMA # | DATE COMPLETED 1/9/2008 | RQD' BY | AL STEPHENSON |
| PREPARED FOR | ABC BANCORP - 1973221T<br>310 FIRST STREET SE<br>MOULTRIE, GA 31768 | | DATE ORDERED 1/9/2008<br>REPOSITORIES<br>PRICE<br>REF. # | PRPD' BY<br>LOAN TYPE | |
| PROPERTY ADDRESS | | | | | |
| | APPLICANT | | | CO-APPLICANT | |
| APPLICANT | ZERBST, KARL HENRY | | CO-APPLICANT | | |
| SOC SEC # | | DOB | SOC SEC # | | DOB |
| MARITAL STATUS | | | DEPENDENTS | | |

REDACTED

*** END OF REPORT 1/9/2008 12:00:53 PM ***

ECOA KEY: B=BORROWER, C=CO-BORROWER; J=JOINT, U=UNDESIGNATED; A=AUTHORIZED USER; P=PARTICIPANT; S=CO-SIGNER

SS&C TECHNOLOGIES: 7803 GLENROY RD. STE 100, BLOOMINGTON, MN 55429 (P) 866-344-0566 (F) 952-928-0774

The information is furnished in response to an inquiry for the purpose of evaluating credit risks. It has been obtained from sources deemed reliable, the accuracy of which this organization does not guarantee. The inquirer has agreed to indemnify that reporting bureau for any damage arising from misuse of this information, and this report is furnished in reliance upon that indemnity. It must be held in strict confidence and complies with the provisions of Public Law 91-508, the Fair Credit Reporting Act. Reporting bureau certifies that all Residential Mortgage Credit Reports meet the standards prescribed by FNMA, FHLMC, FHA, VA and the Farmers Home Administration.

Ameris Document

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01865

ABC BANCORP
310 FIRST STREET SE
MOULTRIE, GA 31768
000-0000

**NOTICE TO THE HOME LOAN APPLICANT**

CREDIT SCORE INFORMATION DISCLOSURE

ZERBST, KARL HENRY

REDACTED

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01866

REDACTED

Borrower Signature _____ Date _____

Ameris Document

ABC BANCORP
310 FIRST STREET SE
MOULTRIE, GA 31768
000-0000

**NOTICE TO THE HOME LOAN APPLICANT**
CREDIT SCORE INFORMATION DISCLOSURE

ZERBST, KARL HENRY

REDACTED

1/9/2008

REDACTED

Ameris Document

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01869

Request Form | List Page

Ameris Document

1/9/2008

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01870

ADP
Screening and
Selection Services

AMERIS BANCORP
SSN: REDACTED
Zerbst Jr., Karl Henry

# ID Link

## Crimlink + National Sex Offender Registry

Order/Item: 16049465-2
Order Date: 01/09/2008
Requester Amy Bigham

Product Coverage: Crimlink + National Sex Offender Registry is a multi-jurisdictional criminal history database which contains more than 350 million records. Jurisdictions searched include Traffic Courts, Superior and Circuit Courts, Administrative Office of the Court (AOC), Department of Corrections (DOC), State Sex Offender Registries (SOR) and Terrorist Watch List (OFAC) records. Inclusion of these national, state and county level jurisdictions in the database vary by state and county.

REDACTED

Jurisdictions Searched:
Crimlink is a multi-jurisdictional criminal history database which serves to identify potential criminal history records based upon a name (first, middle and last) and date of birth match. If a date of birth is not available in the record contained in the database, a record will be matched by name only. Sex Offender Registries (SOR) records are only matched by name.

Jurisdictions that are searched in Crimlink consist of Traffic Courts, Superior and Circuit Courts, Administrative Office of the Court (AOC), Department of Corrections (DOC) and Sex Offender Registry (SOR) records. Inclusion of these national, state and county level jurisdictions vary by state and county. Please see the most current list of included jurisdictions for complete details in the Resource Library, General ADP Information, Product Information section.

It is the recommendation of ADP Screening and Selection Services that all records that are returned by searching the Crimlink database be verified for completeness and accuracy with county court level searches, particularly before taking any adverse action.

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01871

ADP
Screening and
Selection Services

AMERIS BANCORP

SSN: REDACTED
Zerbst Jr, Karl Henry

# ID Link

Fair Credit Reporting Act Notice:

Your acceptance of this report implies you are in full compliance with the Fair Credit Reporting Act (FCRA, Public Law 91-508, Title VI) as amended by the Consumer Credit Reporting Reform Act of 1996 (Public Law 104-208, Title II). Although every effort has been made to assure accuracy, ADP Screening and Selection Services cannot act as guarantor of information, accuracy or completeness. The depth of information varies from product source to product source. Final verification of an individual's identity and proper use of the report is the user's responsibility. We require the purchaser of these reports to have signed a Consumer Report User Agreement certifying that users are familiar with, and will abide by the provisions of the Fair Credit Reporting Act and the Consumer Credit Reporting Reform Act. Please contact Customer Service for further information/assistance.

Ameris Document

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01872

# Paragon Benefits Inc.

P. O. Box 4629
Columbus, GA 31914-0629
(706)256-4029 or 1-800-277-0210

REQUIRED INFORMATION

List # of remaining pay periods

## PRE-TAX BENEFIT PLAN
FOR EMPLOYEES OF
Ameris Bank 8808

Preferred Email Address: Kay[illegible]@aol.com
NAME: Kay[illegible] REDACTED
ADDRESS: REDACTED
Gender: NO
First time enrolling: Re-enrollment: X

SOCIAL SECURITY NO.: REDACTED
DATE OF BIRTH:
DATE OF HIRE: [illegible]
EFFECTIVE DATE: 1-1-09
1ST PAYROLL DEDUCTION DATE:

### GROUP INSURANCE PRE-TAX CONTRIBUTIONS

REDACTED

PER YEAR

### HEALTH CARE EXPENSE REIMBURSEMENT PLAN

REDACTED

### DEPENDENT CARE ASSISTANCE PLAN

You may choose to contribute pre-tax dollars that can be used to pay certain dependent care expenses incurred during the plan year. You should only contribute an amount that you will be certain to use for dependent care because current tax law does not allow you to receive a refund or to use the balance for another purpose.

___ I CHOOSE NOT TO ENROLL IN THE DEPENDENT CARE ASSISTANCE PLAN. I REALIZE THAT, SHOULD I DESIRE TO ENROLL IN THIS PLAN IN THE FUTURE, I MUST WAIT UNTIL THE NEXT ANNUAL ENROLLMENT.

___ I ELECT TO REDUCE MY SALARY TO FUND MY DEPENDENT CARE ASSISTANCE PLAN WITH PRE-TAX DOLLARS.

EMPLOYER CONTRIBUTIONS
SALARY REDUCTION FOR THE DEPENDENT CARE ASSISTANCE PLAN $ _____ PER PAY and $ 0.00 PER YEAR

### Visa Debit - My Care Card

___ I elect to receive a Mastercard or Visa Swipe Card for only the use of Medical copays, deductibles, coinsurance and/or pharmacy items(prescriptions/over the counter medicines) for the use of medical treatment.

___ *I elect to receive an additional Mastercard or Visa Swipe Card for my eligible spouse/dependent as follows:*

Name _____ Social Security _____ Date of Birth _____ Relationship _____

I have read this election form and accompanying materials regarding the options available to me under the Pre-tax Benefits Plan. I understand that this election is binding and cannot be changed except under limited circumstances established by the Plan. I also understand that my rights to any unused portion of the amounts allocated to my account(s) will revert to my employer at the end of the plan year, or earlier if I terminate employment. I authorize my employer to reduce my salary by the amounts indicated above.

EMPLOYEE'S SIGNATURE [signature] DATE 12/1/08

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01873

PARAGON BENEFITS, INC.

REQUIRED FORM: EACH AMERIS BANK EMPLOYEE MUST COMPLETE, SIGN AND DATE A FORM.

SECTION 125 PRE-TAX BENEFIT PLAN ELECTION FOR THE EMPLOYEES OF AMERIS BANK GROUP #8808

EACH EMPLOYEE IS REQUIRED TO COMPLETE THE PERSONAL IDENTIFICATION INFORMATION TO UPDATE OUR FILES AND MUST ALSO INDICATE IF YOU CHOOSE OR CHOOSE NOT TO ENROLL IN EACH PROGRAM. AFTER COMPLETING EACH SECTION, YOU MUST SIGN AND DATE THIS FORM ON THE BACK IN THE AREA INDICATED.

## SECTION A: EMPLOYEE INFORMATION

EMPLOYEE NAME: Karl H. Zerbst, Jr. SOCIAL SECURITY NUMBER: REDACTED

ADDRESS: REDACTED EMAIL ADDRESS: KarlZerbst@AmerisBank.com

DATE OF BIRTH:

CITY: ST: ZIP: GENDER: ☑ Male ☐ Female

## SECTION B: GROUP INSURANCE PRE-TAX PREMIUM CONVERSION

The IRS Tax Code allows you to set aside pre-tax dollars from each pay check to pay the cost of your responsibility for eligible health, accident, and life insurance benefits. Eligible benefits include but are not limited to costs associated with dependent group medical coverage, vision, dental, cancer insurance as well as any employee cost for up to a total of $50,000 of employee group term life coverage. This results in tax savings and an increase in your take home pay when compared to paying the same premium amount with after-tax dollars. You must make a decision regarding participation for each Plan Year and your election is binding for the Plan Year unless you have a qualified life changing event. Should your employment terminate, any remaining pre-tax contributions may not be returned to you

I CHOOSE NOT TO ENROLL IN THE PRE-TAX BENEFITS PLAN I REALIZE THAT SHOULD I DESIRE TO ENROLL IN THIS PLAN IN THE FUTURE, I MUST WAIT UNTIL THE NEXT ANNUAL ENROLLMENT.

I CHOOSE TO PARTICIPATE IN THE PRE-TAX BENEFITS PLAN. PLEASE REDUCE MY SALARY TO PAY FOR MY RESPONSIBILITY FOR ELIGIBLE GROUP INSURANCE PREMIUMS.

The amount of salary reduction is calculated by HR at the end of the Open Enrollment Enrollment period. All eligible voluntary benefit deductions are added together to arrive at the amount of the total dollars deducted on a pre-tax basis from your pay.

## SECTION C: HEALTH CARE EXPENSE FLEXIBLE SPENDING ACCOUNT (FSA)

You may choose to contribute pre-tax dollars to a health care flexible spending account to reimburse eligible health care expenses incurred during the Plan Year. Consider your anticipated expenses carefully. You should only contribute an annual amount that you feel certain you will use for eligible health care expenses because current tax law does not allow you to receive a refund or to use any unused funds remaining in the account at the end of the your deadline for filing claims for any other purpose.

I CHOOSE NOT TO ENROLL IN THE HEALTH CARE REIMBURSEMENT PLAN. I REALIZE THAT SHOULD I DESIRE TO ENROLL IN THIS PLAN IN THE FUTURE, I MUST WAIT UNTIL THE NEXT ANNUAL ENROLLMENT.

I CHOOSE TO PARTICIPATE IN THE HEALTH CARE REIMBURSEMENT PLAN, PLEASE REDUCE MY SALARY TO PAY FOR MY FSA CONTRIBUTION.

EMPLOYEE CONTRIBUTION: Per Pay Salary Reduction $_____ and Per Year Salary Reduction $_____

ADDITIONAL EMPLOYER CONTRIBUTION: Per Pay Salary Reduction $_____ and Per Year Salary Reduction $_____

## SECTION D: DEPENDENT CARE ASSISTANCE PLAN

You may choose to contribute pre-tax dollars to a dependent care account that may be used to reimburse certain dependent care expenses such as day care or elder care for your tax dependents. Expense must be incurred during the Plan Year. Expense must be incurred in order for you (and your spouse if you are married) to be able to work. Consider your anticipated expenses carefully. You should only contribute an annual amount that you feel certain you will use for eligible dependent care expenses because current tax law does not allow you to receive a refund or to use any unused funds remaining in the account at the end of the your deadline for filing claims for any other purpose.

I CHOOSE NOT TO ENROLL IN THE HEALTH CARE REIMBURSEMENT PLAN I REALIZE THAT SHOULD I DESIRE TO ENROLL IN THIS PLAN IN THE FUTURE, I MUST WAIT UNTIL THE NEXT ANNUAL ENROLLMENT.

I CHOOSE TO PARTICIPATE IN THE HEALTH CARE REIMBURSEMENT PLAN PLEASE REDUCE MY SALARY TO PAY FOR MY FSA CONTRIBUTION.

EMPLOYEE CONTRIBUTION: Per Pay Salary Reduction $_____ and Per Year Salary Reduction $_____

ADDITIONAL EMPLOYER CONTRIBUTION: Per Pay Salary Reduction $_____ and Per Year Salary Reduction $_____

YOU MUST COMPLETE THE SECTION ON BACK OF THIS FORM TO REQUEST A FSA DEBIT CARD
YOU MUST SIGN AND DATE THE FORM ON THE BACK AFTER INDICATING AN ELECTION FOR EACH SECTION

REDACTED

Zerbst, Karl

PARAGON BENEFITS, INC.

SECTION 125 PRE-TAX BENEFIT PLAN ELECTION FOR THE EMPLOYEES OF AMERIS BANK GROUP #8808
PAGE TWO

REDACTED

## FSA DEBIT CARD

THIS SECTION MUST BE COMPLETED BY NEW PARTICIPANTS TO REQUEST A FSA DEBIT CARD TO USE WITH YOUR FLEXIBLE SPENDING ACCOUNT.

Cards are issued for a three year time period. If you currently participate in the Flexible Spending Account Program and have an active card, your card is simply reloaded each Plan Year until the expiration date. Prior to the expiration date, a new card will be issued to active participants who need a new card.

The FSA Debit Card works just like a debit card does with your personal checking account. You may swipe the FSA Debit Card for eligible expenses. You pay for your FSA eligible expense by swiping your FSA Debit Card and the transaction processes as a credit to automatically deduct the funds from your FSA Account.

I already participate in the FSA program and currently have a card. I do not need a new card.

I elect to receive a Visa Swipe Card only for the use in paying Medical copays, deductibles, coinsurance and/or prescription drugs or over-the-counter FSA eligible items from an IIAS certified merchant or a 90% Registered Merchant.

I elect to receive an additional swipe card for my eligible spouse and/or dependents as follows:

Name: _____ Relationship: _____ Date of Birth: _____ Social Security Number: _____

Name: _____ Relationship: _____ Date of Birth: _____ Social Security Number: _____

Name: _____ Relationship: _____ Date of Birth: _____ Social Security Number: _____

## AFFIRMATION OF ELECTION

*I have read the election form and all accompanying materials regarding the options available to me under the Section 125 Plan. I understand* that my election is binding and cannot be changed until the next Open Enrollment Period (for the next Plan Year) unless I have one of certain life status changes called qualifying events as established by the Plan. I also understand that my rights to any unused portion of the amounts allocated to my account(s) will revert to my employer at the end of the Plan Year, or earlier if I terminate employment. I also understand that I cannot change contributions between accounts. Once I elect participation in a program, I cannot change the election to redirect contributions to another program.

I authorize my employer to reduce my salary by the amounts indicated on this form.

EMPLOYEE'S SIGNATURE: Karl N. Zerbst DATE OF SIGNATURE: 11/30/09

FOR COMPLETION BY HR

Date of Hire: _____ Effective Date: _____ 1st Pay Deduction Date: _____ # of Remaining Pay Periods in Plan Year: _____

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01875

Paragon Benefits Inc.

P. O. Box 4529
Columbus, GA 31914-0529
(706)256-4023 or 1-800-277-6218

REQUIRED INFORMATION

List # of remaining pay periods

PRE-TAX BENEFIT PLAN
FOR EMPLOYEES OF
Ameris Bank 8808

Preferred Email Address kayl.zeltz@amerisbank.com
NAME Kayl Zeltz
ADDRESS REDACTED
Gender M
First time enrolling Re-enrollment X

SOCIAL SECURITY NO. REDACTED
DATE OF BIRTH
DATE OF HIRE 11/8/04
EFFECTIVE DATE 1-1-09
1ST PAYROLL DEDUCTION DATE

GROUP INSURANCE PRE-TAX CONTRIBUTIONS

REDACTED

HEALTH CARE EXPENSE REIMBURSEMENT PLAN

REDACTED

DEPENDENT CARE ASSISTANCE PLAN

You may choose to contribute pre-tax dollars that can be used to pay certain dependent care expenses incurred during the plan year. You should only contribute an amount that you will be certain to use for dependent care because current tax law does not allow you to receive a refund or to use the balance for another purpose.

____ I CHOOSE NOT TO ENROLL IN THE DEPENDENT CARE ASSISTANCE PLAN. I REALIZE THAT, SHOULD I DESIRE TO ENROLL IN THIS PLAN IN THE FUTURE, I MUST WAIT UNTIL THE NEXT ANNUAL ENROLLMENT.

____ I ELECT TO REDUCE MY SALARY TO FUND MY DEPENDENT CARE ASSISTANCE PLAN WITH PRE-TAX DOLLARS.

EMPLOYER CONTRIBUTION AND
SALARY REDUCTION FOR THE DEPENDENT CARE ASSISTANCE PLAN

$ _____ PER PAY and $ 0.00 PER YEAR

Visa Debit - My Care Card

____ I elect to receive a Mastercard or Visa Swipe Card for only the use of Medical copays, deductibles, coinsurance and/or pharmacy items(prescriptions/over the counter medicines) for the use of medical treatment.

____ I elect to receive an additional Mastercard or Visa Swipe Card for my eligible spouse/dependent as follows:

Name _____ Social Security _____ Date of Birth _____ Relationship _____

I have read this election form and accompanying materials regarding the options available to me under the Pre-tax Benefits Plan. I understand that this election is binding and cannot be changed except under limited circumstances established by the Plan. I also understand that my rights to any unused portion of the amounts allocated to my account(s) will revert to my employer at the end of the plan year, or earlier if I terminate employment. I authorize my employer to reduce my salary by the amounts indicated above.

EMPLOYEE'S SIGNATURE Kayl Zeltz DATE 12/1/08

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01876

Group Insurance Enrollment Card

ASSURANT Employee Benefits

Check one – Employer Use
☐ Initial Employee:
☐ Transfer from Prior Dental
☐ Non-Transfer
☐ New Employee
Date of Hire
☐ Change
☒ Open Enrollment

(Please print clearly.)

| Employer Ameris Bank | Effective Date 01/01/2009 | Location/Division |
|---|---|---|
| Employee First Name Karl | MI H. | Last Name Zerbst Jr. |
| Address REDACTED | | State Zip |
| Social Security No. | Birthdate | Phone Sex ☒M ☐F |

DENTAL COVERAGE

REDACTED

| Do you have eligible dependents? ☒Yes ☐No If "Yes," complete below to enroll them. | Relation | Sex | Birthdate Mo | Day | Year | For children age 19 or older, indicate if a full-time student. Yes | No |
|---|---|---|---|---|---|---|---|
| Spouse | | | | | | | |
| Child(ren) | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

REDACTED

☐ List additional Children on reverse side and check box.

- If the address of any child is different than the employee's address, please show that child's name and address below.
- If requesting coverage for a dependent child other than a son or daughter, please forward legal custody papers.

**To the best of my knowledge and belief, each of the statements and answers supplied in this form is complete and true, and they constitute the sole basis for, and are the inducement for, the issuance of any insurance.**

I hereby apply as indicated herein for the insurance for which I am not now insured and for which I am or may become eligible under the terms of Union Security Insurance Company's group policy or policies (including any future amendments) applying to, or requested to apply to, the employer named above. If such insurance becomes effective, I authorize deductions from my earnings of my contributions required from time to time toward the cost of such insurance. I represent that I am an active full-time employee of that employer. When necessary, I may be asked to execute a HIPAA authorization form, allowing Union Security Insurance Company to use and disclose protected health information.

Date 12/1/08 Signature Karl N Zerbst

Union Security Insurance Company
Mail to: Assurant Employee Benefits 2323 Grand Boulevard Kansas City MO 64108
Form 69 (12/01)

KC90188 (1/2006)

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01877

**Group Insurance Enrollment Card**

ASSURANT Employee Benefits

Check one – Employer Use
- ☐ Initial Employee:
  - ☐ Transfer from Prior Dental
  - ☐ Non-Transfer
- ☐ New Employee
  - Date of Hire
- ☐ Change
- ☒ Open Enrollment

*(Please print clearly.)*

| Employer Ameris Bank | Effective Date 01/01/2009 | Location/Division |
|---|---|---|
| Employee First Name Karl MI H. | Last Name Zerbst | Jr. |
| Address | City | State Zip |
| Social Security No. | Birthdate | Phone | Sex ☒ M ☐ F |

**DENTAL COVERAGE**

REDACTED

| Do you have eligible dependents? ☒ Yes ☐ No If "Yes," complete below to enroll them. | Relation | Sex | Birthdate Mo | Day | Year | For children age 19 or older, indicate if a full-time student. Yes | No |
|---|---|---|---|---|---|---|---|
| Spouse | | | | | | | |
| Child(ren) | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

REDACTED

REDACTED

☐ List additional Children on reverse side and check box.

- If the address of any child is different than the employee's address, please show that child's name and address below.
- If requesting coverage for a dependent child other than a son or daughter, please forward legal custody papers.

**To the best of my knowledge and belief, each of the statements and answers supplied in this form is complete and true, and they constitute the sole basis for, and are the inducement for, the issuance of any insurance.**

I hereby apply as indicated herein for the insurance for which I am not now insured and for which I am or may become eligible under the terms of Union Security Insurance Company's group policy or policies (including any future amendments) applying to, or requested to apply to, the employer named above. If such insurance becomes effective, I authorize deductions from my earnings of my contributions required from time to time toward the cost of such insurance. I represent that I am an active full-time employee of that employer. When necessary, I may be asked to execute a HIPAA authorization form, allowing Union Security Insurance Company to use and disclose protected health information.

Date 12/1/08 Signature Karl H Zerbst

Union Security Insurance Company
Mail to: Assurant Employee Benefits 2323 Grand Boulevard Kansas City MO 64108
Form 59 (12/01)

KCS0188 (1/2008)

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01878

GEORGIA BANKERS ASSOCIATION INSURANCE TRUST, INC

SPECIAL ENROLLMENT PERIODS

This form should be read and signed by all new hires at the time the application card is completed.

I acknowledge that the group medical benefits offered by my employer have been offered to me and that this form provides notices required by law in connection with those offered benefits.

I understand that, if I decline this coverage now, I will not be eligible to apply for the coverage until December for a January 1st effective date unless I experience a special enrollment event. I understand that, except for a special enrollment event, there will be an 18 month pre-existing conditions limitation period, part or all of which may be satisfied if I present a certificate of creditable coverage.

Special Enrollment Events

1. Other coverage is lost due to exhaustion of COBRA
2. Other coverage is lost due to loss of eligibility
3. Other coverage is lost due to a reduction in contributions by the other employer toward prior coverage.
4. The birth of a child, adoption of a child or the placement for adoption of a child.

I further understand that the special enrollment period due to lost coverage is only available if the lost coverage existed at the time this coverage was declined and my request is made within 30 days of the special enrollment event

I have completed the forms to enroll myself and all eligible dependents for the medical coverage offered.

At this time I am electing not to cover myself, spouse, and/or child(ren) for medical coverage. I have indicated the reason for declining the coverage below.

I have declined coverage for:

_____ Employee _____ Spouse _____ Child(ren)

The reason I have declined the coverage is:

_____ Other Coverage

Other Reason _____

I have read and understand the above statements

Karl D. Zeiss
Employee's Signature

* 1/18/08
Date

THIS FORM SHOULD BE RETURNED TO THE HUMAN RESOURCES/PERSONEL DEPARTMENT OF THE EMPLOYER

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01879

REDACTED

**GROUP ACCIDENT INSURANCE ENROLLMENT CARD**

1 *Policyholder - Georgia Bankers Association Insurance Trust, Inc.*
Employer Name Ameris Bank City _____

2. Employee Name Karl H. Zerbst Date Employed 1/18/08

Employee Social Security # _ - _____ - Date of Birth _____

Beneficiary _____ Relationship _____
(The employee will be the beneficiary for the insurance on dependants.)

3. Plan of insurance. (Check one only) ☐ Employee only ☐ Employee and family

4. *Amount of Employee coverage:* $ _____
(Minimum of $20,000 for Employees paid by Employer, maximum $200,000)

1/18/08 _____
Date Employee signature

G-2913-GA GSB 11061 8/97

Ameris Bank

**GEORGIA BANKERS ASSOCIATION INSURANCE TRUST, INC.** **ENROLLMENT CARD**

Please use black ink Incomplete forms could delay coverage and insurance ID cards

NAME OF EMPLOYEE — FIRST: Karl — MIDDLE: Henry — LAST: Zerbst Sr. — SS#: REDACTED

EMPLOYEE HOME ADDRESS — STREET: REDACTED — CITY — COUNTY — ZIP — HOME PHONE NUMBER

EMPLOYER (COMPANY) NAME: Ameris Bank — EMPLOYER CITY — BANK #

DATE OF BIRTH — DATE EMPLOYED: 1/18/18 — DATE FULL-TIME STATUS: 1/18/18 — SEX: M — MARITAL STATUS — ANNUAL BASE EARNINGS: $150,000.-

EMPLOYEE PRIMARY CARE PHYSICIAN (PCP)-FOR HMO OR POS ONLY: Dr. Keith Lackey — PCP ID # — EXISTING PATIENT Y N

ELIGIBLE FIRST OF THE MONTH FOLLOWING DATE OF FULL-TIME EMPLOYMENT OR AFTER EMPLOYER'S WAITING PERIOD IF APPLICABLE MINIMUM 30 HOURS REQUIRED

LIFE INSURANCE BENEFICIARY — RELATIONSHIP AND SOCIAL SECURITY NUMBER

REDACTED

FIRST NAME MIDDLE INITIAL LAST

**IMPORTANT - CHECK COVERAGES DESIRED**

EMPLOYEE LIFE INSURANCE PLAN #_____

DEPENDENT LIFE - CHOOSE ONE — BASIC $2,000 OR ☐ TOTAL OF $10,000 ~~less~~

LONG TERM DISABILITY

DENTAL PLAN #_____ — EMPLOYEE ONLY ☐ EMP. / SPOUSE ☐ EMP. / CHILDREN ☐ EMP. / SPOUSE / CHILDREN

MEDICAL PLAN - CHOOSE PLAN: — PPO PLAN # 280 ☐ HMO PLAN # 600 ☐ HMO PLAN # 610 ☐ POS # 250

POLICY # 1002806 000 POLICY # 1002806 001 POLICY # 1002806 100

CHOOSE COVERAGE LEVEL: — EMPLOYEE ONLY ☐ EMP / SPOUSE ☑ EMP. / CHILDREN ☐ EMP. / SPOUSE / CHILDREN

*DECLINING HEALTH COVERAGE FOR EMPLOYEE AND/OR DEPENDENTS* - *(If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your other coverage ends. In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30 days after the qualifying event.*

Declined health coverage for: ☐ Employee ☐ Spouse ☐ Children — Reason declined: ☐ other coverage ☐ other reason _____

## DEPENDENTS APPLYING FOR MEDICAL AND/OR DENTAL COVERAGE

NOTE : PCP (PRIMARY CARE PHYSICIAN) INFORMATION NEEDED ONLY IF SELECTING HMO / POS HEALTH PLANS

**SPOUSE**

NAME (Last, First, MI) — DOB — SS# — SEX ☐M ☐F

PCP NAME — PCP ID# — CURRENT PATIENT? ☐Y ☐N

**CHILD 1**

REDACTED

**CHILD 2**

PCP NAME — PCP ID# — CURRENT PATIENT? ☐Y ☐N

Disabled ? ☐Y ☐N — College Student? ☐Y ☐N — Name of College — Grad. Date

**CHILD 3**

NAME (Last, First, MI) — DOB — SS# — SEX ☐M ☐F

PCP NAME — PCP ID# — CURRENT PATIENT? ☐Y ☐N

Disabled ? ☐Y ☐N — College Student? ☐Y ☐N — Name of College — Grad. Date

**CHILD 4**

NAME (Last, First, MI) — DOB — SS# — SEX ☐M ☐F

PCP NAME — PCP ID# — CURRENT PATIENT? ☐Y ☐N

Disabled ? ☐Y ☐N — College Student? ☐Y ☐N — Name of College — Grad. Date

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01881

## OTHER COVERAGE INFORMATION - COMPLETE IF ENROLLING IN MEDICAL AND OR DENTAL COVERAGE

After this coverage begins, will you or any members of your family be covered under another group's insurance plan? ☐ Y ☒ N
If yes, please complete the information below If no, please skip this section

NAME AND DATE OF BIRTH OF INSURED _____

NAME OF INSURANCE CARRIER _____

ADDRESS OF INSURANCE CARRIER _____

_____

INSURANCE POLICY NUMBER _____

Type of Plan ☐ Medical ☐ Dental ☐ Both

Type of Coverage ☐ Family ☐ Individual Only

Does this plan coordinate by Gender or Birthday rule? _____

If there is family coverage, please list family members covered under this plan

_____

_____

## SB476 ACKNOWLEDGEMENT

I understand that I am enrolling in a health care plan, which requires that health care services must be provided by participating providers. Failure to use a participating provider will result in reduced coverage or no coverage for services that I receive, and I will be fully responsible for any and all costs not covered by Blue Cross and Blue Shield of Georgia/Blue Cross Blue Shield Healthcare Plan of Georgia (BCBSGA) (as applicable).

I have received a complete listing of participating providers I understand that the participation status of any provider may change from time to time It is my responsibility to verify that my health care provider is participating with BCBSGA/BCBSHP prior to receiving services I may verify participation status via BCBSGA's Web site, www.bcbsga.com which is updated at least every 30 days I may also verify status by contacting the customer service number listed on my member ID card

As required by the State of Georgia regulations, the following is a summary of the financial arrangements with the health care providers who are participating in the BCBSGA/BCBSHP network:

1. Hospital providers are paid according to a contract which includes inpatient per diems, case rates, and discounted fee for service arrangements depending on specific services provided.
2. Physicians are paid discounted fee for service in accordance with a specific fee schedule, which has been provided to them as contracted
3. Laboratory services are provided through a capitated per member per month flat fee.
4. Other ancillary services including home health, skilled nursing, and hospice are paid on a contracted fee schedule with per diems or per visit amounts.

**By signing below, I acknowledge my understanding of these plan provisions and am enrolling in the coverages accordingly. I also certify that all the information on this form, including dependent information and other coverage information is accurate.**

**Signature** Paul H. Zubosky Jr **Date** 1/18/08

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01882

Group Insurance Enrollment Card

ASSURANT Employee Benefits

Check one – Employer Use
☐ Initial Employee:
☐ Transfer from Prior Dental
☐ Non-Transfer
☐ New Employee
Date of Hire
☐ Change
☐ Open Enrollment

*(Please print clearly.)*

Employer AMERIS | Effective Date 01/01/2008 | Location/Division

Employee First Name Karl | MI H | Last Name Zerbst

Address | City | State | Zip

Social Security No. REDACTED | Birthdate | Phone | Sex ☐ M ☐ F

DENTAL COVERAGE I APPLY FOR:

REDACTED

| Do you have eligible dependents? ☑ Yes ☐ No If "Yes," complete below to enroll them | Relation | Sex | Birthdate Mo | Day | Year | For children age 19 or older, indicate if e full-time student Yes | No |
|---|---|---|---|---|---|---|---|
| Spouse | | | | | | | |
| Child(ren) | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

REDACTED

☐ List additional Children on reverse side and check box

- If the address of any child is different than the employee's address, please show that child's name and address below
- If requesting coverage for a dependent child other than a son or daughter, please forward legal custody papers.

**To the best of my knowledge and belief, each of the statements and answers supplied in this form is complete and true, and they constitute the sole basis for, and are the inducement for, the issuance of any insurance.**

I hereby apply as indicated herein for the insurance for which I am not now insured and for which I am or may become eligible under the terms of Union Security Insurance Company's group policy or policies (including any future amendments) applying to, or requested to apply to, the employer named above. If such insurance becomes effective, I authorize deductions from my earnings of my contributions required from time to time toward the cost of such insurance. I represent that I am an active full-time employee of that employer. When necessary, I may be asked to execute a HIPAA authorization form, allowing Union Security Insurance Company to use and disclose protected health information.

Date 1/18/08 Signature Karl H Zerbst

Union Security Insurance Company
Mail to: Assurant Employee Benefits 2323 Grand Boulevard Kansas City MO 64108

Form 59 (12/01)

KC30188 (1/2006)

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01883

**Participant Enrollment**
**401(k) Plan**

SUNTRUST

**Ameris Bancorp 401(k) Profit Sharing Plan** 286208-01

**Participant Information**

Zerbst | Karl | H.
Last Name | First Name | MI

[redacted]
Address - Number & Street

[redacted]
City | State | Zip Code

[redacted] | (843) 379 4969
Home Phone | Work Phone

RETRACTED
Social Security Number

Karl.zerbst@amerisbank.com
E-Mail Address

Date of Birth: Mo Day Year
Date of Hire: Mo 1 Day 18 Year 08

Employee ID

☐ Married ☐ Unmarried
☐ Female ☐ Male

**Payroll Information**

**Salary Savings Agreement (Basic 401(k) Contribution)** - The amount that you may contribute is 1% - 100%, which is not to exceed the annual maximum contribution allowable under the Internal Revenue Code and applicable regulations and/or the provisions of your Plan

I elect to contribute _____% (per pay period) of my compensation as before-tax contributions to the 401(k) Plan until such time as I revoke or amend my election.

I elect not to contribute before-tax contributions to the 401(k) Plan

Division Name: after FEB 23rd → Mt Pleasant Murrells Inlet Division Number: 981 973

**Participation Agreement**

**Withdrawal restrictions** - I understand that the Internal Revenue Code (the "Code") and/or my employer's Plan Document may impose restrictions on distributions. I understand that I must contact the Plan Administrator to determine when and/or under what circumstances I am eligible to receive distributions

**Investment options** - I understand that by signing and submitting this Participant Enrollment form for processing, contributions will be allocated to one of the following fund(s) based on my estimated retirement age (as explained in the enrollment kit) as the default option that my Plan has selected, unless I am a rehired employee with a balance already established in this Plan:

T. Rowe Price Retirement 2010 Fund - R 100%

T. Rowe Price Retirement 2020 Fund - R 100%

T. Rowe Price Retirement 2030 Fund - R 100%

T. Rowe Price Retirement 2040 Fund - R 100%

I further understand that monies will remain there until I call PlanLine® or access PlanLink® to transfer my existing balance from the default investment option or my prior investment elections if I am a rehired employee with an existing balance, and/or initiate an allocation change for future contributions. I understand and agree that this account is subject to the terms of the Plan Document I understand and acknowledge that all payments and account values, when based on the experience of the investment options, may not be guaranteed and may fluctuate, and, upon redemption, shares may be worth more or less than their original cost. I acknowledge that investment option information, including prospectuses, disclosure documents and Fund Profile sheets, have been made available to me and I understand the risks of investing. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.

**Compliance with Plan Document and/or the Code** - I agree that my employer or Plan Administrator may take any action that may be necessary to ensure that my participation in the Plan is in compliance with any applicable requirement of the Plan Document and/or the Code. I understand that the maximum annual limit on contribution is determined under the Plan Document and/or the Code. I understand that it is my responsibility to monitor my total annual contributions to ensure that I do not exceed the amount permitted. If I exceed the contribution limit, I assume sole liability for any tax, penalty, or costs that may be incurred. This agreement shall apply to all wages/salaries paid from the effective date specified until cancelled, superceded, or I cease to be an eligible employee.

**Incomplete forms** - I understand that in the event my Participant Enrollment form is incomplete, my employer may request additional information prior to establishing my account

**Account corrections** - I understand that it is my obligation to review all confirmations and quarterly statements pertaining to my account for discrepancies or errors. Corrections to my account will be made only for errors that I communicate to the SunTrust Service Center within 45 calendar days after the immediately preceding calendar quarter. Following the expiration of the 45 day period for reporting errors on my account, my account information shall be deemed as accurate and accepted by me. Correction of any errors I report after the 45 day period will only be processed from the date of notification forward and never retroactively

**Catch-up contributions** - If you will be age 50 or over this calendar year and are currently making the maximum contribution allowable, refer to the "Application for Age 50 Catch-Up" form.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01884

| Zerbst | Karl | H. Jr. | REDACTED |
|---|---|---|---|
| Last Name | First Name | MI | Social Security Number |

**Required Signatures** - I have completed, understand and agree to all pages of this Participant Enrollment form. I understand that the SunTrust Service Center is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, the SunTrust Service Center cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at http://www.ustreas.gov/offices/eotffc.ofac.

Karl H. Zerbst 1/6/09

Participant Signature Date

**Participant** forward to Plan Administrator

**I, as the Plan Administrator, apply for coverage for the Plan participant and certify that the payroll effective date is** _____

Dawn Autrey, VP 1/6/09

Authorized Plan Administrator Signature Date

**Divisions**

| | |
|---|---|
| 1 | Default Division |
| 100 | Administration |
| 105 | Ameris Administration |
| 107 | Deposit Services |
| 108 | Electronic Banking |
| 109 | Research & Adjustments |
| 110 | Item Processing |
| 120 | Operations |
| 121 | Facilities |
| 122 | Help Desk |
| 125 | Collections & Recoveries |
| 128 | Corporate Loan Review |
| 130 | Credit Administration |
| 132 | Regional Loan Processing Centers |
| 135 | Financial/Accounting |
| 145 | Internal Audit |
| 146 | Compliance |
| 155 | Mgt Information System |
| 160 | Human Resources |
| 163 | Mortgage Loan Adm |
| 170 | Retail Banking |
| 175 | Sales & Marketing |
| 176 | Brokerage |
| 180 | Bankcard |
| 185 | Insurance Agency |
| 200 | Main |
| 201 | Bank Administration |
| 203 | Treasury |
| 209 | Mtg-Moultrie |
| 210 | Doerun |
| 220 | Quitman Hwy |
| 230 | Sunset Office |
| 260 | Donalsonville |
| 269 | Mtg Donalsonville |
| 270 | Lake Seminole |
| 275 | Colquitt |
| 279 | Mtg-Colquitt |
| 300 | Main |
| 309 | Mtg-Quitman |
| 310 | Troupville |
| 320 | Valdosta |
| 360 | Main |
| 369 | Mtg-Crawfordville |
| 370 | Panacea |
| 375 | SOP Chappy |

**Divisions**

| | |
|---|---|
| 380 | Tallahassee - Royal Oaks |
| 381 | Capital Circle |
| 389 | MTG Tallahassee |
| 400 | Main |
| 409 | Mtg-Thomasville |
| 410 | Coolidge |
| 460 | Trenton |
| 469 | Mtg-Trenton |
| 470 | Newberry |
| 500 | Main |
| 501 | Tifton-Old Ocilla Rd |
| 509 | Mtg-Tifton |
| 520 | Douglas |
| 525 | Douglas West |
| 529 | Mtg-Douglas |
| 530 | Ocilla |
| 539 | Mtg-Ocilla |
| 546 | Bancorp SAD |
| 550 | Brunswick |
| 559 | Mtg-Brunswick |
| 560 | North Glynn |
| 570 | St. Simons |
| 580 | Jekyll Island |
| 585 | St. Mary's Office |
| 589 | Mtg-St Marys |
| 590 | Kingsland - East Office |
| 595 | Kingsland - West Office |
| 600 | Main |
| 609 | Mtg-Cairo |
| 610 | Bank of Meigs |
| 660 | Orange Park Office |
| 665 | Jax Lane Ave |
| 667 | Southside Town Center |
| 669 | Mtg-Orange Park |
| 670 | Blanding Office |
| 675 | Jax LPO |
| 679 | Mtg Jax |
| 700 | Main |
| 709 | Mtg-Cordele |
| 760 | Albany |
| 765 | Lee County Office |
| 769 | Mtg-Albany |
| 779 | Mtg-Leesburg |
| 800 | Main/Dothan |
| 805 | Southside/Dothan |

**Divisions**

| | |
|---|---|
| 809 | Mtg Dothan |
| 810 | Hwy 84 East |
| 811 | Hwy 84 West |
| 820 | Headland |
| 830 | Abbeville |
| 840 | Clayton |
| 850 | Eufaula |
| 859 | Mtg-Eufaula |
| 880 | Bank Card Administration |
| 881 | Credit Card Holder |
| 882 | Merchant |
| 883 | Check Card |
| 900 | Main Office-Columbia |
| 901 | Branch #2-Columbia |
| 902 | Branch #3-Columbia |
| 905 | Devine Street |
| 906 | Lexington |
| 907 | Irmo |
| 909 | Mtg-Columbia |
| 910 | Greenville - Laurens Rd |
| 911 | Woodruff Road |
| 912 | Branch #3-Greenville |
| 920 | Main Office-Rock Hill |
| 921 | Branch #2-Rock Hill |
| 922 | Branch #3-Rock Hill |
| 950 | Main Office Beaufort |
| 951 | Bluffton LPO |
| 952 | Charlestoon LPO |
| 953 | Hilton Head |
| 958 | Mtg Hilton Head |
| 959 | Mtg-Beaufort |
| 960 | Hardeeville-Jasper County |
| 961 | Branch #2-Jasper County |
| 962 | Branch #3-Jasper County |
| 970 | Main Office - Charleston |
| 971 | West Ashley-Savannah Hwy |
| 972 | Summerville |
| 973 | Mt Pleasant |
| 979 | Mtg-Charleston |
| 980 | Main Office-Myrtle Beach |
| 981 | Murrells Inlet |
| 982 | Branch #3-Myrtle Beach |
| 9999 | Ameris Bancorp |



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01885

Participant Enrollment
401(k) Plan

SUNTRUST

**Ameris Bancorp 401(k) Profit Sharing Plan** 286208-01

**Participant Information**

Zerbst | Karl | H.
Last Name | First Name | MI

REDACTED
Social Security Number

Address - Number & Street

Karl.zerbst@amerisbank.com
E-Mail Address

City | State | Zip Code

REDACTED

Mo Day Year
Date of Birth

Mo Day Year
1 18 98
Date of Hire

Home Phone | Work Phone

Employee ID

☐ Married ☑ Unmarried
☐ Female ☑ Male

**Payroll Information**

**Salary Savings Agreement (Basic Contribution)** - The amount that you may contribute is 1% - 100%, which is not to exceed the annual maximum contribution allowable under the Internal Revenue Code and applicable regulations and/or the provisions of your Plan

☐ elect to contribute _____% (per pay period) of my compensation as before-tax contributions to the 401(k) Plan until such time as I revoke or amend my election.

☐ elect not to contribute before-tax contributions to the 401(k) Plan

Division Name: Murrell's Inlet SC Division Number: 982

**Participation Agreement**

**Withdrawal restrictions** - I understand that the Internal Revenue Code (the "Code") and/or my employer's Plan Document may impose restrictions on distributions. I understand that I must contact the Plan Administrator to determine when and/or under what circumstances I am eligible to receive distributions.

**Investment options** - I understand that by signing and submitting this Participant Enrollment form for processing, contributions will be allocated to SunTrust Retirement Stable Asset Fund that my Plan has selected, unless I am a rehired employee with a balance already established in this Plan. I further understand that monies will remain there until I call PlanLine® or access PlanLink® to transfer my existing balance from SunTrust Retirement Stable Asset Fund or my prior investment elections if I am a rehired employee with an existing balance, and/or initiate an allocation change for future contributions. I understand and agree that this account is subject to the terms of the Plan Document. I understand and acknowledge that all payments and account values, when based on the experience of the investment options, may not be guaranteed and may fluctuate, and, upon redemption, shares may be worth more or less than their original cost. I acknowledge that investment option information, including prospectuses, disclosure documents and Fund Profile sheets, have been made available to me and I understand the risks of investing. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.

**Compliance with Plan Document and/or the Code** - I agree that my employer or Plan Administrator may take any action that may be necessary to ensure that my participation in the Plan is in compliance with any applicable requirement of the Plan Document and/or the Code. I understand that the maximum annual limit on contribution is determined under the Plan Document and/or the Code. I understand that it is my responsibility to monitor my total annual contributions to ensure that I do not exceed the amount permitted. If I exceed the contribution limit, I assume sole liability for any tax, penalty, or costs that may be incurred. This agreement shall apply to all wages/salaries paid from the effective date specified until cancelled, superceded, or I cease to be an eligible employee.

**Incomplete forms** - I understand that in the event my Participant Enrollment form is incomplete, my employer may request additional information prior to establishing my account.

**Account corrections** - I understand that it is my obligation to review all confirmations and quarterly statements pertaining to my account for discrepancies or errors. Corrections to my account will be made only for errors that I communicate to the SunTrust Service Center within 45 calendar days after the immediately preceding calendar quarter. Following the expiration of the 45 day period for reporting errors on my account, my account information shall be deemed as accurate and accepted by me. Correction of any errors I report after the 45 day period will only be processed from the date of notification forward and never retroactively.

**Catch-up contributions** - If you will be age 50 or over this calendar year and are currently making the maximum contribution allowable, refer to the "Application for Age 50 Catch-Up" form.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01886

| Zerbst | Karl | H | [redacted] |
|---|---|---|---|
| Last Name | First Name | MI | Social Security Number |

**Required Signatures** - I have completed, understand and agree to all pages of this Participant Enrollment form.

Karl H. Zerbst 1/23/08

Participant Signature Date

Participant forward to Plan Administrator

**I, as the Plan Administrator, apply for coverage for the Plan participant and certify that the payroll effective date is _____.**

Authorized Plan Administrator Signature Date

### Divisions

| | |
|---|---|
| 1 | Default Division |
| 100 | Administration #364 |
| 105 | Ameris Administration |
| 110 | Central Ops Center #364 |
| 120 | Operations #364 |
| 125 | Collections & Recoveries #364 |
| 128 | Corporate Loan Review #364 |
| 130 | Credit Administration #364 |
| 135 | Financial/Accounting #364 |
| 145 | Internal Audit #364 |
| 146 | Compliance #364 |
| 155 | Mgr Information System #364 |
| 160 | Human Resources #364 |
| 165 | Mortgage Loan Adm #364 |
| 170 | Retail Banking #364 |
| 175 | Sales & Marketing #364 |
| 176 | Brokerage #364 |
| 180 | Bankcard #364 |
| 185 | Insurance Agency |
| 200 | Main #466 |
| 201 | Bank Administration #466 |
| 203 | Treasury #466 |
| 209 | Mtg-Moultrie |
| 210 | Dothan #466 |
| 220 | Quitman Hwy #466 |
| 230 | Sunset Office #466 |
| 268 | Donalsonville #386 |
| 262 | Bank Operations #386 |
| 269 | Mtg-Donalsonville |
| 270 | Lake Seminole #386 |
| 278 | Colquitt #386 |
| 279 | Mtg-Colquitt |
| 300 | Main #467 |
| 309 | Mtg-Quitman |
| 310 | Troupville #467 |
| 320 | Valdosta #467 |
| 360 | Main #355 |
| 369 | Mtg-Crawfordville |
| 370 | Panacea #355 |

### Divisions

| | |
|---|---|
| 375 | SOP Chopby #355 |
| 400 | Main #468 |
| 409 | Mtg-Thomasville |
| 410 | Coolidge #468 |
| 460 | Trenton #494 |
| 469 | Mtg-Trenton |
| 470 | Newberry #494 |
| 500 | Main #475 |
| 509 | Mtg-Tifton |
| 520 | Douglas #475 |
| 525 | Douglas West |
| 529 | Mtg-Douglas |
| 530 | Ocilla #475 |
| 539 | Mtg-Ocilla |
| 546 | Bancorp SAD #475 |
| 550 | Brunswick #359 |
| 551 | Bank Administration #359 |
| 559 | Mtg-Brunswick |
| 560 | North Glynn #359 |
| 570 | St. Simons #359 |
| 580 | Jekyll Island #359 |
| 585 | St. Mary's Office #359 |
| 589 | Mtg-St Marys |
| 590 | Kingsland Main Office #359 |
| 595 | Kingsland - West Office #359 |
| 600 | Main #476 |
| 609 | Mtg-Cairo |
| 610 | Bank of Meigs #476 |
| 650 | Orange Park Office #222 |
| 669 | Mtg-Orange Park |
| 670 | Blanding Office #222 |
| 675 | Fort Bend |
| 679 | Mtg-Ft. |
| 700 | Main #457 |
| 709 | Mtg-Gordon |
| 760 | Albany #477 |
| 765 | Lee County Office #477 |
| 769 | Mtg-Albany |
| 779 | Mtg-Leesburg |

### Divisions

| | |
|---|---|
| 800 | Main/Dothan #358 |
| 805 | Southside/Dothan #358 |
| 809 | Mtg-Dothan |
| 820 | Headland #358 |
| 830 | Abbeville #358 |
| 840 | Clayton #358 |
| 850 | Eufaula #358 |
| 859 | Mtg-Eufaula |
| 872 | Mortgage/#358 |
| 880 | Bank Card Administration #358 |
| 881 | Credit Card Holder #358 |
| 882 | Merchant #358 |
| 883 | Check Card #358 |
| 900 | Main Office-Columbia |
| 901 | Branch #2-Columbia |
| 902 | Branch #3-Columbia |
| 909 | Mtg-Columbia |
| 910 | Main Office-Greenville |
| 911 | Branch #2-Greenville |
| 912 | Branch #3-Greenville |
| 920 | Main Office-Rock Hill |
| 921 | Branch #2-Rock Hill |
| 922 | Branch #3-Rock Hill |
| 950 | Main Office-Beaufort |
| 951 | Bluffton LPO |
| 952 | Charleston LPO |
| 959 | Mtg Beaufort |
| 960 | Hardeeville-Jasper County |
| 961 | Branch #2-Jasper County |
| 962 | Branch #3-Hilton Head |
| 970 | Main Office-Charleston |
| 971 | Branch #2-Charleston |
| 972 | Branch #3-Charleston |
| 979 | Mtg-Charleston |
| 980 | Main Office-Myrtle Beach |
| 981 | Branch #2-Myrtle Beach |
| 982 | Branch #3-Myrtle Beach |
| 9999 | Ameris Bancorp |

SAMPLE



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01887

**Beneficiary Designation**
**401(k) Plan**

SUNTRUST

**Use blue or black ink only.**

If you have questions regarding the completion of this form, please call PlanLine® at 1-888-816-4015.

**Ameris Bancorp 401(k) Profit Sharing Plan** 286208-01

**Participant Information**

| Zerbst | Karl | H |
|---|---|---|
| Last Name | First Name | MI |

REDACTED
Social Security Number

Karl.Zerbst@amerisbank.com
E-Mail Address

Account Extension (if applicable)
Account extension identifies funds that were transferred to you through a divorce or death.

Married [ ] Unmarried

**Plan Beneficiary Designation**

This designation is effective upon execution and delivery to the SunTrust Service Center. If I name more than one beneficiary in either category, the surviving beneficiaries in that category will share equally unless otherwise indicated. I have the right to change the beneficiary. If any information is missing, additional information may be required prior to recording my beneficiary designation. If my primary and contingent beneficiaries predecease me or I fail to designate beneficiaries, amounts will be paid pursuant to the terms of the Plan Document or applicable state law.

**This designation supersedes all prior designations. Beneficiaries will share equally if percentages are not provided and any amounts unpaid upon death will be divided equally. Primary and contingent beneficiaries must separately total 100.00%. The number of primary or contingent beneficiaries you may name is not limited. Attach an additional sheet, if necessary.**

**Primary Beneficiary**

| | % of Account Balance | Social Security Number | Primary Beneficiary Name | Relationship | Date of Birth |
|---|---|---|---|---|---|
| #1 | | | | | |
| #2 | | | | | |
| #3 | | | | | |

**Contingent Beneficiary**

| | % of Account Balance | Social Security Number | Contingent Beneficiary Name | Relationship | Date of Birth |
|---|---|---|---|---|---|
| #1 | | | | | |
| #2 | | | | | |
| #3 | | | | | |

**Required Signature** - I have completed, understand and agree to all pages of this Beneficiary Designation form. I understand that if I am married and have designated a primary beneficiary above other than my spouse, I must complete and submit Page 2 of this form. I understand that the SunTrust Service Center is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, the SunTrust Service Center cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at http://www.ustreas.gov/offices/eotffc/ofac.

Karl H. Zerbst
Participant Signature

1/23/08
Date

Participant forward to:
SunTrust Service Center
PO Box 173764
Denver, CO 80217-3764
Express Address:
8515 E. Orchard Road, Greenwood Village, CO 80111
Fax#: 1-303-737-4365


XELLC/1380338772

000:0803:58

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01888

| Last Name | First Name | MI | Social Security Number |
|---|---|---|---|
| Zerbst | Karl | H Sr. | REDACTED |

**Spousal Consent**

If you are married, reside in a community or marital property state, and you have designated a primary beneficiary other than your spouse, or in addition to your spouse, your spouse must sign this form below. If required in your state, spousal signature must be witnessed by a Notary Public or the Plan Administrator. The date the spouse signs must be the same as the date notarized or witnessed.

I hereby consent to the above Beneficiary Designation and understand its effect.

Spouse's Signature _____ Date _____

**Statement of Notary** NOTE: Notary Seal must be visible. SEAL

State of _____ )
)ss.
County of _____ )

The consent to this request was subscribed to before me by _____ on this _____ day of _____, year _____, who affirmed that such consent represents his/her free and voluntary act.

Notary Public: _____ My commission expires: _____

**Statement of Plan Administrator**

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

Plan Administrator Signature _____ Date _____

Amended Document



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01889

**Beneficiary Designation**
**401(k) Plan**

**Use blue or black ink only.**

SUNTRUST

If you have questions regarding the completion of this form, please call PlanLine® at 1-888-816-4015.

## Ameris Bancorp 401(k) Profit Sharing Plan — 286208-01

**Participant Information**

Zerbst, Karl, H ☆
Last Name First Name MI

Karl_Zerbst@amerisbank.com
E-Mail Address

☐ Married ☑ Unmarried

REQUIRED
Social Security Number

Account Extension (if applicable)
Account extension identifies funds that were transferred to you through a divorce or death.

**Plan Beneficiary Designation**

This designation is effective upon execution and delivery to the SunTrust Service Center. If I name more than one beneficiary in either category, the surviving beneficiaries in that category will share equally unless otherwise indicated. I have the right to change the beneficiary. If any information is missing, additional information may be required prior to recording my beneficiary designation. If my primary and contingent beneficiaries predecease me or I fail to designate beneficiaries, amounts will be paid pursuant to the terms of the Plan Document or applicable state law.

**This designation supersedes all prior designations. Beneficiaries will share equally if percentages are not provided and any amounts unpaid upon death will be divided equally. Primary and contingent beneficiaries must separately total 100.00%. The number of primary or contingent beneficiaries you may name is not limited. Attach an additional sheet, if necessary.**

**Primary Beneficiary**

| | % of Account Balance | Social Security Number | Primary Beneficiary Name | Relationship | Date of Birth |
|---|---|---|---|---|---|
| #1 | | | | | |
| #2 | | | | | |
| #3 | | | | | |

**Contingent Beneficiary**

| | % of Account Balance | Social Security Number | Contingent Beneficiary Name | Relationship | Date of Birth |
|---|---|---|---|---|---|
| #1 | | | | | |
| #2 | | | | | |
| #3 | | | | | |

**Required Signature** - I have completed, understand and agree to all pages of this Beneficiary Designation form. I understand that if I am married and have designated a primary beneficiary above other than my spouse, I must complete and submit Page 2 of this form. I understand that the SunTrust Service Center is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, the SunTrust Service Center cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at: http://www.ustreas.gov/offices/eotffc/ofac.

Karl H. Zerbst
Participant Signature

1/23/08
Date

Participant forward to:
SunTrust Service Center
PO Box 173764
Denver, CO 80217-3764
Express Address:
8515 E Orchard Road, Greenwood Village, CO 80111
Fax#: 1-303-737-4355



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01890

| Last Name | First Name | MI | Social Security Number |
|---|---|---|---|
| ~~Reed~~ Zerbst | Karl | A Sr. | REDACTED |

**Spousal Consent**

If you are married, reside in a community or marital property state, and you have designated a primary beneficiary other than your spouse, or in addition to your spouse, your spouse must sign this form below. If required in your state, spousal signature must be witnessed by a Notary Public or the Plan Administrator. **The date the spouse signs must be the same as the date notarized or witnessed.**

I hereby consent to the above Beneficiary Designation and understand its effect.

Spouse's Signature _____ Date _____

**Statement of Notary** NOTE: Notary Seal must be visible. SEAL

State of _____ )
) ss.
County of _____ )

The consent to this request was subscribed to before me by _____ on this _____ day of _____, year _____, who affirmed that such consent represents his/her free and voluntary act.

Notary Public: _____ My commission expires: _____

**Statement of Plan Administrator**

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

Plan Administrator Signature _____ Date _____

Ameris Bank



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01891

**Salary Deferral Change Request**
**401(k) Plan**

SUNTRUST

**Ameris Bancorp 401(k) Profit Sharing Plan** 286208-01

**Participant Information**

| Last Name | First Name | MI | Social Security Number |
|---|---|---|---|
| Zerbst | Karl | H | REDACTED |

Address - Number & Street: REDACTED

E-Mail Address: Karl.zerbst@amerisbank.com

| City | State | Zip Code | Date of Birth (Mo. Day Year) | Date of Hire (Mo Day Year) |
|---|---|---|---|---|
| REDACTED | | | | 1 10 08 |

Home Phone: 843, 849-5988 Work Phone

☐ Female ☒ Male ☐ Married ☐ Unmarried

**Salary Deferral Change Request**

This change request shall apply to all compensation paid from the effective date specified, until cancelled, superceded, or the employee ceases to be an eligible employee. This change request supercedes all previous agreements.

I understand that I may change the percentage of compensation or dollar amount contributed to the Plan only when and as allowed under the terms of the Plan. I also understand that it is my responsibility to comply with the Internal Revenue Code deferral limits, that any excess contributions will be distributed pursuant to Treasury regulation 1.402(g)-1, as amended; and that I may be responsible for any costs, including taxes and penalties, that I may incur as a result of such excess contributions.

**Payroll Information**

Specify one of the following:

☐ Restart ☐ Increase Payroll Deduction ☐ Decrease Payroll Deduction ☐ Stop Deductions

Specify the following:

**Salary Savings (Basic Contribution)** - The amount that you may contribute is 1% - 100%, which is not to exceed the annual maximum contribution allowable under the Internal Revenue Code and applicable regulations and/or the provisions of your Plan.

☐ I elect to contribute _____ % (per pay period) of my compensation as before-tax contributions to the 401(k) Plan until such time as I revoke or amend my election.

Division Name: Charleston/Mt Pleasant 973 Division Number: _____

**Catch-Up Contribution Note: If you will be age 50 or over this calendar year and are currently making the maximum contribution allowable, refer to the Application for Age 50 Catch-Up form.**

**Required Signatures** I have completed, understand and agree to the terms of this change request and authorize the payroll deduction as indicated on this form.

Participant Signature _____ Date 2/1/10

Participant forward to Plan Administrator
Plan Administrator: Update Payroll System

**I, as the Plan Administrator, certify that the payroll effective date is**

W D Cuthrell JR 2·12·10

Authorized Plan Administrator Signature Date

**Divisions**

| | |
|---|---|
| 1 | Default Division |
| 100 | Administration |
| 105 | Ameris Administration |
| 107 | Deposit Services |
| 108 | Electronic Banking |
| 109 | Research & Adjustments |
| 110 | Loan Processing |
| 120 | Operations |
| 121 | Facilities |
| 122 | Help Desk |
| 125 | Collections & Recoveries |
| 128 | Corporate Loan Review |
| 130 | Credit Administration |
| 132 | Regional Loan Processing Centers |
| 135 | Financial/Accounting |

**Divisions**

| | |
|---|---|
| 145 | Internal Audit |
| 146 | Compliance |
| 155 | Mgt Information System |
| 160 | Human Resources |
| 165 | Mortgage Loan Adm |
| 170 | Retail Banking |
| 175 | Sales & Marketing |
| 176 | Brokerage |
| 180 | Bankcard |
| 185 | Insurance Agency |
| 200 | Main |
| 201 | Bank Administration |
| 203 | Treasury |
| 209 | Mtg Modistic |
| 210 | Doevun |

## Distribution/Direct Rollover Request
## 401(k) Plan

SUNTRUST

Refer to the Participant Distribution Guide while completing this form.

Use blue or black ink only. All pages must be returned excluding the Participant Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions.

If you have questions regarding the completion of this form, please call PlanLine® at 1-888-816-4015.

**Ameris Bancorp 401(k) Profit Sharing Plan** 286208-01

**Participant Information**

Zerbst Jr. | Karl | H
Last Name | First Name | MI

REDACTED
Social Security Number

Address - Number & Street

Account Extension (if applicable)

City | State | Zip Code

Has this account already been transferred to the prior Claimant? ☐ Yes ☐ No

karl.zerbst@comcast.net
E-Mail Address

REDACTED

Married ☐ Unmarried ☐ Mo. Day Year

Please Select One:
☑ U.S. Citizen ☐ U.S. Resident Alien Date of Birth
☐ Non-Resident Alien
Country of Residence United States (Required)

(843) 452-3838
Home Phone | Work Phone

Beneficiary Account - If you acquired this account due to the death of the participant, please complete a Death Benefit Claim Request form.

**Distribution Reason**

☑ Severance of Employment - Date: 8/2/2013 ☐ Disability - Date: _____
☐ In-Service ☐ In-Service (Age 59 1/2) ☐ Required Minimum Distribution (Age 70 1/2)

**Distribution Method**

**Full Distribution/Rollover/Annuity**

**Partial Distribution/Rollover/Annuity**

Amount $ _____ ☐ Net Amount 1st Contribution Source _____
Amount $ _____ ☐ Net Amount 2nd Contribution Source _____
OR
100% of _____ Contribution Source (required)

☐ **Periodic Payment** - also complete Periodic Payment Options below

**Payment Options**

**Payment to Self**

**Combination - Partial Distribution to Me and Partial Rollover**

Payment to Self $ _____ ☐ Net Amount
Direct Rollover $ _____ (Also complete Direct Rollover information below)

**Direct Rollover** - Provide company information below.

Direct Rollover to an Eligible Plan ☐ Governmental 457(b) ☐ 401(a)/401(k) ☐ 403(b)
Direct Rollover to a Traditional IRA
Direct Rollover to a Roth IRA (Subject to ordinary income taxes)

Company or Trustee's Name (to whom the check should be made payable) | Account Number

Mailing Address

City/State/Zip Code | Phone Number



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11/17/10 15:39 Pg: 1/3

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01893

Zerbst | Karl | H | REDACTED

Last Name | First Name | MI | Social Security Number

*If you are requesting a full withdrawal as a direct rollover and you have not yet met your required minimum distribution for the year and you are over age 70 1/2 by the end of the year and are no longer working, provide the amount of your required minimum distribution below. Note: The required minimum distribution cannot be rolled over. If you have not yet satisfied your required minimum distribution for the year, your required amount must be distributed prior to processing a rollover.*

Required minimum distribution amount $ _____

Do you wish to have 10% federal income tax withheld from your required minimum distributions? ☐ Yes ☐ No

Additional amounts may be withheld at your request. $ _____

**Periodic Payments**

☐ **Periodic Payment Options** ☐ Check this box if you are making a change to an existing payment.

Payment Start Date _____ Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually

☐ *Payment of an Amount Certain* $ _____ (Gross Amount Only)

☐ Payment for a Period Certain (Years) _____

**Annuity Purchase**

☐ **Plan Administrator Annuity Purchase With Another Provider** - Name of Provider _____

If selecting this option, an acceptance letter from the new provider must be attached.

**Distribution Delivery**

☒ Check

☐ Alternate Mailing Address - _____

☐ **Express Delivery** - $25.00 non-refundable charge per mailing address. Available only on full/partial distributions. Express delivery available Monday through Friday only. Not available to P.O. boxes.

☐ **ACH** - Available on periodic payments at no charge. Available on one-time full/partial distribution payment to self for a $15.00 non-refundable charge. ACH credit can only be made into a United States financial institution.

☐ Checking Account - must attach preprinted voided check

☐ Savings Account - must attach a letter on financial institution letterhead signed by a representative of the financial institution that includes participant's name, savings account number and ABA routing number.

Financial Institution Name | Account Number | ABA Routing Number

Financial Institution Mailing Address | City | State/Zip Code

**Federal and State Income Tax Withholding** - Applies to all applicable contribution sources

**Federal Income Tax** - We will withhold all required federal income tax withholding based on your distribution type.

If you would like additional federal income tax withheld, indicate amount $ _____ or _____% of the distribution amount.

☐ Do NOT withhold federal income tax from any required minimum distribution (age 70 1/2).

**State Income Tax** - *If you live in a state that mandates state income tax withholding, it will be withheld regardless of any selection below*

☐ Check here if you live in a state that does not mandate state income tax withholding and would like state income tax withheld.

☐ Check here if you do not want state income tax withheld (only available to the residents of the states that allow to elect out of withholding).

*If you would like additional state income tax withheld, indicate amount* $ _____ or _____% of the distribution amount.

Note: If you do not make an election above, state income tax will not be withheld unless you reside in a state that mandates state income tax withholding.



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PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01894

Zerbst | Karl | H | REDACTED

Last Name | First Name | MI | Social Security Number

**Spousal Consent**

**You must have your spouse's signature notarized or have the Plan Administrator witness your spouse's signature. The date the spouse signs must be the same as the date notarized or witnessed.**

You must obtain your spouse's consent to elect a retirement option other than a Qualified Joint and Survivor Annuity. Your spouse's consent must be obtained no more than 180 days prior to the effective date in order to be effective.

I hereby voluntarily consent to the participant's request for a disbursement as indicated on this form. I understand that by providing such consent, with respect to all amounts the participant is hereby electing to receive, I am voluntarily waiving my right to receive a survivor annuity which would otherwise be payable to me during my life and upon the participant's death.

3/3

Spouse's Signature _____ Date _____

**Statement of Notary**

**NOTE: Notary seal must be visible, if applicable.**

State of _____ )
)ss.
County of _____ )

The consent to this request was subscribed and sworn to (or affirmed) before me on this _____ day of _____, year _____, by _____ (name of spouse) proved to me on the basis of satisfactory evidence to be the person who appeared before me, who affirmed that such consent represents his/her free and voluntary act.

SEAL

Notary Public _____ My commission expires _____

**Statement of Plan Administrator**

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

Plan Administrator Signature _____ Date _____

**Required Signature(s) and Date**

My signature acknowledges that I have received, read, understand and agree to all pages of the 401(k) Distribution/Direct Rollover Request form, the Participant Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions, and affirms that all information I have provided is true and correct. I understand that any election on this Distribution Form is effective for 180 days. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the Plan into which I am rolling money over will accept the direct rollover dollars, if applicable. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen. I understand that once my payment has been processed, it cannot be changed. In the event that any section of this form is incomplete or inaccurate, the SunTrust Service Center may not process the transaction requested on this form and may require that I complete a new form or provide additional or proper information before the transaction can be processed.

Participant Signature _____ Date (Required) 11/17/10 Participant forward to Plan Administrator

This request is in compliance with the terms of the Plan and I have provided the participant with a written explanation of the tax rules and any other Internal Revenue Service, Department of Labor or other notice requirements to the participant that apply to this request and the appropriate consent and waivers have been obtained by the Plan Administrator and the SunTrust Service Center is authorized to rely on the information provided on this request.

As Plan Administrator, I certify that the participant's termination date (if applicable), vesting information and address are accurate on PSC for the above participant.

Wanda Autrey 11/19/10

Authorized Plan Administrator Signature _____ Date _____

Plan Administrator forward to:
SunTrust Service Center
PO Box 173764
Denver, CO 80217-3764
Express Address:
8515 E. Orchard Road, Greenwood Village, CO 80111
Fax#: 1-866-745-5766



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01895

**Participant Enrollment**
**401(k) Plan**

SUNTRUST

**Ameris Bancorp 401(k) Profit Sharing Plan** 286208-01

**Participant Information**

| Last Name | First Name | MI | Social Security Number |
|---|---|---|---|
| Zerbst | Karl | H. | REDACTED |

Address - Number & Street

E-Mail Address: Karl.zerbst@amerisbank.com

City | State | Zip Code

Home Phone | Work Phone: (843) 453-3838

Date of Birth | Date of Hire: 1/18/08

Employee ID

☐ Married ☑ Unmarried

☐ Female ☑ Male

**Payroll Information**

**Salary Savings Agreement (Basic Contribution)** - The amount that you may contribute is 1% - 100%, which is not to exceed the annual maximum contribution allowable under the Internal Revenue Code and applicable regulations and/or the provisions of your Plan

I elect to contribute _____ % (per pay period) of my compensation as before-tax contributions to the 401(k) Plan until such time as I revoke or amend my election.

I elect not to contribute before-tax contributions to the 401(k) Plan.

Division Name: Murrells Inlet, SC Division Number: 982

**Participation Agreement**

**Withdrawal restrictions** - I understand that the Internal Revenue Code (the "Code") and/or my employer's Plan Document may impose restrictions on distributions. I understand that I must contact the Plan Administrator to determine when and/or under what circumstances I am eligible to receive distributions.

**Investment options** - I understand that by signing and submitting this Participant Enrollment form for processing, contributions will be allocated to SunTrust Retirement Stable Asset Fund that my Plan has selected, unless I am a rehired employee with a balance already established in this Plan. I further understand that monies will remain there until I call PlanLink® or access PlanLink® to transfer my existing balance from SunTrust Retirement Stable Asset Fund or my prior investment elections if I am a rehired employee with an existing balance, and/or initiate an allocation change for future contributions. I understand and agree that this account is subject to the terms of the Plan Document. I understand and acknowledge that all payments and account values, which based on the experience of the investment options, may not be guaranteed and may fluctuate, and, upon redemption, shares may be worth more or less than their original cost. I acknowledge that investment option information, including prospectuses, disclosure documents and Fund Profile sheets, have been made available to me and I understand the risks of investing. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.

**Compliance with Plan Document and/or the Code** - I agree that my employer or Plan Administrator may take any action that may be necessary to ensure that my participation in the Plan is in compliance with any applicable requirement of the Plan Document and/or the Code. I understand that the maximum annual limit on contribution is determined under the Plan Document and/or the Code. I understand that it is my responsibility to monitor my total annual contributions to ensure that I do not exceed the amount permitted. If I exceed the contribution limit, I assume sole liability for any tax, penalty, or costs that may be incurred. This agreement shall apply to all wages/salaries paid from the effective date specified until cancelled, superceded, or I cease to be an eligible employee.

**Incomplete forms** - I understand that in the event my Participant Enrollment form is incomplete, my employer may request additional information prior to establishing my account.

**Account corrections** - I understand that it is my obligation to review all confirmations and quarterly statements pertaining to my account for discrepancies or errors. Corrections to my account will be made only for errors that I communicate to the SunTrust Service Center within 45 calendar days after the immediately preceding calendar quarter. Following the expiration of the 45 day period for reporting errors on my account, my account information shall be deemed as accurate and accepted by me. Correction of any errors I report after the 45 day period will only be processed from the date of notification forward and never retroactively.

**Catch-up contributions** - If you will be age 50 or over this calendar year and are currently making the maximum contribution allowable, refer to the "Application for Age 50 Catch-Up" form.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01896

| Zerbst | Karl | H. | [redacted] |
|---|---|---|---|
| Last Name | First Name | MI | Social Security Number |

**Required Signatures** - I have completed, understand and agree to all pages of this Participant Enrollment form.

Karl H. Zerbst — 1/23/08

Participant Signature — Date — Participant forward to Plan Administrator

I, as the Plan Administrator, apply for coverage for the Plan participant and certify that the payroll effective date is 4/1/08.

Wanda Autrey, VP — 4/1/08

Authorized Plan Administrator Signature — Date

| Divisions | | Divisions | | Divisions | |
|---|---|---|---|---|---|
| 1 | Default Division | 375 | SOP Cherry #355 | 800 | Main/Dothan #358 |
| 100 | Administration #364 | 400 | Main #468 | 805 | Southside/Dothan #358 |
| 105 | Ameris Administration | 409 | Mtg Thomasville | 809 | Mtg-Dothan |
| 110 | Central Ops Center #364 | 410 | Coolidge #468 | 820 | Headland #358 |
| 120 | Operations #364 | 460 | Trenton #494 | 830 | Abbeville #358 |
| 125 | Collections & Recoveries #364 | 469 | Mtg-Trenton | 840 | Clayton #358 |
| 128 | Corporate Loan Review #364 | 470 | Newberry #494 | 850 | Eufaula #358 |
| 130 | Credit Administration #364 | 500 | Main #475 | 859 | Mtg-Eufaula |
| 135 | Financial/Accounting #364 | 509 | Mtg-Tifton | 872 | Mortgage #358 |
| 145 | Internal Audit #364 | 520 | Douglas #475 | 880 | Bank Card Administration #358 |
| 146 | Compliance #364 | 525 | Douglas West | 881 | Credit Card Holder #358 |
| 155 | Mgt Information System #364 | 529 | Mtg-Douglas | 882 | Merchant #358 |
| 160 | Human Resources #364 | 530 | Ocilla #475 | 883 | Check Card #358 |
| 165 | Mortgage Loan Adm #364 | 539 | Mtg-Ocilla | 900 | Main Office-Columbia |
| 170 | Retail Banking #364 | 546 | Bancorp SAD #475 | 901 | Branch #2-Columbia |
| 175 | Sales & Marketing #364 | 550 | Brunswick #359 | 902 | Branch #3-Columbia |
| 176 | Brokerage #364 | 551 | Bank Administration #359 | 909 | Mtg Columbia |
| 180 | Bankcard #364 | 559 | Mtg-Brunswick | 910 | Main Office-Greenville |
| 185 | Insurance Agency | 560 | North Glynn #359 | 911 | Branch #2-Greenville |
| 200 | Main #466 | 570 | St. Simons #359 | 912 | Branch #3-Greenville |
| 201 | Bank Administration #466 | 580 | Jekyll Island #359 | 920 | Main Office-Rock Hill |
| 203 | Treasury #466 | 585 | St. Mary's Office #359 | 921 | Branch #2-Rock Hill |
| 209 | Mtg-Moultrie | 589 | Mtg-St Marys | 922 | Branch #3-Rock Hill |
| 210 | Doerun #466 | 590 | Kingsland - East Office #359 | 950 | Main Office-Beaufort |
| 220 | Quitman Hwy #466 | 595 | Kingsland - West Office #359 | 951 | Bluffton LPO |
| 230 | Sunset Office #466 | 600 | Main #476 | 952 | Charleston LPO |
| 250 | Donalsonville #386 | 609 | Mtg-Cairo | 959 | Mtg-Beaufort |
| 252 | Bank Originally #386 | 610 | Bank of Meigs #476 | 960 | Hardeeville-Jasper County |
| 259 | Mtg Donalsonville | 660 | Ocilla Park Office #222 | 961 | Branch #2-Jasper County |
| 270 | Lake Seminole #386 | 669 | Mtg-Orange Park | 962 | Branch #3-Jasper County |
| 275 | Colquitt #386 | 670 | Blanding Office #227 | 970 | Main Office-Charleston |
| 279 | Mtg-Colquitt | 675 | Jax LPO | 971 | Branch #2-Charleston |
| 300 | Main #467 | 679 | Mtg-Jax | 972 | Branch #3-Charleston |
| 309 | Mtg-Quitman | 700 | Main #457 | 979 | Mtg-Charleston |
| 310 | Trowville #467 | 709 | Mtg-Cordele | 980 | Main Office-Myrtle Beach |
| 320 | Valdosta #467 | 760 | Albany #477 | 981 | Branch #2-Myrtle Beach |
| 360 | Main #358 | 765 | Lee County Office #477 | 982 | Branch #3-Myrtle Beach |
| 369 | Mtg-Crawfordville | 769 | Mtg-Albany | 9999 | Ameris Bancorp |
| 370 | Panacea #255 | 779 | Mtg-Leesburg | | |



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01897

# The Red Carpet Commitment

By signing below, you agree to follow the customer experience guidelines and provide our customers with the Ameris Bank "Red Carpet Experience."

As an Ameris Bank Employee:

1. *I understand The Ameris Bank "Red Carpet Experience" and promise to give my customers an Exceptional Customer Experience every day.*
2. *I will provide my customers with fast, friendly, and accurate service.*
3. *I will work hard to provide solutions to the problems my customers face.*
4. *I will resolve customer issues or inquires within a timely manner.*
5. *I will keep my customer informed of progress, improvements and/or of any changes made, all while ensuring that their needs are met.*
6. *I promise to always live and work by the standards provided in the Ameris Bank Red Carpet Experience. In so doing, I will provide my customers with an Exceptional Customer Experience.*

Karl H. Zerbst Jr. 6/21/09
EMPLOYEE SIGNATURE DATE

Karl H. Zerbst Jr.
PRINT NAME

Richard D. [illegible] 5/26/09
SUPERVISOR SIGNATURE DATE

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01898

*Please sign & return this page for your personnel file.*

**Ameris Bank**
**New Hire Orientation**

**Overview--Information Security**
**&**
**Consumer Privacy Policy**

---

*Print Name:* Karl H. Zerbst Jr.
*Signature:* Karl H. Zerbst Jr
*Bank/Dept:* Mortgage Trust

*Received listed policies and participated in discussion on*
*Date:* 1/23/08

***Topic:*** **Consumer Privacy Policy**
**Section 36.010**

***Topic:*** **Acceptable Use Policy**
**Section 100.110**

***Topic:*** **Information Security Program**
**Section: 100.200**

***Topic:*** **Physical Security of Information Systems**
**Section 100.220**

***Topic:*** **Insider Trading**

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01899

## Ameris Bank
### EMPLOYEE ACKNOWLEDGMENT FORM

I understand and agree that the Ameris Bank Employee Handbook ("Handbook") has been prepared as a general guide to the Company's policies, procedures and employee benefits. The Handbook describes important information about the Company and I agree to contact the HR Coordinator or my supervisor regarding any questions I may have about the contents of the Handbook.

Since provisions of the Handbook are subject to change at the sole discretion of the Company without prior notice, I further understand that revisions to the Handbook may supersede or eliminate one or more existing policies when in writing by the President of Ameris Bank. There shall be no oral changes to the provisions of the Handbook.

Any violation of the Code of Ethics, including, but not limited to, the unauthorized access of our customers' information or the sharing of such customer information with third parties will subject the employee to disciplinary action, up to and including immediate termination.

My employment relationship with Ameris Bank is voluntarily entered into for an indefinite period and is subject to termination by me or my employer at will, with or without cause and without liability, at any time either party believes such action to be appropriate.

I further acknowledge and agree that the Handbook is NOT, nor shall it be considered as a contract or term of employment as stated here and in the Handbook Disclaimer.

This is to acknowledge that I have access to the Handbook through the Company Intranet as well as a reference copy at my bank location. I agree to read and familiarize myself with the contents of the Handbook (including without limitation the prohibition of sexual harassment) and agree to comply with the policies and procedures contained in the Handbook and any subsequent revision, modification, or changes in the policies or procedures as may be implemented by the Company after this date.

I understand this form will be placed in my personnel file.

Carl H. Zerbst Jr.
EMPLOYEE'S SIGNATURE

1/23/08
DATE:

Carl H. Zerbst Jr.
EMPLOYEE'S NAME (TYPE OR PRINT)

L Shaw
WITNESS

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01900

ABC Bancorp

I, Karl H. Zerbst, Sr. hereby certify that I have read and understand the above Insider Trading Policy Statement dated September 1, 2005 and agree to adhere strictly to it. I further certify that I understand that failure to adhere to the Insider Trading Policy Statement will result in serious consequences and may result in my termination of service or employment.

Karl H. Zerbst
Signature

11/8/05
Date

Ameris Document

| | |
|---|---|
| **Organizational Functional Area:** | **IT and Operations** |
| **Policy For:** | **Mobile Computers** |
| **Date Issued:** | **09/04/07** |
| **Date Revised:** | **09/04/07** |
| **Department/Individual Responsible for Maintaining Policy:** | **Chief Information Officer** |

**Topic: Mobile Computer Policy** **Section: 100.120**

---

**STATEMENT OF UNDERSTANDING**

I, (print name) Karl Zerbst, have read the Ameris Bank Mobile Computer Policy. I fully understand the terms of this policy and agree to abide by its conditions as long as the mobile device is used.

As a designated Mobile Device User, I understand that this document may be amended at any time and such amendments will be posted to the Ameris Bank's Intranet website. It is my responsibility to ensure such amendments are read and are complied with

The mobile devices that are presently in my custody include the following.

☑ Laptop computer
Make: hp Model: 6710b Serial #: Compaq CNU744F1W9Q Date Issued: 1/22/08

☐ Palm Pilot
Make: _____ Model: _____ Serial #: _____ Date Issued: _____

☑ Blackberry
Make: Blackberry Model: 8703e Serial #: ESN 0760 8858 70 Date Issued: 1/22/08 Phone: 843 452 3838

☐ Mobile Telephone
Make: _____ Model: _____ Serial # _____ Date Issued _____ Phone: _____

☐ Other _____
Make: _____ Model: _____ Serial #: _____ Date Issued _____

Signature: _____ Karl A. Zerbst Jr. Date: 3/6/08
Employee's Signature

Signature: _____ Date: _____
Employee's Supervisor/Manager

Signature: _____ Date: 3-7-08
Chief Information Officer

Date Signed Policy Received By Information Technology: 3-7-08

Ameris Bank



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01902

**Bigham, Amy**

**From:** Zerbst, Karl
**Sent:** Thursday, August 20, 2009 6:02 PM
**To:** Bigham, Amy
**Subject:** FW: Hours

Amy – wanted you to be aware of this request by Kim as I asked her to document her need This is not a problem, I know from your standpoint but wanted it to be documented if anything happened to me Thanks.

**Karl H. Zerbst, Jr.**
**Ameris Bank** | Market President
968-C Houston Northcutt | Mt. Pleasant, SC 29464
(D) 843-849-5488 (F) 843-881-8350
(C) 843-452-3838 (O) 843-375-4969
karl.zerbst@amerisbank.com

**From:** Racine, Kim
**Sent:** Thursday, August 20, 2009 3:42 PM
**To:** Zerbst, Karl
**Subject:** Hours

Karl,

Per our conversation about changing my work hours

REDACTED

Thanks
Kim

8/21/2009

PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01903

# Form Confirmation

Thank you for submitting the following information:

**Date_of_Hire:** 01/18/2008
**First_Name:** Karl
**Middle_Name:** Henry
**Last_Name:** Zerbst
**Suffix:** Jr.
**Date of Birth:** REDACTED
**SSN:**
**Gender:**
**Class:** Full Time
**Division:** Ameris Bank
**Location:** Charleston
**Company_Class:** Officer
**Department:** 970
**Pay_Group:** JHV
**Address:** 1256 Palmetto Peninsula
**Address_2:**
**City:** Mt. Pleasant
**State:** SC
**Zip_Code:** 29464
**Home_Phone:** REDACTED
**Cell_Number:**
**Race_ID_Method:** Visual ID
**Ethnicity:** Not Hispanic or Latino
**Race:** White
**Job_Title:** Bank President
**Jobc_Grade:** 62
**Work_Phone:** 843 452-3838
**Fax_Number:** 843 534-2944
**Mail_Code:** CHS-970
**Supervisor:** MarcBogan
**Effective_Date:** 01/18/2008
**Rate:** $6,250.
**Per:** Half Month
**Hours_per_Week:** 40
**Person_Completing_Form:** Amy Bigham
**Tax_Forms:** Yes
**Deposit_Authorization:** Yes
**Offer_Letter:** Yes
**I9:** Yes
**B1:** Submit

Return to the form.



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01904

# Form Confirmation

Thank you for submitting the following information:

**Effective_Change_Date:** 11/05/2008
**Reason_for_Change:** Personal Data
**Last_Name:** Zerbst, Jr.
**First_Name:** Karl
**Middle_Name:**
**Address:**
**Address2:**
**City:**
**State:**
**Zip_Code:**
**Home_Number::**
**Cell_Number::**
**Marital_Status:** (Select)
**Status:** (Select)
**Job_Title:**
**Pay_Grade:**
**Location :** (Select)
**Class:** (Select)
**Department:** 981
**Work_Phone:** 843.652.7444
**Fax_Number:** 843.357.4008
**Mail_Code:**
**Supervisor:** Richard Sturm
**Pay_Rate:**
**Per:** (Select)
**Hours_Per_Week:** (Select)
**Person_Completing_Form:** Amy Bigham
**Tax_Forms:** No
**Direct_Deposit:** No
**Name_Change_Documentation:** No
**B1:** Submit

**S1**

Please change Karl's supervisor, work phone and fax numbers. Thanks.

Return to the form.

Ameris Document



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01905

# Form Confirmation

Thank you for submitting the following information:

**Effective_Change_Date:** 04/30/2010
**Reason_for_Change:** Personal Data
**Last_Name:** Zerbst
**First_Name:** Karl
**Middle_Name:**
**Address:**
**Address2:**
**City:**
**State:**
**Zip_Code:**
**Home_Number::**
**Cell_Number::**
**Marital_Status:** (Select)
**Status:** (Select)
**Job_Title:**
**Pay_Grade:**
**_Location :** (Select)
**Class:** (Select)
**Department:** (Select)
**Work_Phone:**
**Fax_Number:**
**Mail_Code:**
**Supervisor:**
**T1:**
**Pay_Rate:**
**Per:** (Select)
**Hours_Per_Week:** (Select)
**Person_Completing_Form:** Amy Bigham
**Tax_Forms:** Yes
**Direct_Deposit:** No
**Name_Change_Documentation:** No
**B1:** Submit

**S1**

Zerl is adjusting his W-4 allowances. the new W-4 has been emailed.

Return to the form.

Attorney Confidential



PRODUCED PURSUANT TO CONFIDENTIALITY AGREEMENT
Ameris - 01906

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051048

64-176
612

REMITTER Heritage Seven LLC / Water Heater

February 26, 2008

PAY TO THE ORDER OF *AT&T Plumbing* $ [redacted]2,200.00

TWO THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051046

64-176
612

REMITTER Heritage Seven LLC / Doors / Windows

February 26, 2008

PAY TO THE ORDER OF *Advanced Building Connection* $ [redacted]3,894.00

THREE THOUSAND EIGHT HUNDRED NINETY FOUR DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051045

64-176
612

REMITTER Heritage Seven LLC / Steel Stairs

February 26, 2008

PAY TO THE ORDER OF *Fields Ornamental Inc.* $ [redacted]2,580.00

TWO THOUSAND FIVE HUNDRED EIGHTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051044

64-176
612

REMITTER Heritage Seven LLC / Steel Stairs

February 26, 2008

PAY TO THE ORDER OF *Fields Ornamental Inc * $ [redacted]2,580.00

TWO THOUSAND FIVE HUNDRED EIGHTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

DEFENDANT'S EXHIBIT 41

DEFENDANT'S EXHIBIT LAB 27 GIBSON

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051049

REMITTER Heritage Seven LLC / Bldg. 2 Water Heate

February 26, 2008

64-176
612

PAY TO THE ORDER OF *RT&T Plumbing*

$ **2,200.00

TWO THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051051

REMITTER Heritage Seven,LLC / doors windows

February 26, 2008

64-176
612

PAY TO THE ORDER OF *Advanced Building Connection*

$ **20,450.00

TWENTY EIGHT THOUSAND FOUR HUNDRED FIFTY EIGHT DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

-1510-

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051068

64-175
612

REMITTER Heritage Seven, LLC
Kitchen Cabinet Set

March 03, 2008

PAY TO THE ORDER OF *Advanced Building Connection, LLC* $ ********1,050.00

ONE THOUSAND FIFTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051069

64-176
612

REMITTER Heritage Seven, LLC
Kitchen Cabinet Set

March 03, 2008

PAY TO THE ORDER OF *Advanced Building Connection* $ ********11,550.00

ELEVEN THOUSAND FIVE HUNDRED FIFTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051070

64-176
612

REMITTER Heritage Seven, LLC

March 03, 2008

PAY TO THE ORDER OF *Robert G Katz* $ ********2,975.00

TWO THOUSAND NINE HUNDRED TWENTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

-1512-

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

REMITTER Heritage Seven LLC

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

051074

54-175
512

March 06, 2008

PAY TO THE ORDER OF #Advanced Building Connection LLC# $ [redacted]

ONE THOUSAND SIX HUNDRED EIGHT DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

REMITTER Heritage Seven LLC

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

051075

March 06, 2008

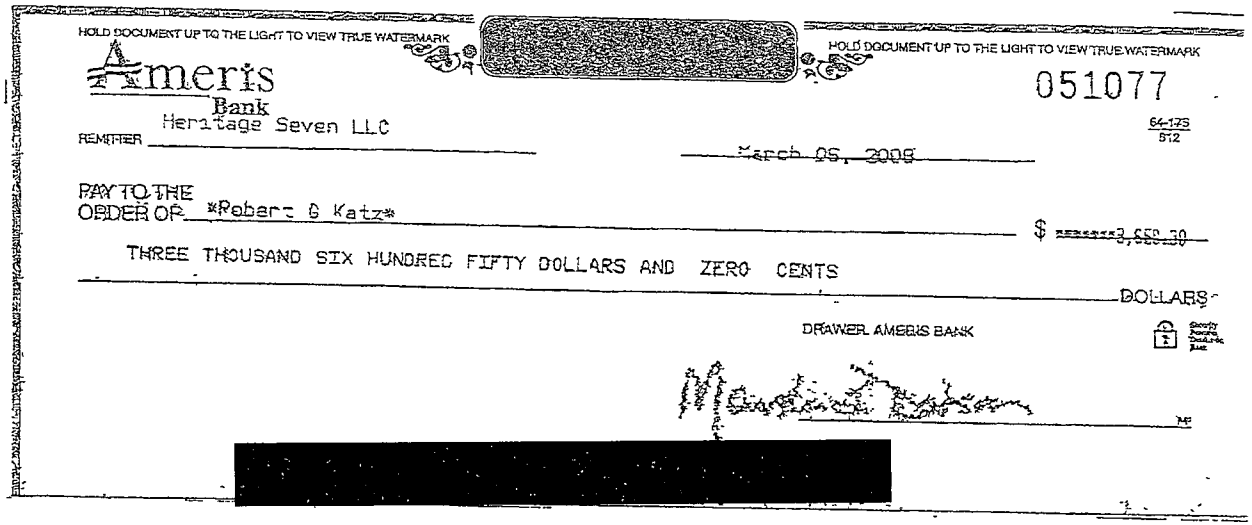
PAY TO THE ORDER OF #Advanced Building Connection LLC# $ [redacted]

ONE THOUSAND SIX HUNDRED FIFTY SIX DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

[redacted]

-15116-


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051077

64-175
512

REMITTER Heritage Seven LLC

March 05, 2008

PAY TO THE ORDER OF *Robert G Katz*

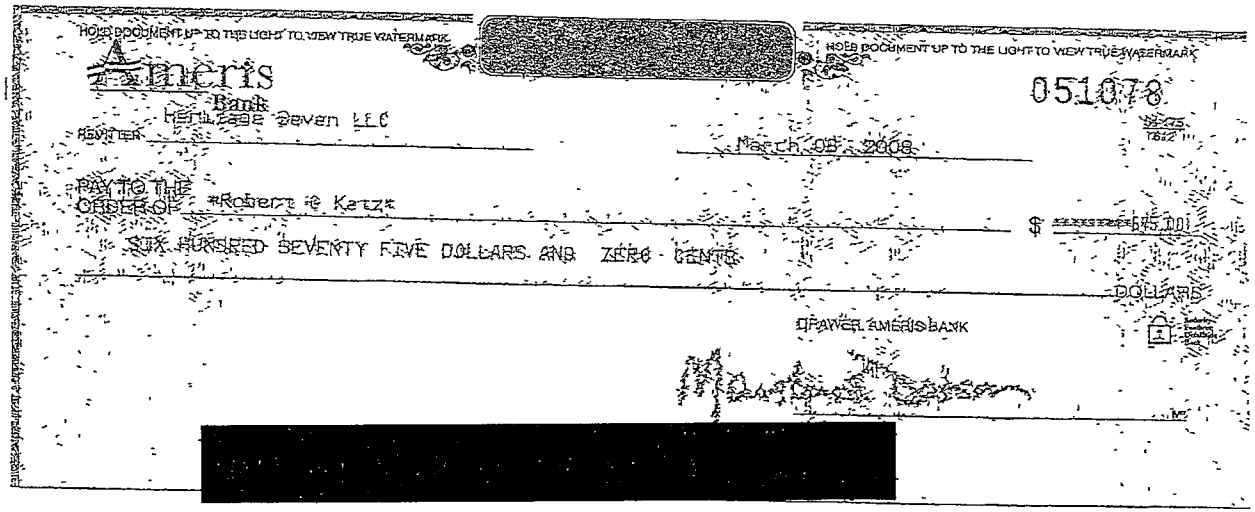
$ ********3,650.30

THREE THOUSAND SIX HUNDRED FIFTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051078

64-175
512

REMITTER Heritage Seven LLC

March 05, 2008

PAY TO THE ORDER OF *Robert G Katz*

$ ********675.00

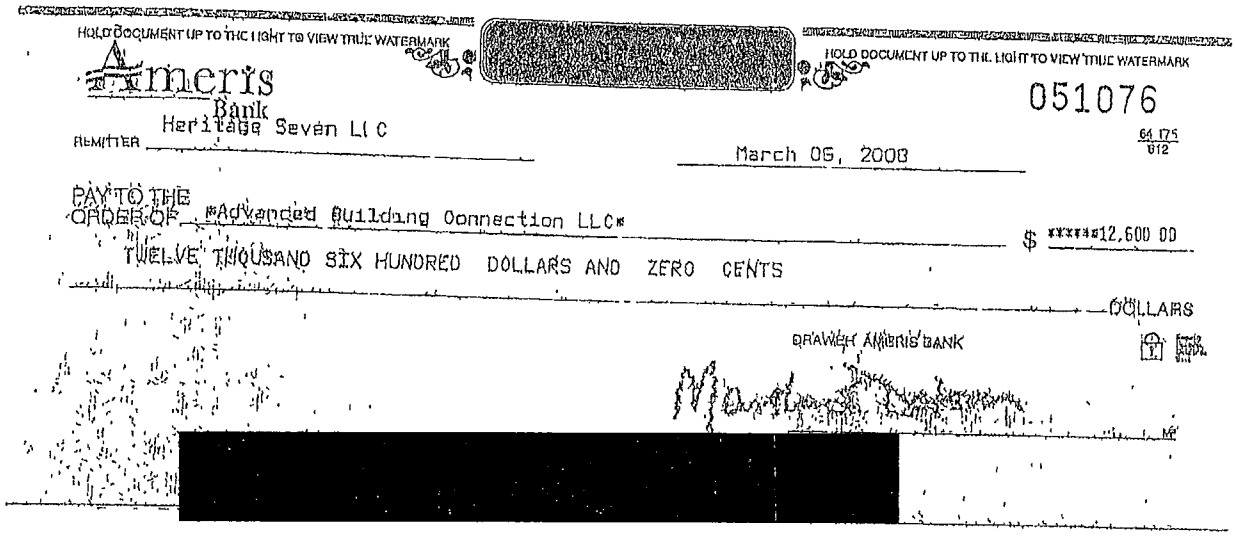
SIX HUNDRED SEVENTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

-1514-


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

051076

64-175
612

REMITTER Heritage Seven LLC

March 06, 2008

PAY TO THE ORDER OF *Advanced Building Connection LLC* $ ******12,600.00

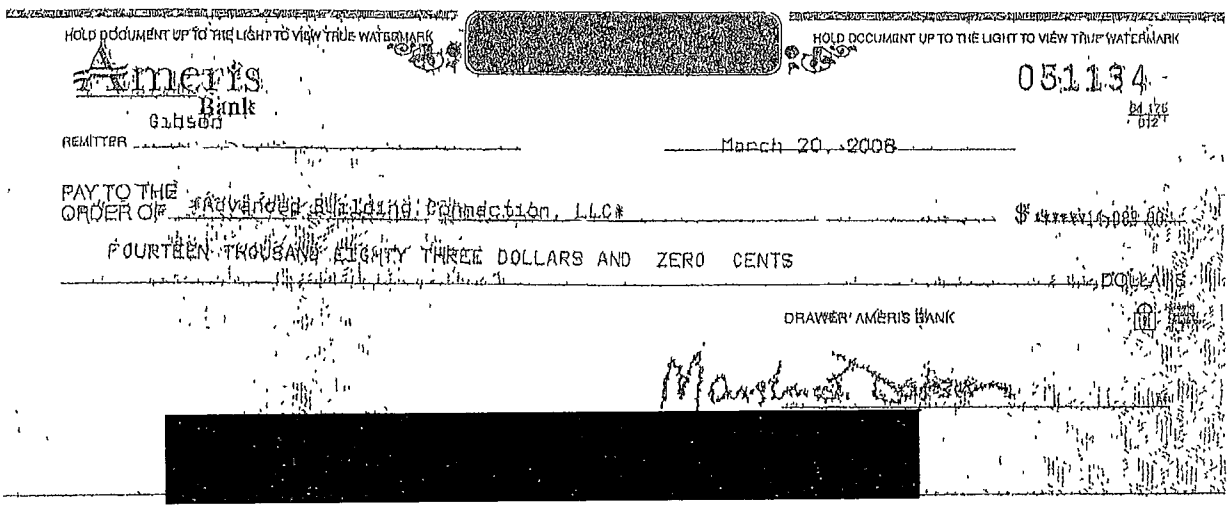
TWELVE THOUSAND SIX HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

-1518-


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank
Gibson

051134

REMITTER

March 20, 2008

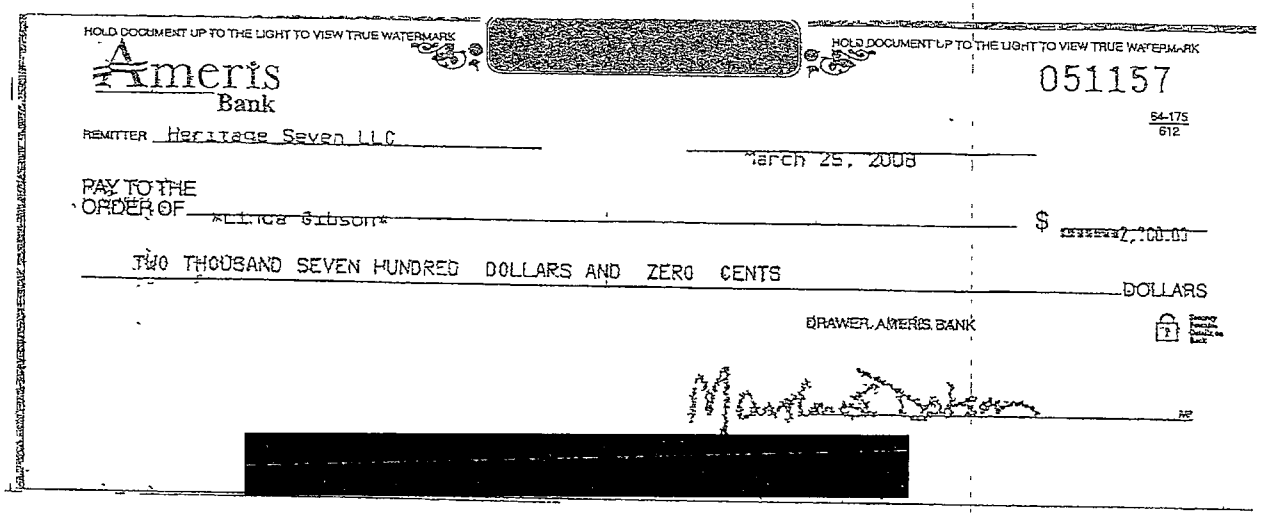
PAY TO THE ORDER OF Advanced Building Connection, LLC* $ ********14,083.00

FOURTEEN THOUSAND EIGHTY THREE DOLLARS AND ZERO CENTS DOLLARS

DRAWER: AMERIS BANK

[redacted]

-1526-



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

051157

84-175
612

REMITTER Heritage Seven LLC

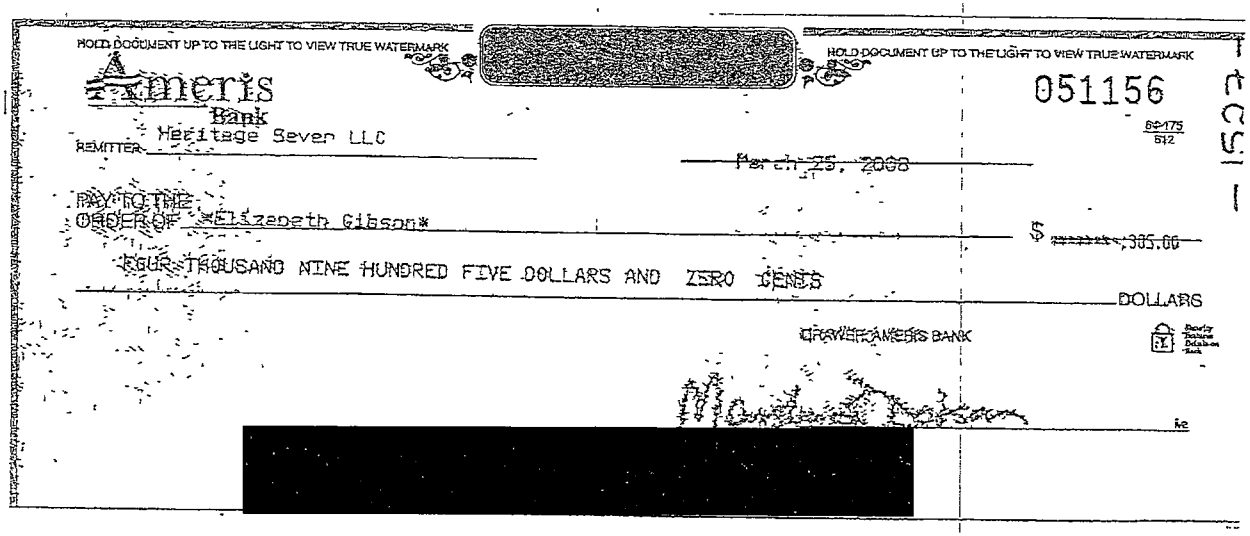
March 25, 2008

PAY TO THE ORDER OF Alicia Gibson* $ 2,700.00

TWO THOUSAND SEVEN HUNDRED DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

051156

84-175
612

REMITTER Heritage Seven LLC

March 25, 2008

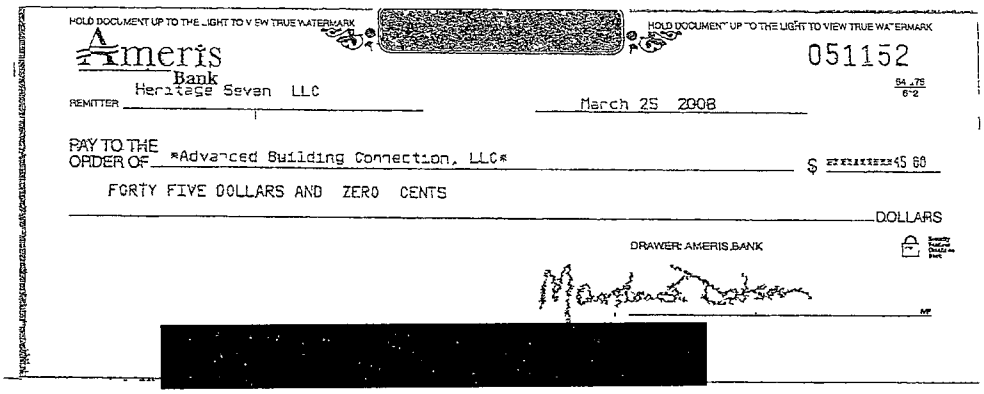
PAY TO THE ORDER OF Elizabeth Gibson* $ 4,305.00

FOUR THOUSAND NINE HUNDRED FIVE DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

[redacted]

1231


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051152

REMITTER Heritage Seven LLC

March 25 2008

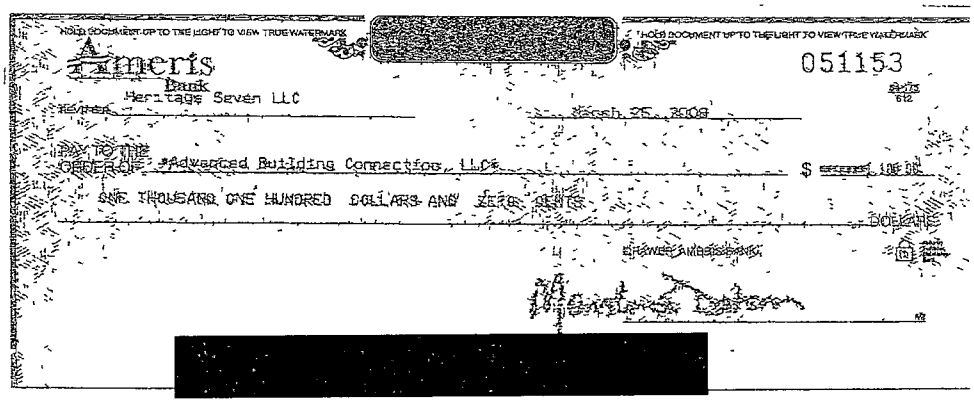
PAY TO THE ORDER OF *Advanced Building Connection, LLC* $ $5 00

FORTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051153

REMITTER Heritage Seven LLC

March 25 2008

PAY TO THE ORDER OF *Advanced Building Connection, LLC* $ 1,100 00

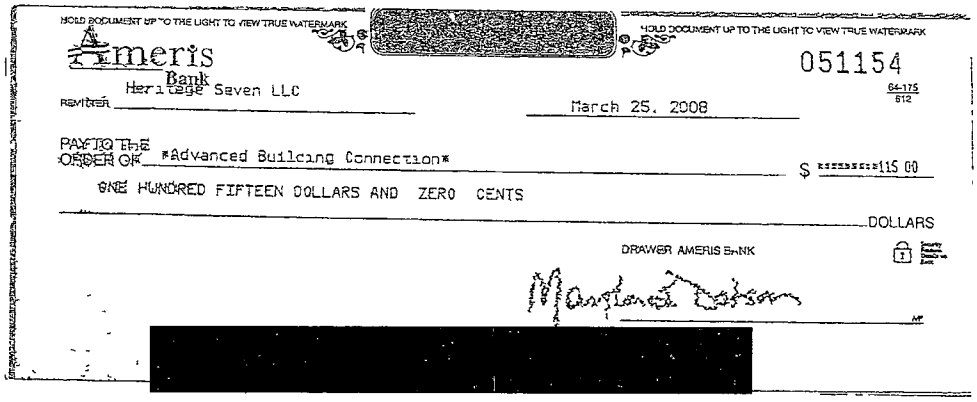
ONE THOUSAND ONE HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]

-1531-


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051154

Heritage Seven LLC

March 25, 2008

64-175
512

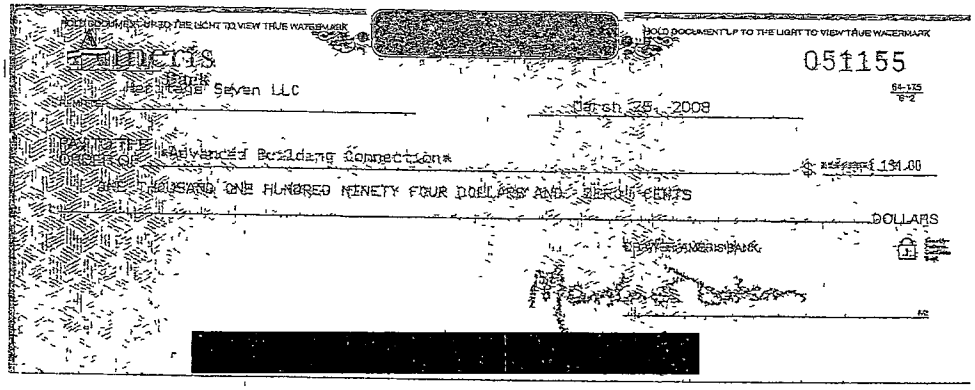
PAY TO THE ORDER OF *Advanced Building Connection* $ 115.00

ONE HUNDRED FIFTEEN DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051155

Heritage Seven LLC

March 25, 2008

64-175
512

PAY TO THE ORDER OF *Advanced Building Connection* $ 191.00

ONE THOUSAND ONE HUNDRED NINETY FOUR DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

-1532-

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK [redacted] HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051167

84-175
612

REMITTER Heritage Seven, LLC 7370000179 BL

March 27, 2008

PAY TO THE ORDER OF *Copeland* $ ******3,800.00

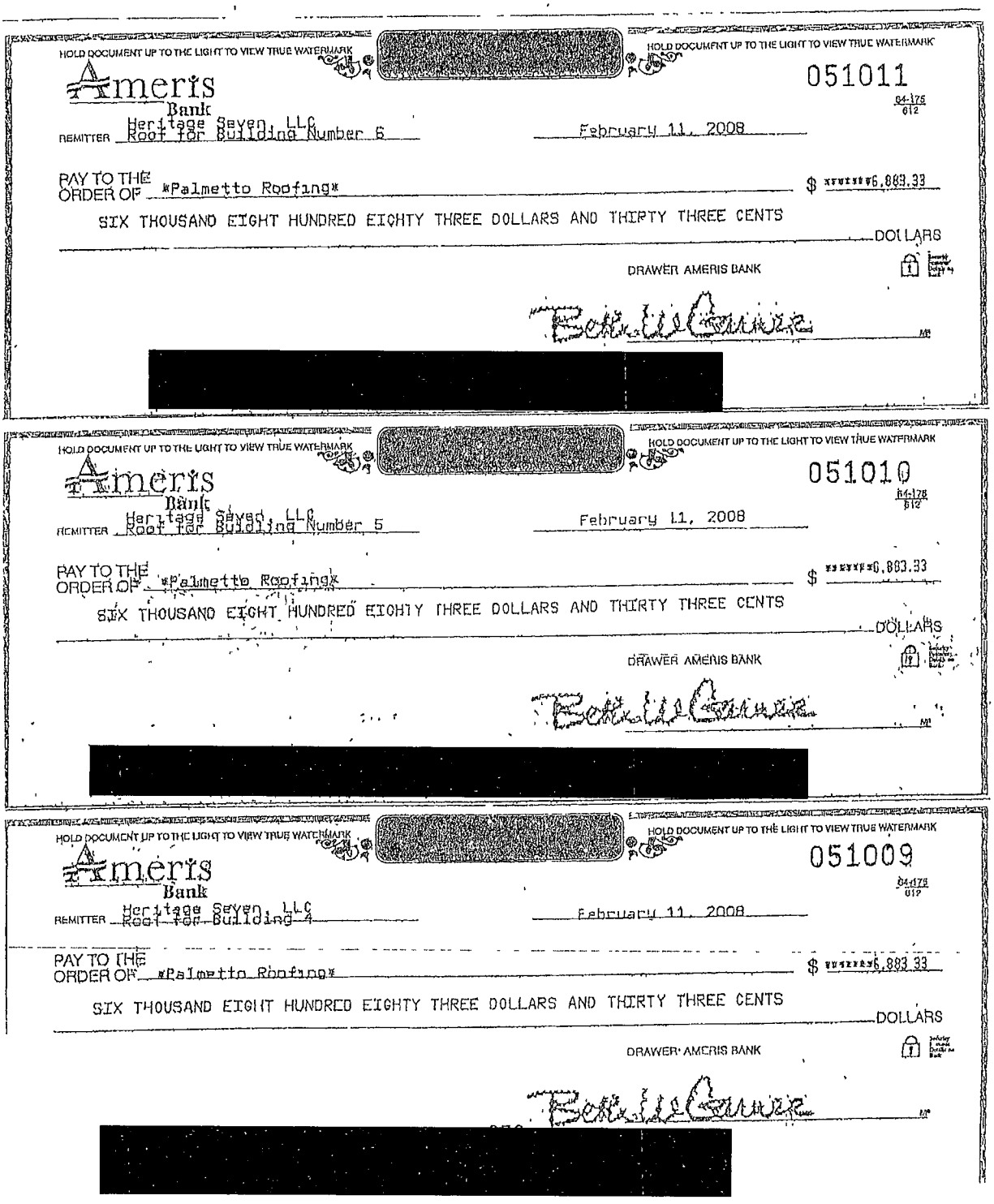
THREE THOUSAND EIGHT HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER, AMERIS BANK

[redacted]

— 1538 —



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051011

64-175
612

REMITTER Heritage Seven, LLC Roof for Building Number 6

February 11, 2008

PAY TO THE ORDER OF *Palmetto Roofing*

$ xxxxxx6,883.33

SIX THOUSAND EIGHT HUNDRED EIGHTY THREE DOLLARS AND THIRTY THREE CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051010

64-178
612

REMITTER Heritage Seven, LLC Roof for Building Number 5

February 11, 2008

PAY TO THE ORDER OF *Palmetto Roofing*

$ xxxxxx6,883.33

SIX THOUSAND EIGHT HUNDRED EIGHTY THREE DOLLARS AND THIRTY THREE CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051009

64-175
612

REMITTER Heritage Seven, LLC Roof for Building 4

February 11, 2008

PAY TO THE ORDER OF *Palmetto Roofing*

$ xxxxxx6,883.33

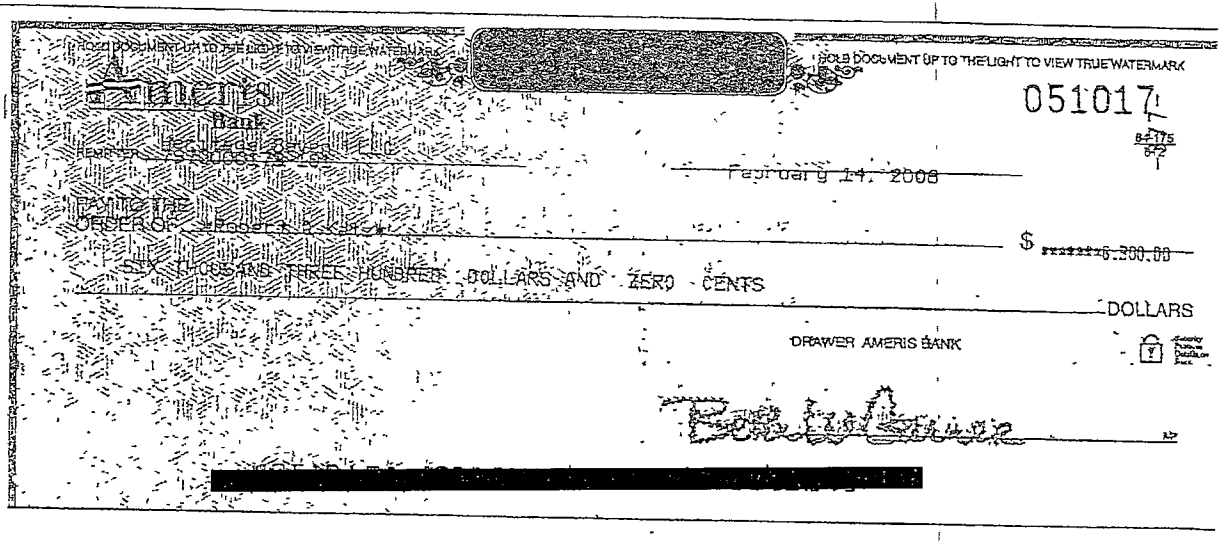
SIX THOUSAND EIGHT HUNDRED EIGHTY THREE DOLLARS AND THIRTY THREE CENTS

DOLLARS

DRAWER AMERIS BANK

[redacted]

Painting or Building




1236

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051037

64-175
612

REMITTER Heritage Seven, LLC Drywall Installation

February 22, 2008

PAY TO THE ORDER OF *Advanced Building Connection, LLC* $ **********150.00

ONE HUNDRED FIFTY DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051036

64-175
612

REMITTER Heritage Seven, LLC Drywall Installation

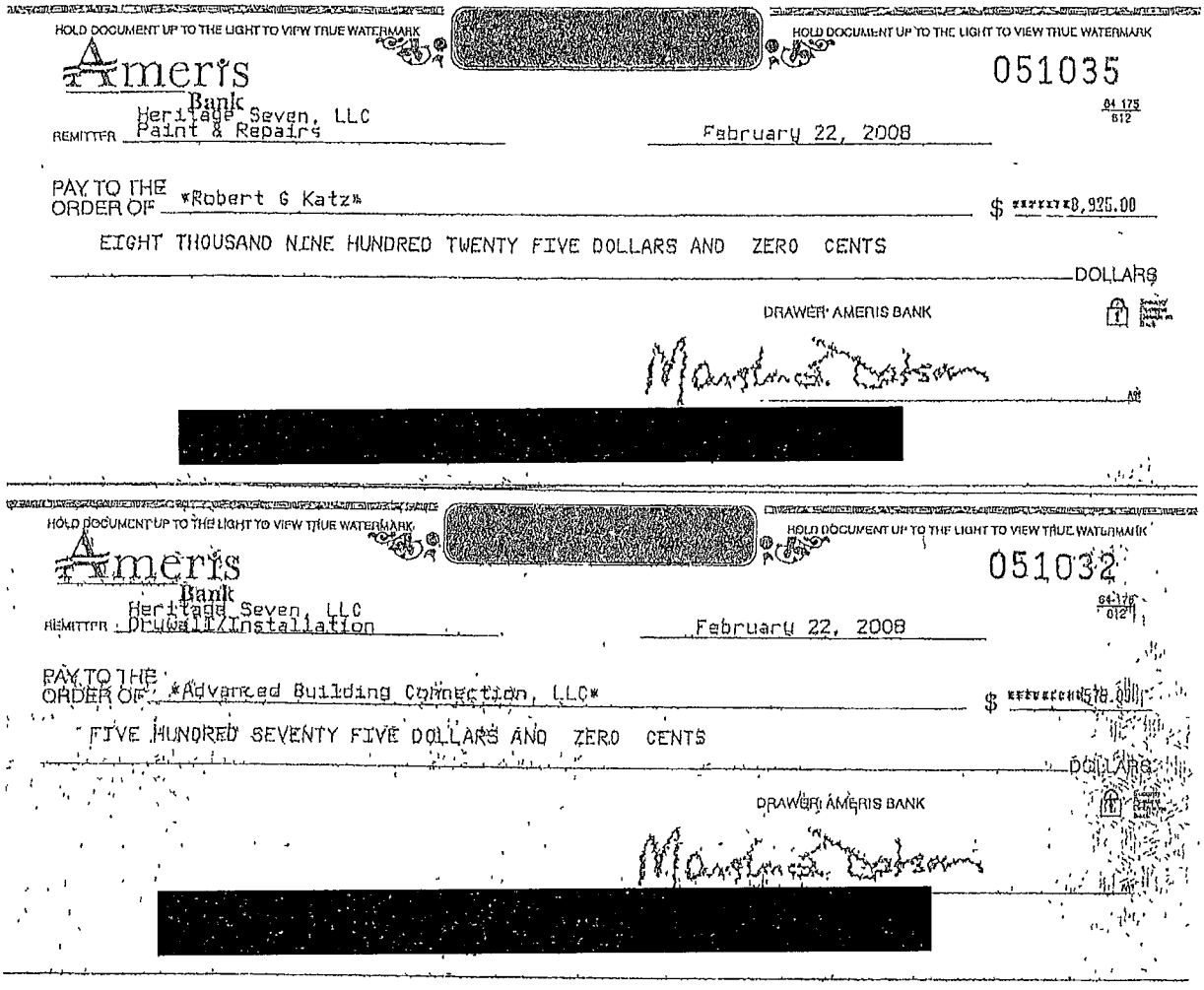
February 22, 2008

PAY TO THE ORDER OF *Advanced Building Connection, LLC* $ *******1,000.00

ONE THOUSAND DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051035

64-175
612

REMITTER Heritage Seven, LLC Paint & Repairs

February 22, 2008

PAY TO THE ORDER OF *Robert G Katz* $ ******8,925.00

EIGHT THOUSAND NINE HUNDRED TWENTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051032

64-176
612

REMITTER Heritage Seven, LLC Drywall Installation

February 22, 2008

PAY TO THE ORDER OF *Advanced Building Connection, LLC* $ ******575.00

FIVE HUNDRED SEVENTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VILW TRUE WATERMARK

HOLD DOCUMLNT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051030

64-175
812

REMITTER Heritage Seven, LLC Heat Pumps

February 22, 2008

PAY TO THE ORDER OF *Carrier* $ xxxxxx53,363 94

FIFTY THREE THOUSAND THREE HUNDRED SIXTY THREE DOLLARS AND NINETY FOUR CENTS DOLLARS

DRAWER: AMERIS BANK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051034

64-175
812

REMITTER Heritage Seven, LLC Heat Pump Installation

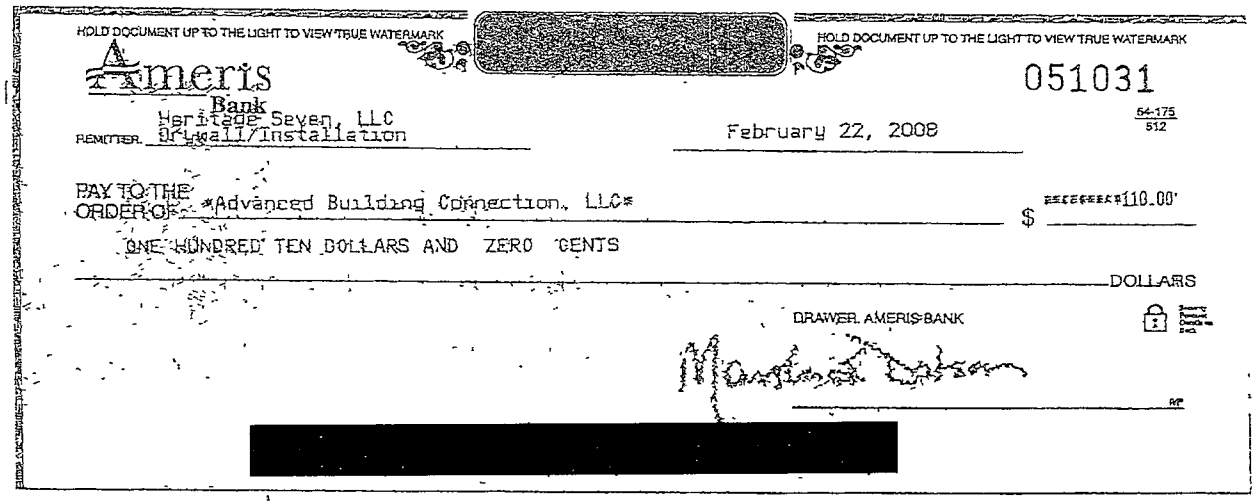
February 22, 2008

PAY TO THE ORDER OF *Hugh's A/C & Electric* $xxxxx4,636.06

FOUR THOUSAND SIX HUNDRED THIRTY SIX DOLLARS AND SIX CENTS DOLLARS

DRAWER: AMERIS BANK

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051031

54-175
512

REMITTER: Heritage Seven, LLC
Drywall/Installation

February 22, 2008

PAY TO THE ORDER OF *Advanced Building Connection, LLC*

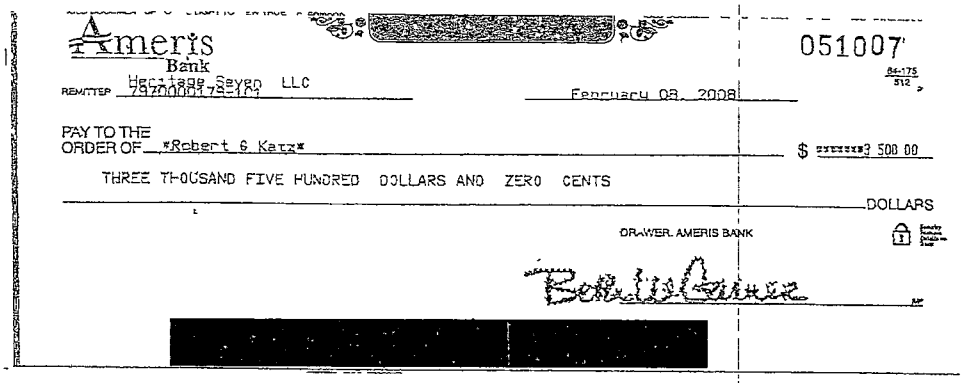
$ **********110.00

ONE HUNDRED TEN DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

[redacted]



Ameris Bank

051007

84-175
512

REMITTER Heritage Seven LLC 797000017S-107

February 08, 2008

PAY TO THE ORDER OF *Robert G Katz*

$ ******3,500.00

THREE THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

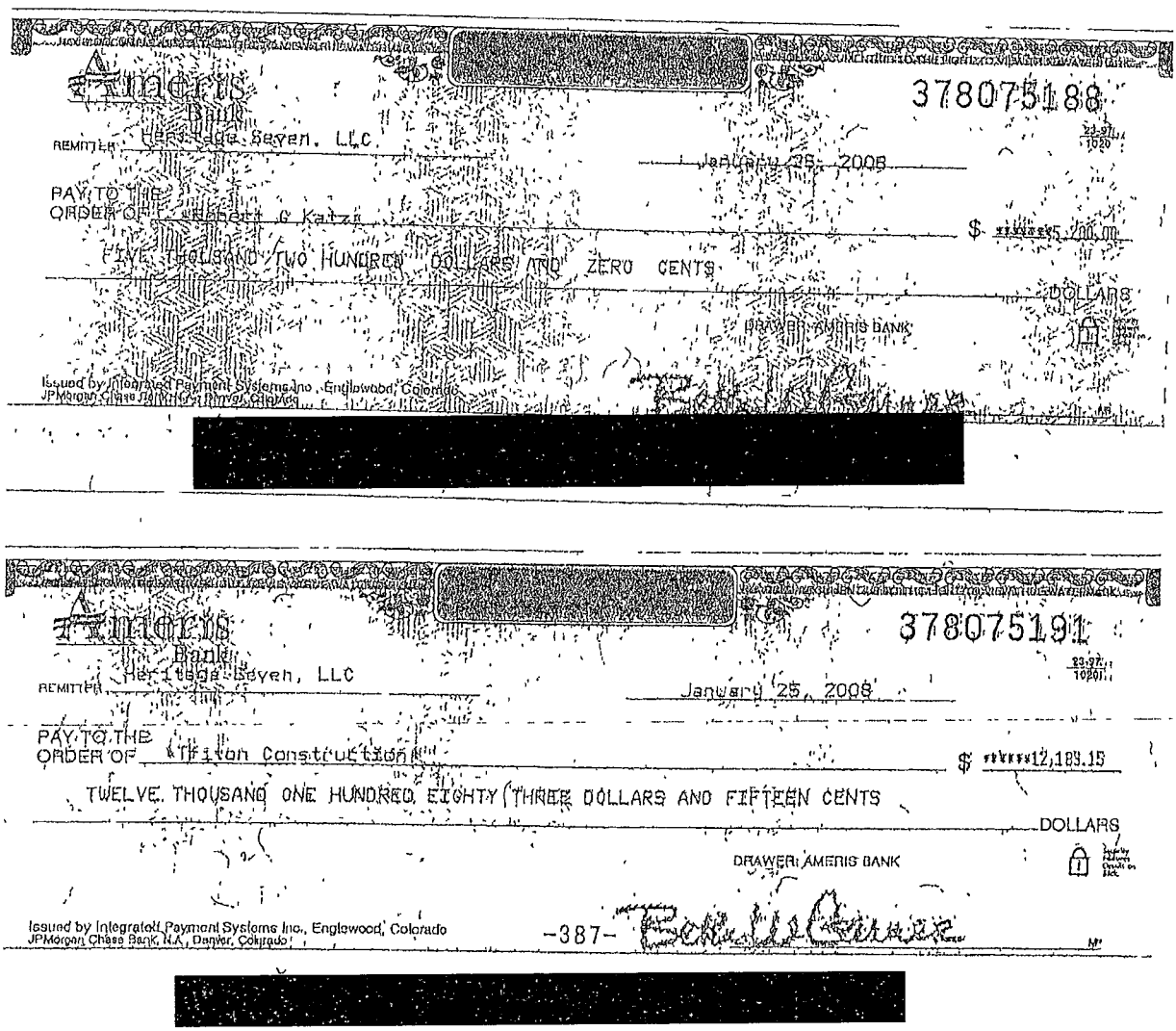
DRAWER AMERIS BANK

[redacted]

-384-

1241

Heritage Seven, LLC



Ameris Bank

37807518

REMITTER: Heritage Seven, LLC

January 25, 2008

PAY TO THE ORDER OF: Robert C Katz

$ ******5,200.00

FIVE THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank N.A., Denver, Colorado

[redacted]

Ameris Bank

37807519

REMITTER: Heritage Seven, LLC

January 25, 2008

PAY TO THE ORDER OF: Triton Construction

$ ******12,183.15

TWELVE THOUSAND ONE HUNDRED EIGHTY THREE DOLLARS AND FIFTEEN CENTS

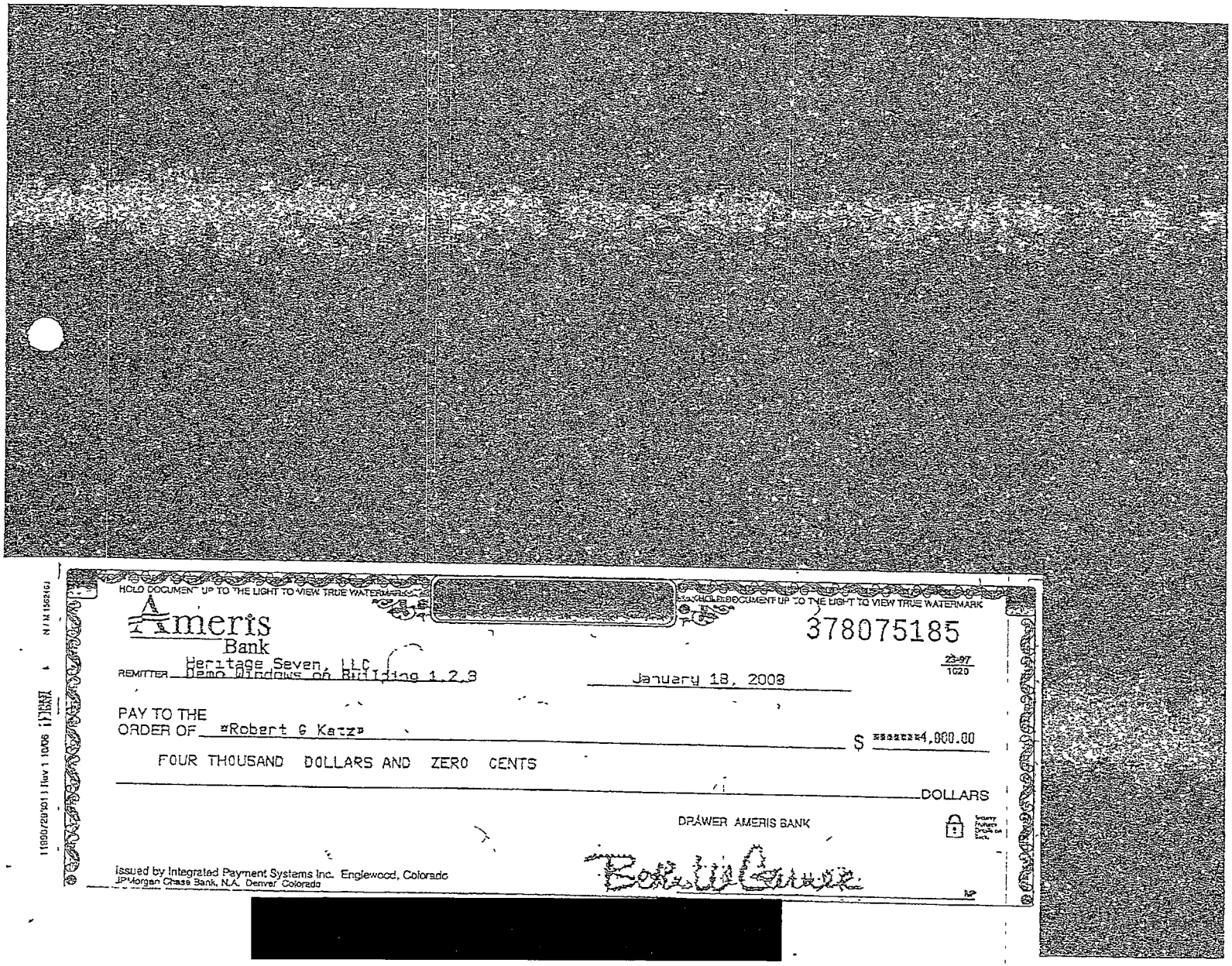
DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

-387-

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075185

REMITTER Heritage Seven, LLC
Demo Windows on Building 1,2,3

23-97
1020

January 18, 2008

PAY TO THE ORDER OF "Robert G Katz"

$ ********4,000.00

FOUR THOUSAND DOLLARS AND ZERO CENTS

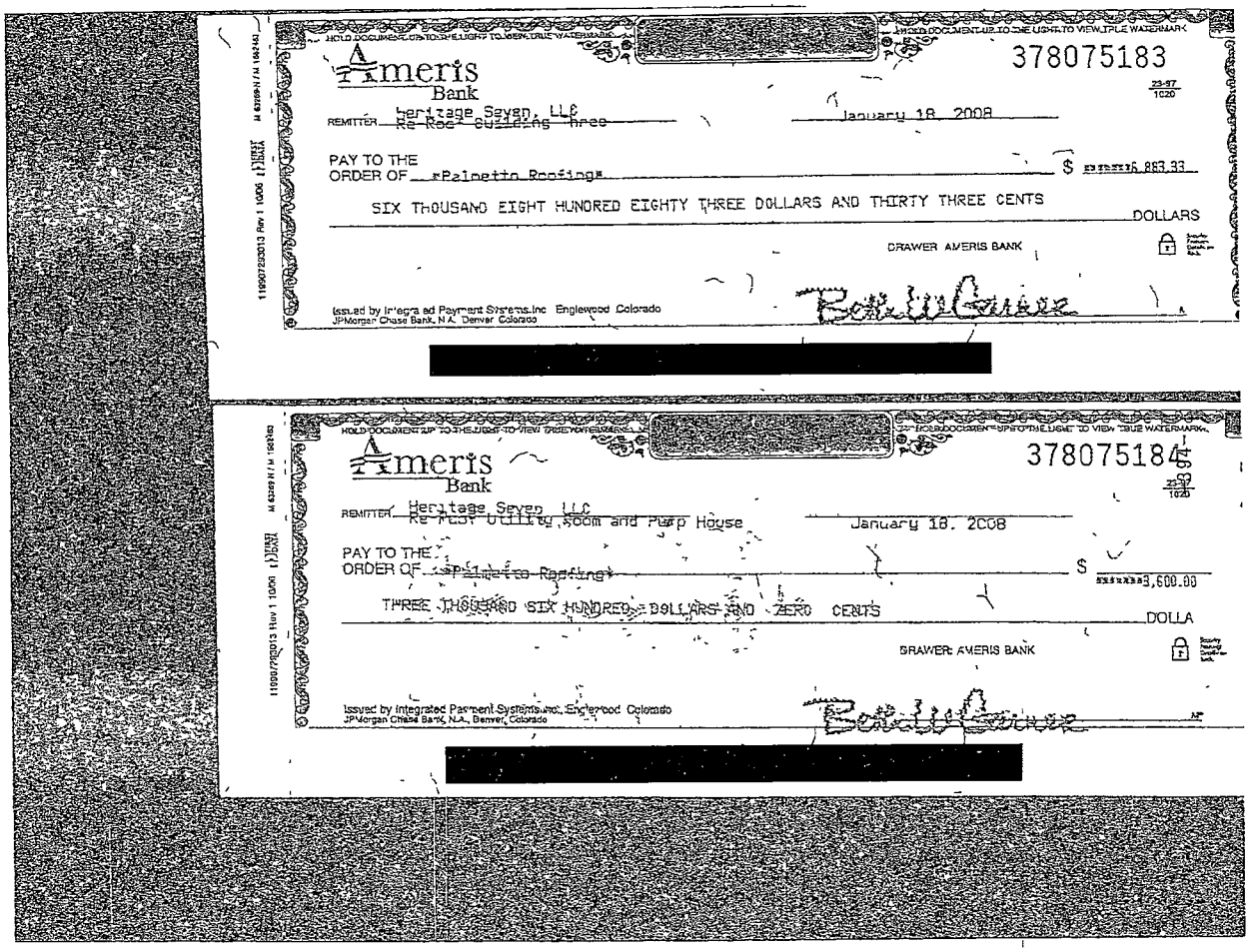
DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc. Englewood, Colorado
JPMorgan Chase Bank, N.A. Denver Colorado

[redacted]

1243



Ameris Bank

378075183

REMITTER Heritage Seven, LLC Re Roof Building Three

January 18, 2008

PAY TO THE ORDER OF rPalmetto Roofing$

$ ******6,883.33

SIX THOUSAND EIGHT HUNDRED EIGHTY THREE DOLLARS AND THIRTY THREE CENTS

DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems,Inc Englewood Colorado
JPMorgan Chase Bank, N.A. Denver Colorado

[redacted]

Ameris Bank

37807518[illegible]

REMITTER Heritage Seven LLC Re Roof Utility Room and Pump House

January 18, 2008

PAY TO THE ORDER OF rPalmetto Roofing$

$ ******3,600.00

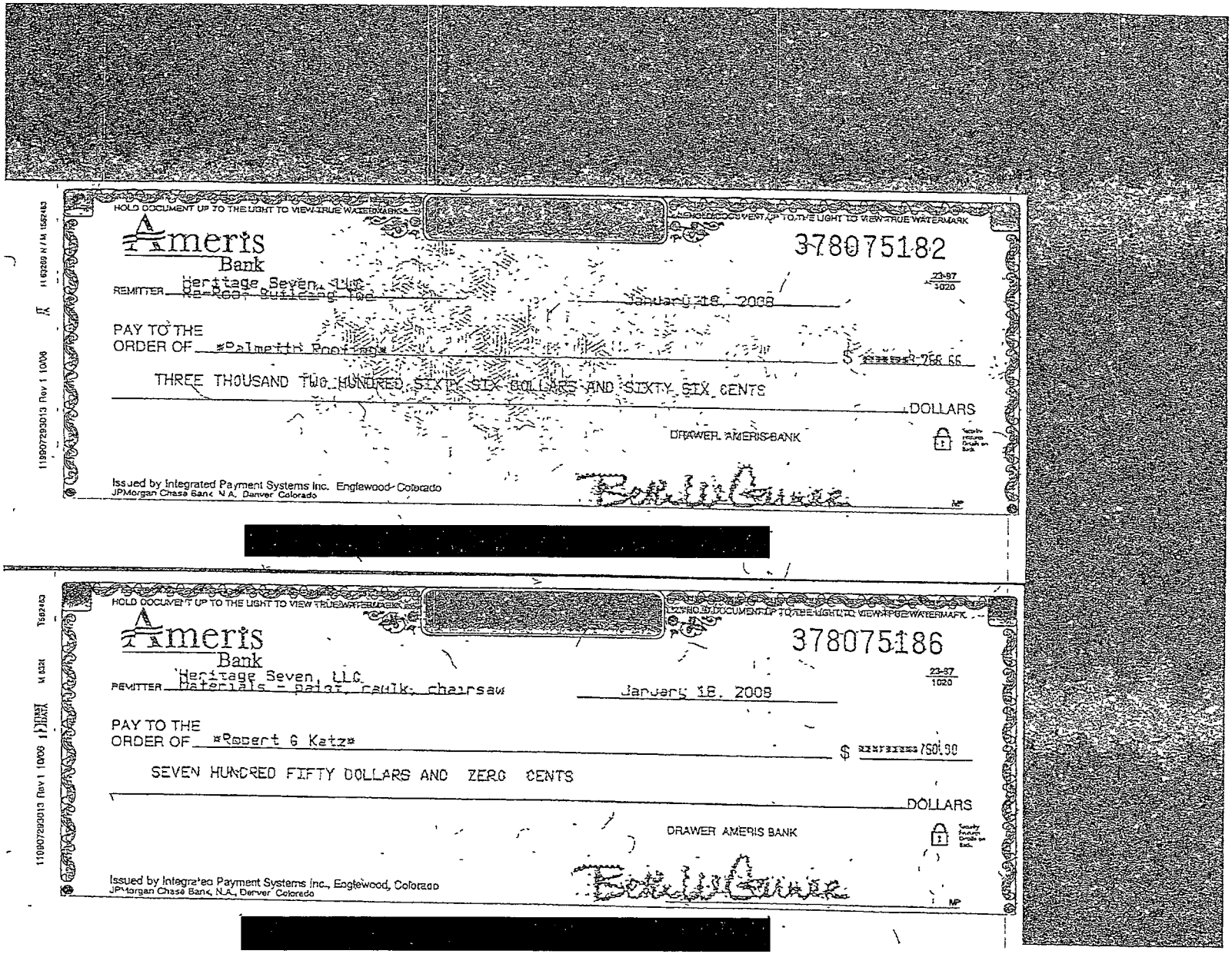
THREE THOUSAND SIX HUNDRED DOLLARS AND ZERO CENTS

DOLLA

DRAWER AMERIS BANK

Issued by Integrated Payment Systems,Inc., Englewood Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075182

REMITTER Heritage Seven, LLC Re-Roof Building Tab

January 18, 2008

23-97 1020

PAY TO THE ORDER OF *Palmetto Roofing*

$ ********3,266.66

THREE THOUSAND TWO HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS

DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc. Englewood Colorado
JPMorgan Chase Bank N.A. Denver Colorado

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075186

REMITTER Heritage Seven, LLC Materials - paint, caulk, chainsaw

January 18, 2008

23-97 1020

PAY TO THE ORDER OF *Robert G Katz*

$ ********750.00

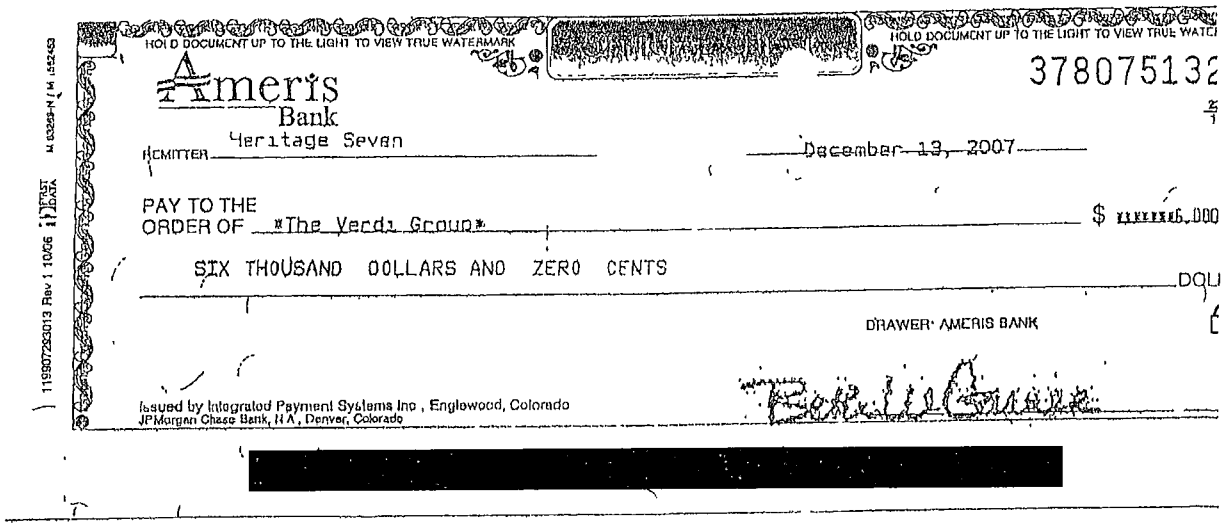
SEVEN HUNDRED FIFTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver Colorado

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075132

REMITTER Heritage Seven

December 13, 2007

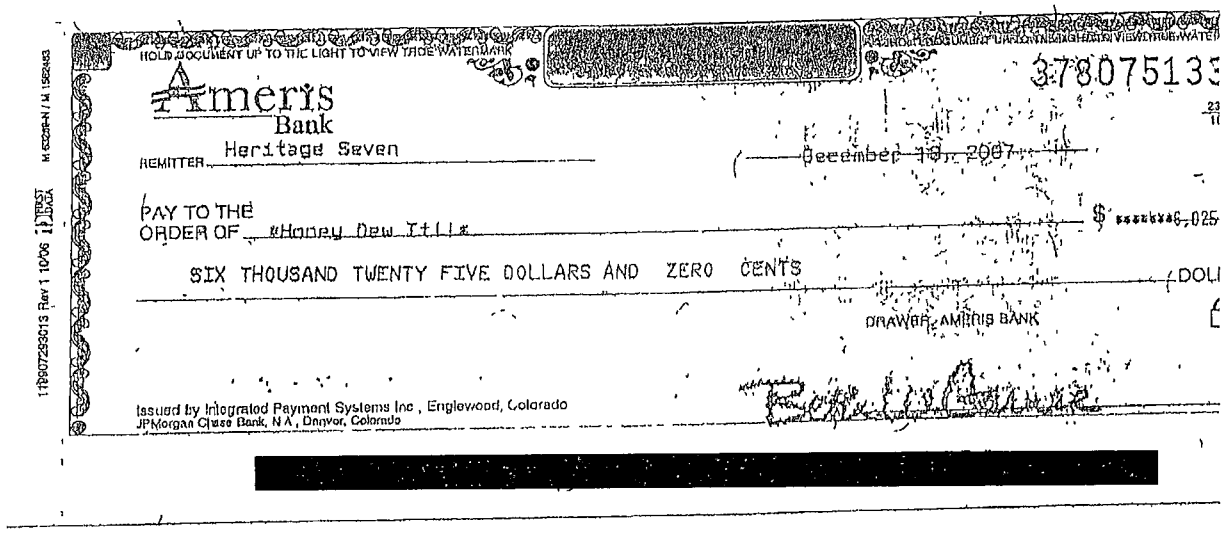
PAY TO THE ORDER OF *The Verdi Group* $ ******6,000

SIX THOUSAND DOLLARS AND ZERO CENTS DOLL

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

[redacted]



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075133

REMITTER Heritage Seven

December 13, 2007

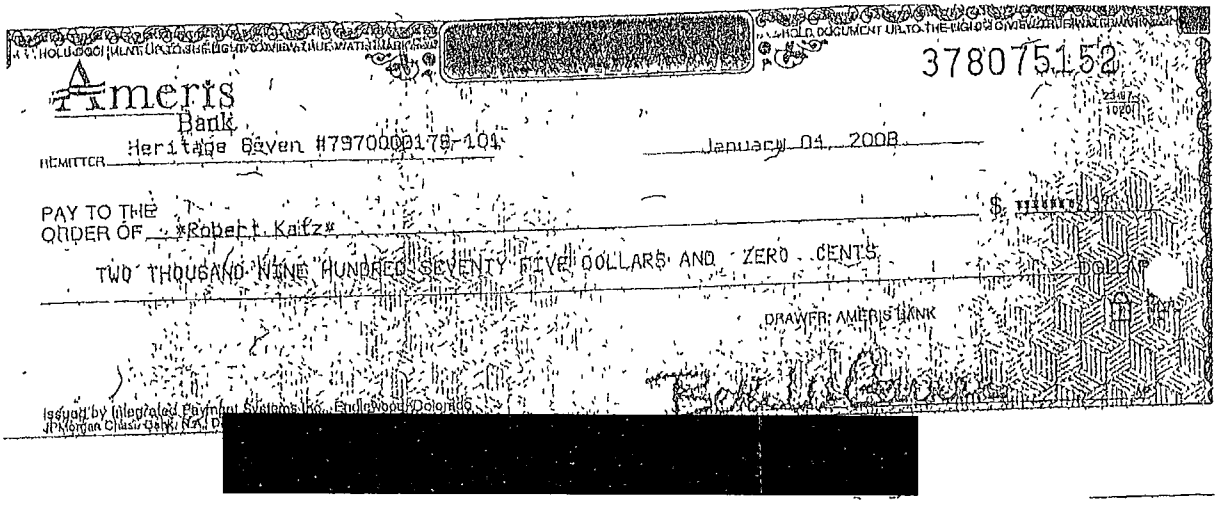
PAY TO THE ORDER OF *Honey Dew Ltd* $ ******6,025

SIX THOUSAND TWENTY FIVE DOLLARS AND ZERO CENTS DOLL

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

[redacted]



3780751 52

Ameris Bank

REMITTER Heritage Seven #7970000178-101

January 04, 2008

PAY TO THE ORDER OF *Robert Katz*

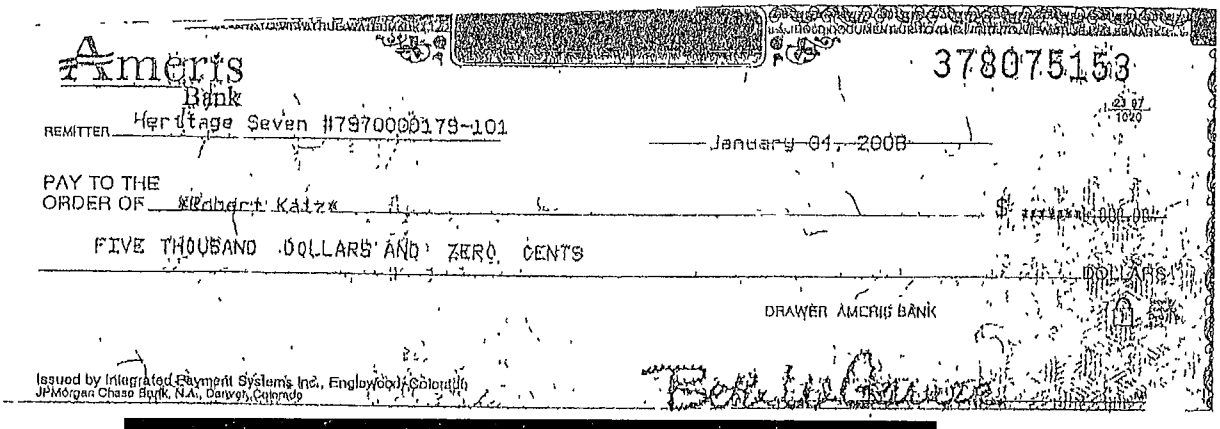
$ ******2,975.00

TWO THOUSAND NINE HUNDRED SEVENTY FIVE DOLLARS AND ZERO CENTS DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

[redacted]



3780751 53

Ameris Bank

REMITTER Heritage Seven #7970000178-101

January 04, 2008

PAY TO THE ORDER OF *Robert Katz*

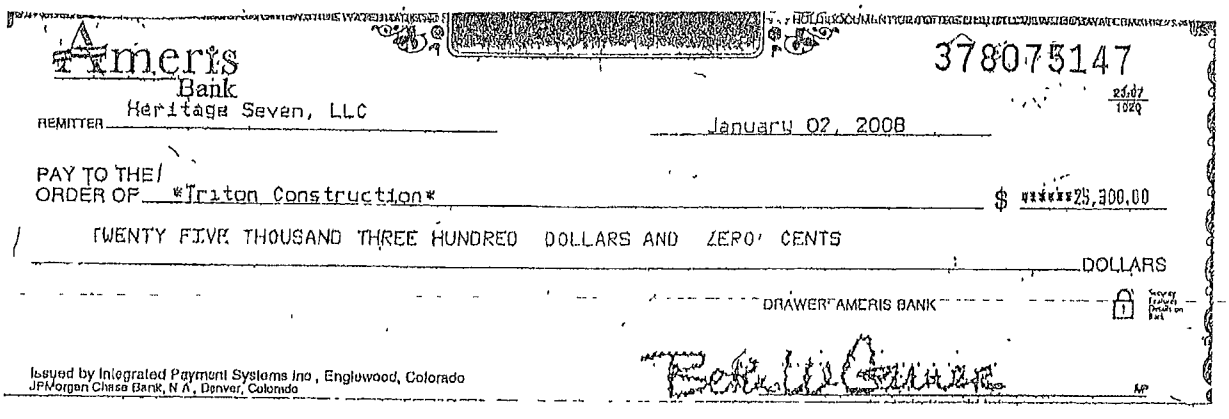
$ ******5,000.00

FIVE THOUSAND DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

[redacted]



3780751 47

Ameris Bank

REMITTER Heritage Seven, LLC

January 02, 2008

PAY TO THE ORDER OF *Triton Construction*

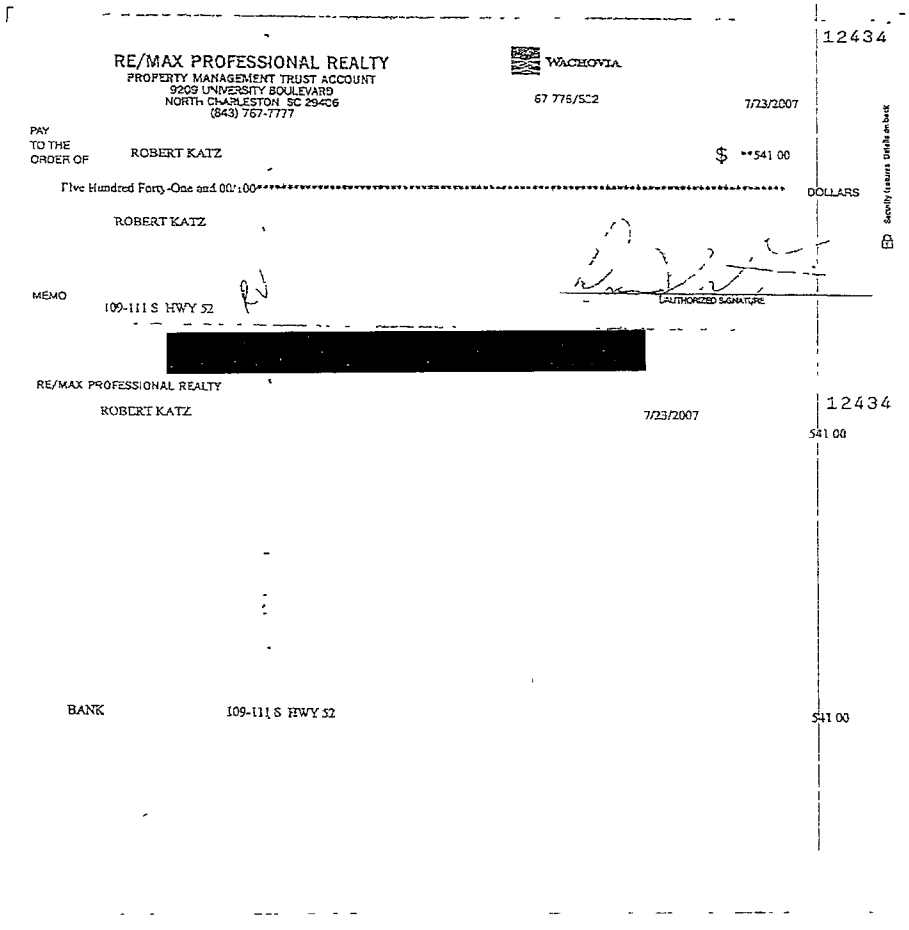
$ ******25,300.00

TWENTY FIVE THOUSAND THREE HUNDRED DOLLARS AND ZERO CENTS DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado

[redacted]



RE/MAX PROFESSIONAL REALTY
PROPERTY MANAGEMENT TRUST ACCOUNT
9209 UNIVERSITY BOULEVARD
NORTH CHARLESTON SC 29406
(843) 767-7777

WACHOVIA
67 776/522

12434

7/23/2007

PAY TO THE ORDER OF ROBERT KATZ

$ **541 00

Five Hundred Forty-One and 00/100********** DOLLARS

Security features. Details on back.

ROBERT KATZ

AUTHORIZED SIGNATURE

MEMO 109-111 S HWY 52

[redacted]

RE/MAX PROFESSIONAL REALTY

ROBERT KATZ

12434

7/23/2007

541 00

BANK 109-111 S HWY 52

541 00

-404-

1248

'MAX PROFESSIONAL REALTY
OPERTY MANAGEMENT TRUST ACCOUNT
9209 UNIVERSITY BOULEVARD
NORTH CHARLESTON, SC 29406
(843) 767-7777

WACHOVIA

67-776/532

7/9/2007

OBERT KATZ

$ **200 00

nd 00/100*** DOLL

ERT KATZ

AUTHORIZED SIGNATURE

TRANTO

[redacted]

NAL REALTY

I KATZ

7/9/2007

200

2625 OTRANTO

12881

RE/MAX PROFESSIONAL REALTY
PROPERTY MANAGEMENT TRUST ACCOUNT
9205 UNIVERSITY BOULEVARD
NORTH CHARLESTON SC 29406
(843) 767-7777

WACHOVIA

67-775/532

9/21/2007

PAY
TO THE
ORDER OF VERDI

$ **1,000.00

One Thousand and 00/100********** DOLLARS

VERDI

MEMO 109-111 S HWY 52 RV

AUTHORIZED SIGNATURE

Security features. Details on back.

[redacted]

RE/MAX PROFESSIONAL REALTY

VERDI

12881

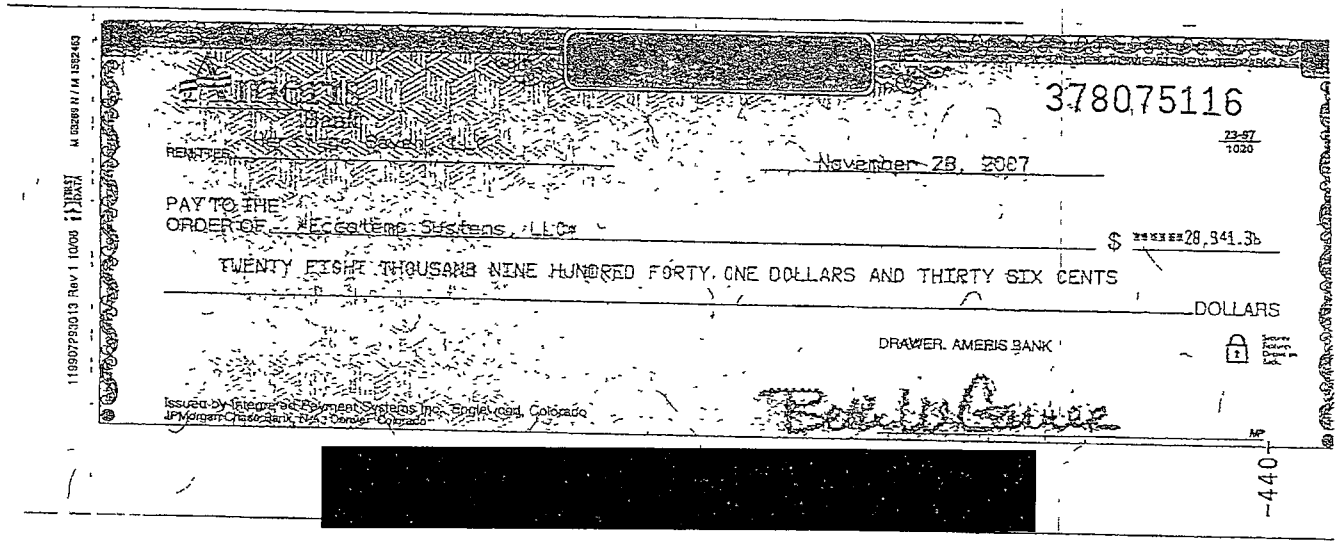
9/21/2007

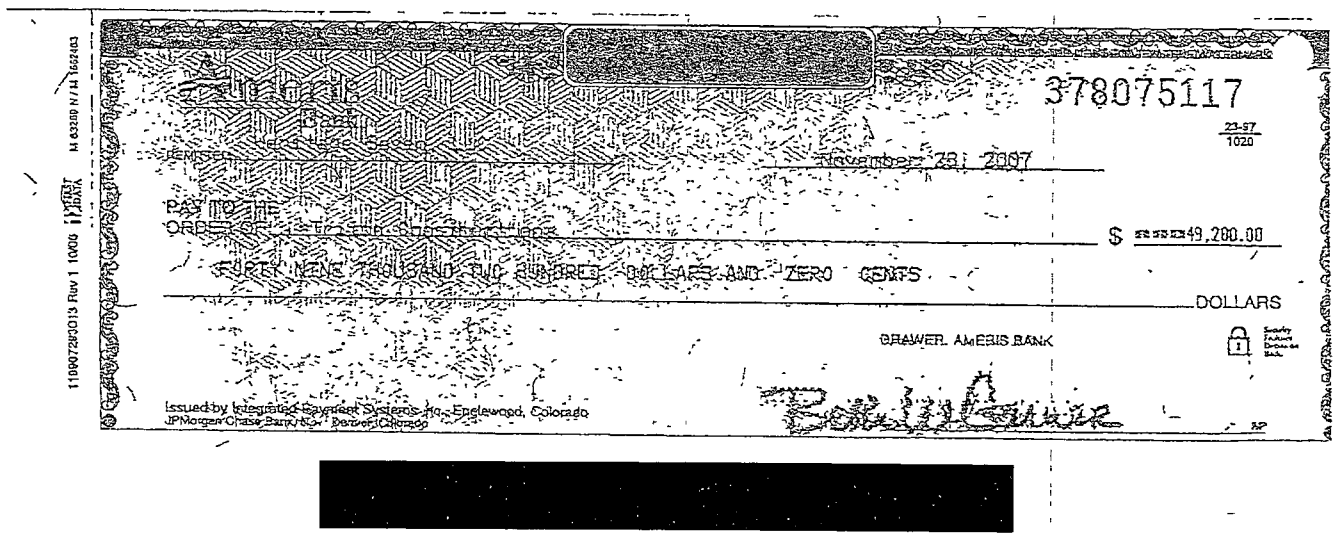
1,000.00

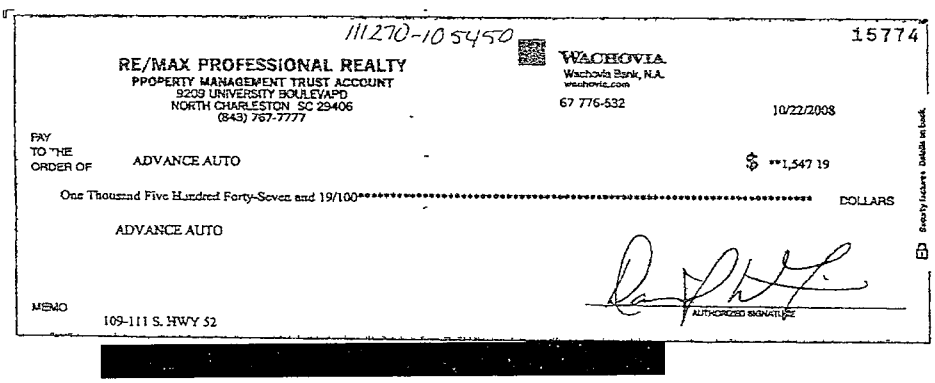
-407-

1250

# 79700001 79


378075116
23-57
1020
November 28, 2007
PAY TO THE ORDER OF
$ 28,341.36
TWENTY EIGHT THOUSAND NINE HUNDRED FORTY ONE DOLLARS AND THIRTY SIX CENTS
DOLLARS
DRAWER: AMERIS BANK
Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado
-440


378075117
23-57
1020
November 28, 2007
PAY TO THE ORDER OF
$ 49,280.00
FORTY NINE THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS
DOLLARS
DRAWER: AMERIS BANK
Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado



111270-105450

15774

RE/MAX PROFESSIONAL REALTY
PPOPERTY MANAGEMENT TRUST ACCOUNT
9209 UNIVERSITY BOULEVAPD
NORTH CHARLESTON SC 29406
(843) 767-7777

WACHOVIA
Wachovia Bank, N.A.
wachovia.com
67 776-532

10/22/2008

PAY TO THE ORDER OF ADVANCE AUTO

$ **1,547 19

One Thousand Five Hundred Forty-Seven and 19/100********** DOLLARS

ADVANCE AUTO

MEMO 109-111 S. HWY 52

AUTHORIZED SIGNATURE

Security features. Details on back.

[redacted]

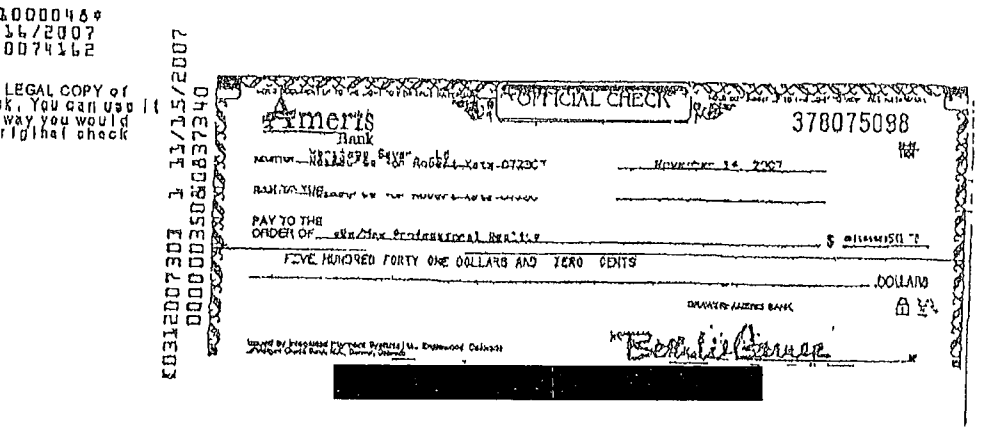
-646-

1252

(Page 1 of 2)

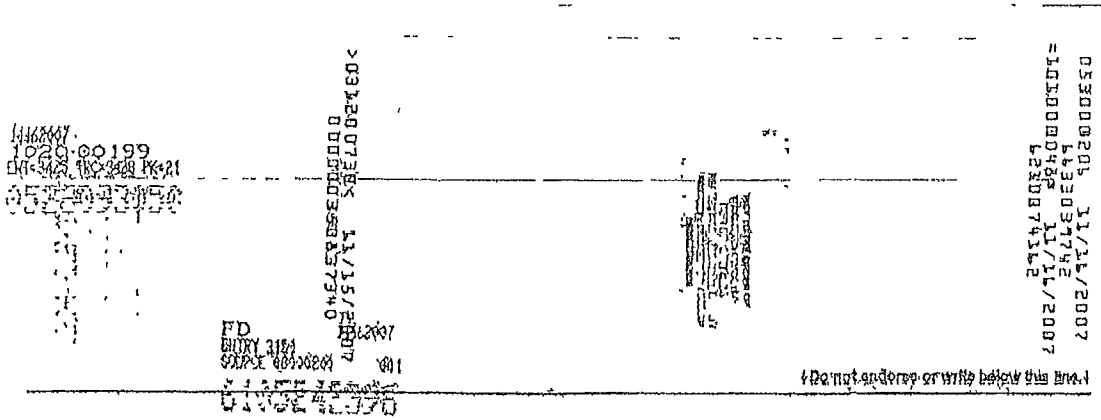
*1010000046*
11/16/2007
621007416 2

This is a LEGAL COPY of your check. You can use it the same way you would use the original check




1829

- 1463 -



- 1464 -

(Page 1 of 2)

*1010000468*
11/16/2007
621007414L3

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

11/15/2007 1
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OFFICIAL CHECK

Ameris Bank

378075097

PAY TO THE ORDER OF

TWO HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

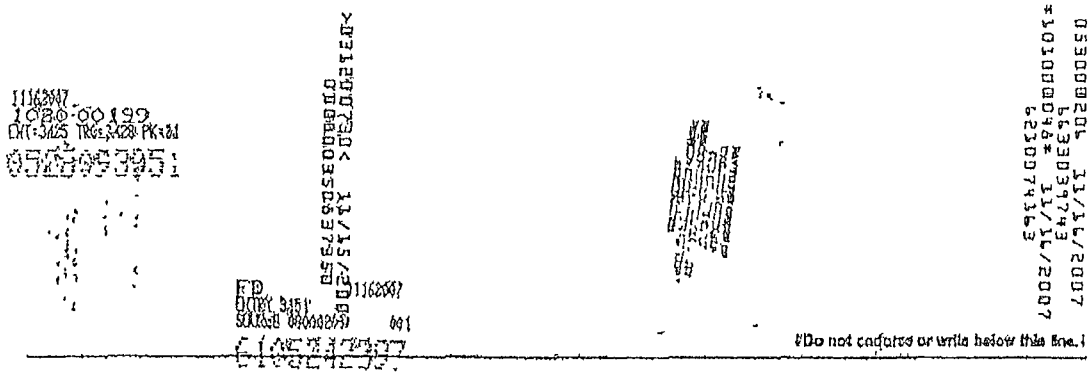
[redacted]

[redacted]

182e

- 1465 -

(Page 2 of 2)



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2 of 2C

⑆101000048⑆
11/16/2007
⑆21007416⑆1

This is a LEGAL COPY of your check. You can use it the same way you would use the original check

E031200730 1 11/15/2007
0000003508 0837330

OFFICIAL CHECK

Amerits Bank

378075096

PAY TO THE ORDER OF [redacted] $ [redacted]

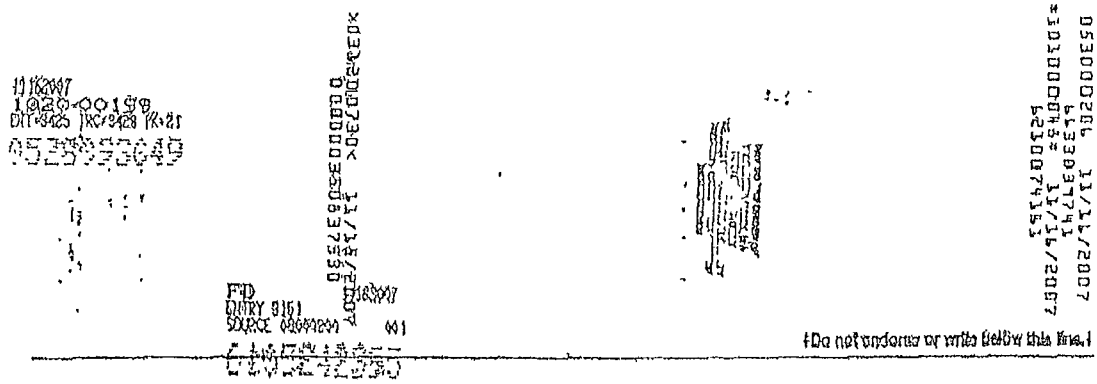
ONE THOUSAND DOLLARS AND ZERO CENTS DOLLARS

[redacted]

[redacted]

1002 B

- 1467 -



242 D

(Page 1 of 2)

*1010000468*
11/14/2007
4418757550

This is a LEGAL COPY of your check. You can use it the same way you would use the original check

E0530001961 1 11/15/2007
0610073832761

OFFICIAL CHECK

Ameris Bank

378075095

Heritage Saver

November 14, 2007

PAY TO THE ORDER OF The Verdi Group

$ [redacted]

THIRTEEN THOUSAND DOLLARS AND ZERO CENTS

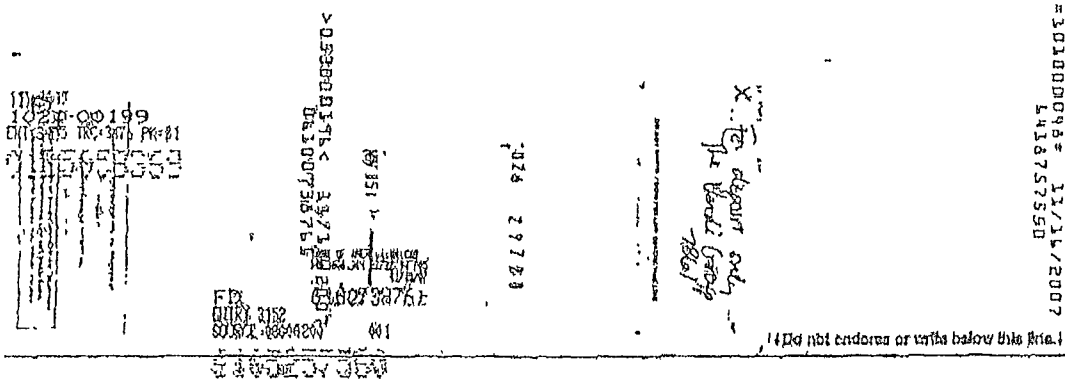
DOLLARS

Ameris Bank

[redacted]

[redacted]

- 1469 -



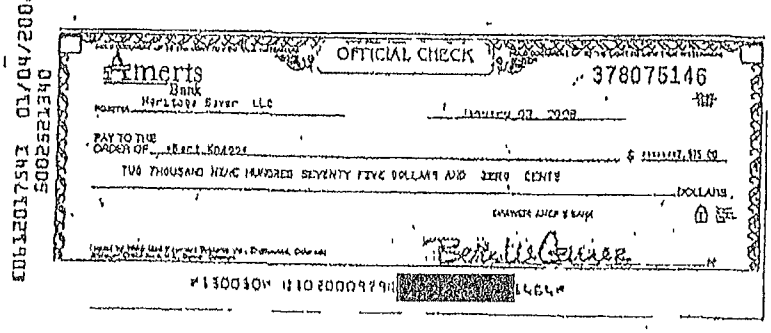
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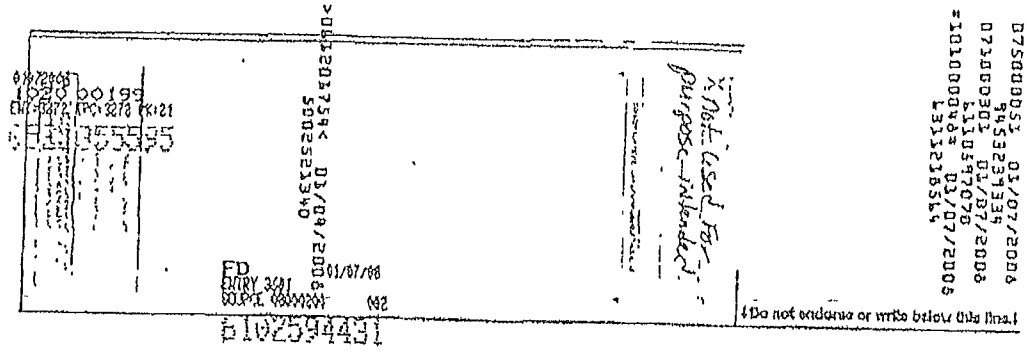
(Page 1 of 2)

*1010000048*
01/07/2008
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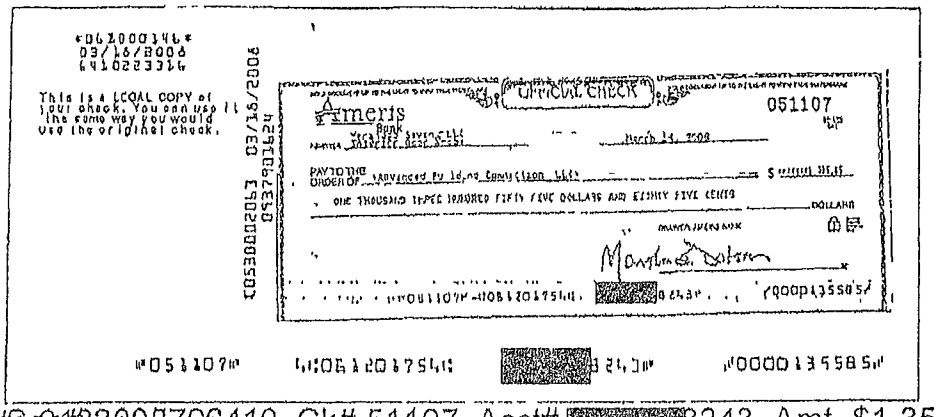



(Page 2 of 2)



Draw #22

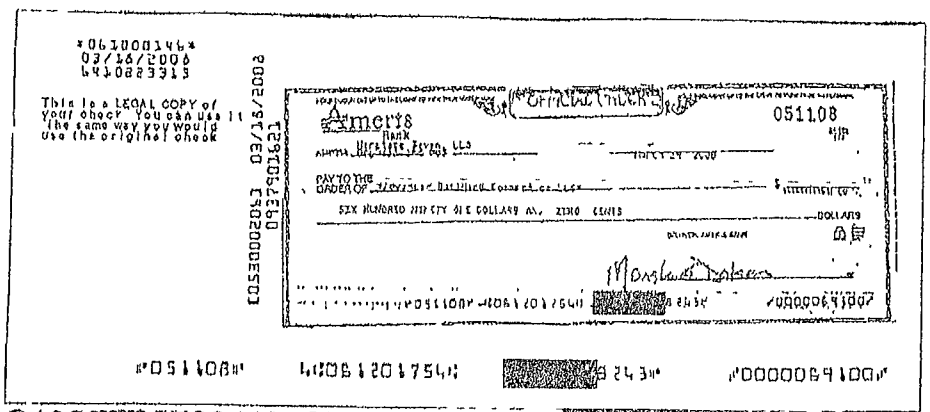
3-26-08




Date: 3/26/2008706410, Ck# 51107, Acct# [redacted]8243, Amt. $1,355.85, [

Ameris-00098

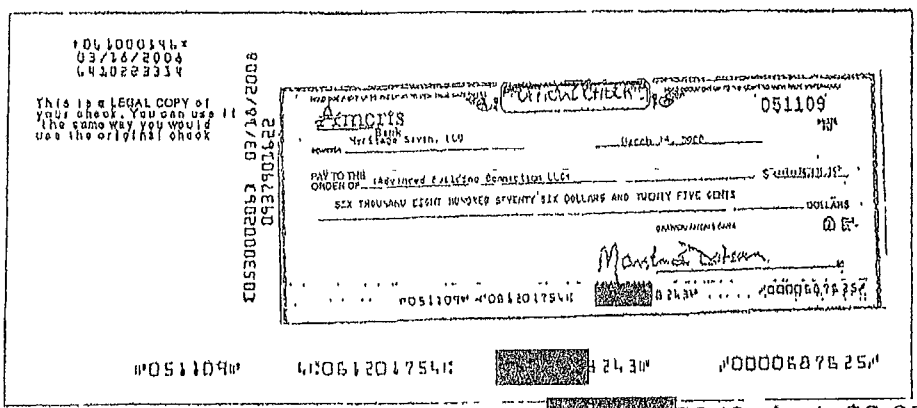
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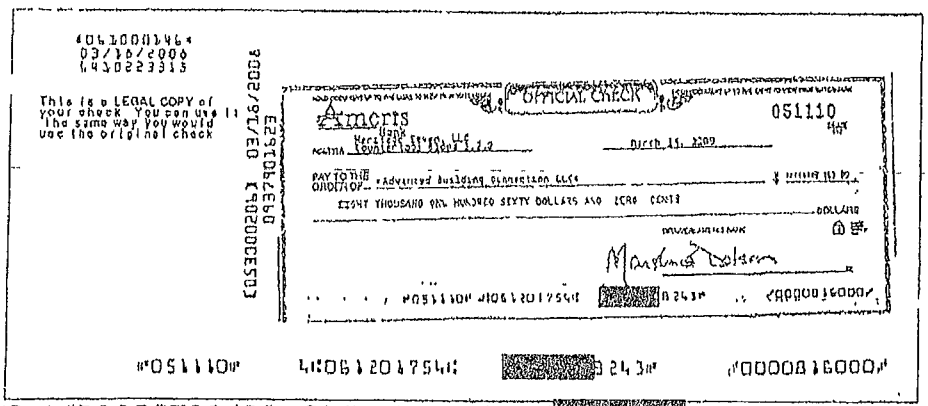
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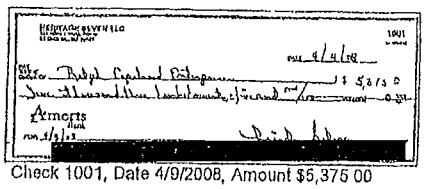
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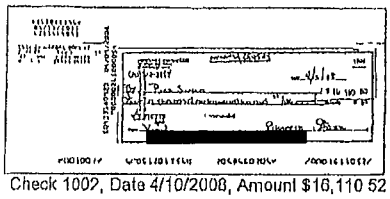


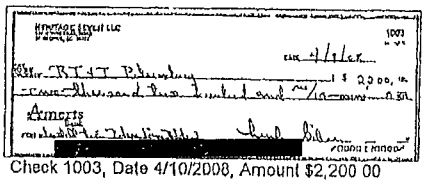

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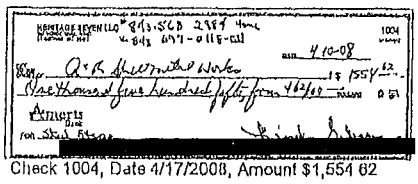
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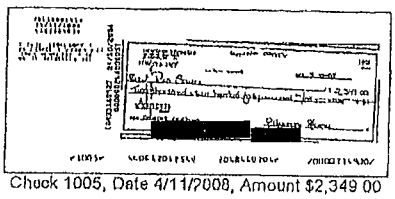
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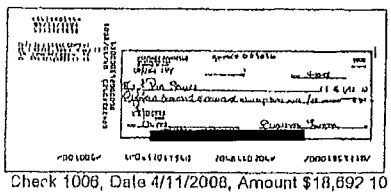

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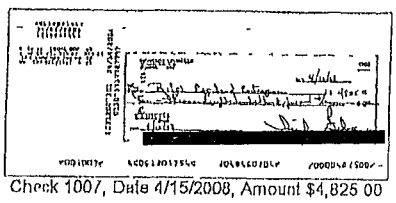

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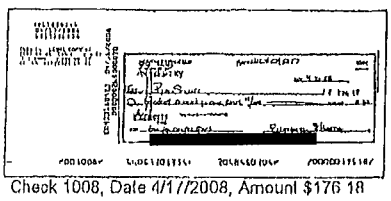

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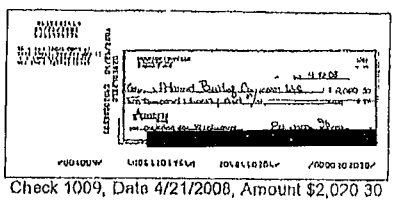

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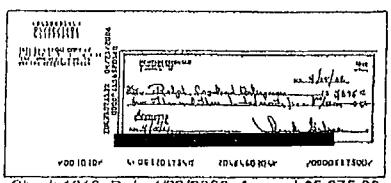

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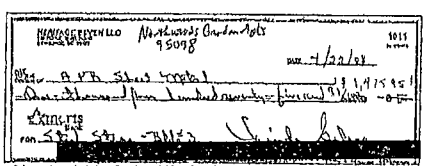

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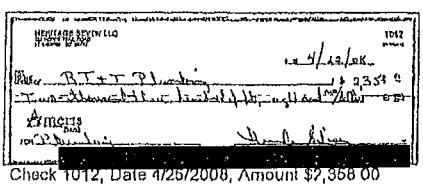

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Check 1008, Date 4/17/2008, Amount $176 18


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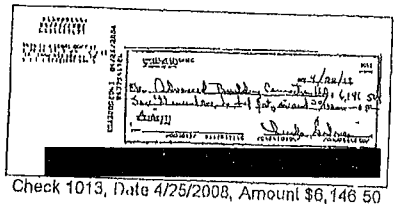

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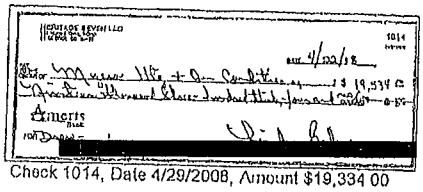

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-1543-

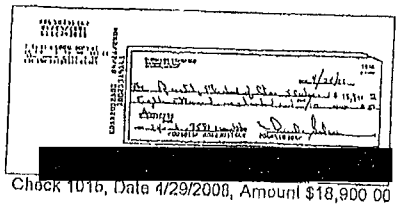
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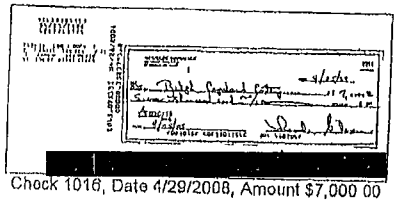
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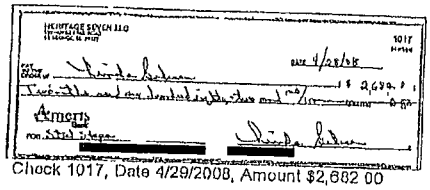
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Check 1015, Date 4/29/2008, Amount $18,900 00



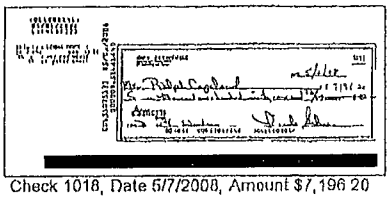
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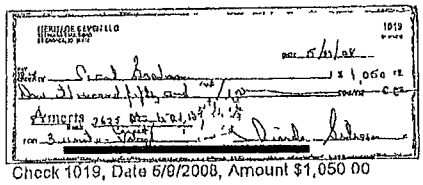


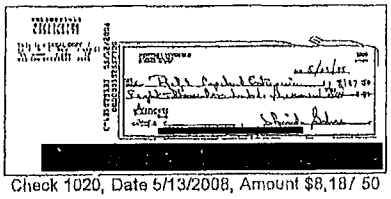
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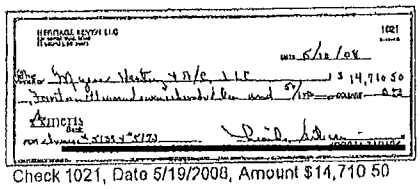
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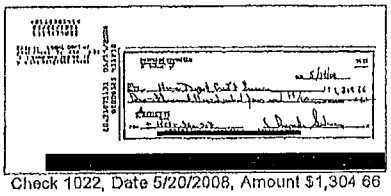
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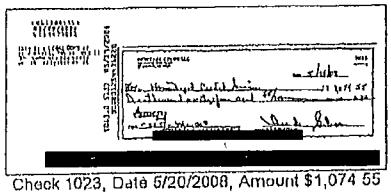

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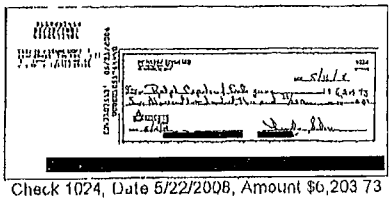

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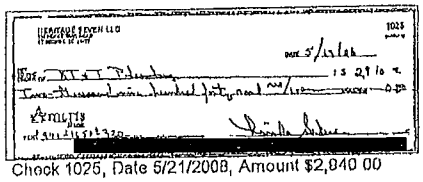

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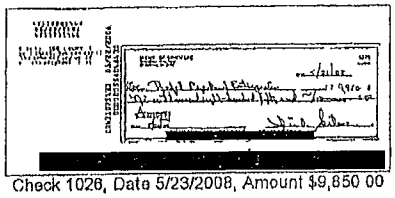

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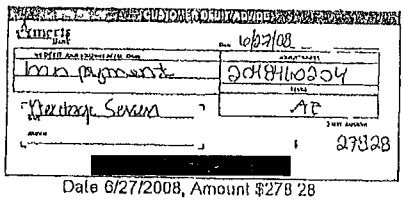

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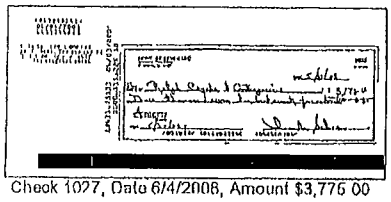

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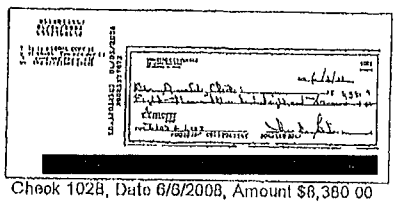

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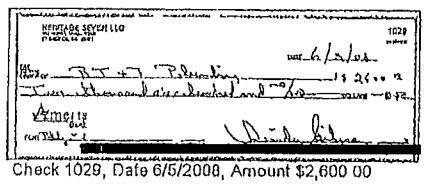
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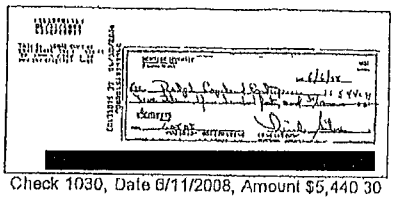
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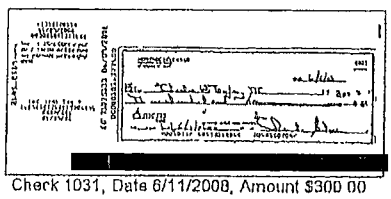

Date 6/27/2008, Amount $278 28

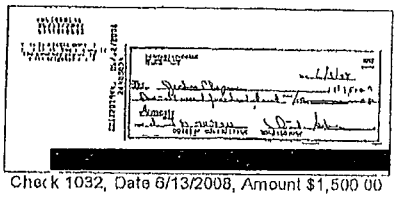

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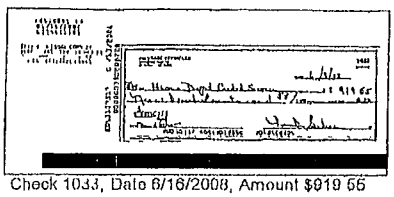

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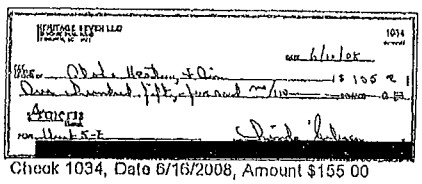

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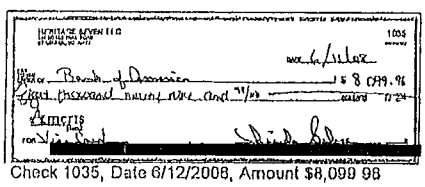

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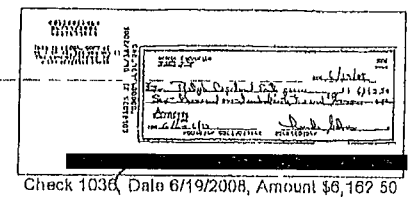

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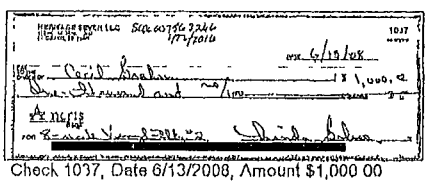

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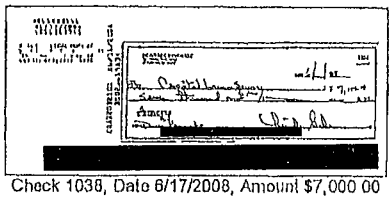

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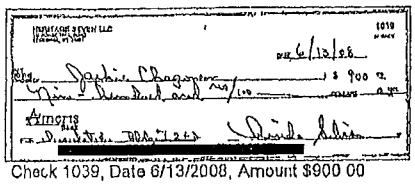

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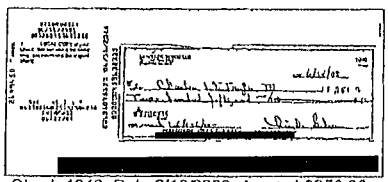
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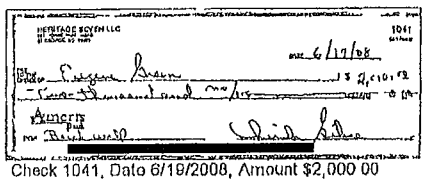
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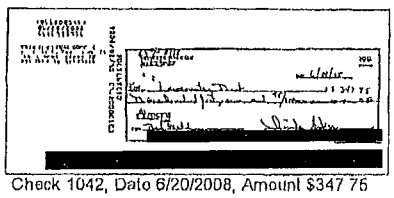
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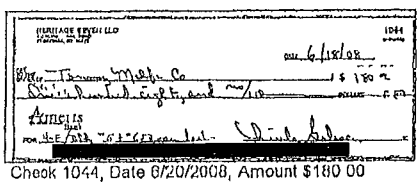
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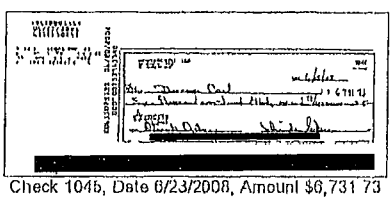
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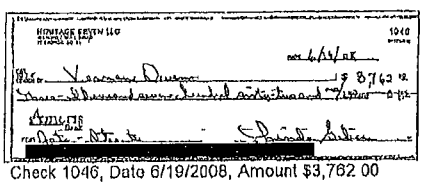
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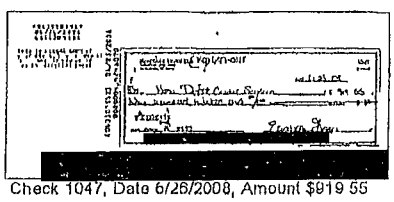
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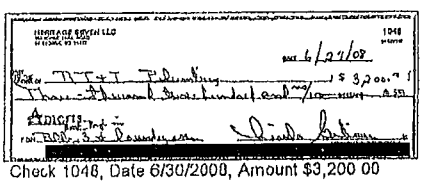
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Check 1046, Date 6/19/2008, Amount $3,762 00



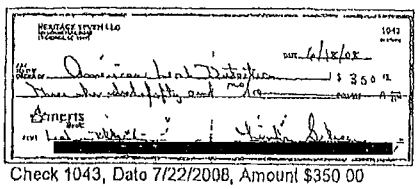
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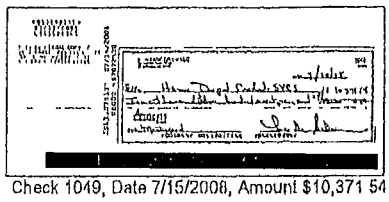
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-1554-

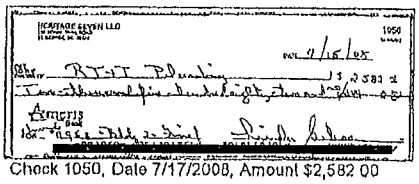
Account [redacted]



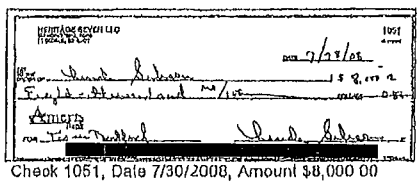
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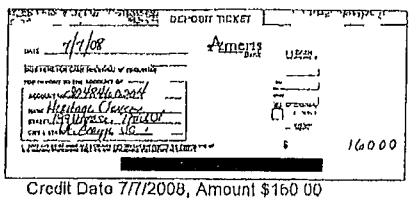
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Check 1050, Date 7/17/2008, Amount $2,582 00



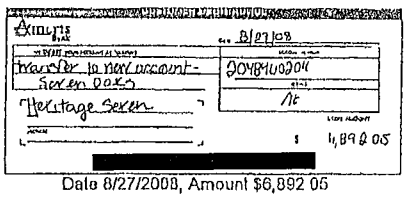
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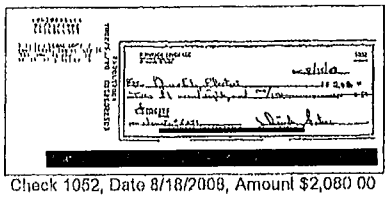
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4557-

Account [redacted]

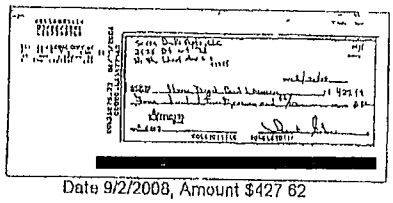



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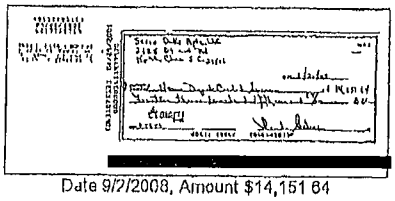


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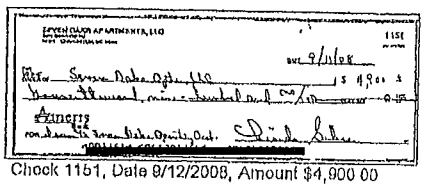
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Date 9/2/2008, Amount $427 62



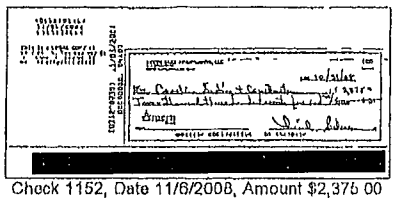
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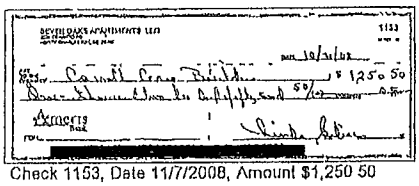
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-1571-

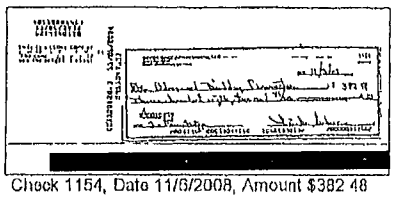
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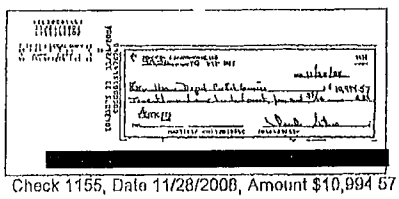
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Check 1153, Date 11/7/2008, Amount $1,250 50



Check 1154, Date 11/6/2008, Amount $382 48



Check 1155, Date 11/28/2008, Amount $10,994 57

-1575-

Initial Draw #1 11/02/07

Charleston

# FUNDS TRANSFER RECEIPT/REQUEST

DATE: 11/2/07 SEQUENCE NUMBER: 5407

INCOMING: ____ OUTGOING: X DRAW:

REQUEST TYPE:
LETTER:
PERSON:
PHONE:
PAYMENT VIA:
DEBIT MEMO
OTHER: Loan proceeds

TRANSFER AMOUNT: 2,110,164.50
TRANSFER FEE: 0
TOTAL: 2,110,164.50

**ORIGINATOR INFORMATION:**

NAME: Ameris Bank PHONE NUMBER:
ADDRESS: 49 Archdale Street SSN OR EIN: 58-1111076
CITY, STATE, ZIP: Charleston SC 29401
TYPE OF IDENTIFICATION: NUMBER:
ISSUED BY:

**INFORMATION ON PERSON CONDUCTING THE TRANSACTION (IF DIFFERENT THAN THE NAMED ORIGINATOR OR BENEFICIARY)**

NAME: Benjie Lanier SSN OR EIN: A466330
ADDRESS: [redacted]
CITY, STATE, ZIP: [redacted]
TYPE OF IDENTIFICATION: NUMBER:
ISSUED BY:

**TRANSFER TO/FROM INFORMATION**

TRANSFER TO/FROM: (BANK, CITY, AND STATE) Wachovia Bank, N.A
Chas, S.C. BANK ABA: [redacted]
FURTHER CREDIT (BANK,CITY,AND STATE):
ABA/ACCOUNT NUMBER:

**BENEFICIARY INFORMATION** ACCOUNT NUMBER: [redacted]1315

NAME: Weeks, Foti, Irvine + Donaldson, LLC SSN OR EIN:
ADDRESS: [redacted]
CITY, STATE, ZIP:
TYPE OF IDENTIFICATION:
ISSUED BY:

**SPECIAL INSTRUCTIONS:**

ORIGINATOR'S ACCOUNT NUMBER: [redacted]09-101 AVAILABLE BALANCE:
AUTHORIZED SIGNER SIGNATURE:
PREPARED BY: APPROVED BY
OPAC VERIFIED BY: CALL BACK VERIFIED BY: DATE:

MT Shirley

John Hipp's email approval attached

DEFENDANT'S EXHIBIT 42

Ameris-00048

#1

**WEEKS, FOTI, IRVINE & DONALDSON, LLC**
8086 Rivers Avenue, 2nd Floor
North Charleston, SC 29406
(843) 553-9800 X 3005
Direct Line (843) 576-0550
/ Fax (843) 553-5847
email TLEWIS@WMD-LAWFIRM.COM

**WIRING INSTRUCTIONS**

| | |
|---|---|
| **Wire to:** | **Wachovia Bank, N.A** |
| | **Charleston, SC 29412** |
| | **(843) 577-8253** |
| | **ABA Number 053207766** |
| **Account Name:** | **Weeks, Foti, Irvine and Donaldson, LLC** |
| **Account Number:** | [redacted]1315 |

**Wiring information for the Rivers Avenue location of Weeks, Foti, Irvine & Donaldson, LLC ONLY!!**

Ameris-00049

## Outgoing Messages

Message List  Previous

| | | | |
|---|---|---|---|
| Status: | Completed | Message Type: | Standard |
| Create Time: | 11/02/2007 11:28:44 | Test/Prod: | Prod |
| IMAD: | 20071102 QMGFT006 000844 11021134 | | |
| OMAD: | 20071102 E3B75D3C 000239 11021134 | | |

See Audit Log for this Message

Create new message from this | Export

**Basic Information**

| | |
|---|---|
| Sendor ABA {3100}: | 061201754 AMERIS BANK |
| Receiver ABA {3400}: | 053207766 Wachovia Bank |
| Amount {2000}: | 2,110,164.50 |
| Type Code {1510}: | 1000 - Transfer of Funds |
| Business Function {3600}: | CTR - Customer Transfer |
| Reference Number {3320}: | 5407 |

**Institution Information**

Originator {5000}

| | |
|---|---|
| ID Code: | D - DDA Account Number |
| Identifier: | 797000179-101 |
| Name: | Ameris Bank |
| Address: | 49 Archdale St<br>Charleston SC 29401 |

Beneficiary {4200}

| | |
|---|---|
| ID Code: | D - DDA Account Number |
| Identifier: | 2000027031315 |
| Name: | Weeks Fotl Irvine & Donaldson LLC |
| Address: | 8086 Rivers Avenue 2nd Floor<br>N Charleston SC 29406 |

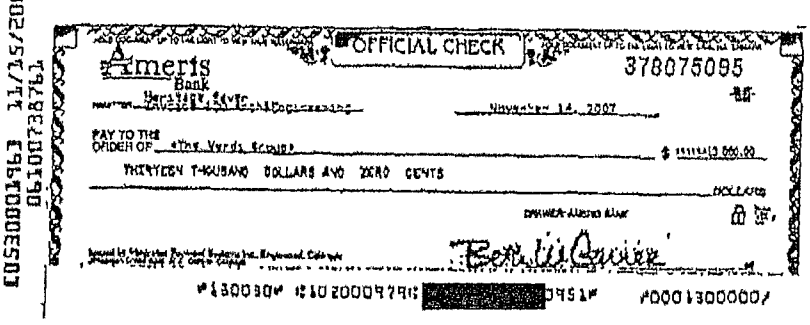
Create new message from this | Export

Draw #2 11/14/07

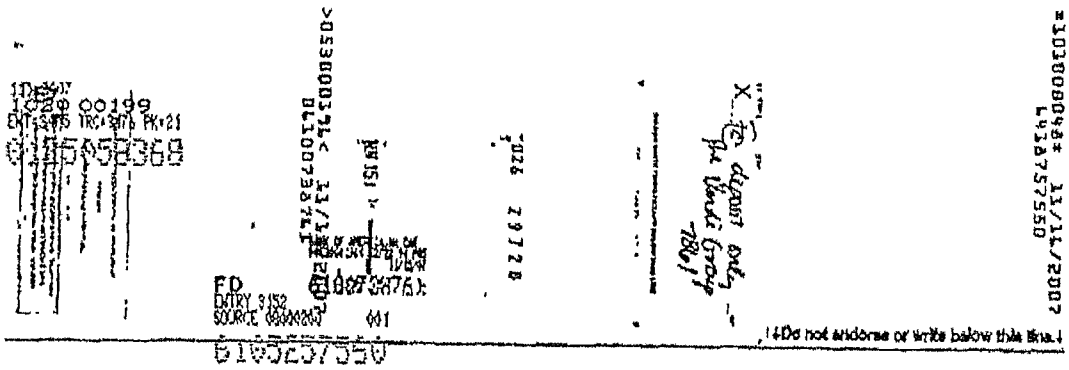
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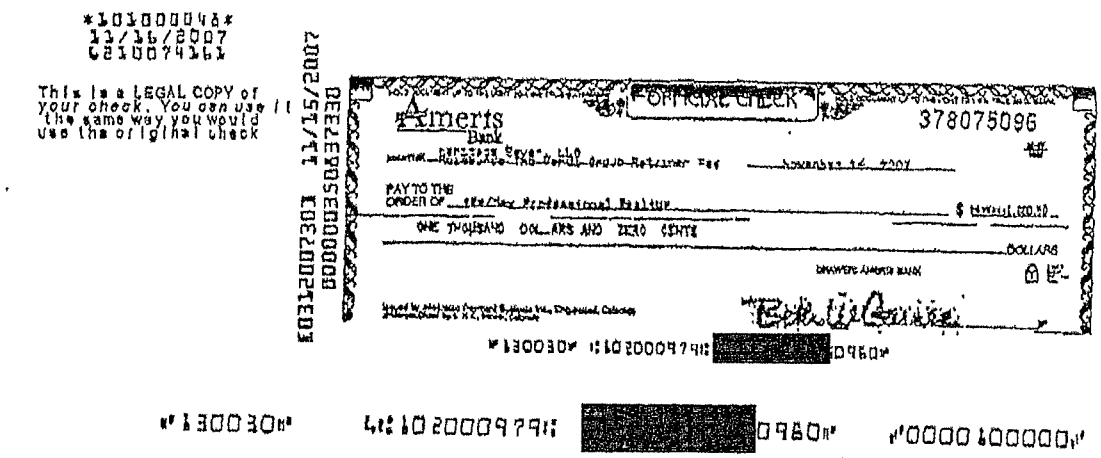

(Page 2 of 2)



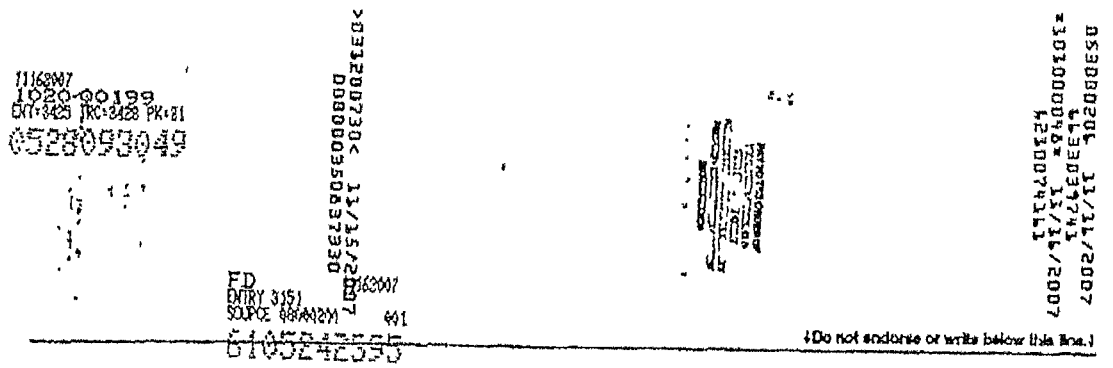

Amerls-00051

#2 11/14/07

(Page 1 of 2)



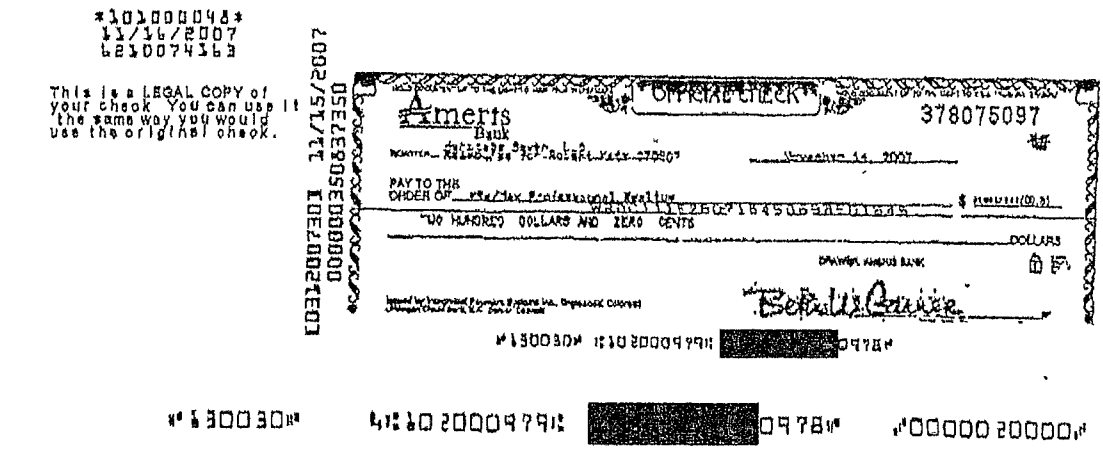

(Page 2 of 2)



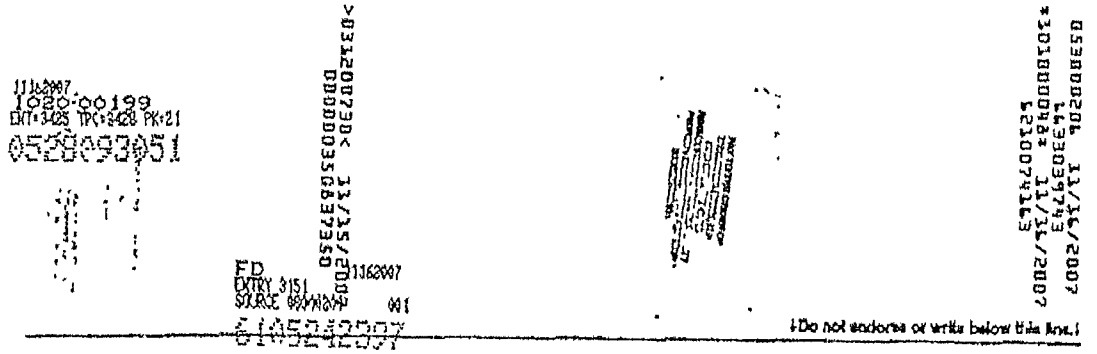

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(Page 1 of 2)

#2 11/14/07




(Page 2 of 2)



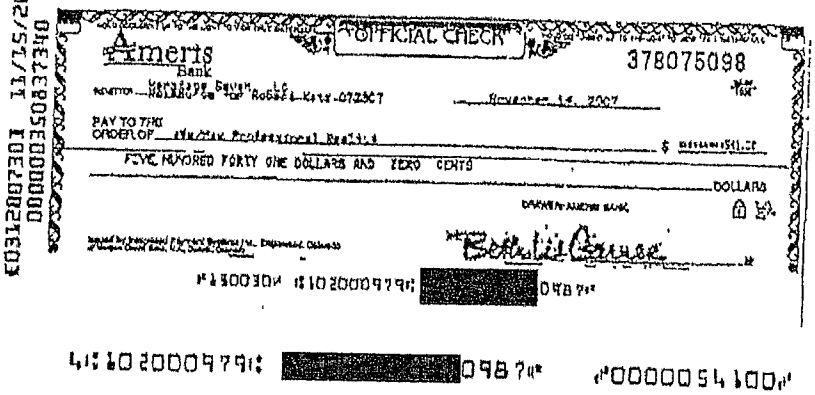

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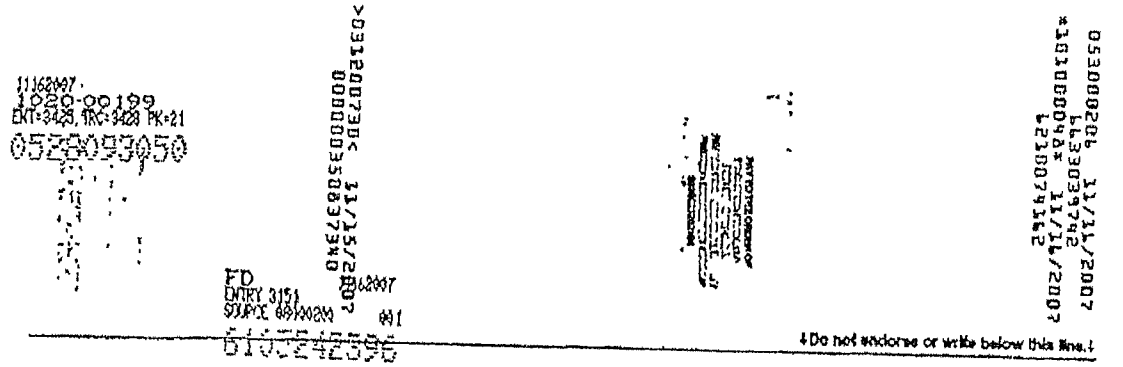
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(Page 2 of 2)



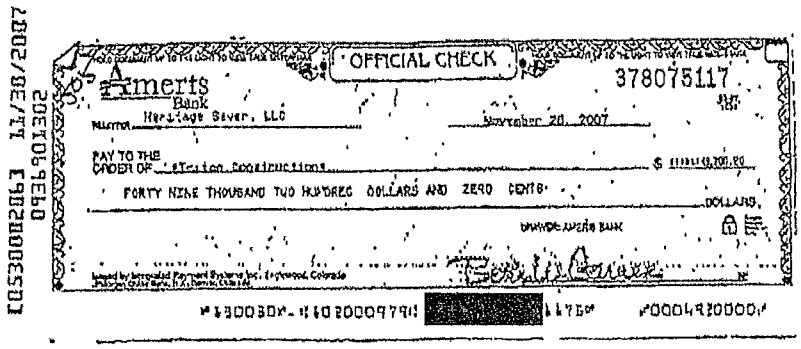

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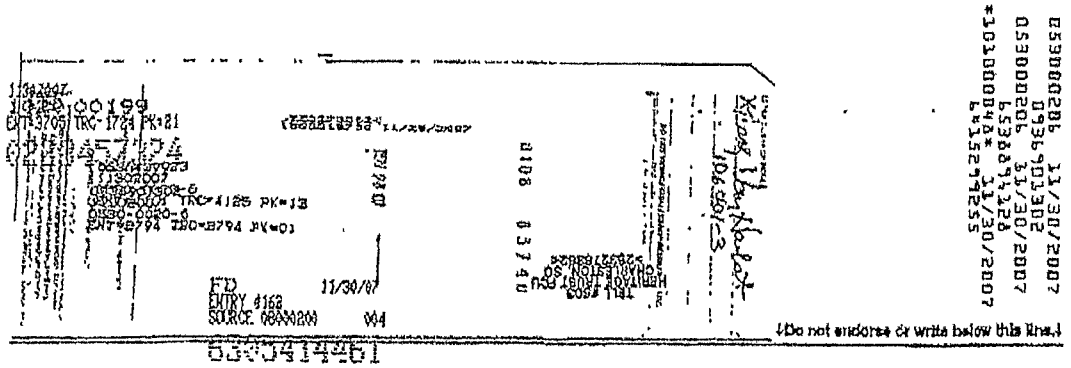
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(Page 2 of 2)




Amerits-00055

HS 11/28/07

(Page 1 of 2)

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075132

43-97
1020

REMITTER Heritage Seven

December 13, 2007

PAY TO THE ORDER OF "The Verdi Group"

$ [redacted]

SIX THOUSAND DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank N.A. Denver, Colorado

Bob McGuire

⑈300308⑈ ⑆102000791⑆ [redacted] 320⑈ ⑈0000600000⑈

(Page 2 of 2)

ED

FEB 14

ED 12/17/07
ENTRY 1594
SOURCE 01100080 003

BANK OF AMERICA,NA#CAR
[illegible] E5526.96 P12
12/14/07

6204834075

6300868803

1747263984

For deposit only
The Verdi Group

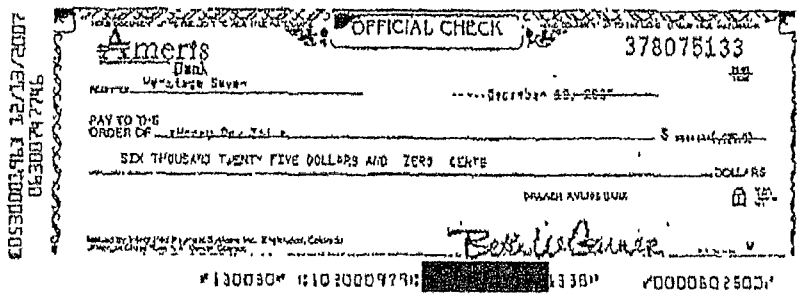
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(Page 1 of 2)

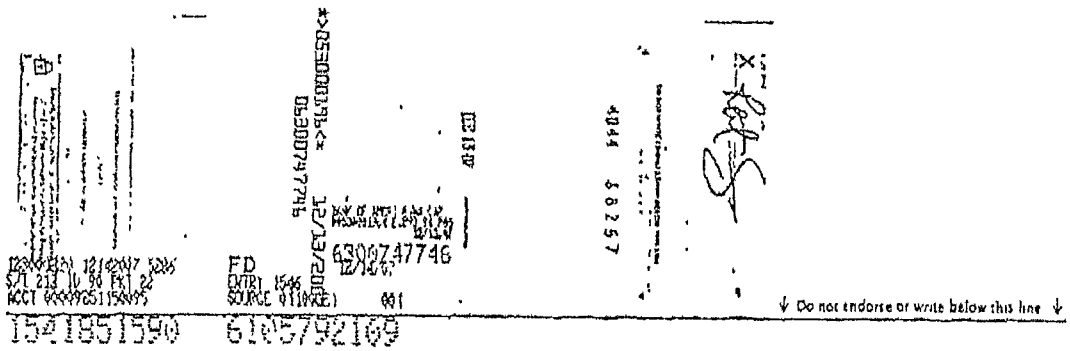
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(Page 2 of 2)




Ameris-00057

#9 1-2-08

(Page 1 of 2)

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075147

REMITTER Heritage Sewer, LLC

January 02, 2009

PAY TO THE ORDER OF *Traton Constructions* $ ******25,300.00

TWENTY FIVE THOUSAND THREE HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank N.A. Denver, Colorado

Bob McCarter

⑈130030⑈ ⑆102000791⑆ [redacted] 1473⑈ ⑈0002530000⑈

(Page 2 of 2)

ED

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0955-4324-6
0955-0820-6
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FD 01/07/09
ENTRY 8789
SOURCE 0000000 002
6203891392

⑆263278362⑆ 01/04/2009

$120 65001

TELL #505
HERITAGE TRUST FCU
CHARLESTON, SC
⑆263278362⑆

Xpd pay via Hold 1/04/01-3

Ameris-00058

#81-2-08

(Page 1 of 2)

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01/07/2008
631118185G4

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01/04/2008 042521340 5008252134O 0612012543

OFFICIAL CHECK

Amerits Bank

378075146

Heritage Bayer, LLC

January 02 2008

PAY TO THE ORDER OF Robert Koepp $ 2,975.00

TWO THOUSAND NINE HUNDRED SEVENTY FIVE DOLLARS AND ZERO CENTS DOLLARS

Remitter Name & Bank

Bertie Cruise

⑈130030⑈ ⑆102000979⑆ [redacted] ⑆484⑈ ⑈0000297500⑈

(Page 2 of 2)

1028 00199

EXT 03272 PPC 03272 CK 21

[redacted]

5008252134O 01/04/2008 042521340<

FD
ENTRY 3681 01/07/08
SOURCE 692

610259443I

X Not issued for purpose intended

⑆Do not endorse or write below this line.⑆

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0202 0115
01/07/2008 $2,975.00

G75008051 01/07/2008

Amerls-00059

#9 1-4-08

(Page 1 of 2)

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075153

REMITTER Heritage Seven #7970000178-101

22-87
1020

January 04, 2008

PAY TO THE ORDER OF *Robert Katz $ *****5,000.00

FIVE THOUSAND DOLLARS AND ZERO CENTS DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc Englewood Colorado
JPMorgan Chase Bank, N.A., Denver Colorado

Estelle Gruver

⑈130030⑈ ⑆102000979⑆ [redacted] 536⑈ ⑈0005000000⑈

(Page 2 of 2)

ENDORSEMENTS

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Ameris-00060

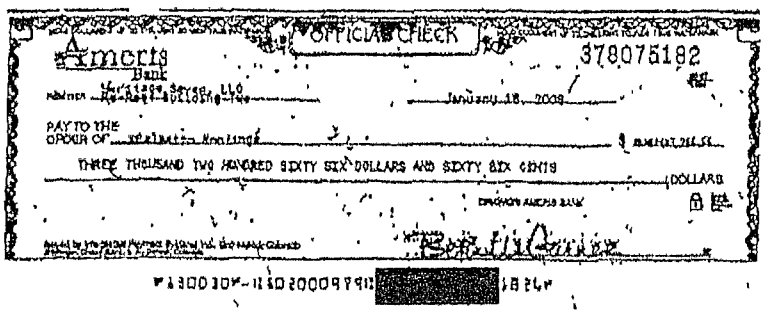
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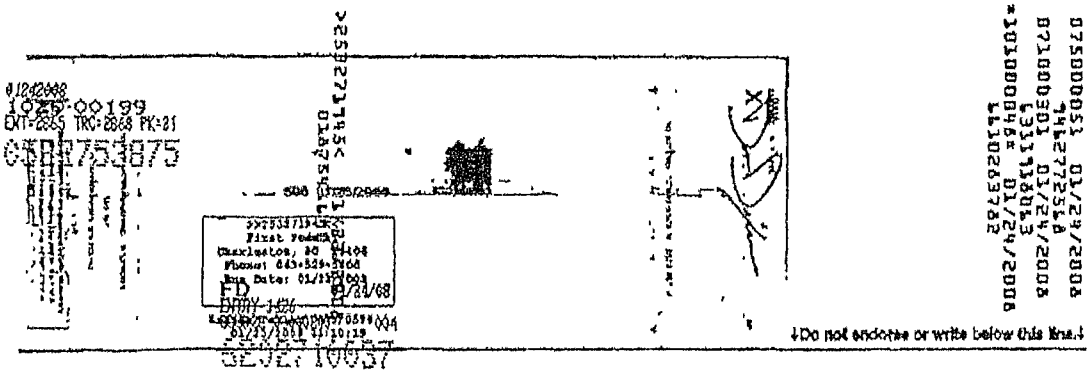
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(Page 2 of 2)



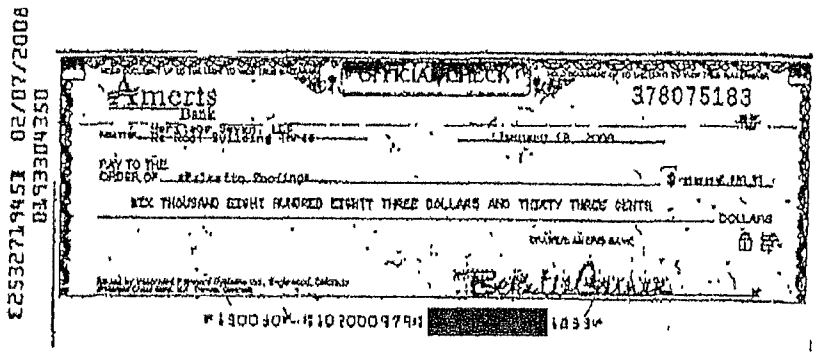

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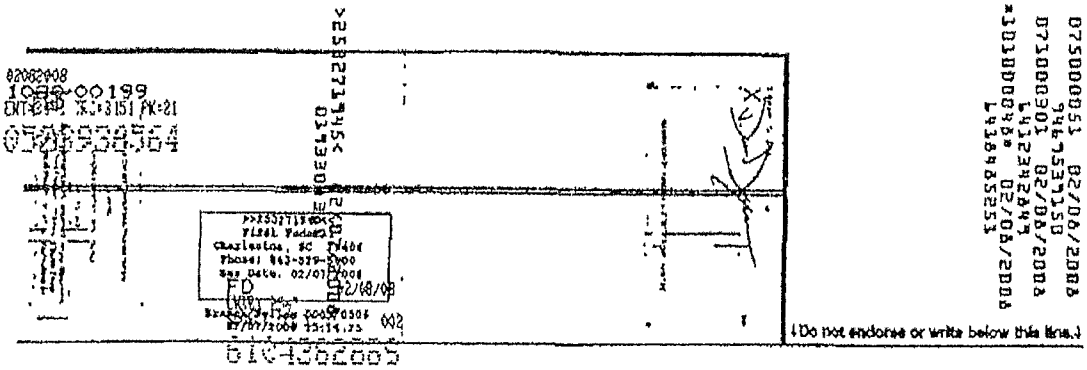
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(Page 2 of 2)



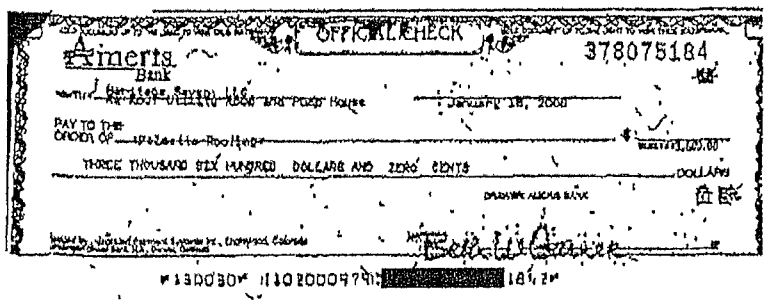

Ameris-00062

(Page 1 of 2)

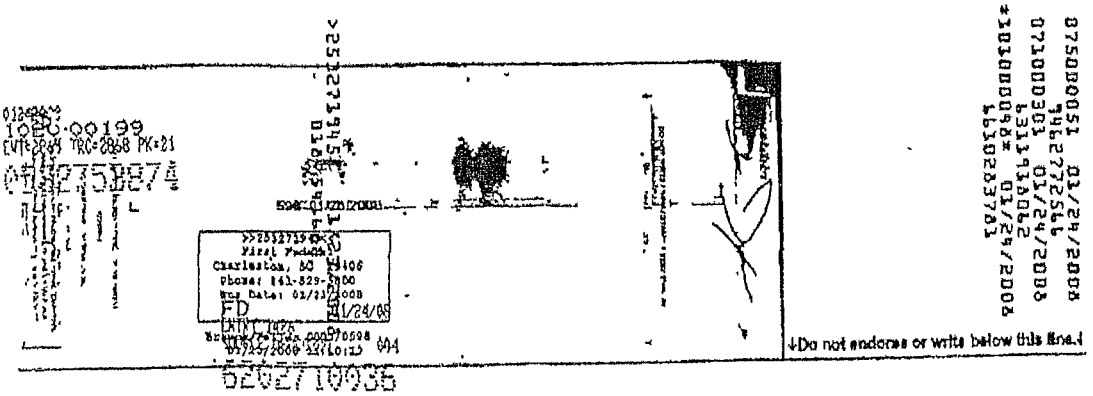
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01/24/2008
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(Page 2 of 2)




Ameris-00063

#10

(Page 1 of 2)

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075185

REMITTER Heritage Seven, LLC Home Purchase on Building 1, 2, 3

January 18, 2008

PAY TO THE ORDER OF "Robert G Katz"

$ ****4,000.00

FOUR THOUSAND DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A. Denver Colorado

Bob McGuire

"130030" "102000979" [redacted] "0000400000"

(Page 2 of 2)

[redacted]

03/11 03/04 N 81A SC#####8### Cash Check $4,000.00
R/TR 042070139 Account 2230004194646 Entity NSC CC 778200 TR 00003 Tran 0020M 01/18/2008 14:08

1548500854 FD 01/22/08 ENTRY 1241 SOURCE 611740E370 BANK OF AMERICA,NA CAR 1/18/08 6300468091

4101 14401

Ameris-00064

#10

(Page 1 of 2)

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

OFFICIAL CHECK

378075186

REMITTER Mar-I-See Seven, LLC c/o 1L Chainsaw

January 18, 2008

PAY TO THE ORDER OF Robert G Katz

$ [redacted]

SEVEN HUNDRED FIFTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc Englewood Colorado
JPMorgan Chase Bank N.A. Denver Colorado

[redacted]

(Page 2 of 2)

[redacted]

1548509853

6107406359

6800468089

4479

Ameris-00065

(Page 1 of 2)

#11-25-08

*1010000048*
01/29/2008
653342367?

This is a LEGAL COPY of your check. You can use it the same way you would use the original check

053000205 01/29/2008
083276502

OFFICIAL CHECK 378075191

Ameris Bank

Heritage Seven, LLC January 28, 2008

PAY TO THE ORDER OF [redacted] $ [redacted]

TWELVE THOUSAND ONE HUNDRED EIGHTY-THREE DOLLARS AND FIFTEEN CENTS ** DOLLARS

DRAWER: AMERIS BANK

Issued by Ameris Bank, Englewood, Colorado

[redacted]

(Page 2 of 2)

053000205 01/29/2008
083276502
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613742543
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653342367?

FD 01/29/08
ENTRY 1642
SOURCE 053000204 001

[redacted]

[Do not endorse or write below this line.]

Ameris-00066

#12 1-25-08

(Page 1 of 2)

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

378075188

32-97
1020

REMITTER Heritage Seven, LLC

January 25, 2008

PAY TO THE ORDER OF *Robert G Katz* $ ********5,200.00

FIVE THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank N.A. Denver Colorado

Bobbie Cramer

⑈378075188⑈ ⑆102000979⑆ [redacted] 1887⑈ ⑈0005200000⑈

(Page 2 of 2)

1649583188

FD 01/28/08
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BANK OF AMERICA,NA CAR
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01/25/08

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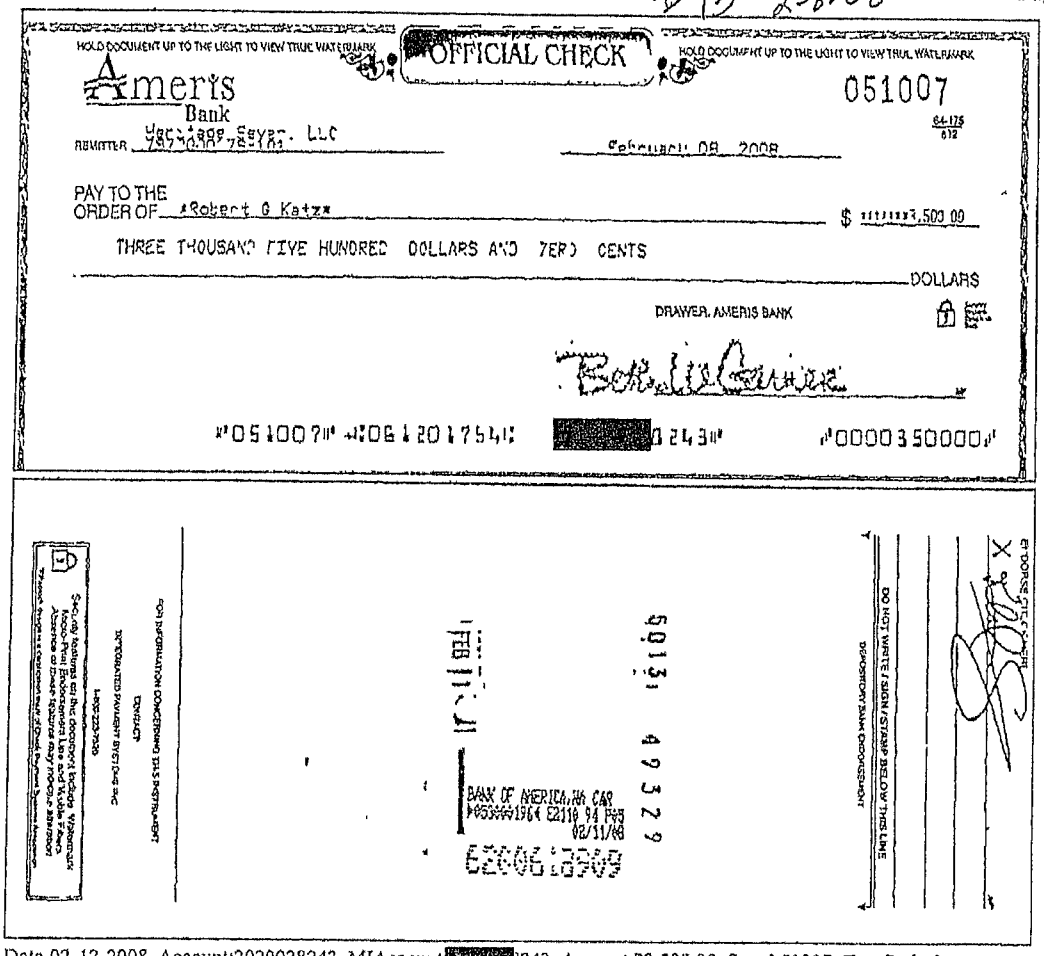
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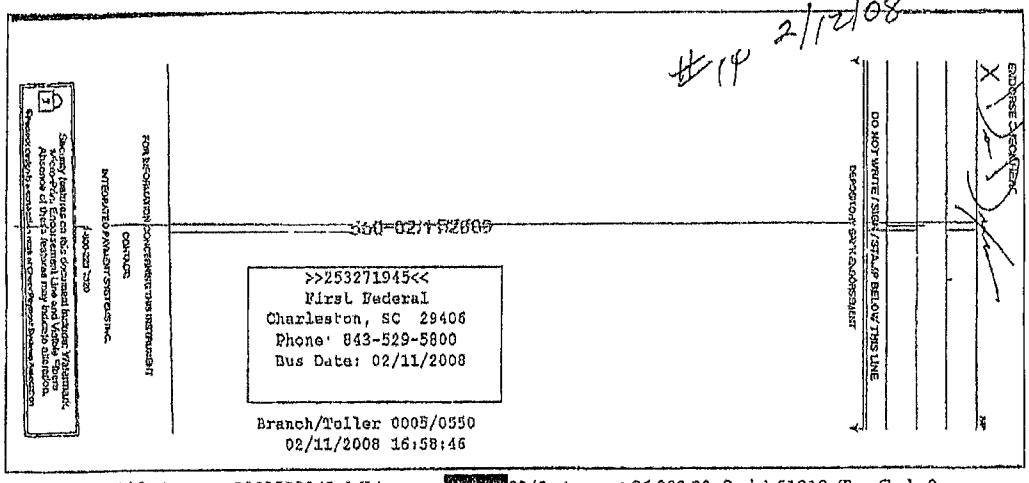
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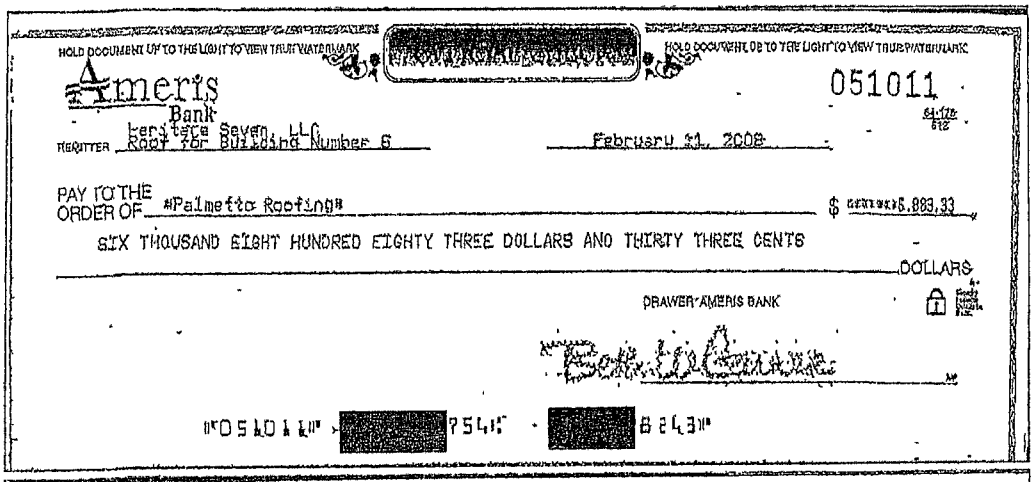


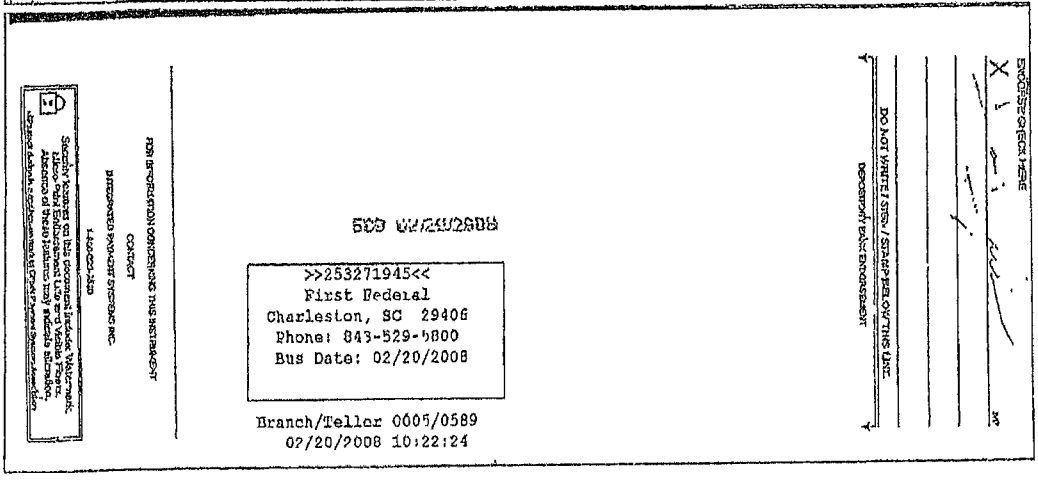



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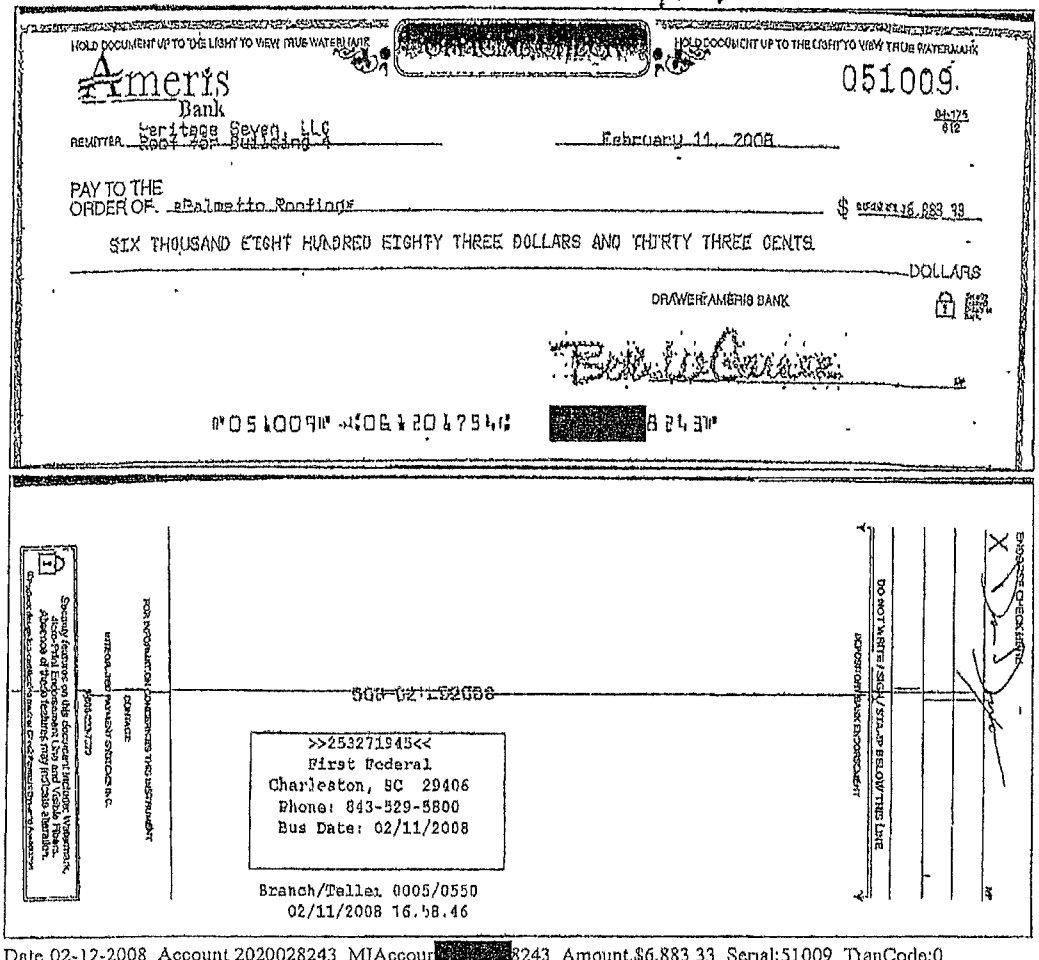

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#14 2/12/08





HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051009

64-175/612

REMITTER Heritage Seven, LLC Roof for Building 4

February 11, 2008

PAY TO THE ORDER OF *Palmetto Roofing* $ [redacted]6,883.33

SIX THOUSAND EIGHT HUNDRED EIGHTY THREE DOLLARS AND THIRTY THREE CENTS

DOLLARS

DRAWER: AMERIS BANK

⑈051009⑈ ⑆061201754⑆ [redacted]8243⑈

Security Features on this document include Watermark, Micro-Print Engagement Lines and Visible Fibers. Absence of these features may indicate alteration.

FOR NON-NEGOTIABLE DEPOSITS, CREDITS AND WITHDRAWALS

CONTRACT

INTEGRA-TEC PAYMENT SYSTEMS INC.

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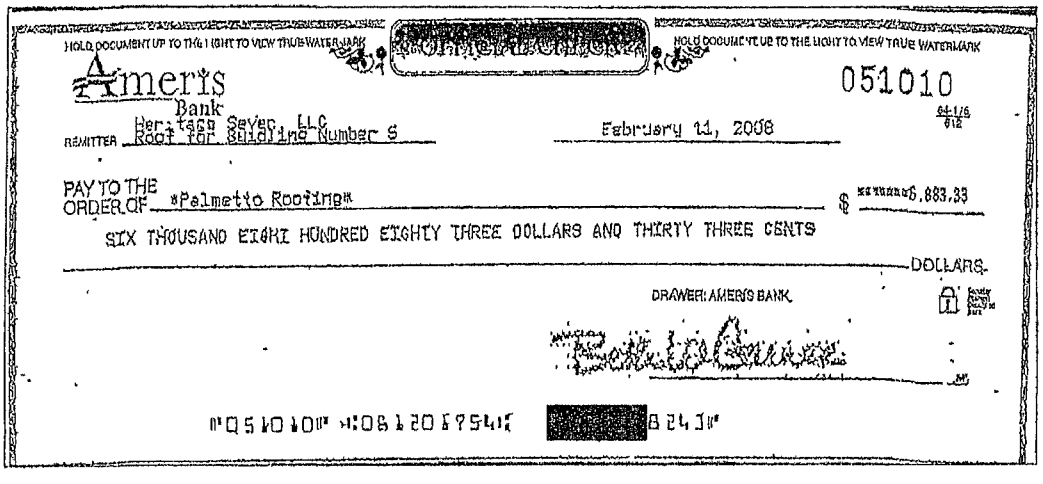
RESERVED FOR BANK ENDORSEMENT

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First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 02/11/2008

Branch/Teller 0005/0550
02/11/2008 16:58:46

Date 02-12-2008 Account 2020028243 MIAccoun[redacted]8243 Amount.$6,883 33 Serial:51009 TranCode:0
Sequence:6466299002 TR 61201754 Pocket:0 MinsID.466 MFrom:466



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051010

64-1/6/612

REMITTER Heritage Seven, LLC Roof for Building Number 5

February 11, 2008

PAY TO THE ORDER OF *Palmetto Roofing* $ [redacted]6,883.33

SIX THOUSAND EIGHT HUNDRED EIGHTY THREE DOLLARS AND THIRTY THREE CENTS

DOLLARS

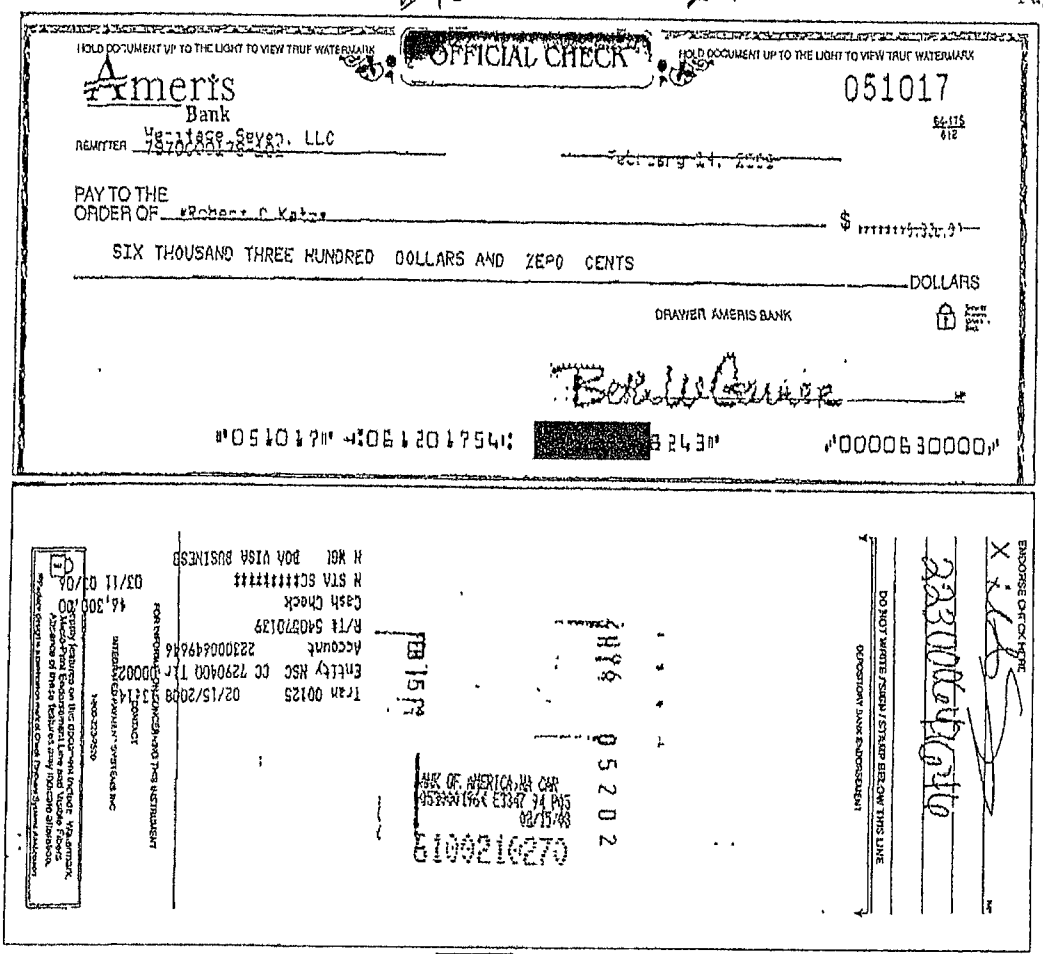
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⑈051010⑈ ⑆061201754⑆ [redacted]8243⑈

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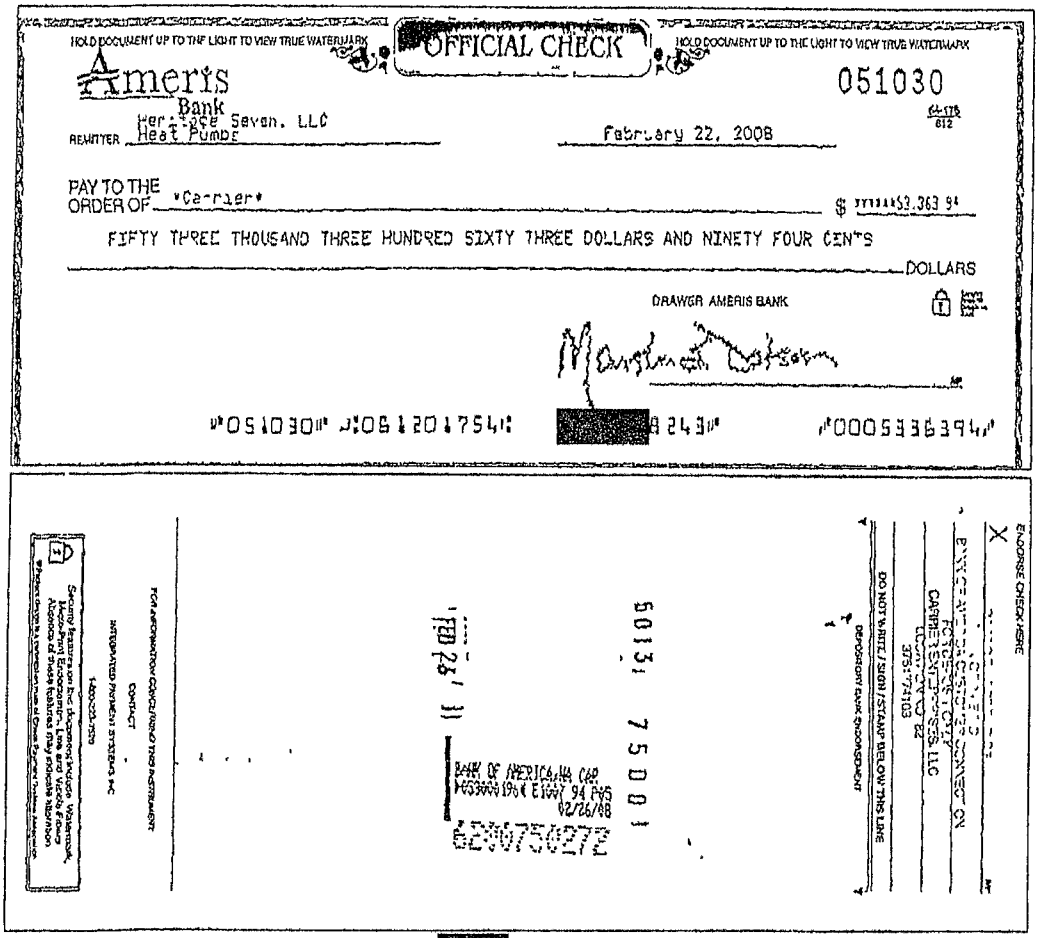





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#16 2/25/08





HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051030

64-126/612

REMITTER Heritage Seven, LLC Heat Pumps

February 22, 2008

PAY TO THE ORDER OF *Carrier* $ **53,363.94

FIFTY THREE THOUSAND THREE HUNDRED SIXTY THREE DOLLARS AND NINETY FOUR CENTS

DOLLARS

DRAWER AMERIS BANK

⑈051030⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈000533394⑈

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FOR INFORMATION CONCERNING THIS INSTRUMENT CONTACT INTEGRATED PAYMENT SYSTEMS INC

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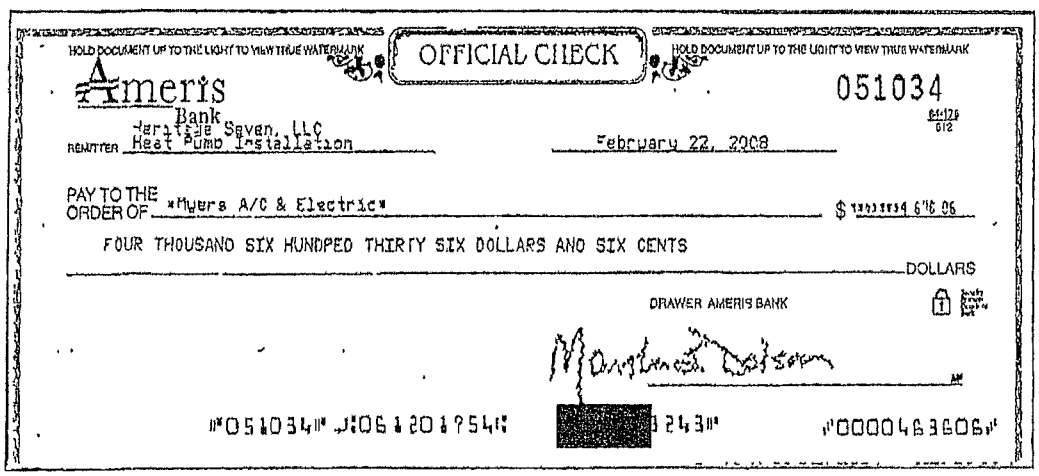
FEB 28 '11

BANK OF AMERICA,NA CAD

02/26/08

⑆026009593⑆ 5013 75001

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OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051034

64-126/612

REMITTER Heritage Seven, LLC Heat Pump Installation

February 22, 2008

PAY TO THE ORDER OF *Myers A/C & Electric* $ **4,036.06

FOUR THOUSAND SIX HUNDRED THIRTY SIX DOLLARS AND SIX CENTS

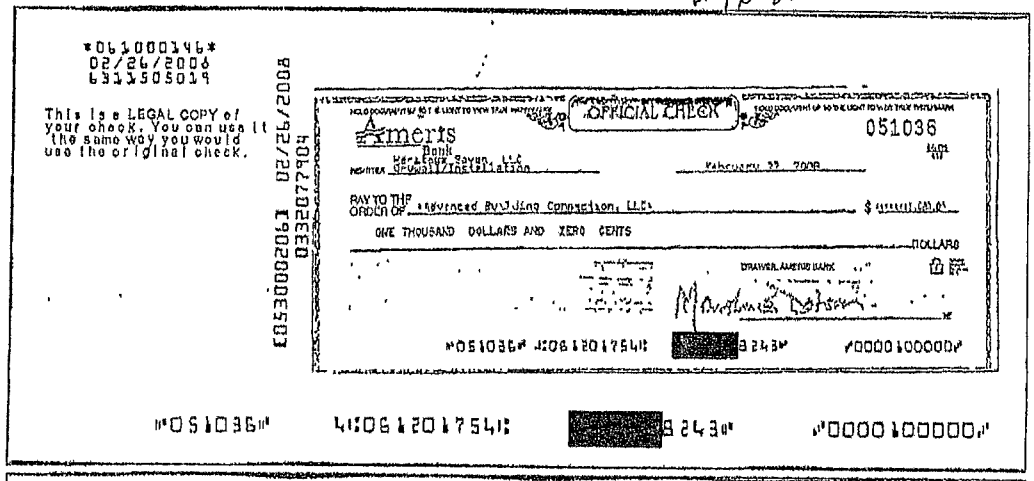
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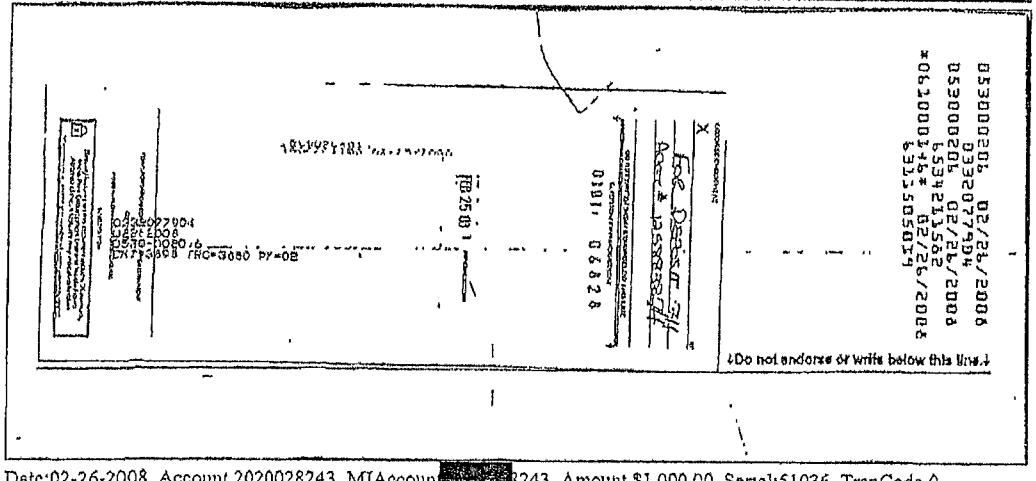
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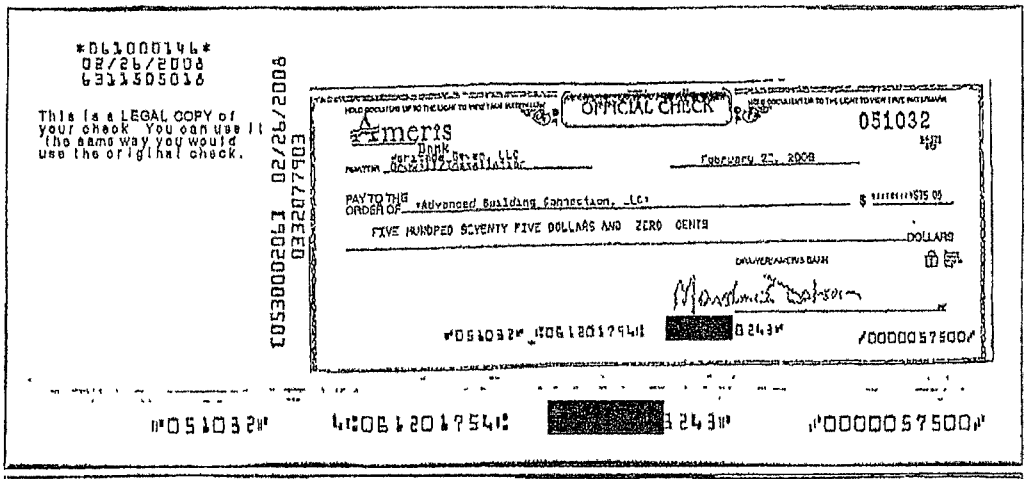


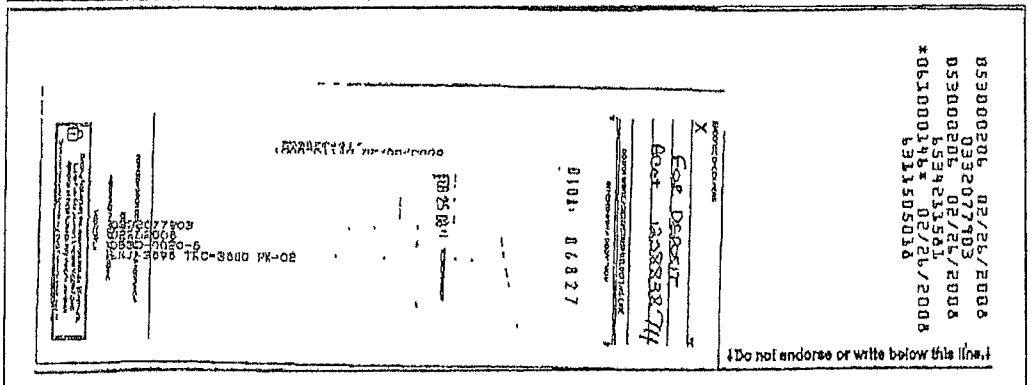




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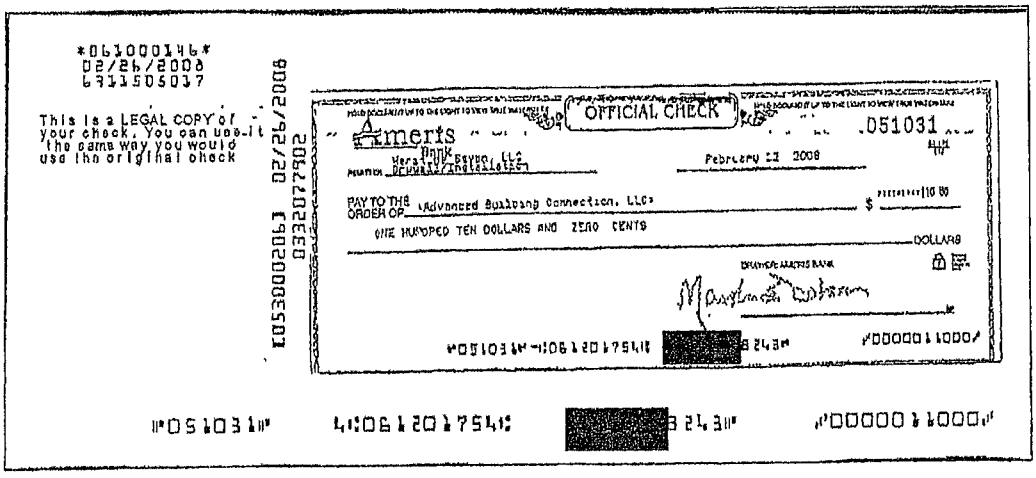
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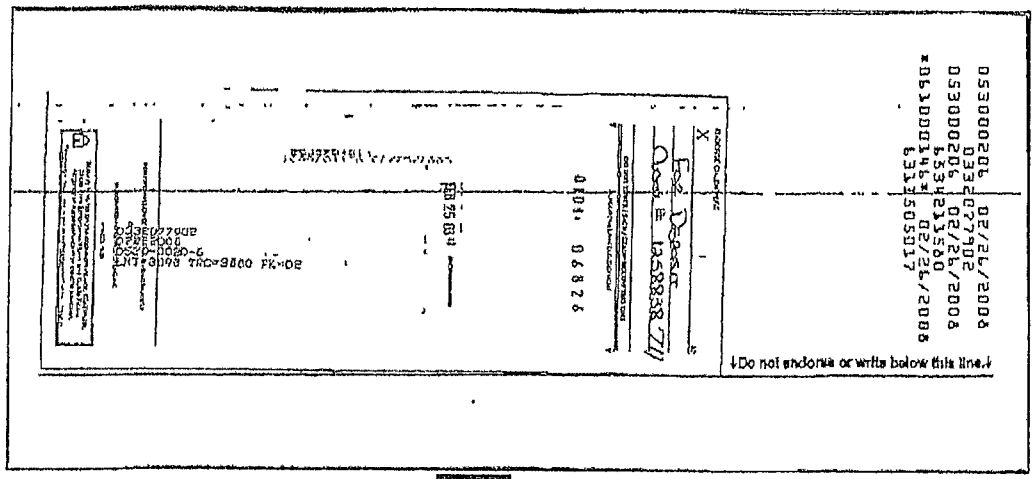




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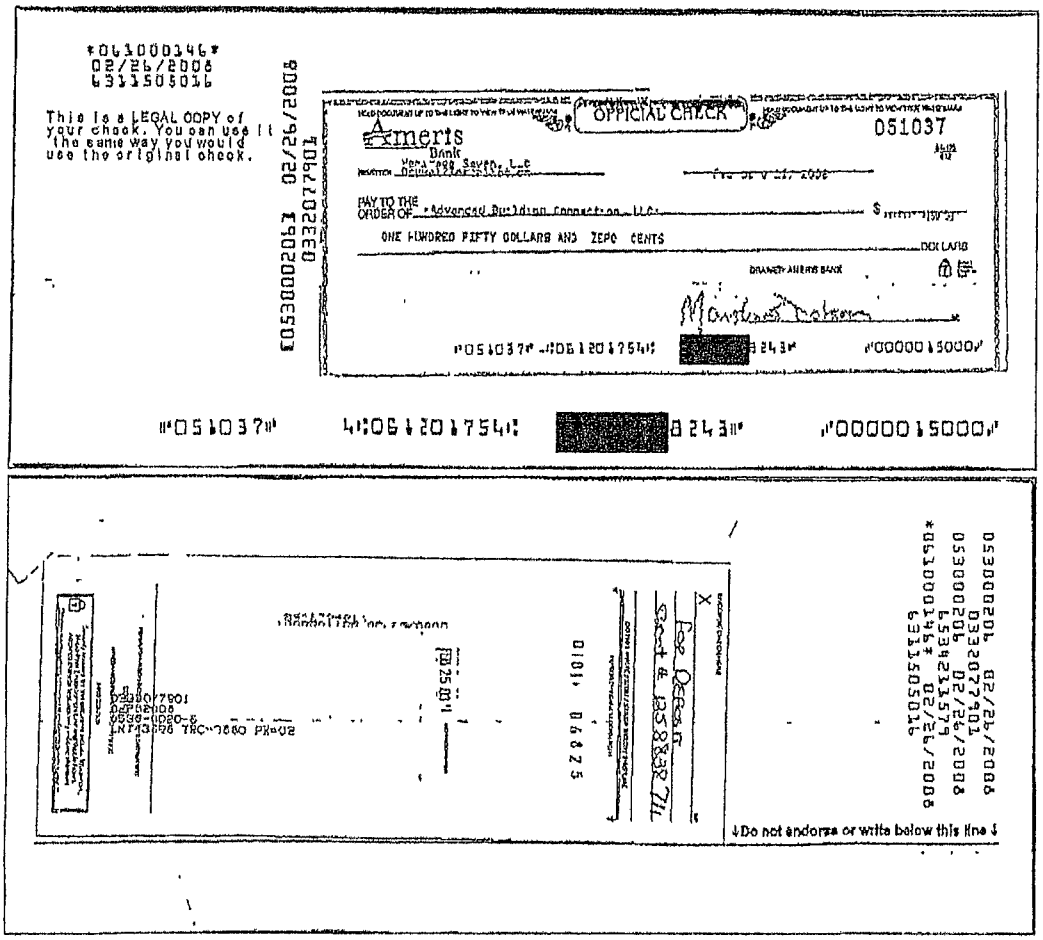


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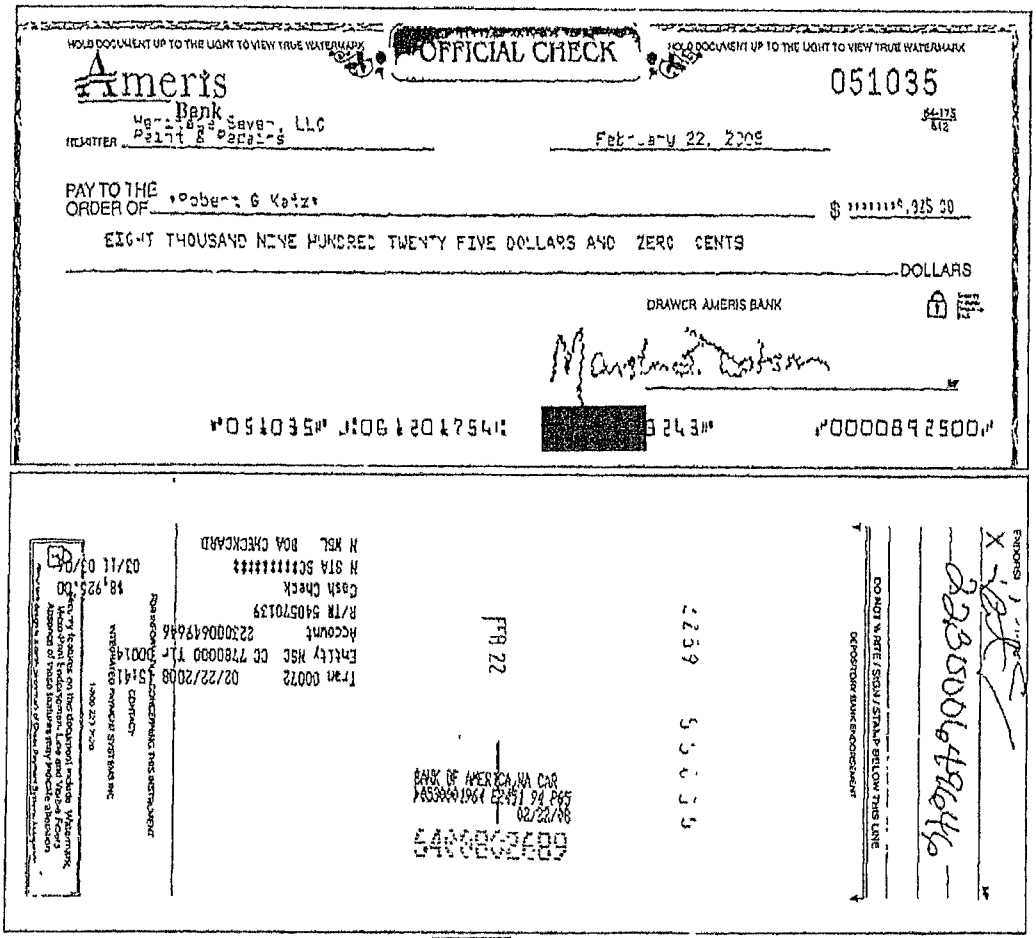

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#16 2-25-08



Date:02-26-2008 Account 2020028243 MIAccoun[redacted]8243 Amount $150.00 Serial.51037 TranCode:0
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OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051035

64-1178
612

REMITTER Waterford Seven, LLC
Paint & Panels

February 22, 2008

PAY TO THE ORDER OF Robert G Katz

$ ********8,925.00

EIGHT THOUSAND NINE HUNDRED TWENTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

Manual Signature

⑈051035⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈000089250⑈

ENDORSE HERE

X

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DEPOSITORY BANK ENDORSEMENT

FEB 22

BANK OF AMERICA,NA CAR
ACCOUNT 1964 EFFECTIVE 94 PAGE
02/22/08

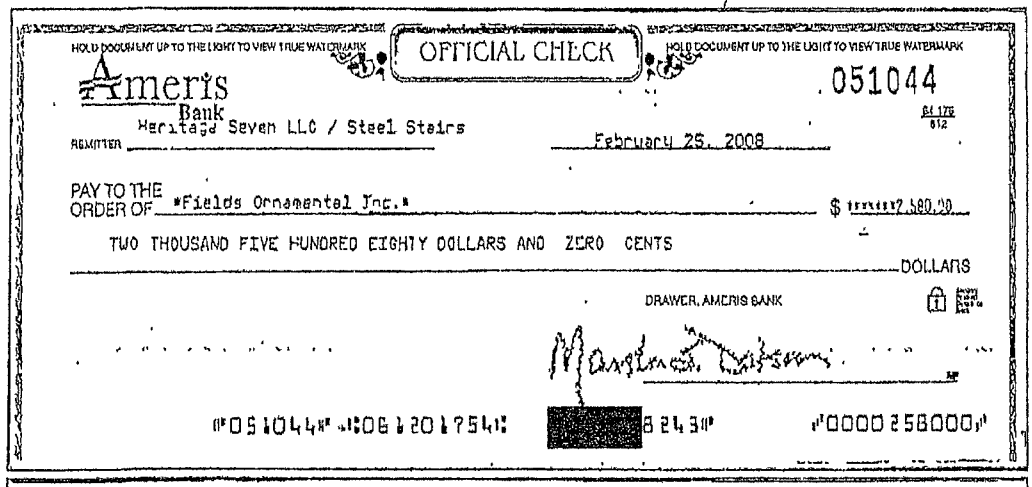
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03/11 03/06 $8,925.00

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#17 2/26/08





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OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051044

64-175
612

REMITTER Heritage Seven LLC / Steel Stairs

February 25, 2008

PAY TO THE ORDER OF *Fields Ornamental Inc.* $ ******2,580.00

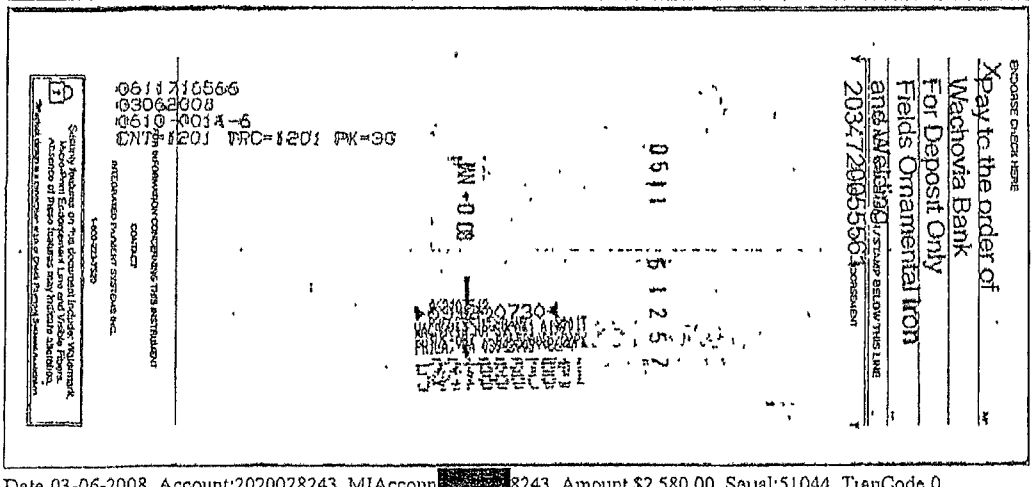
TWO THOUSAND FIVE HUNDRED EIGHTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER, AMERIS BANK

Maryln S. Dobson

⑈051044⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈0000258000⑈



ENDORSE CHECK HERE

X Pay to the order of
Wachovia Bank
For Deposit Only
Fields Ornamental Iron
20347200555564

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03062008
0610-201A-6
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0511

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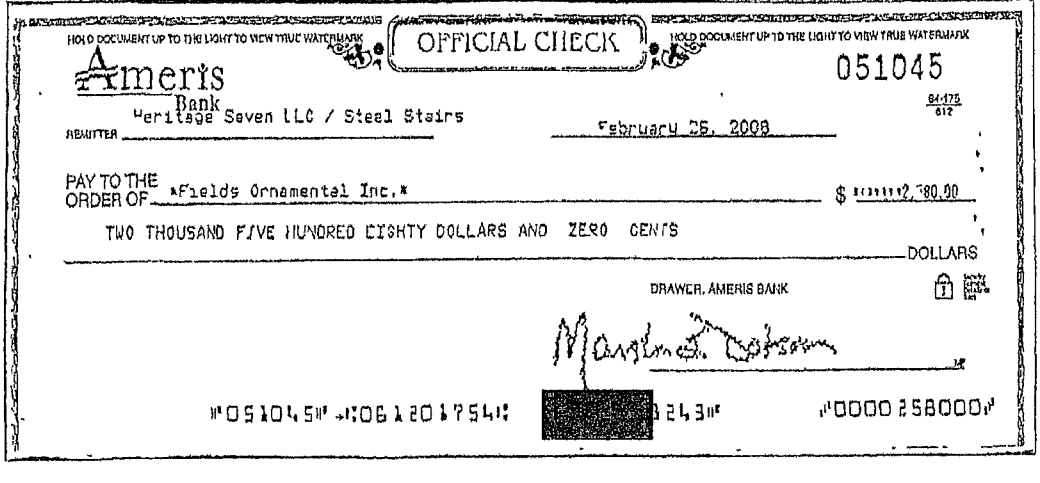
INTEGRATED PAYMENT SYSTEMS INC.

CONTACT

FOR INFORMATION CONCERNING THIS INSTRUMENT

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#17 2-2608



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OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051045

64-175
612

REMITTER Heritage Seven LLC / Steel Stairs

February 25, 2008

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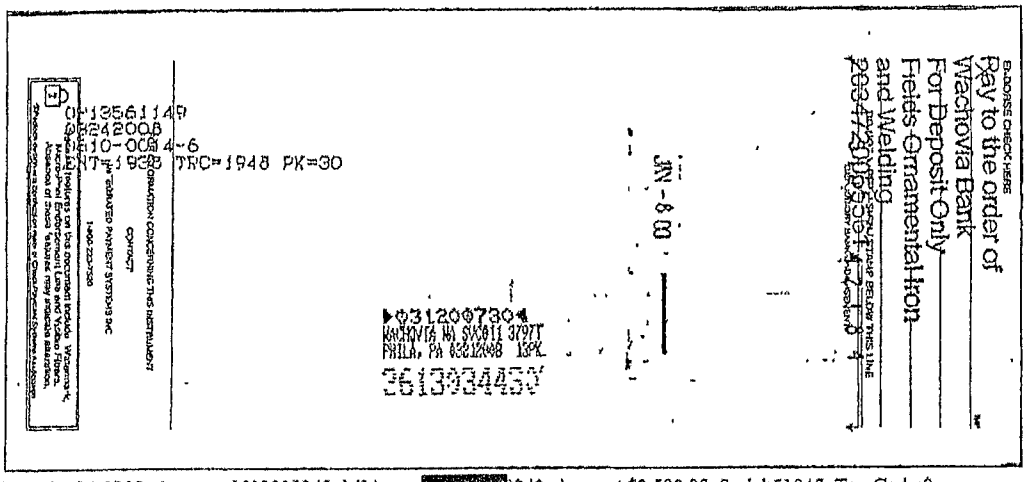
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DOLLARS

DRAWER, AMERIS BANK

Maryln S. Dobson

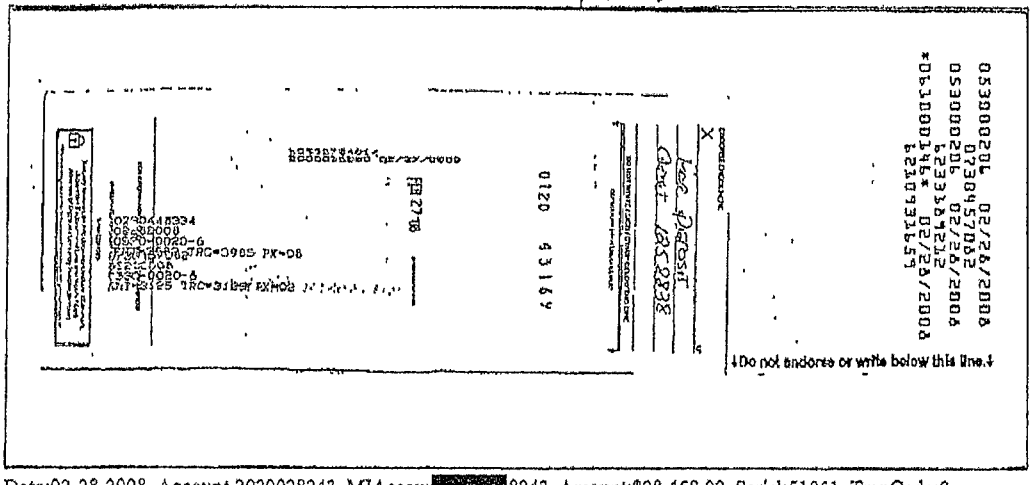
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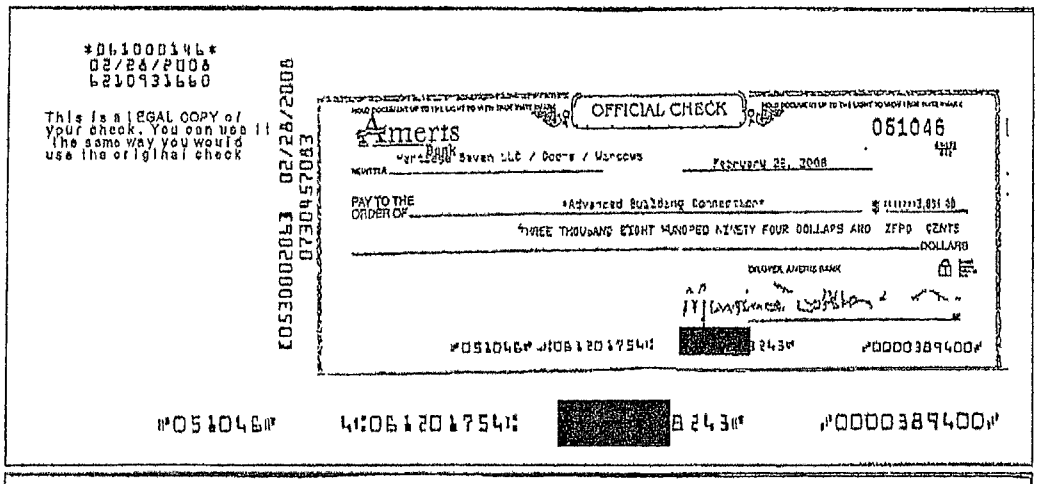

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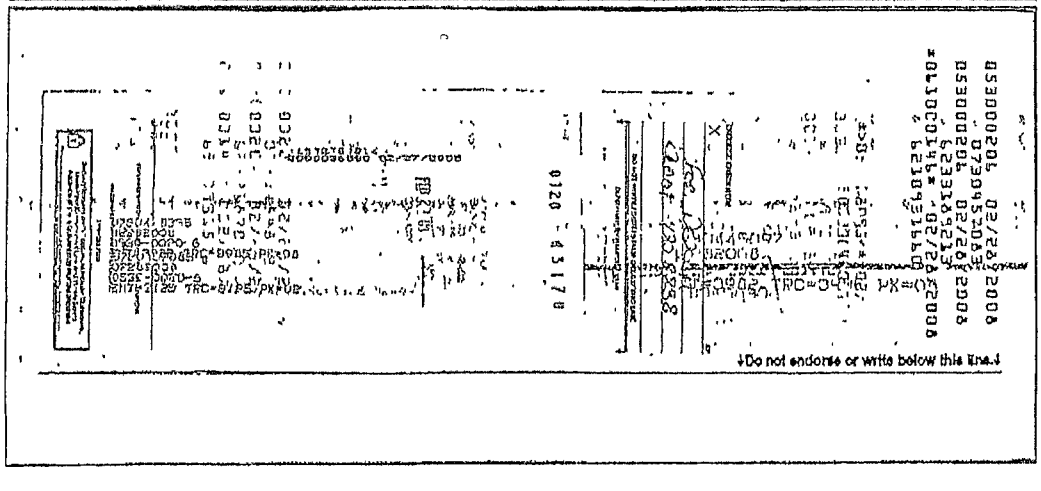
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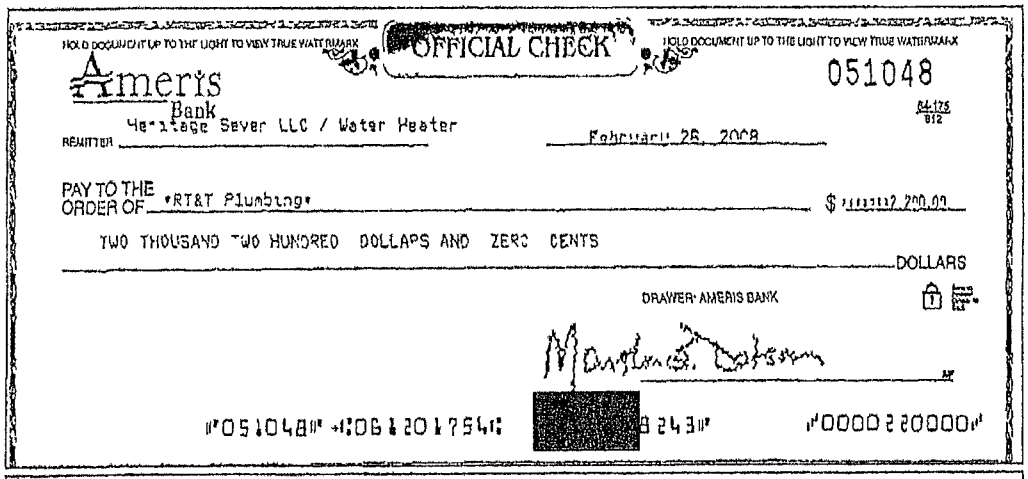





Amens-00080

#17 2-26-08





HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK — OFFICIAL CHECK — HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051048

84-175/812

REMITTER Heritage Sever LLC / Water Heater — February 26, 2008

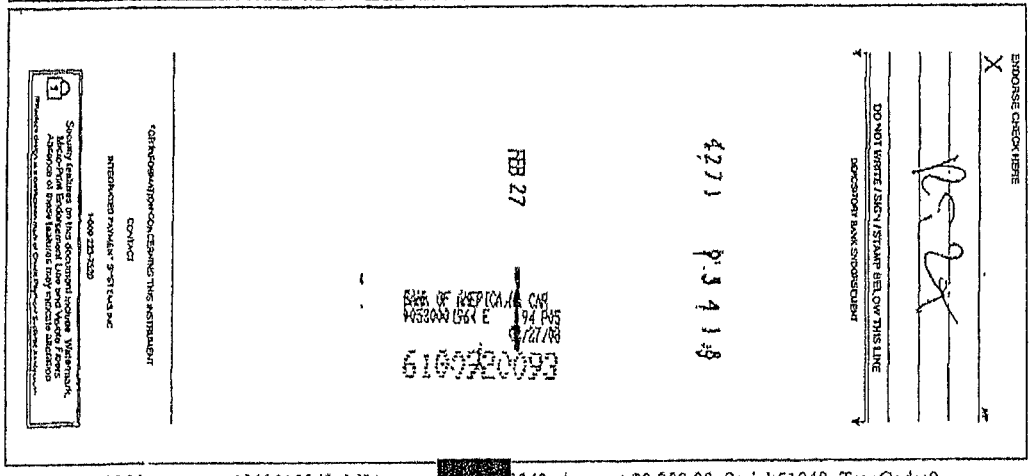
PAY TO THE ORDER OF *RT&T Plumbing* — $ [redacted] 2,200.00

TWO THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS — DOLLARS

DRAWER: AMERIS BANK

Marsha S. Dobson

⑈051048⑈ ⑆061201754⑆ [redacted]243⑈ ⑈0002200000⑈



ENDORSE CHECK HERE

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DEPOSITORY BANK ENDORSEMENT

FEB 27

BANK OF AMERICA, N.A. CHARLOTTE, NC 28255 02/27/08

61607/20093

4271 0.3418

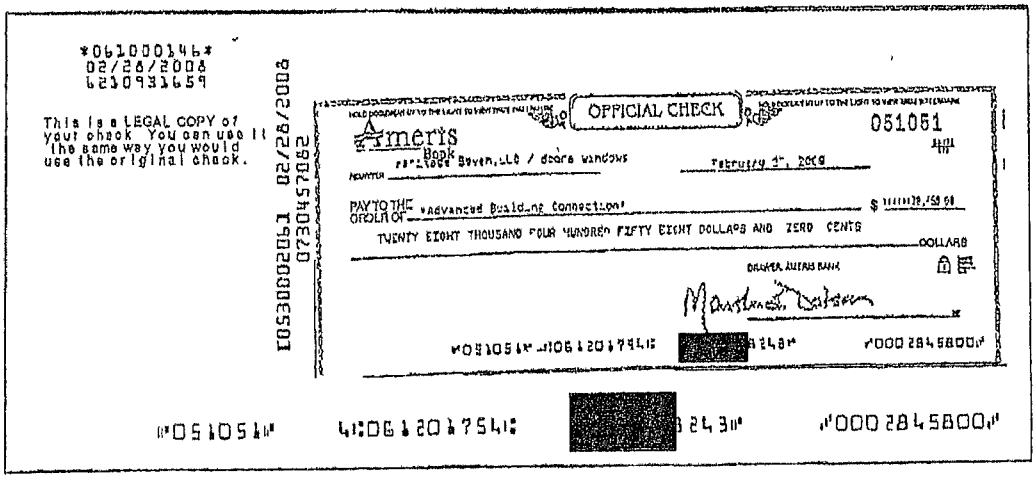
FOR INFORMATION CONCERNING THIS INSTRUMENT CONTACT

INTERCEPTED PAYMENT: 9-5134.5 PC

1-800-225-5938

Security features on this document include Watermark, Microprint Endorsement Line and Void Pantograph. Absence of these features may indicate questionable

Date:02-28-2008 Account:2020028243 MIAccoun[redacted]3243 Amount:$2,200 00 Serial:51048 TranCode:0
Sequence:6466459534 TR.61201754 Pocket.0 MInstID.466 MFrom:466



*061000146*
02/26/2008
6210931659

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⑆053000219⑆ 02/26/2008 073045762

OFFICIAL CHECK

Ameris Bank

051051

REMITTER Heritage Seven, LLC / doors windows — February 3rd, 2008

PAY TO THE ORDER OF *Advanced Building Connections* — $ [redacted]28,458.00

TWENTY EIGHT THOUSAND FOUR HUNDRED FIFTY EIGHT DOLLARS AND ZERO CENTS — DOLLARS

DRAWER: AMERIS BANK

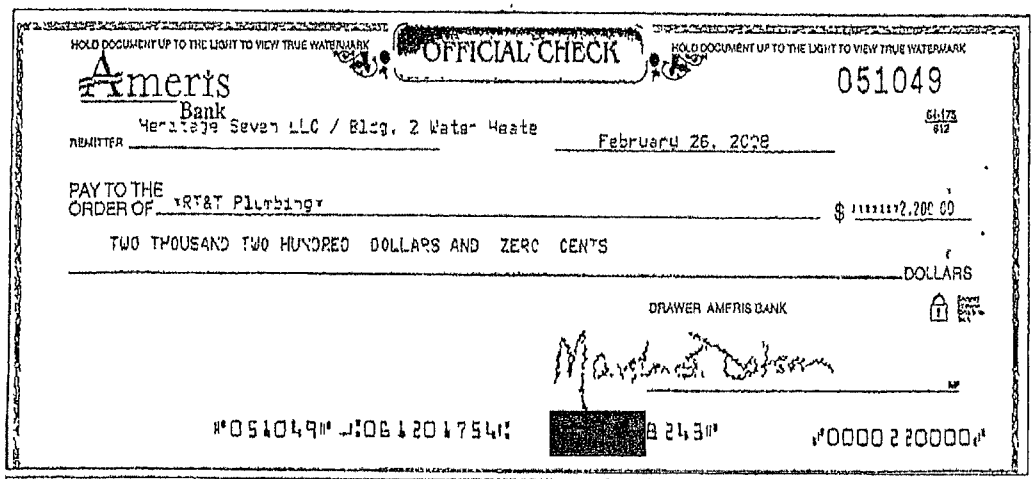
Marsha S. Dobson

⑈051051⑈ ⑆061201754⑆ [redacted]243⑈ ⑈0028458000⑈

#17 2-26-08



Date 02-28-2008 Account 2020028243 MIAccoun[redacted]243 Amount.$3,894.00 Serial.51046 TranCodo 0
Sequence 3602392270 TR·61201754 Pocket 0 MInstlD:466 MFrom:466


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051049

61-173/612

REMITTER Heritage Seven LLC / Bldg. 2 Water Heate

February 26, 2008

PAY TO THE ORDER OF AT&T Plumbing

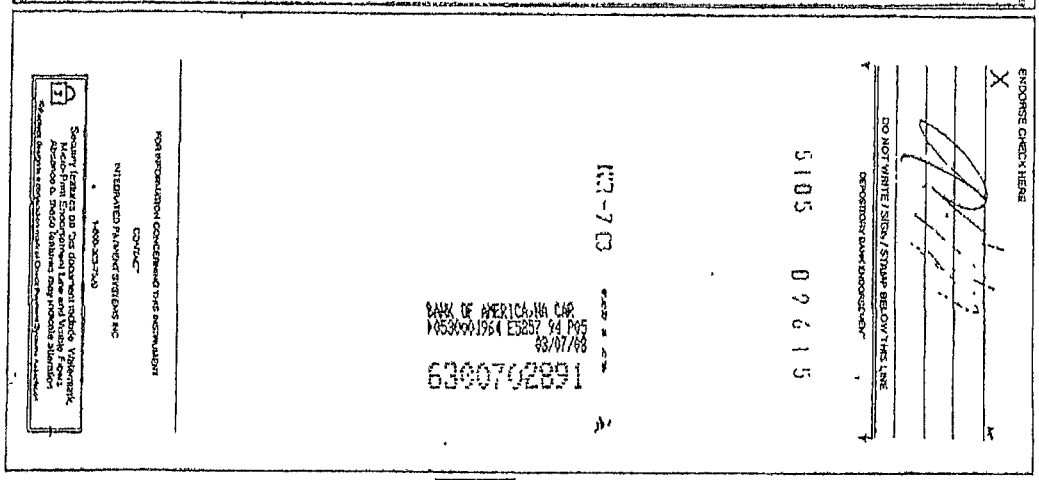
$ 2,200.00

TWO THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

⑈051049⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈0000220000⑈


ENDORSE CHECK HERE

X

DO NOT WRITE / SIGN / STAMP BELOW THIS LINE

DEPOSITORY BANK ENDORSEMENT

5105 02615

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BANK OF AMERICA,NA CAR
⑆053000196⑆ E5257 94 P05
03/07/08

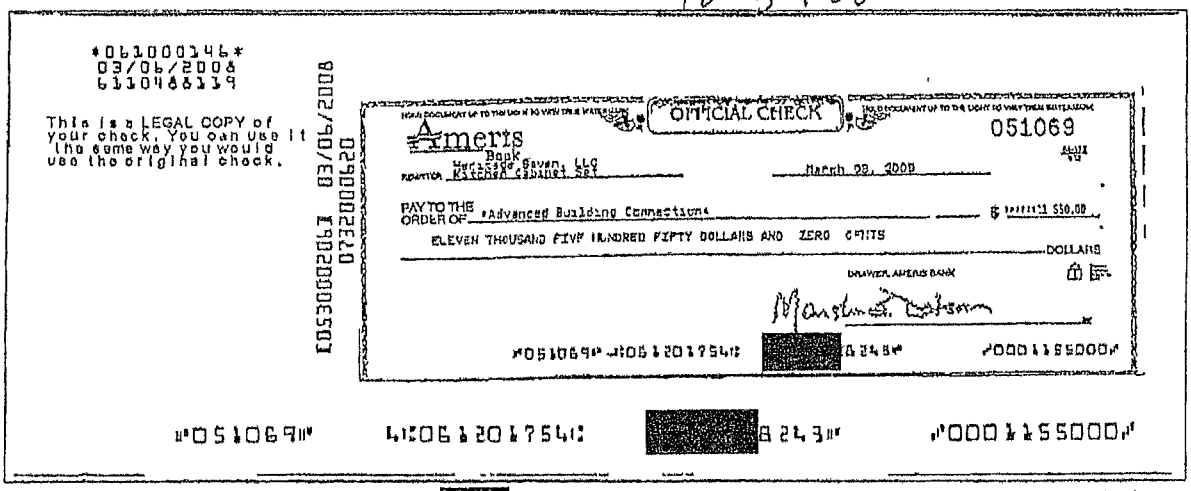
6390702891

FOR INFORMATION CONCERNING THIS INSTRUMENT CONTACT INTEGRATED PAYMENT SYSTEMS INC 1-800-323-7340

Security features on this document include Watermark, Micro-Print Signature Line and Void Pantograph. Absence of these features may indicate alteration.

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Sequence 6466568670 TR·61201754 Pocket:0 MInstlD·466 MFrom:466

#18 3-4-08



*061000146*
03/06/2008
6110488119

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03/06/2008 0732000620

OFFICIAL CHECK

Ameris Bank

051069

March 06, 2008

PAY TO THE ORDER OF *Advanced Building Connections $ 11,550.00

ELEVEN THOUSAND FIVE HUNDRED FIFTY DOLLARS AND ZERO CENTS DOLLARS

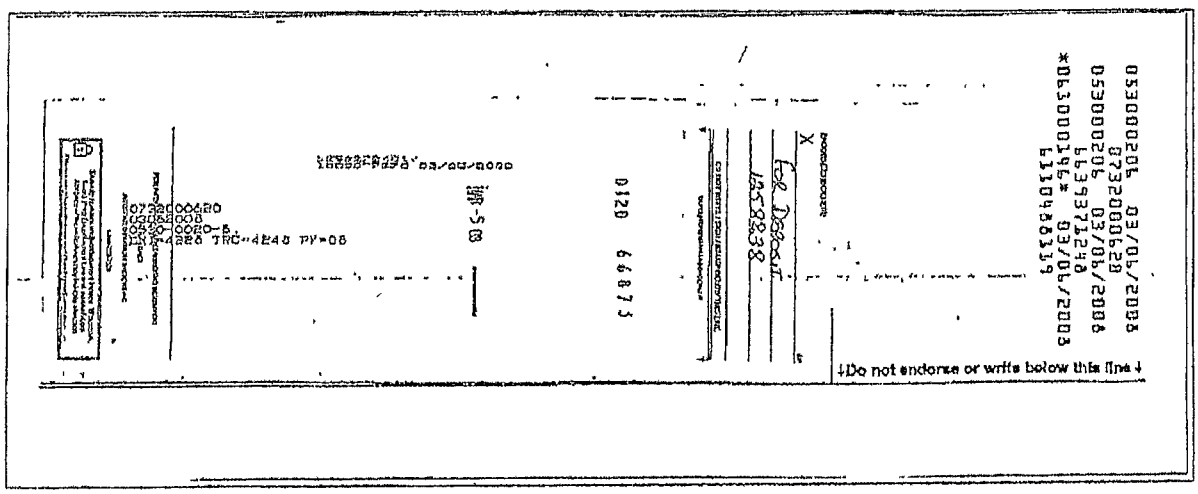
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⑈051069⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈00011550000⑈

⑈051069⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈00011550000⑈

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TR G1201754 Pocket 0 MInstID:466 MFrom:466



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For Deposit X

1558838

↓Do not endorse or write below this line↓

*061000146* 03/06/2008
6110488119
0732000620 03/06/2008
0530002043 03/06/2008

Ameris-00083

#18 3-4-08

*061000146*
03/06/2008
1110466118

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03/06/2008 0732000619 153020005503

OFFICIAL CHECK

Ameris Bank

051068

March 08, 2008

PAY TO THE ORDER OF *Advanced Building Corporation, LLCv $ [illegible]

ONE THOUSAND FIFTY DOLLARS AND ZERO CENTS DOLLARS

DRAWER: AMERIS BANK

Marsha S. Carlson

"051068" ⑆061201754⑆ [redacted] 3243" "0000105000"

Date:03/06/2008 Account:2020028243 MIAccount [redacted]3243 Amount:$1,050.00 Serial:51068 TranCode:0 Sequence:3603644610
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053000201 03/06/2008
6613731247
*061000146* 03/06/2008
1110466118

For Deposit Acct [redacted]8238

↓Do not endorse or write below this line.↓

Ameris-00084

#18-3-408

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

# OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051070

04-175
012

REMITTER Hamilton Seven, LLC

March 03, 2008

PAY TO THE ORDER OF *Robert G Katz* $ ******2,925.00

TWO THOUSAND NINE HUNDRED TWENTY FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER, AMERIS BANK

Marsha S. Dotson

⑈051070⑈ ⑆061201754⑆ [redacted]8243⑈ ⑈0000292500⑈

Date:03/05/2008 Account:2020028243 MIAccoun[redacted]8243 Amount $2,925 00 Serial:51070 TranCode:0 Sequence:6466522914
TR:61201754 Pocket:0 MInstID 466 MFrom:466

ENDORSE HERE

X

DO NOT WRITE / SIGN / STAMP BELOW THIS LINE

PROPERTY BANK ENDORSEMENT

BANK OF AMERICA/NA CHR
NY5360N1764 E3463 94 P05
03/04/08
666033687

Tran 00125 03/04/2008
Entity MSC CC 729040O TLr 00002
Account [redacted]
R/T# 053701139
Cash Check
N STA SC##########
N MSC ROA BUSINESS

FOR INQUIRIES REGARDING THIS SUBSCRIPTION

CONTACT

INTERNATIONAL PAYMENT SYSTEMS INC

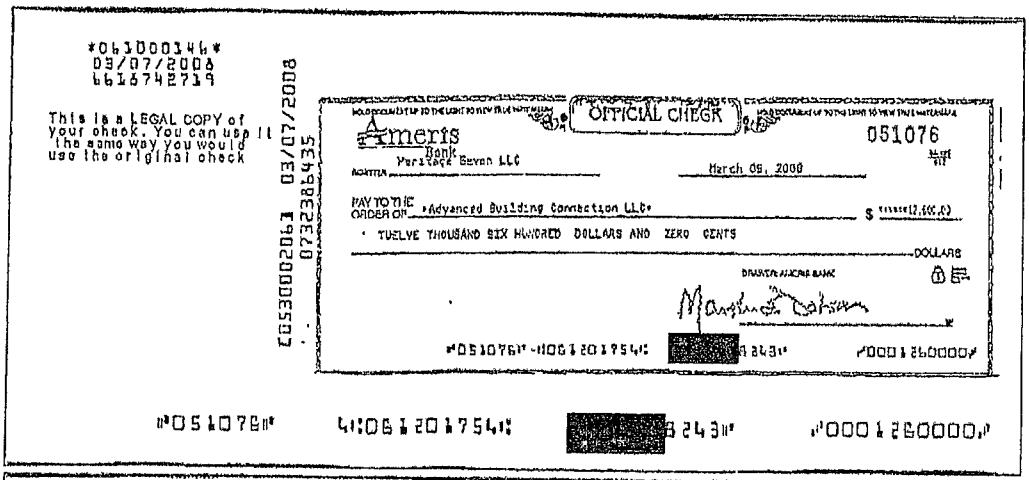
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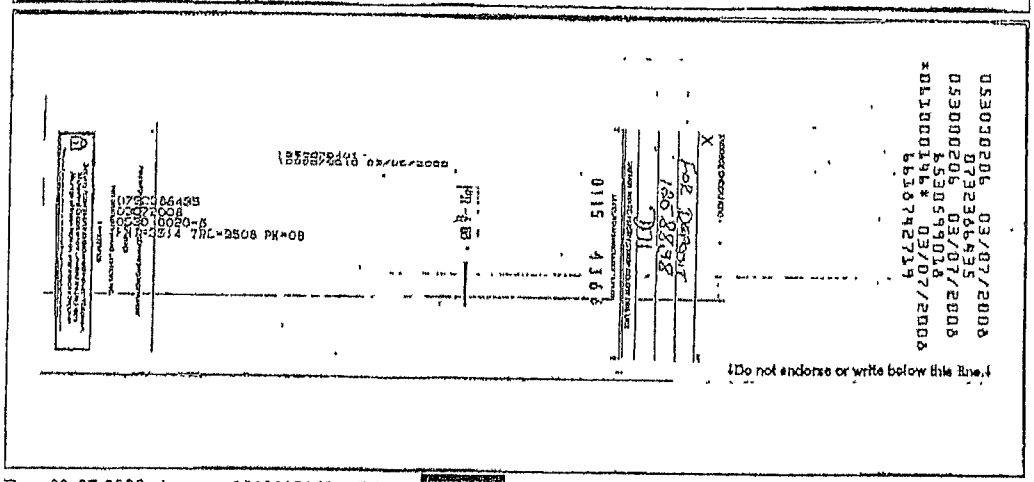
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03/11 03/04

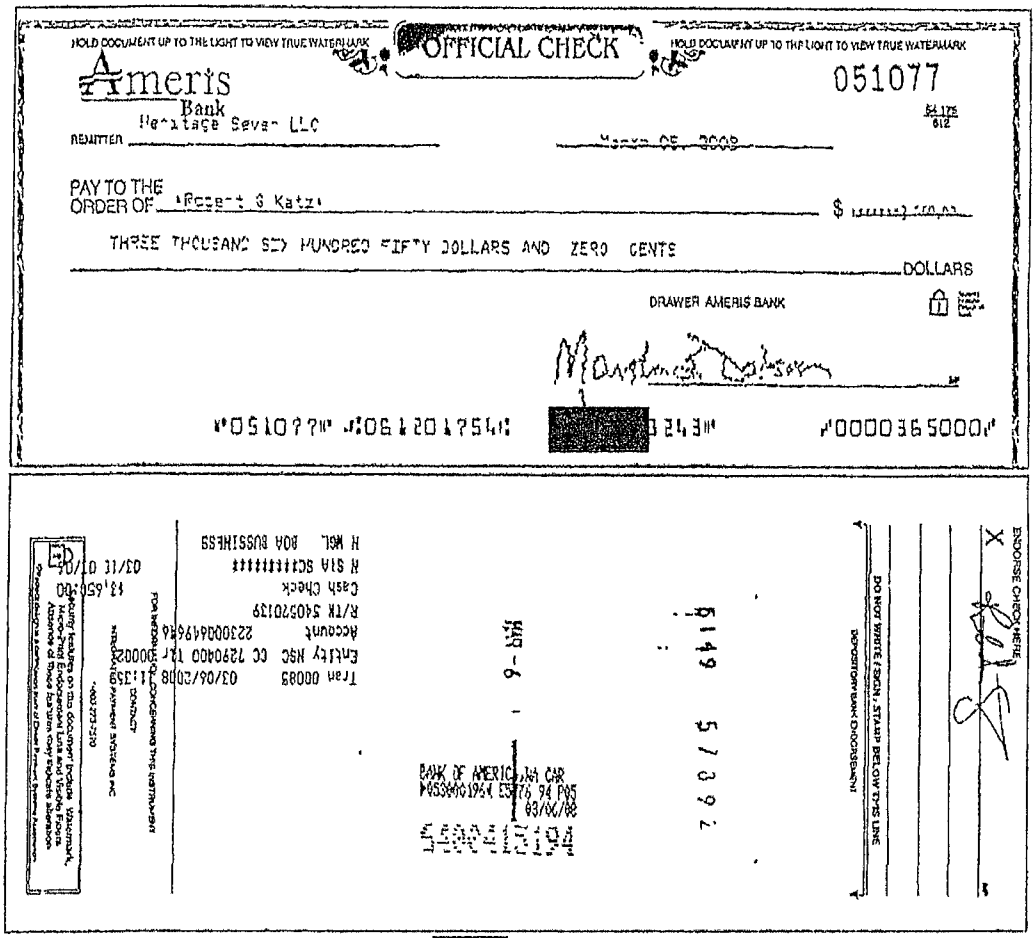
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Sequence 3603759830 TR 61201754 Pocket 0 MInstID 466 MFrom.466



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051077

64-175
612

REMITTER Heritage Sever LLC

March 05 2008

PAY TO THE ORDER OF *Robert G Katz* $ ********3,650.00

THREE THOUSAND SIX HUNDRED FIFTY DOLLARS AND ZERO CENTS

DOLLARS

DRAWER AMERIS BANK

⑆051077⑆ ⑆061201754⑆ [redacted]243⑈ ⑈000036500⑈

Tran 00089 03/06/2008
Entity NSC CC 7290400 13
Account 2300044964
R/TR 340520139
Cash Check
N SIA SC##########
N MSC BOA BUSSINESS

03/12 01/04

$3,650.00

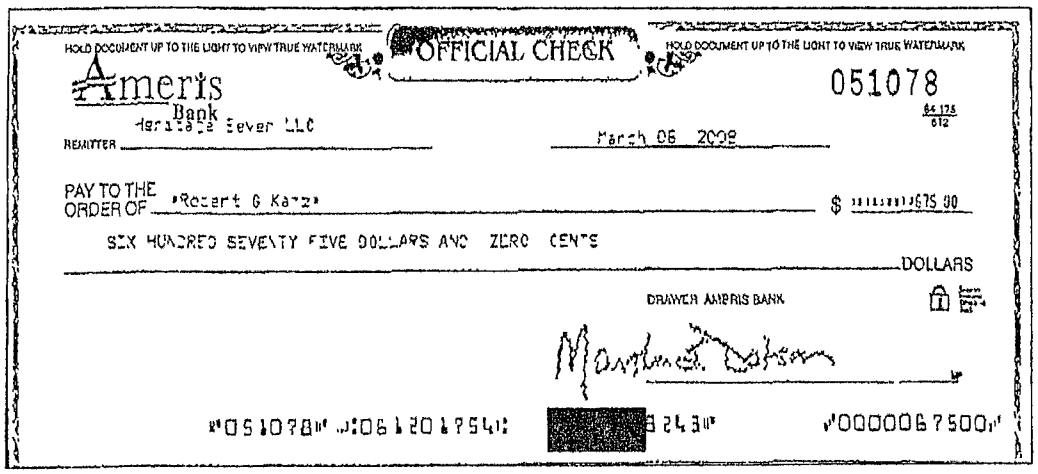
BANK OF AMERICA, NA CAR
⑈0538000196⑆ 55776.94 P05
03/06/08

6149 5/092

DO NOT WRITE, ENDORSE, STAMP BELOW THIS LINE

ENDORSE CHECK HERE

Date 03-07-2008 Account 2020028243 MIAccoun[redacted]8243 Amount $3,650 00 Serial:51077 TranCode.0
Sequence:6466552692 TR:61201754 Pocket:0 MInstID:466 MFrom:466



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051078

64-175
612

REMITTER Heritage Sever LLC

March 06 2008

PAY TO THE ORDER OF *Robert G Katz* $ ********675.00

SIX HUNDRED SEVENTY FIVE DOLLARS AND ZERO CENTS

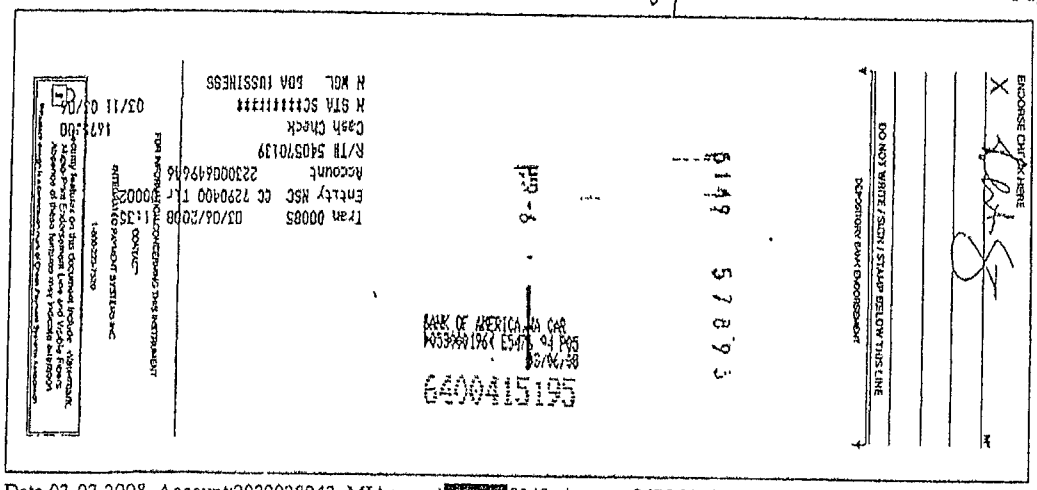
DOLLARS

DRAWER AMERIS BANK

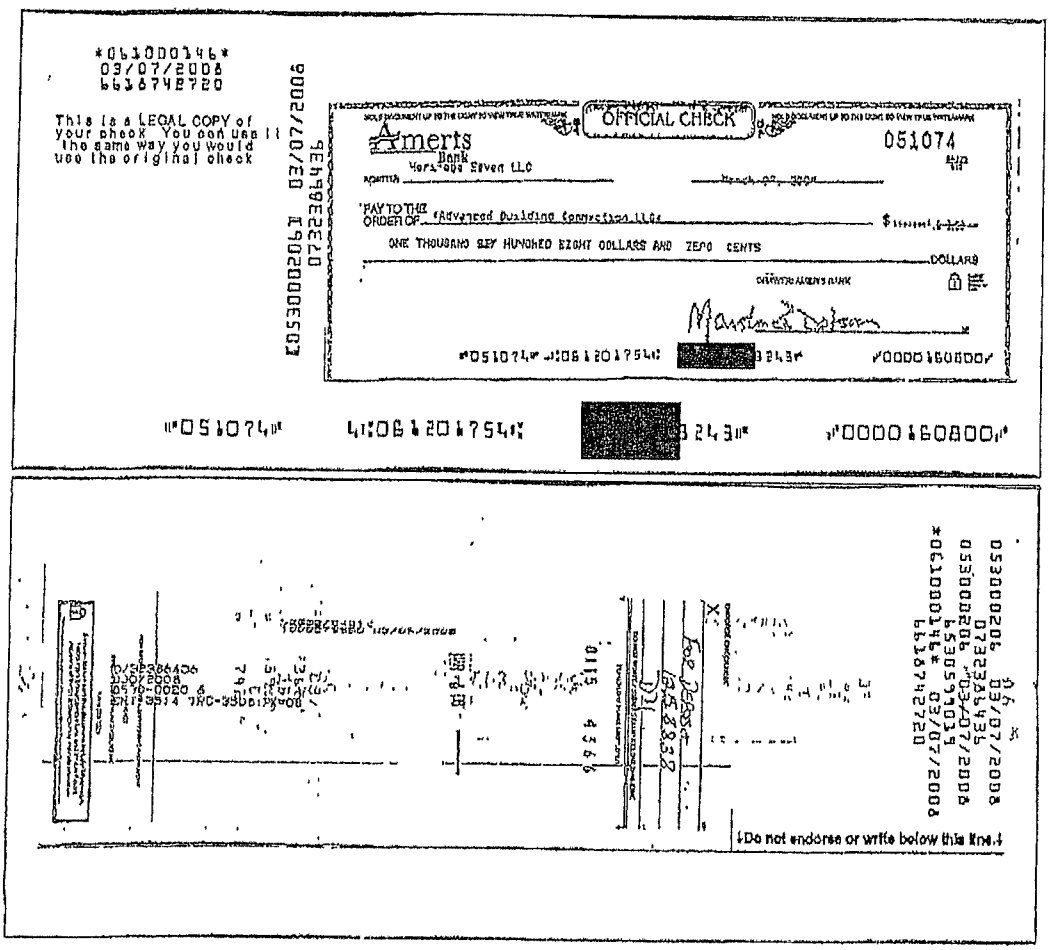
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#19



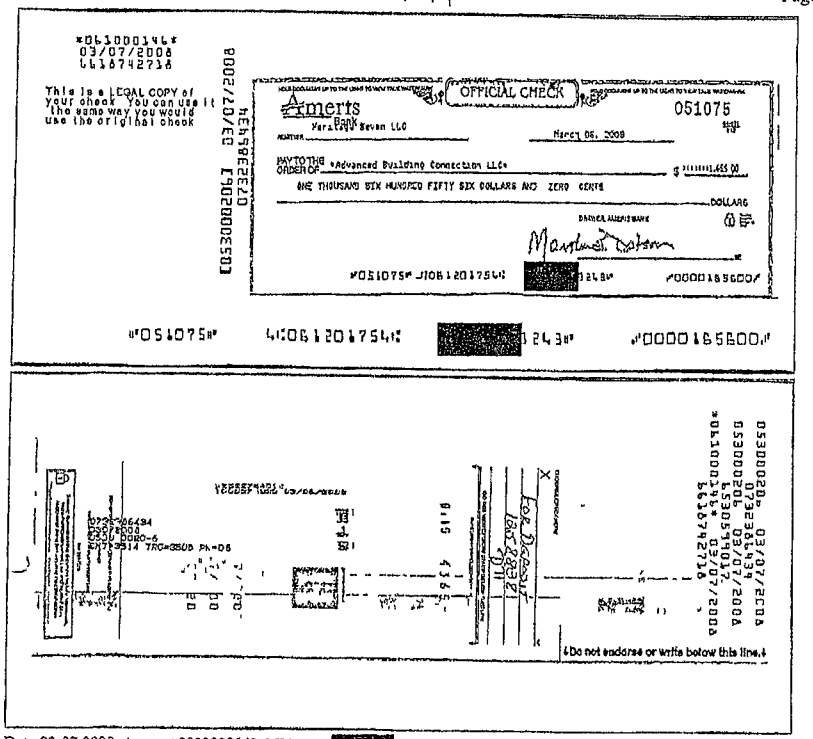


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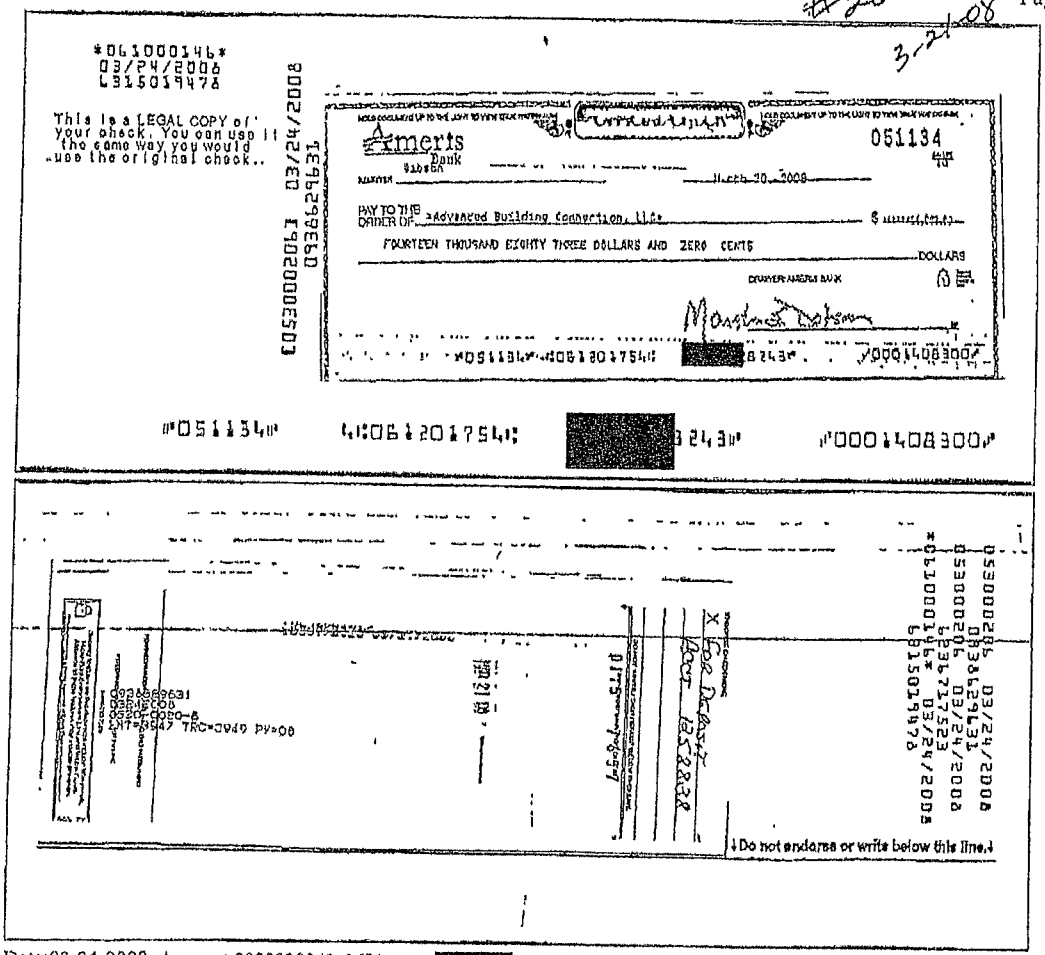


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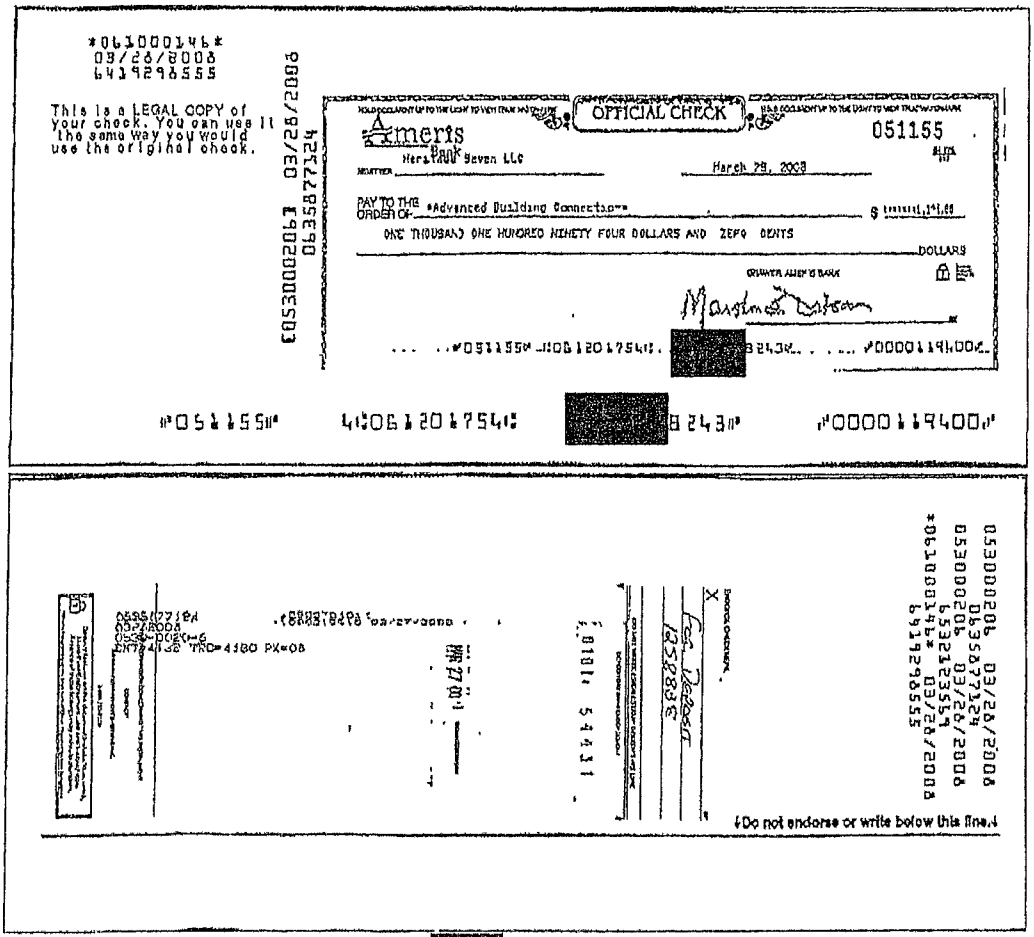

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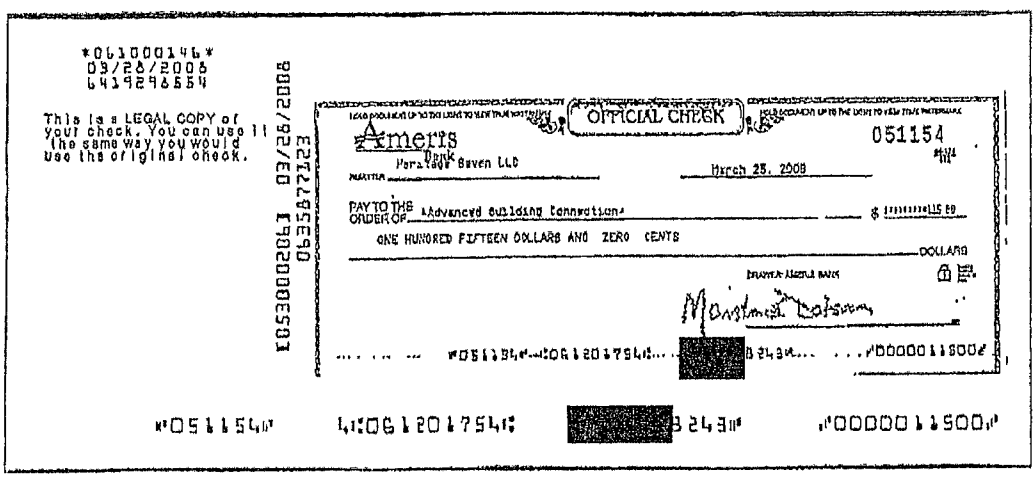

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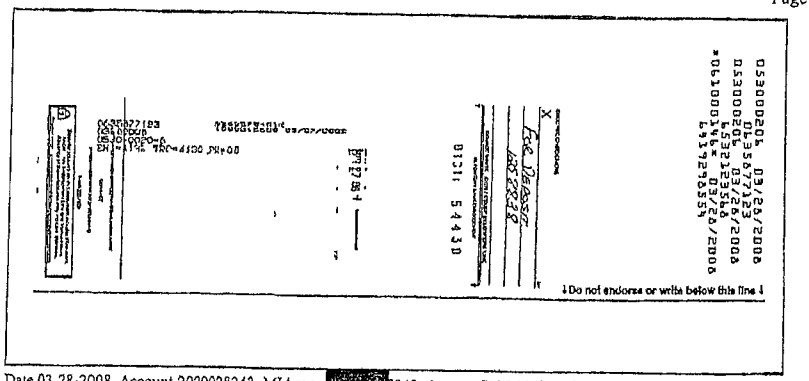



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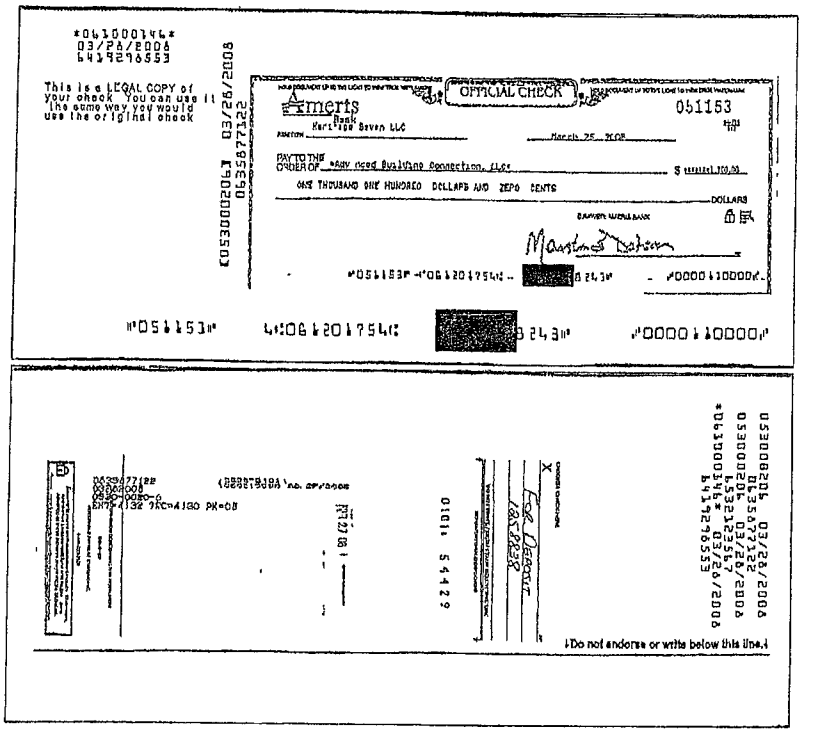


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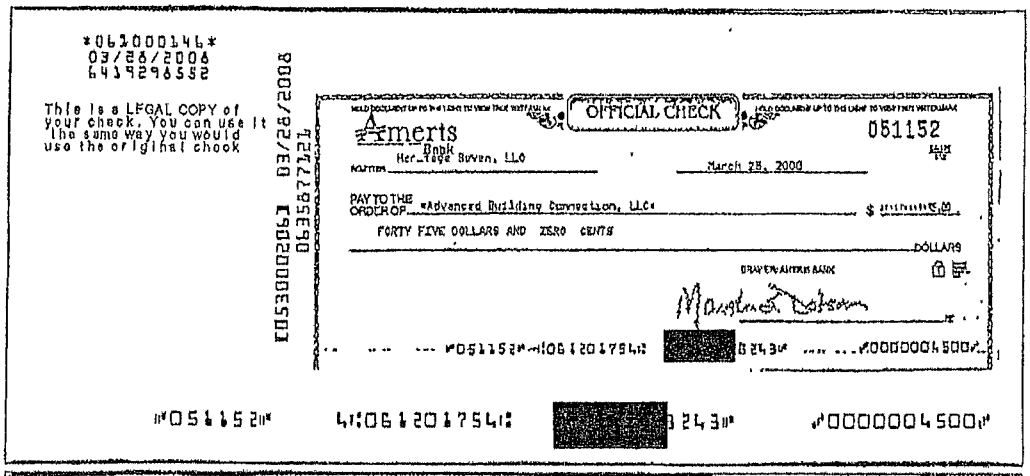
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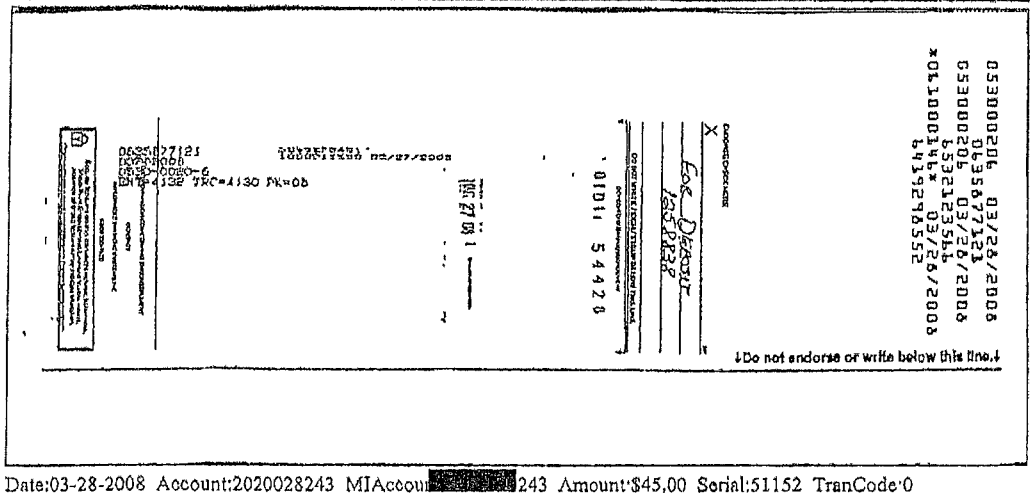


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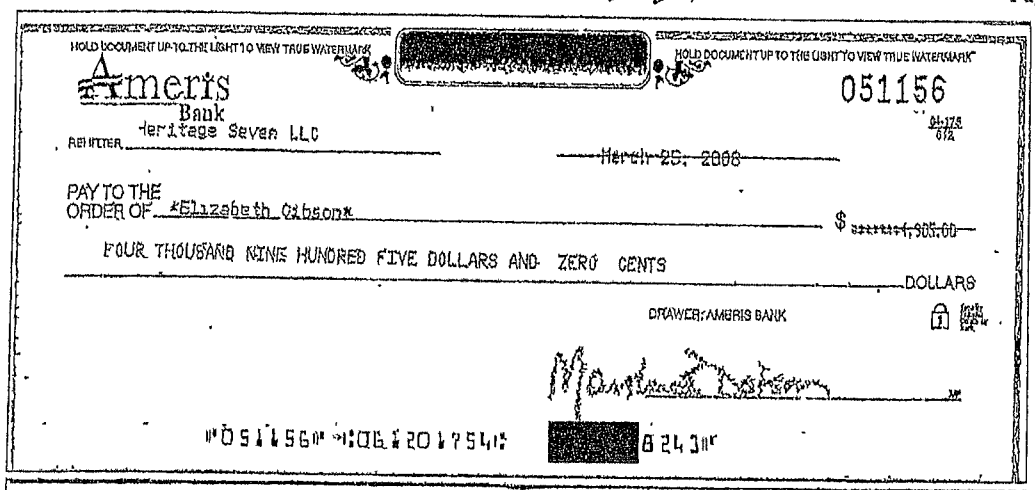



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#21




HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051156

REMITTER Heritage Seven LLC

March 25, 2008

PAY TO THE ORDER OF *Elizabeth Gibson*

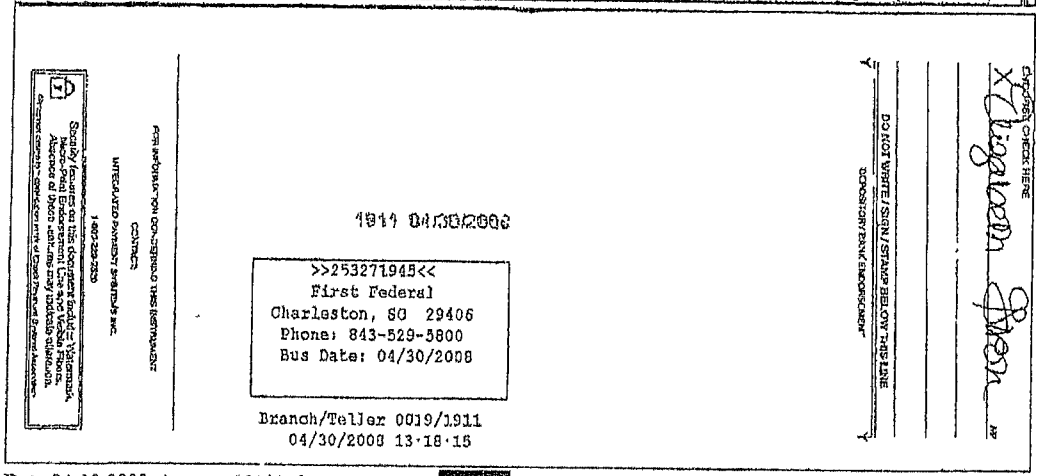
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FOUR THOUSAND NINE HUNDRED FIVE DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

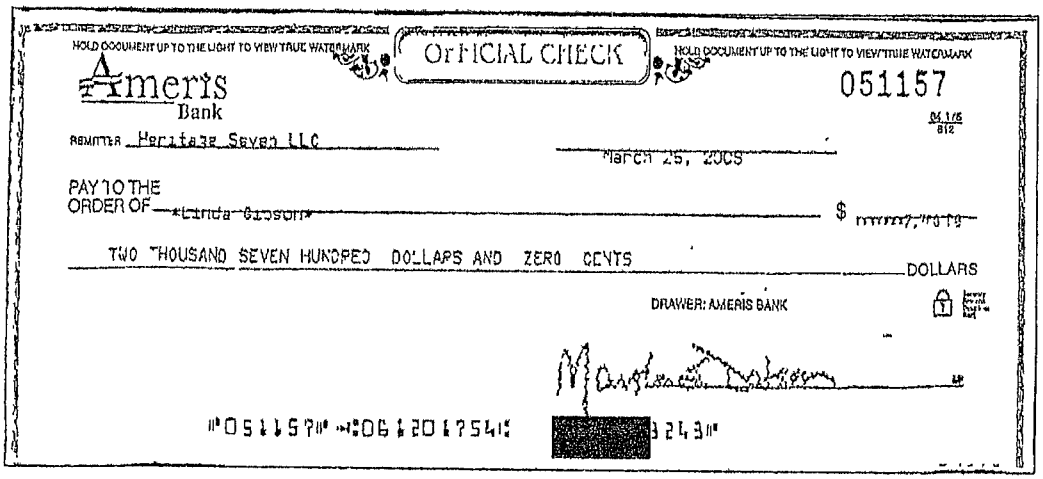
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First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 04/30/2008

Branch/Teller 0019/1911
04/30/2008 13:18:15

Date 04-30-2008 Account:2020028243 MIAccoun[redacted]8743 Amount:$4,905 00 Serial:51156 TranCode:0
Sequence:6466215072 TR:61201754 Pocket:0 MInstID:466 MFrom:466


HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051157

REMITTER Heritage Seven LLC

March 25, 2008

PAY TO THE ORDER OF *Linda Gibson*

$ ****2,700.00

TWO THOUSAND SEVEN HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

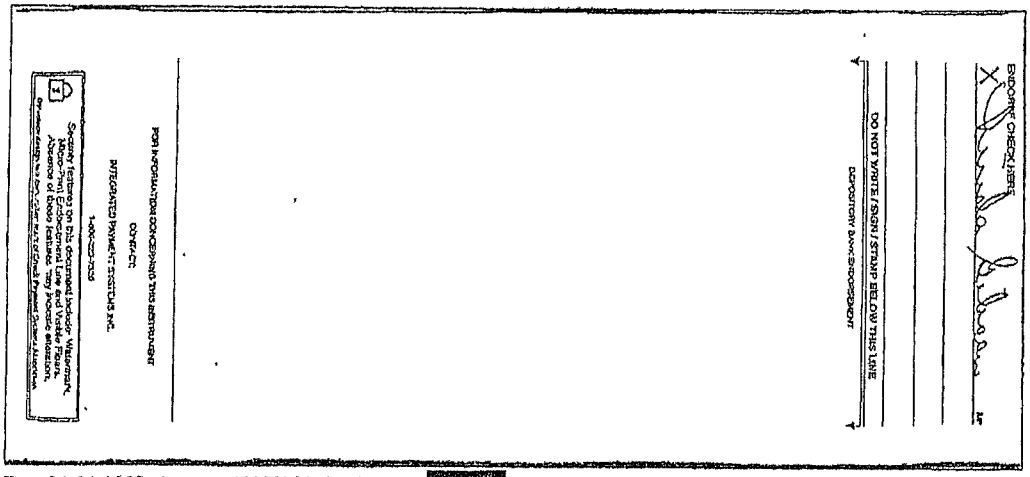
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Ameris-00094

#21

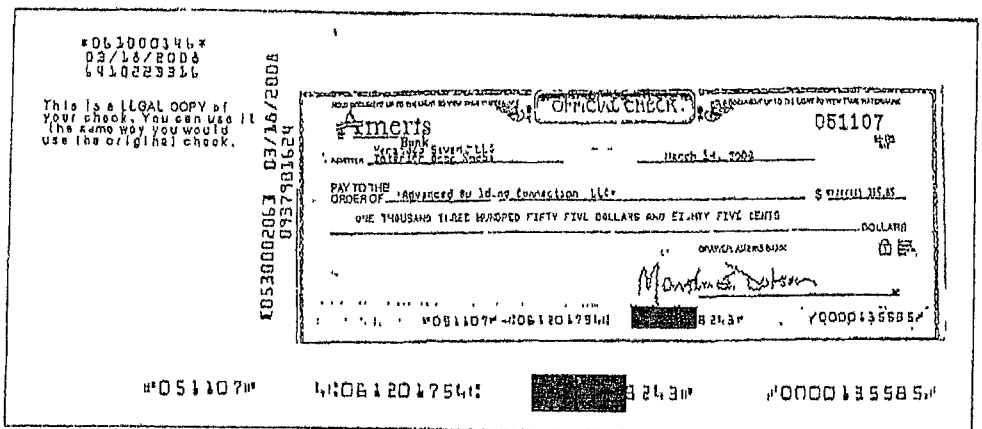





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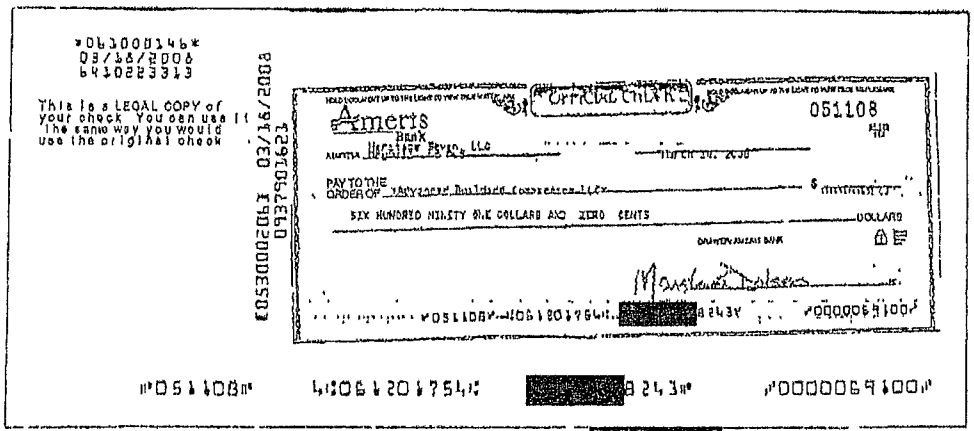
3-26-08




Date Sent: 3/26/2008706410, Ck# 51107, Acct# [redacted]3243, Amt. $1,355.85, [

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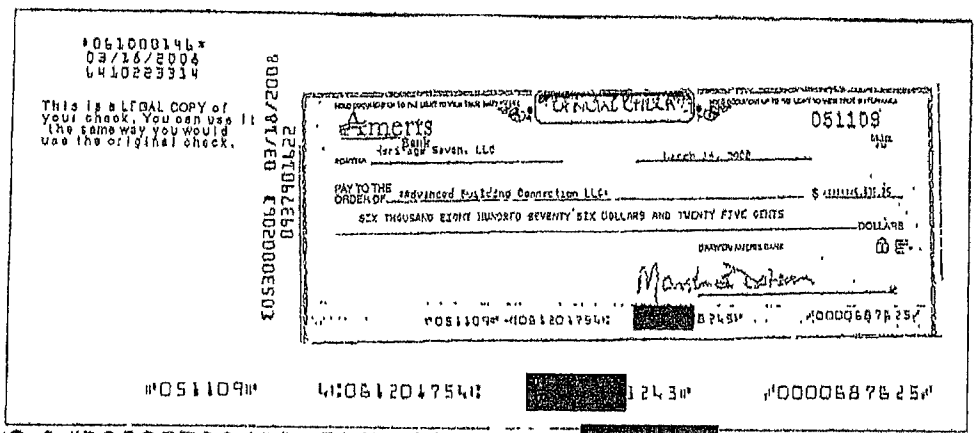
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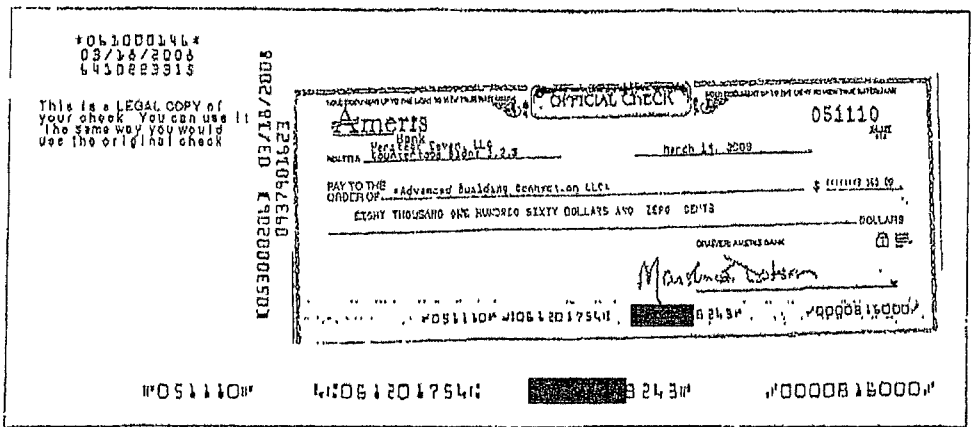
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Amerrs-00098

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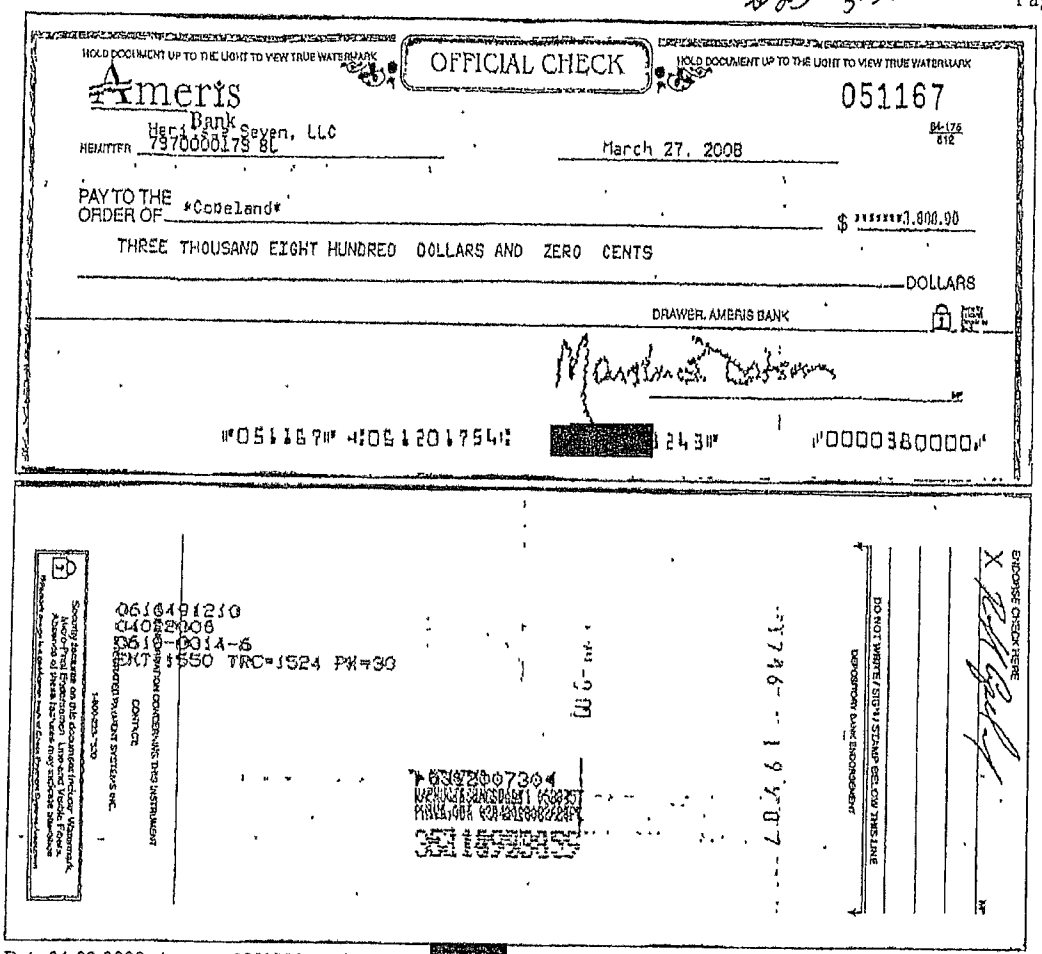



Date[redacted]2608706420, Ck# 51110, Acct#[redacted]3243, Amt. $8,160.00, D

Ameris-00099

#23 3-31-08





HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Ameris Bank

051167

84-176
612

REMITTER Heritage Seven, LLC 797000178 8C

March 27, 2008

PAY TO THE ORDER OF *Copeland*

$ ******3,800.00

THREE THOUSAND EIGHT HUNDRED DOLLARS AND ZERO CENTS

DOLLARS

DRAWER: AMERIS BANK

Marilyn S. Copeland

"051167" "061201754" [redacted]243" "0000380000"

061491210
04082006
061-0014-6
DKT 1550 TRC=1524 PW=30

DO NOT WRITE, STICK, STAPLE OR MARK BELOW THIS LINE

DEPOSITORY BANK ENDORSEMENT

SIGN BELOW ONLY WHERE CHECK

Date:04-02-2008 Account:2020028243 MIAccou[redacted]8243 Amount:$3,800.00 Serial:51167 TranCode.0 Sequence.3607971000 TR.61201754 Pocket.0 MInstID:466 MFrom:466

| | |
|---|---|
| From: | Rolando Villavicencio |
| To: | Lanier, Benjamin |
| Sent. | 5/21/2008 6 04 04 PM |
| Subject: | refinance for linda gibson 3205 palm - first of 2 emails |
| Attachments: | appraisal 061507 pdf; appraisal 071107 pdf, articles of organization 053002 072007.pdf, certificate of compliance satisfied 080607 pdf, certificate of existence 053002 072007 pdf, flood hazard insurance 072407 pdf; letter of explanation 072407 doc |

benjie, thanks for your patience

we met with linda thursday and requested for her to provide 2007 tax returns as well as recent income and expense statements

meanwhile, i am attaching 2 appraisal reports done on the property

am also attaching various other documents i think you may need to get the process going

according to linda, 2007 performance was far better than 2006

again, first citizens account will have a dramatic change come june 2008

so this is quite a time-sensitive request

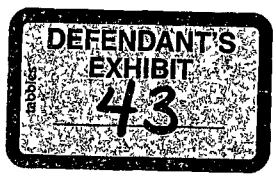
obviously, it all depends on linda providing the additional info

can we, for the time being, get some sort of commitment or offering?

thanks

rolando

ROLANDO V. VILLAVICENCIO
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# SUMMARY APPRAISAL REPORT OF THE PROPERTY LOCATED AT

3205 PALM BLVD

ISLE OF PALMS, SC 29451

## as of

6/13/2007

## for

SUNSET MORTGAGE COMPANY
1905 BACONS BRIDGE RD
SUMMERVILLE, SC
29485

## by

BERESFORD APPRAISALS, INC.

295 SEVEN FARMS DR , STE C-114
CHARLESTON, SC 29492

BERESFORD APPRAISALS, INC.
295 SEVEN FARMS DR., STE. C-114
CHARLESTON, SC 29492
843-884-0505

June 14, 2007

SUNSET MORTGAGE COMPANY
1905 BACONS BRIDGE RD
SUMMERVILLE, SC
29485

| | |
|---|---|
| Property - | 3205 PALM BLVD<br>ISLE OF PALMS, SC 29451 |
| Borrower - | GIBSON, LINDA |
| File No - | 1884E706 |
| Case No. - | 1884E |

Dear MR KROEGER

In accordance with your request, I have prepared an appraisal of the real property located at 3205 PALM BLVD ISLE OF PALMS, SC

The purpose of the appraisal is to provide an opinion of the market value of the property described in the body of this report

Enclosed, please find the Summary Report which describes certain data gathered during our investigation of the property The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 6/13/2007 is

$2,150,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report

It has been a pleasure to assist you If I may be of further service to you in the future, please let me know

Respectfully submitted,

BERESFORD APPRAISALS, INC

RYAN M EARNEST
SC Certification #CR 5249

# Uniform Residential Appraisal Report

1884B
File # 1884B706

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property

Property Address 3205 PALM BLVD | City ISLE OF PALMS | State SC | Zip Code 29451
Borrower GIBSON, LINDA | Owner of Public Record GIBSON, LINDA | County CHARLESTON
Legal Description LOT 57, SECTION BC-2
Assessor's Parcel # 571-10-00-140 | Tax Year 2006 | R.E. Taxes $ 11,971
Neighborhood Name ISLE OF PALMS | Map Reference PUB REC | Census Tract 49.00
Occupant [X] Owner [ ] Tenant [ ] Vacant | Special Assessments $ NONE | PUD | HOA $ N/A [ ] per year [ ] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [ ] Purchase Transaction [X] Refinance Transaction [ ] Other (describe)
Lender/Client SUNSET MORTGAGE COMPANY | Address 1905 BACONS BRIDGE RD, SUMMERVILLE, SC 29485
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of the appraisal? [X] Yes [ ] No
Report data source(s) used, offering price(s), and date(s) MLS- THE SUBJECT WAS LISTED ON 7/17/06 FOR $2,250,000. IT WAS WITHDRAWN FROM THE MARKET ON 5/17/2006. *** See Additional Comments ***
I [ ] did [ ] did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed N/A

Contract Price $ N/A | Date of Contract N/A | Is the property seller the owner of public record? [ ] Yes [ ] No | Data Source(s) N/A
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? [ ] Yes [ ] No
If Yes, report the total dollar amount and describe the items to be paid N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors

## Neighborhood Characteristics

Location [ ] Urban [X] Suburban [ ] Rural
Built Up [X] Over 75% [ ] 25-75% [ ] Under 25%
Growth [ ] Rapid [X] Stable [ ] Slow

## One-Unit Housing Trends

Property Values [ ] Increasing [X] Stable [ ] Declining
Demand/Supply [ ] Shortage [X] In Balance [ ] Over Supply
Marketing Time [ ] Under 3 mths [X] 3-6 mths [ ] Over 6 mths

## One-Unit Housing

| | PRICE $(000) | AGE (yrs) |
|---|---|---|
| | 499 Low | NEW |
| | 6.4MIL High | 67 |
| | 1.7MIL Pred | 25 |

## Present Land Use %

| | |
|---|---|
| One Unit | 80.0 % |
| 2-4 Unit | 5.0 % |
| Multi-Family | 5.0 % |
| Commercial | 5.0 % |
| Other | 5.0 % |

Neighborhood Boundaries *** See Additional Comments ***

Neighborhood Description THE SUBJECT PROPERTY IS LOCATED ON THE ISLE OF PALMS. THIS IS A BEACHFRONT COMMUNITY WHERE PROPERTIES COMMAND A PREMIUM. THE AREA IS CHARACTERIZED BY SINGLE FAMILY HOUSING AND CONDOMINIUMS OF GOOD TO EXCELLENT CONSTRUCTION QUALITY. *** See Additional Comments ***

Market Conditions (including support for the above conclusions) A REVIEW OF THE APPRAISER'S FILES, A COMPETITIVE MARKET ANALYSIS, AND AN AREA MARKET SURVEY FROM THE TRIDENT MULTIPLE LISTING SERVICE WERE DONE FOR THE SUBJECT AREA. *** See Additional Comments ***

Dimensions 85'X130' | Area 0.25 +/- ACRE | Shape RECT. | View OCEAN VIEW
Specific Zoning Classification R-1 | Zoning Description SINGLE FAMILY RESIDENTIAL
Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe

| Utilities | Public | Other (describe) | Public | Other (describe) | Off-site Improvements--Type | Public | Private |
|---|---|---|---|---|---|---|---|
| Electricity | X | | Water | X | Street ASPHALT | X | |
| Gas | | BOTTLED | Sanitary Sewer | X | Alley NONE | | |

FEMA Special Flood Hazard Area [X] Yes [ ] No | FEMA Flood Zone AE | FEMA Map No 45019C0542J | FEMA Map Date 11/17/04
Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [ ] Yes [X] No If Yes, describe
THE APPRAISER MAKES NO REPRESENTATION OF TOXIC SUBSTANCES, HAZARDOUS WASTE, OR ADVERSE ENVIRONMENTAL CONDITIONS. FINAL DETERMINATION OF FLOOD ZONE LIES IN THE SURVEY.

## General Description

Units [X] One [ ] One with Accessory Unit
# of Stories TWO
Type [X] Det [ ] Att [ ] S-Det/End Unit
[X] Existing [ ] Proposed [ ] Under Const
Design (Style) TRAD
Year Built 1999
Effective Age (Yrs) 2
Attic: [ ] None [ ] Stairs [ ] Drop Stair [X] Scuttle [ ] Floor [ ] Heated [ ] Finished

## Foundation

[ ] Concrete Slab [X] Crawl Space
[ ] Full Basement [ ] Partial Basement
Basement Area NONE sq. ft.
Basement Finish N/A %
[ ] Outside Entry/Exit [ ] Sump Pump
Evidence of [ ] Infestation [ ] Dampness [ ] Settlement

## Exterior Description / materials/condition

Foundation Walls LLBV.CONC PIERS/GD
Exterior Walls CBMPL/GD
Roof Surface COMP/GD
Gutters & Downspouts OVERHANG/GD
Window Type DH VIN/GD
Storm Sash/Insulated THERMAL/GD
Screens YES/GD

## Interior / materials/condition

Floors HWD/CPT/VGD
Walls DRYWL/VGD
Trim/Finish VERY GOOD
Bath Floor C-TILE/VGD
Bath Wainscot FIBGLS/GD
Car Storage [ ] None
[X] Driveway # of Cars 2+
Driveway Surface CONC
[X] Garage # of Cars 2+
[ ] Carport # of Cars
[ ] Att [ ] Det [ ] Built-in

Heating [X] FWA [ ] HWBB [ ] Radiant [ ] Other Fuel ELEC
Cooling [X] Central Air Conditioning [ ] Individual [ ] Other
Amenities [ ] WoodStove(s)# [X] Fireplace(s) # 2 [X] Fence PRIV [X] Patio/Deck PATIO [X] Porch TWO [X] Pool IG [X] Other STRG
Appliances [P] Refrigerator [X] Range/Oven [X] Dishwasher [X] Disposal [X] Microwave [ ] Washer/Dryer [X] Other (describe) HOOD/FAN

Finished area above grade contains: 7 Rooms | 5 Bedrooms | 4.5 Bath(s) | 3,594 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.) *** See Additional Comments ***

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) THE SUBJECT WAS IN VERY GOOD OVERALL CONDITION AT THE TIME OF INSPECTION. THE APPRAISAL WAS MADE IN THE "AS IS" CONDITION. THE APPRAISER ASSUMES THAT IMPROVEMENTS ARE STRUCTURALLY SOUND AND THAT THE MECHANICAL SYSTEMS ARE IN NORMAL WORKING ORDER.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [ ] Yes [X] No If Yes, describe
THIS APPRAISAL IS NOT A HOME INSPECTION. THE APPRAISER IS NOT ACTING AS A HOME INSPECTOR WHEN PREPARING THIS REPORT. THIS APPRAISAL REPORT IS PREPARED TO PROVIDE AN OPINION OF VALUE ONLY. THIS INSPECTION IS NOT TECHNICALLY EXHAUSTIVE AND DOES NOT OFFER WARRANTIES OR GUARANTEES OF ANY KIND.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [ ] No If No, describe

# Uniform Residential Appraisal Report

1884F
File # 1884B706

There are 30 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 1,699,000 00 to $ 2,850,000 00
There are 11 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 1,280,000 00 to $ 2,495,000 00

| FEATURE | SUBJECT | COMPARABLE SALE # 1 | | COMPARABLE SALE # 2 | | COMPARABLE SALE # 3 | |
|---|---|---|---|---|---|---|---|
| Address | 3205 PALM BLVD ISLE OF PALMS | 711 CAROLINA BLVD ISLE OF PALMS | | 834TH AVE ISLE OF PALMS | | 931ST AVE ISLE OF PALMS | |
| Proximity to Subject | | 1 8 Mi WSW | | 2 Mi NE | | 1 Mi WNW | |
| Sale Price | $ N/A | $ 2,495,000 | | $ 1,685,000 | | $ 2,100,000 | |
| Sale Price/Gross Liv Area | $ N/A sq ft | $ 693,06 sq ft | | $ 560 17 sq ft | | $ 586 59 sq ft | |
| Data Source(s) | | MLS/DOM 295 | | MLS/DOM 238 | | MLS/DOM 331 | |
| Verification Source(s) | | PUBLIC RECORDS | | PUBLIC RECORDS | | PUBLIC RECORDS | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-)$ Adjustment | DESCRIPTION | +(-)$ Adjustment | DESCRIPTION | +(-)$ Adjustment |
| Sale or Financing Concessions | | CONV | | CONV | | CONV | |
| Date of Sale/Time | | 4/20/2007 | | 5/29/2007 | | 1/31/2007 | |
| Location | ISLE OF PALMS | ISLE OF PALMS | | ISLE OF PALMS | | ISLE OF PALMS | |
| Leasehold/Fee Simple | FEE SIMPLE | FEE SIMPLE | | FEE SIMPLE | | FEE SIMPLE | |
| Site | 0.25 +/- ACRE | 0 21 +/- ACRE | | 0 15 +/- ACRE | | 0 20 +/- ACRE | |
| View | OCEAN VIEW | OCEAN VIEW | | OCEAN VIEW | | OCEAN VIEW | |
| Design (Style) | 2STY/CEMPL | 2STY/CEMPL | | 2S1Y/CEMPL | | 3STY/CEMPL | |
| Quality of Construction | VERY GOOD | EXCELLENT | -50,000 | GOOD | +50,000 | VERY GOOD | |
| Actual Age | 1,999 | 2,007 | -50,000 | 1,994 | | 2,006 | |
| Condition | VERY GOOD | VERY GOOD | | GOOD | +50,000 | VERY GOOD | |
| Above Grade Room Count (Total / Bdrms / Baths) | 7 / 5 / 4 5 | 8 / 5 / 4 0 | +10,000 | 8 / 5 / 3 0 | +30,000 | 8 / 5 / 3 5 | +20,000 |
| Gross Living Area | 3,594 sq ft | 3,600 sq ft | | 3,008 sq ft | +58,600 | 3,580 sq ft | |
| Basement & Finished Rooms Below Grade | NONE | NONE | | NONE | | NONE | |
| Functional Utility | GOOD | GOOD | | GOOD | | GOOD | |
| Heating/Cooling | CH&A | CH&A | | CH&A | | CH&A | |
| Energy Efficient Items | GOOD | GOOD | | GOOD | | GOOD | |
| Garage/Carport | 2 CAR GAR | 3 CAR GAR | -10,000 | 1 CAR CAR | +10,000 | 2 CAR GAR | |
| Porch/Patio/Deck | 2 PORCHES/PAT | 3 PORCHES/DECK | -30,000 | PORCH/PAT | +20,000 | 3 PORCHES/DECK | -30,000 |
| EXTRAS | TWO FPS | TWO FPS | | ONE FP | +5,000 | ONE FP | +5,000 |
| EXTRAS | IGPOOL/FENCE | IGPOOL/FENCE | | IGPOOL/FENCE | | IGPOOL/FENCE | |
| KITCH EQUIP | KITCH EQUIP | KITCH EQUIP | | KITCH EQUIP | | KITCH EQUIP | |
| Net Adjustment (Total) | | [ ] + [X] | $ -130,000 | [X] + [ ] | $ 223,600 | [ ] + [X] - | $ -5,000 |
| Adjusted Sale Price of Comparables | | Net Adj 5.21 % Gross Adj 6.01 % | $ 2,365,000 | Net Adj 13 27 % Gross Adj 13 27 % | $ 1,908,600 | Net Adj 0 24 % Gross Adj 2,62 % | $ 2,095,000 |

I [X] did [ ] did not research the sale or transfer history of the subject property and comparable sales If not, explain

My research [ ] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal

Data Source(s) MLS/PUBLIC RECORDS

My research [X] did [ ] did not reveal any prior sales or transfers of the comparable sales for the prior year to the date of sale of the comparable sale

Data Source(s) MLS/PUBLIC RECORDS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3)

| ITEM | SUBJECT | COMPARABLE SALE # 1 | COMPARABLE SALE # 2 | COMPARABLE SALE # 3 |
|---|---|---|---|---|
| Date of Prior Sale/Transfer | NONE | NONE | NONE | 9/12/2006 4/7/200 |
| Price of Prior Sale/Transfer | NONE | NONE | NONE | 10 10 |
| Data Source(s) | MLS/PUB REC | MLS/PUB REC | MLS/PUB REC | MLS/PUB REC |
| Effective Date of Data Source(s) | 6/13/2007 | 6/13/2007 | 6/13/2007 | 6/13/2007 |

Analysis of prior sale or transfer history of the subject property and comparable sales PRIOR SALES OF COMPS #3 APPEAR TO BE DEED TRANSFERS AND NOT CONSIDERED NORMAL MARKET TRANSACTIONS.

Summary of Sales Comparison Approach ALL SALES WERE THE MOST RECENT MARKET TRANSACTIONS TO OCCUR NEAR THE SUBJECT THAT WERE SIMILAR IN DESIGN AND MARKET APPEAL COMPS #1 & 2 ARE ADJUSTED FOR THEIR VARYING DEGREES OF QUALITY QUALITY ADJUSTMENTS ARE BASED ON THE OVERALL SIMILARITIES AND DIFFERENCES OF THE FINISHES AS DESCRIBED BY THE REALTORS IN THE MLS DATABASE COMP #1 IS ADJUSTED FOR AGE AS IT IS NEW AN LACKS THE PHYSICAL DEPRECIATION THAT THE SUBJECT HAS ENDURED. COMP #2 IS ADJUSTED FOR CONDITION. THIS COMP HAS NOT RECEIVED THE UPDDATING SUCH AS THE SUBJECT OVER THE PAST YEAR. AFTER DUE CONSIDERATION, EQUAL EMPHASIS WAS AWARDED TO ALL COMPARABLES THE APPRAISER IS AWARE OF THE FNMA GUIDELINE PERTAINING TO DISTANCE. *** See Additional Comments ***

Indicated Value by Sales Comparison Approach $ 2,150,000

Indicated Value by Sales Comparison Approach $ 2,150,000 Cost Approach (if developed) $ 2,162,600 Income Approach (if developed) $ N/A

BOTH THE MARKET DATA ANALYSIS AND THE COST APPROACH TO VALUE CLOSELY SUPPORTED EACH OTHER'S FINDINGS THE INCOME APPROACH TO VALUE WAS NOT WITHIN THE SCOPE OF WORK REQUIRED TO PROVIDE A CREDIBLE ESTIMATE OF MARKET VALUE.

This appraisal is made [X] "as is," [ ] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [ ] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or [ ] subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $ 2,150,000 , as of 6/13/2007 , which is the date of inspection and the effective date of this appraisal

# Uniform Residential Appraisal Report

1884F
File # 1884F706

## COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED SITE VALUE DETERMINED USING SIMILAR VACANT LAND SALES FROM LOCAL MLS AND PUBLIC RECORDS
COMPARABLE LAND SALES IN THE SUBJECT AREA RANGE FROM $700,000 TO $3,500,000

| | | | |
|---|---|---|---|
| ESTIMATED [ ] REPRODUCTION OR [X] REPLACEMENT COST NEW | OPINION OF SITE VALUE | | =$ 1,350,000 |
| Source of cost data LOCAL BUILDERS & MARSHALL AND SWIFT | Dwelling 3,594 Sq Ft @$ 202.17 | | =$ 726,599 |
| Quality rating from cost service V GD Effective date of cost data 6/14/2007 | BSMT NONE Sq Ft @$ | | =$ |
| Comments on Cost Approach (gross living area calculations, depreciation, etc.) | KITCHEN EQUIP/UPGRADES | | 100,000 |
| COST DATA OBTAINED FROM LOCAL BUILDERS AND | Garage/Carport Sq Ft @$ | | =$ |
| MARSHALL & SWIFT COST HANDBOOK. DEPRECIATION | Total Estimate of Cost New | | =$ 826,599 |
| CALCULATED USING ECONOMIC AGE-LIFE METHOD. HIGH | Less Physical / Functional / External | | |
| LAND TO TOTAL VALUE RATIOS ARE COMMON IN THE | Depreciation 23,971 | | =$( 23,971 ) |
| BEACHFRONT AREA AND IN NO WAY ADVERSELY AFFECT | Depreciated Cost of Improvements | | =$ 802,628 |
| MARKETABILITY | 'As is' Value of Site Improvements | | =$ 10,000 |
| | | | =$ |
| Estimated Remaining Economic Life (HUD and VA only) 68 Years | Indicated Value By Cost Approach | | =$ 2,162,628 |

## INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ N/A X Gross Rent Multiplier N/A = $ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) THE INCOME APPROACH WAS NOT WITHIN THE SCOPE OF WORK
REQUIRED TO ACCURATELY ESTIMATE MARKET VALUE

## PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? [ ] Yes [ ] No Unit type(s) [ ] Detached [ ] Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project N/A

Total number of phases N/A Total number of units N/A Total number of units sold N/A

Total number of units rented N/A Total number of units for sale N/A Data Source(s) N/A

Was the project created by the conversion of existing building(s) into a PUD? [ ] Yes [ ] No If Yes, date of conversion N/A

Does the project contain any multi-dwelling units? [ ] Yes [ ] No Data Source(s) N/A

Are the units, common elements, and recreation facilities complete? [ ] Yes [ ] No If No, describe the status of completion N/A

Are the common elements leased to or by the Homeowners' Association? [ ] Yes [ ] No If Yes, describe the rental terms and options N/A

Describe common elements and recreational facilities N/A

## ADDITIONAL COMPARABLES

Borrower GIBSON, LINDA
Property Address 3205 PALM BLVD
City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451
Lender/Client SUNSET MORTGAGE COMPANY

| FEATURE | SUBJECT | COMPARABLE SALE NO 4 | | COMPARABLE SALE NO 5 | | COMPARABLE SALE NO 6 | |
|---|---|---|---|---|---|---|---|
| 3205 PALM BLVD Address ISLE OF PALMS | | 3706 CAMERON BLVD ISLE OF PALMS | | | | | |
| Proximity to Subject | | 4 MI ENE | | | | | |
| Sale Price | $ N/A | $ 2,165,000 | | $ | | $ | |
| Sale Price/Gross Liv Area | $ N/A sq ft | $ 676.56 sq ft | | $ sq ft | | $ sq ft | |
| Data Source(s) | | MLS/ACTIVE LISTING | | | | | |
| Verification Source(s) | | PUBLIC RECORDS | | | | | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-)$ Adjustment | DESCRIPTION | +(-)$ Adjustment | DESCRIPTION | +(-)$ Adjustment |
| Sale or Financing Concessions | | ACTIVE | | | | | |
| Date of Sale/Time | | LST 9/23/2006 | | | | | |
| Location | ISLE OF PALMS | ISLE OF PALMS | | | | | |
| Leasehold/Fee Simple | FEE SIMPLE | FEE SIMPLE | | | | | |
| Site | 0.25 +/- ACRE | 0.17 +/- ACRE | | | | | |
| View | OCEAN VIEW | OCEAN VIEW | | | | | |
| Design (Style) | 2STY/CEMPL | 2STY/WDSD | | | | | |
| Quality of Construction | VERY GOOD | VERY GOOD | | | | | |
| Actual Age | 1,999 | 2,007 | | | | | |
| Condition | VERY GOOD | VERY GOOD | | | | | |
| Above Grade Room Count | Total 7 Bdrms 5 Baths 4.5 | Total 7 Bdrms 5 Baths 4.5 | | Total Bdrms Baths | | Total Bdrms Baths | |
| Gross Living Area | 3,594 sq ft | 3,200 sq ft | +39,400 | sq ft | | sq ft | |
| Basement & Finished Rooms Below Grade | NONE | NONE | | | | | |
| Functional Utility | GOOD | GOOD | | | | | |
| Heating/Cooling | CH&A | CH&A | | | | | |
| Energy Efficient Items | GOOD | GOOD | | | | | |
| Garage/Carport | 2 CAR GAR | 2 CAR CAR | | | | | |
| Porch/Patio/Deck | 2 PORCHES/PAT | 2 PORCHES/PAT | | | | | |
| EXTRAS | TWO FP'S | ONE FP | -5,000 | | | | |
| EXTRAS | IGPOOL/FENCE | IGPOOL/FENCE | | | | | |
| KITCH EQUIP | KITCH EQUIP | KITCH EQUIP | | | | | |
| Net Adjustment (Total) | | [X] + [ ] | $ 44,400 | [ ] + [ ] | $ | [ ] + [ ] | $ |
| Adjusted Sale Price of Comparables | | Net Adj 2.05 % Gross Adj 2.05 % | $ 2,209,400 | Net Adj % Gross Adj % | $ | Net Adj % Gross Adj % | $ |

| ITEM | SUBJECT | COMPARABLE SALE #4 | COMPARABLE SALE #5 | COMPARABLE SALE #6 |
|---|---|---|---|---|
| Date of Prior Sale/Transfer | NONE | 10/2/2006 | | |
| Price of Prior Sale/Transfer | NONE | 10 | | |
| Data Source(s) | MLS/PUB REC | MLS/PUB REC | | |
| Effective Date of Data Source(s) | 6/13/2007 | 6/13/2007 | | |

Comment on Sales Comparison COMPARABLES FOUR IS AN ACTIVE LISTING IN THE SUBJECT'S NEIGHBORHOOD AND IS INCLUDED AS SUPPORTING DATA. THIS COMPARABLES ARE INDICATIVE OF COMPETING PROPERTIES AND THE RISING VALUES IN THE AREA

ADDITIONAL COMMENTS

Borrower or Owner GIBSON, LINDA
Property Address 3205 PALM BLVD
City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451
Lender or Client SUNSET MORTGAGE COMPANY

## DATA ON SUBJECT SALE OFFERINGS

THE HOUSE WAS ORIGINALLY LISTED WITH REPAIRS NECESSARY SOME MAJOR HVAC, LANDSCAPING, AND PAINTING HAS BEEN COMPLETED TO CONTRIBUTE TO THE INCREASED MARKETABILITY OF THIS PROPERTY

## NEIGHBORHOOD BOUNDARIES

THE SUBJECT IS BOUNDED NORTH AND WEST BY THE INTRA-COASTAL WATERWAY AND SOUTH AND EAST BY THE ATLANTIC OCEAN

## NEIGHBORHOOD DESCRIPTION

THE HIGHER VALUED HOMES ARE THOSE FRONTING THE BEACH AND THE INTRACOASTAL WATERWAY CONVENIENCE TO SCHOOLS, CHURCHES, AND RECREATIONAL FACILITIES IS CONSIDERED GOOD MAJOR SHOPPING AND EMPLOYMENT CENTERS ARE MINUTES AWAY RECREATIONAL APPEAL IS ENHANCED DUE TO ITS BEACHFRONT LOCATION

## MARKET CONDITIONS

CURRENTLY THERE ARE A FEW HOMES LISTED FOR SALE, AND SEVERAL HOMES HAVE SOLD IN THE PAST YEAR APPEAL FOR THE AREA HAS BEEN GOOD STABILITY OF THIS MARKET IS CONSIDERED GOOD THE APPRAISER ADDS THAT MANY OLDER HOMES ARE BEING PURCHASED STARTING AT $300,000 TO BE DEMOLISHED AND MAKE WAY FOR NEW CONSTRUCTION GIVEN THE DEMAND FOR PROPERTIES LOCATED NEAR THE BEACH THERE ARE NO KNOWN ADVERSE FACTORS AFFECTING MARKETABILITY

## ADDITIONAL FEATURES

THE SUBJECT'S ADDITIONAL FEATURES INCLUDE CROWN MOULDINGS, AN ELEVATOR, HARDWOOD FLOORING THROUGHOUT THE LIVING AREAS, AN INGROUND POOL, GRANITE COUNTERTOPS IN THE KITCHEN, A JETTED TUB WITH SEPARATE SHOWER IN THE MASTER BATH, AN OCEAN VIEW, AND CEILING FANS

## SALES COMPARISON APPROACH

THE SALES USED ARE THE BEST AVAILABLE AND, AS ADJUSTED, ARE CONSIDERED VALID SALES FOR COMPARISON AND ACCURATE INDICATORS OF VALUE

1884B

File No 1884B706

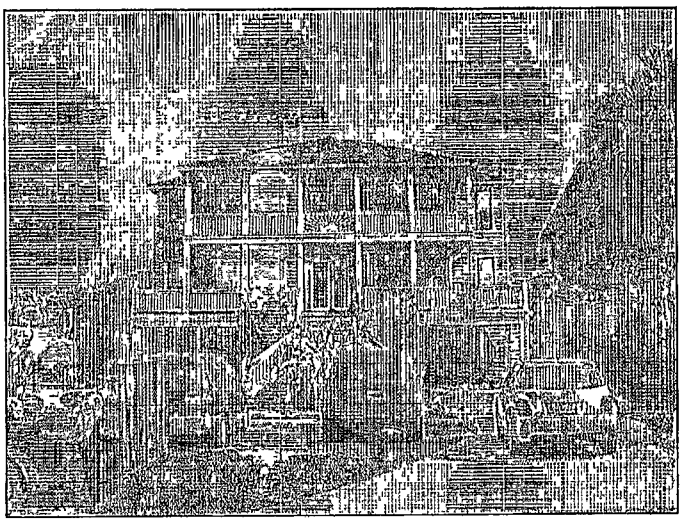
# PHOTOGRAPH ADDENDUM

Borrower or Owner GIBSON, LINDA

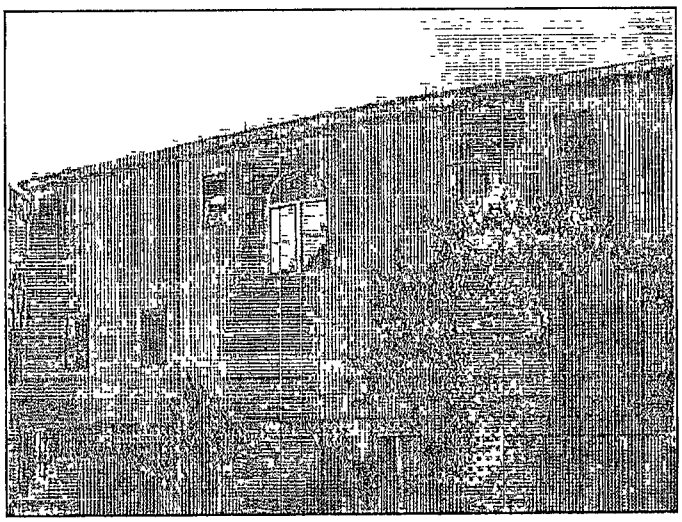
Property Address 3205 PALM BLVD

City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451

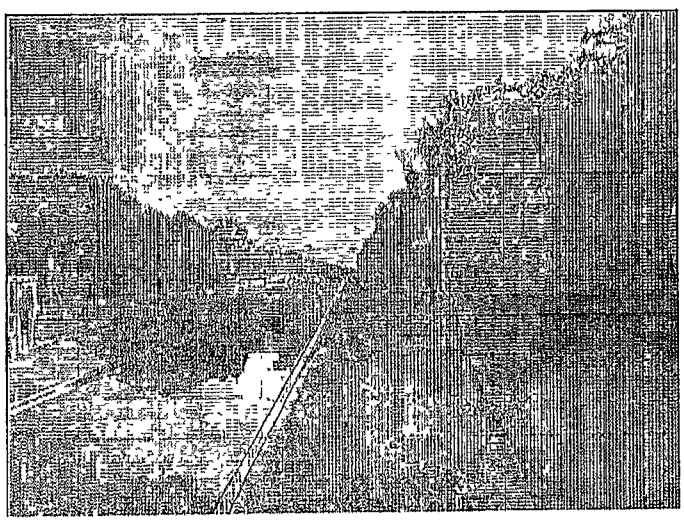
Lender or Client SUNSET MORTGAGE COMPANY



FRONT VIEW OF
SUBJECT PROPERTY



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE OF
SUBJECT PROPERTY

1884B

File No 1884B706

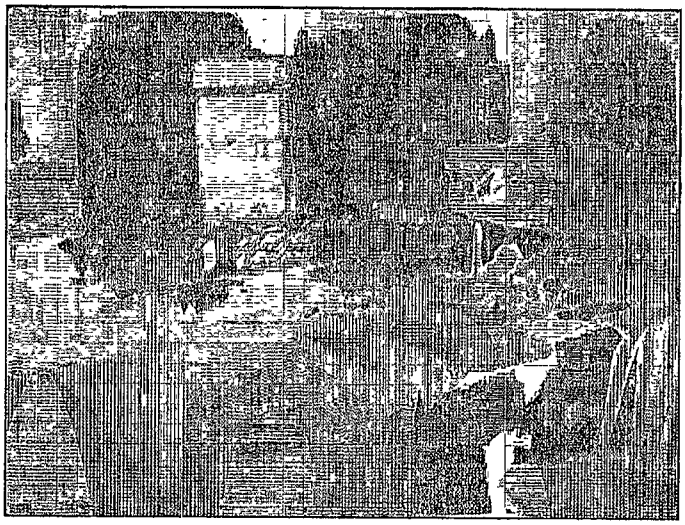
# PHOTOGRAPH ADDENDUM

Borrower or Owner GIBSON, LINDA

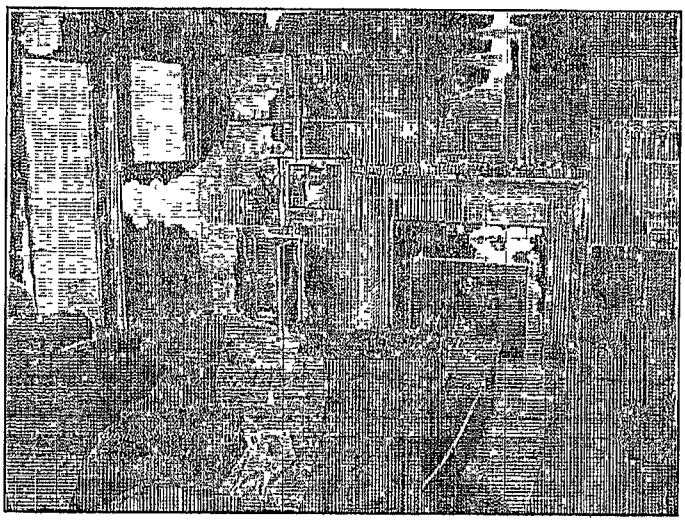
Property Address 3205 PALM BLVD

City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451

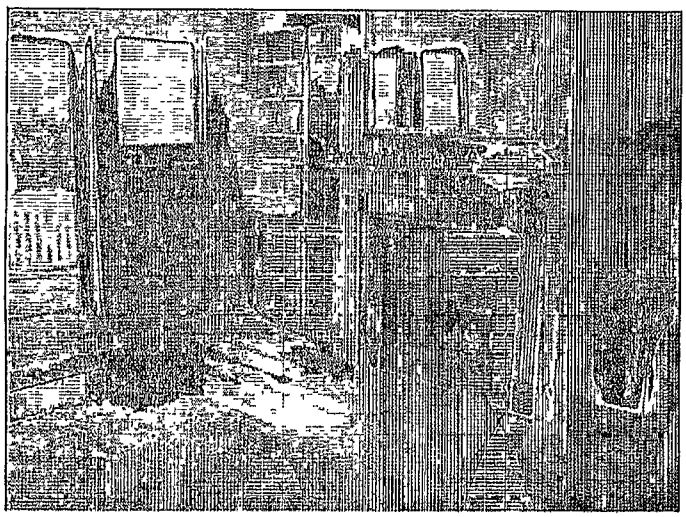
Lender or Client SUNSET MORTGAGE COMPANY



3205 PALM BLVD
KITCHEN



3205 PALM BLVD
LIVING ROOM



3205 PALM BLVD
FOYER

1884B

File No 1884B706

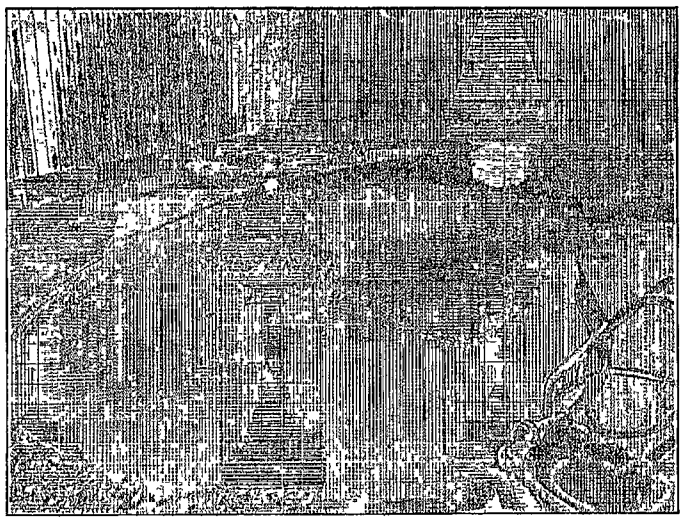
# PHOTOGRAPH ADDENDUM

Borrower or Owner GIBSON, LINDA

Property Address 3205 PALM BLVD

City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451

Lender or Client SUNSET MORTGAGE COMPANY



3205 PALM BLVD

POOL

1884B

File No 1884B706

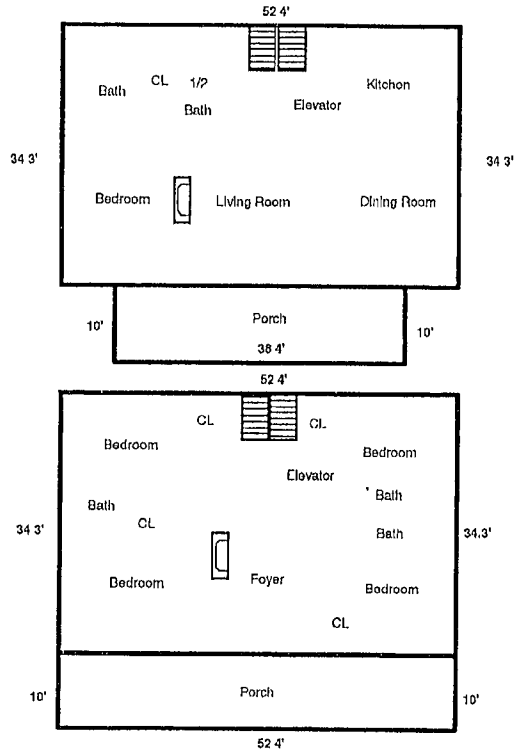
# SKETCH ADDENDUM

Borrower or Owner GIBSON, LINDA

Property Address 3205 PALM BLVD

City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451

Lender or Client SUNSET MORTGAGE COMPANY




## SUMMARY | SQ FT AREA | PERIMETER

| | | | |
|---|---|---|---|
| Living Area | | | |
| First Floor | 1797 | | 173 |
| Second Floor | 1797 | | 173 |
| Total | 3594 | | 347 |
| Porches/Patios | | | |
| Porch | 524 | | 125 |
| Porch | 384 | | 97 |
| Subtotal | 908 | | 222 |

## AREA CALCULATION DETAILS

First Floor
52 4 X 34 3 = 1797 3

Second Floor
52 4 X 34 3 = 1797 3

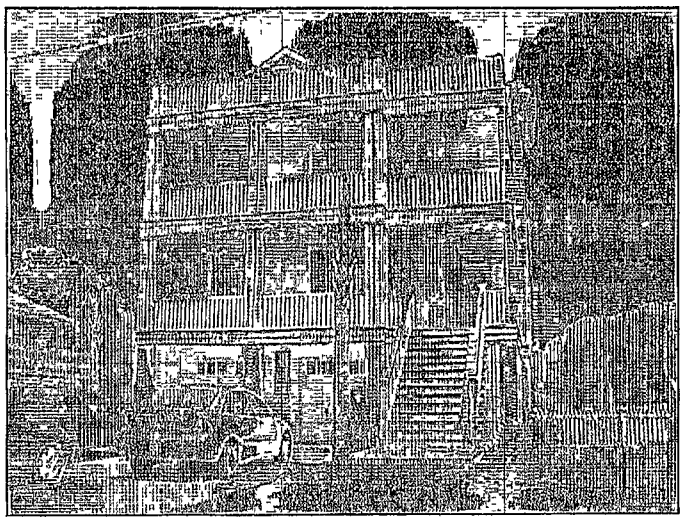
BF RESFORD APPRAISALS, INC — RYAN M EARNEST

REAL EASY SKETCHES 1-800-667-2833

File No 1884B706

# PHOTOGRAPH ADDENDUM

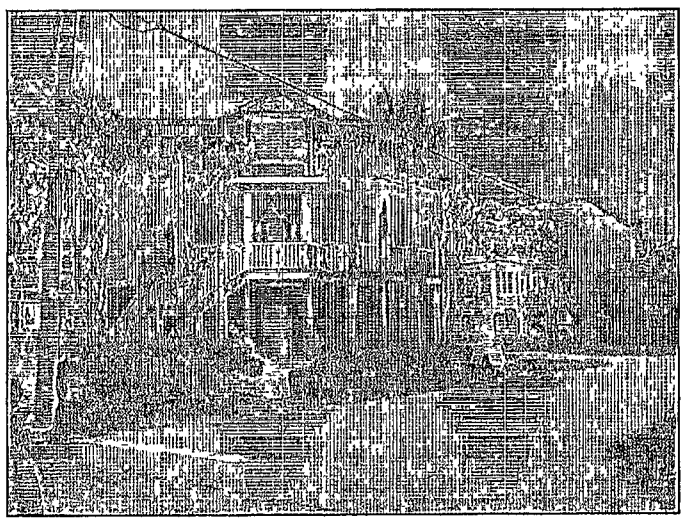
Borrower or Owner GIBSON, LINDA
Property Address 3205 PALM BLVD
City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451
Lender or Client SUNSET MORTGAGE COMPANY



## COMPARABLE #1

711 CAROLINA BLVD
ISLE OF PALMS

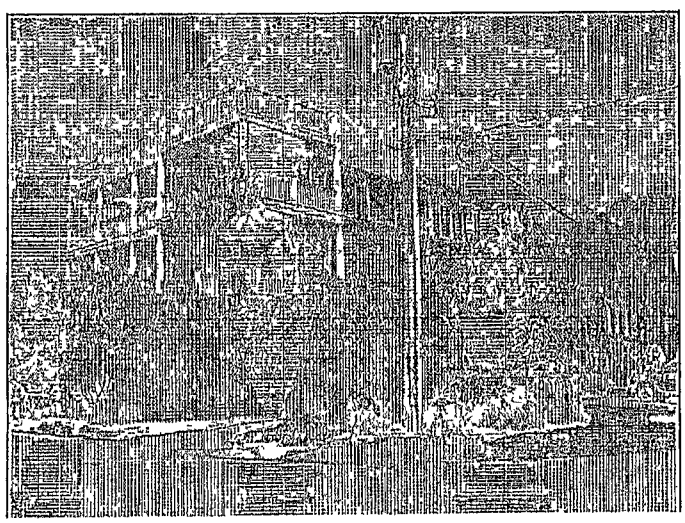
| | |
|---|---|
| Price | $2,495,000 |
| Price/SF | 693 06 |
| Date | 4/20/2007 |
| Age | 2,007 |
| Room Count | 8-5-4 0 |
| Living Area | 3,600 |
| Value Indication | $2,365,000 |



## COMPARABLE #2

8 34TH AVE
ISLE OF PALMS

| | |
|---|---|
| Price | $1,685,000 |
| Price/SF | 560 17 |
| Date | 5/29/2007 |
| Age | 1,994 |
| Room Count | 8-5-3.0 |
| Living Area | 3,008 |
| Value Indication | $1,908,600 |



## COMPARABLE #3

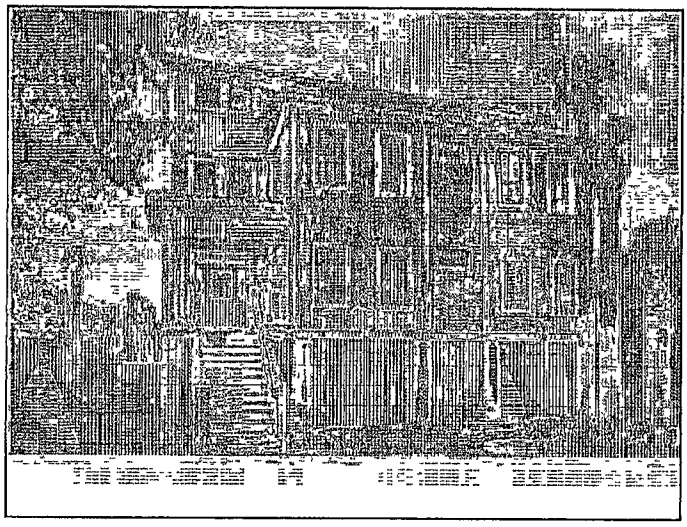
9 31ST AVE
ISLE OF PALMS

| | |
|---|---|
| Price | $2,100,000 |
| Price/SF | 586 59 |
| Date | 1/31/2007 |
| Age | 2,006 |
| Room Count | 8-5-3 5 |
| Living Area | 3,580 |
| Value Indication | $2,095,000 |

File No 18841706

# PHOTOGRAPH ADDENDUM

Borrower or Owner GIBSON, LINDA
Property Address 3205 PALM BLVD
City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451
Lender or Client SUNSET MORTGAGE COMPANY



## COMPARABLE #4

3706 CAMERON BLVD
ISLE OF PALMS

| | |
|---|---|
| Price | $2,165,000 |
| Price/SF | 676.56 |
| Date | LSI 9/23/2006 |
| Age | 2,007 |
| Room Count | 7-5-4.5 |
| Living Area | 3,200 |
| Value Indication | $2,209,400 |

## COMPARABLE #5

| | |
|---|---|
| Price | $ |
| Price/SF | |
| Date | |
| Age | |
| Room Count | – |
| Living Area | |
| Value Indication | $ |

## COMPARABLE #6

| | |
|---|---|
| Price | $ |
| Price/SF | |
| Date | |
| Age | |
| Room Count | – |
| Living Area | |
| Value Indication | $ |

1884B

File No 1884B706

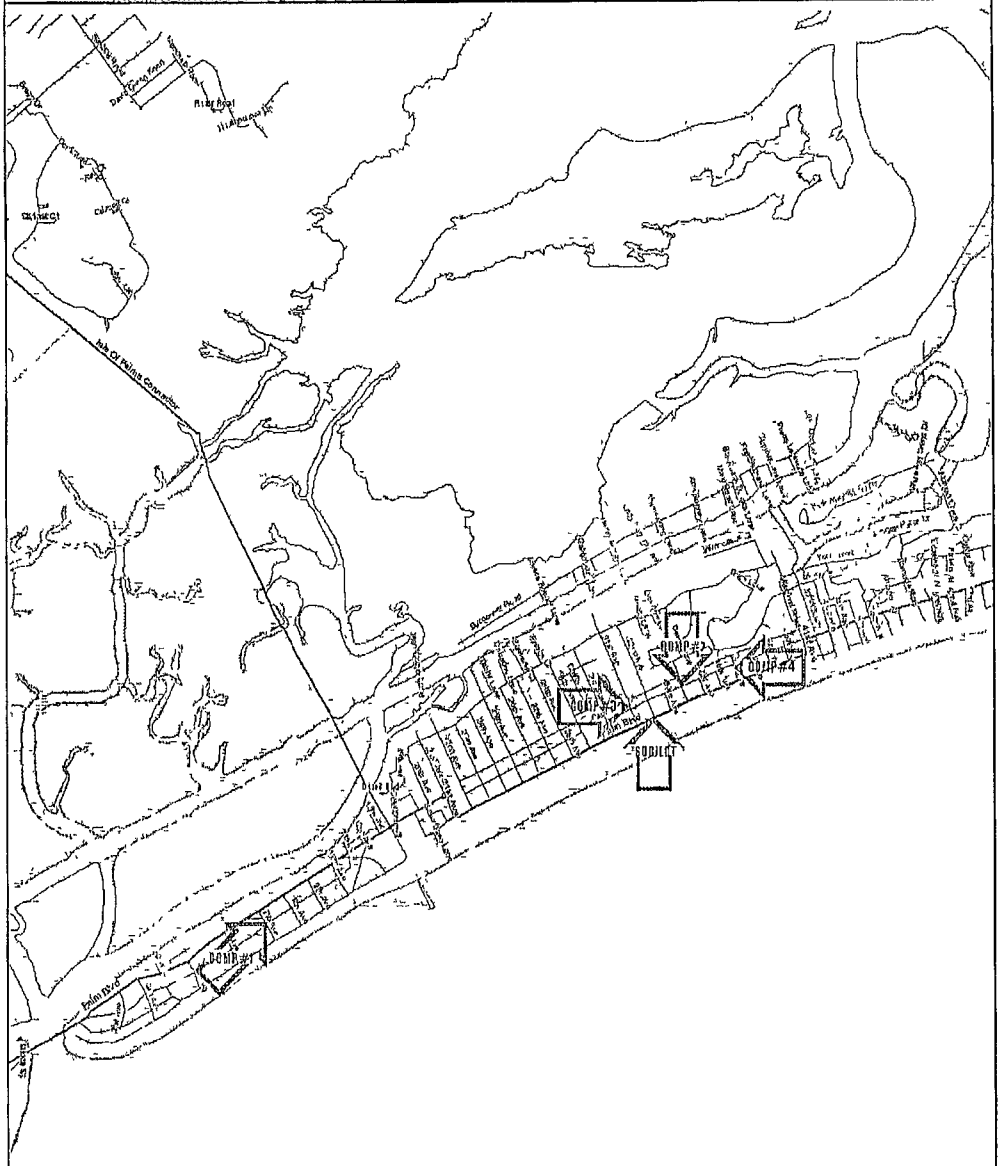
# LOCATION MAP

Borrower or Owner GIBSON, LINDA

Property Address 3205 PALM BLVD

City ISLE OF PALMS County CHARLESTON State SC Zip Code 29451

Lender or Client SUNSET MORTGAGE COMPANY



This report form is designed to report an appraisal of a one-unit property or a one unit property with an accessory unit, including a unit in a planned unit development (PUD) This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment Modifications or deletions to the certifications are also not permitted However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted

**SCOPE OF WORK.** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications The appraiser must, at a minimum (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report

**INTENDED USE.** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction

**INTENDED USER:** The intended user of this appraisal report is the lender/client

**DEFINITION OF MARKET VALUE** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby (1) buyer and seller are typically motivated, (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest, (3) a reasonable time is allowed for exposure in the open market, (4) payment is made in terms of cash in U S dollars or in terms of financial arrangements comparable thereto, and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale

*Adjustments to the comparables must be made for special or creative financing or sales concessions No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area, these costs are readily identifiable since the seller pays these costs in virtually all sales transactions Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions

1 The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal The appraiser assumes that the title is good and marketable and will not render any opinions about the title

2 The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size

3 The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination

4 The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law

5 The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc ) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc ) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property

6 The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner

**APPRAISER'S CERTIFICATION:** The Appraisor certifies and agrees that

1 I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report

2 I performed a complete visual inspection of the interior and exterior areas of the subject property I reported the condition of the improvements in factual, specific terms I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property

3 I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared

4 I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report

5 I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report

6 I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report

7 I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property

8 I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land

9 I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales

10 I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property

11 I have knowledge and experience in appraising this type of property in this market area

12 I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located

13 I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct

14 I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property

15 I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct

16 I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report

17 I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law

18 My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application)

19 I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report I certify that any individual so named is qualified to perform the tasks I have not authorized anyone to make a change to any item in this appraisal report, therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it

20 I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report

21 The lender/client may disclose or distribute this appraisal report to the borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, other secondary market participants, data collection or reporting services, professional appraisal organizations, any department, agency, or instrumentality of the United States, and any state, the District of Columbia, or other jurisdictions, without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media)

22 I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me

23 The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties

24 If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature

25 Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq , or similar state laws

**SUPERVISORY APPRAISER'S CERTIFICATION.** The Supervisory Appraiser certifies and agrees that

1 I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification

2 I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification

3 The appraiser identified in this appraisal report is either a sub contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law

4 This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared

5 If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature

**APPRAISER**

Signature _____
Name RYAN M. EARNEST
Company Name BERESFORD APPRAISALS, INC.
Company Address 295 SEVEN FARMS DR., STE C-114
CHARLESTON, SC 29492
Telephone Number
Email Address
Date of Signature and Report June 14, 2007
Effective Date of Appraisal 6/13/2007
State Certification # CR 5249
or State License #
or Other
State SC
Expiration Date of Certification or License 6/30/2007

ADDRESS OF PROPERTY APPRAISED
3205 PALM BLVD
ISLE OF PALMS, SC 29451
APPRAISED VALUE OF SUBJECT PROPERTY $ 2,150,000
LENDER/CLIENT
Name MR MICHAEL KROEGER
Company Name SUNSET MORTGAGE COMPANY
Company Address 1905 BACONS BRIDGE RD
SUMMERVILLE, SC 29485
Email Address

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature
Name
Company Name
Company Address
Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

SUBJECT PROPERTY

☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection
☐ Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection

FROM:
LEGARE R DUKE
PORT CITY APPRAISALS, INC
2146 DORCHESTER RD
NORTH CHARLESTON, SC 29405

Telephone Number: 843-224-3586 Fax Number: 866-429-3785

# INVOICE

INVOICE NUMBER
1693W707

DATE
7/11/2007

TO:
TRACI DANNER
SUNSET MORGAGE CO
1905 BACONS BRIDGE RD
SUMMERVILLE, SC 29485

Telephone Number: (843) 832-1100 Fax Number: (843) 832-0707
Alternate Number: E-Mail:

REFERENCE

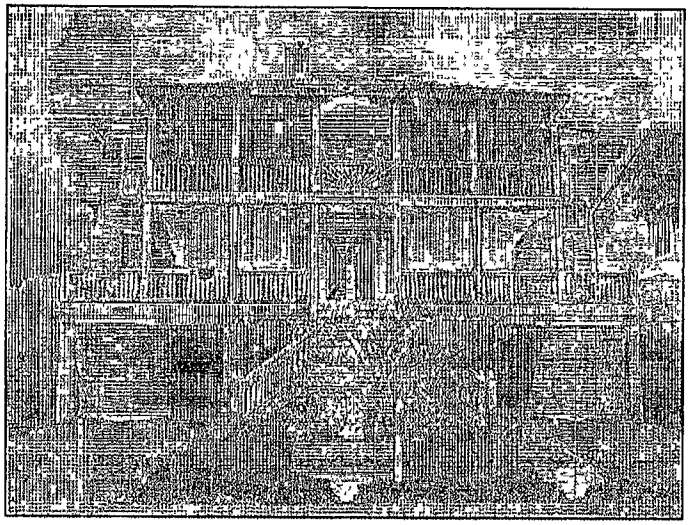
| | |
|---|---|
| Internal Order #: | 1693W707 |
| Lender Case #: | |
| Client File #: | 1693 |
| Main File # on form | 1693W707 |
| Other File # on form: | 1693 |
| Federal Tax ID: | 20-1957890 |
| Employer ID: | |

DESCRIPTION

Lender: SUNSET MORGAGE CO Client: SUNSET MORGAGE CO
Purchaser/Borrower: GIBSON, LINDA
Property Address: 3205 Palm Blvd
City: ISLE OF PALMS
County: CHARLESTON State: SC Zip: 29451
Legal Description: LOT 57, SECTION BC-2

| FEES | AMOUNT |
|---|---|
| FULL APPRAISAL | 475 00 |
| SUBTOTAL | 475 00 |

| PAYMENTS | | | AMOUNT |
|---|---|---|---|
| Check #: | Date | Description | |
| Check #: | Date: | Description: | |
| Check #: | Date: | Description | |
| | | SUBTOTAL | |
| | | TOTAL DUE | $ 475 00 |



# APPRAISAL OF REAL PROPERTY

**LOCATED AT:**
3205 Palm Blvd
LOT 57, SECTION BC-2
ISLE OF PALMS, SC 29451

**FOR:**
SUNSET MORGAGE CO
1905 BACONS BRIDGE RD
SUMMERVILLE, SC 29485

**AS OF:**
JULY 11, 2007

**BY:**
NATHAN S WARD

PORT CITY APPRAISALS, INC
2146 DORCHESTER RD
N CHARLESTON, SC 29405

TRACI DANNER

SUNSET MORGAGE CO
1905 BACONS BRIDGE RD
SUMMERVILLE, SC 29485

Re Property 3205 Palm Blvd
ISLE OF PALMS, SC 29451
Borrower GIBSON, LINDA
File No 1693W707

In accordance with your request, we have appraised the above referenced property The report of that appraisal is attached

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certifica ion and limiting conditions attached

It has been a pleasure to assist you Please do not hesitate to contact me or any of my staff if we can be of additional service to you

Sincerely,

NATHAN S WARD

# Uniform Residential Appraisal Report

1693
File # 1693W707

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property

**SUBJECT**

Property Address 3205 Palm Blvd | City ISLE OF PALMS | State SC | Zip Code 29451
Borrower GIBSON, LINDA | Owner of Public Record 3205 PALM BLVD, LLC | County CHARLESTON
Legal Description LOT 57, SECTION BC-2
Assessor's Parcel # 571-10-00-140 | Tax Year 2006 | R E Taxes $ 11,970 96
Neighborhood Name ISLE OF PALMS | Map Reference 16700 | Census Tract 0049 00
Occupant ☒ Owner ☐ Tenant ☐ Vacant | Special Assessments $ 0 00 | ☐ PUD | HOA $ N/A | ☐ per year ☐ per month
Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
Assignment Type ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe)
Lender/Client SUNSET MORGAGE CO | Address 1905 BACONS BRIDGE RD, SUMMERVILLE, SC 29485
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☒ Yes ☐ No
Report data source(s) used, offering price(s), and date(s) MLS--THE SUBJECT WAS LISTED 07/17/2006 FOR $2,250,000 BUT WAS WITHDRAWN 05/17/2007 THE SUBJECT IS NOT CURRENTLY LISTED FOR SALE ON THE MLS

**CONTRACT**

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction Explain the results of the analysis of the contract for sale or why the analysis was not performed N/A

Contract Price $ N/A | Date of Contract N/A | Is the property seller the owner of public record? ☐ Yes ☐ No | Data Source(s) N/A
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc ) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
If Yes, report the total dollar amount and describe the items to be paid N/A

**NEIGHBORHOOD**

Note: Race and the racial composition of the neighborhood are not appraisal factors

| Neighborhood Characteristics | | | One-Unit Housing Trends | | | One-Unit Housing | | | Present Land Use % |
|---|---|---|---|---|---|---|---|---|---|
| Location | ☐ Urban | ☒ Suburban ☐ Rural | Property Values | ☐ Increasing | ☒ Stable ☐ Declining | PRICE | AGE | One Unit | 90 % |
| Built Up | ☒ Over 75% | ☐ 25-75% ☐ Under 25% | Demand/Supply | ☐ Shortage | ☒ In Balance ☐ Over Supply | $ (000) | (yrs) | 2 4 Unit | 4 % |
| Growth | ☐ Rapid | ☒ Stable ☐ Slow | Marketing Time | ☐ Under 3 mths | ☒ 3 6 mths ☐ Over 6 mths | 275 Low | NEW | Multi Family | 2 % |
| Neighborhood Boundaries | THE SUBJECT IS BOUNDED NORTH AND WEST BY THE INTRA-COASTAL WATERWAY, AND EAST AND SOUTH BY THE ATLANTIC OCEAN | | | | | 5,750 High | 67 | Commercial | 4 % |
| | | | | | | 1,360 Pred | 27 | Other | % |

Neighborhood Description THE SUBJECT IS LOCATED ON THE ISLE OF PALMS, A RESORT ORIENTED BARRIER ISLAND LOCATED JUST OUTSIDE OF CHARLESTON, SC THE ISLAND IS MADE UP OF A MIXTURE OF OWNER OCCUPIED, RECREATIONAL 2ND HOMES AND SEASONAL RENTALS CONVENIENCE TO SCHOOLS, PLACES OF WORSHIP AND RECREATIONAL FACILITIES IS CONSIDERED GOOD MAJOR SHOPPING AND EMPLOYMENT CENTERS ARE MINUTES AWAY
Market Conditions (including support for the above conclusions) AVERAGE DOM FOR LAST TWELVE MONTHS WAS 165 DAYS AND AVERAGE SALES PRICE WAS $1,360,277 TYPICAL SALES PRICE TO LIST PRICE IS JUST UNDER 93% AND CONVENTIONAL FINANCING IS PREVALENT PROPERTY VALUES HAVE RECENTLY STABILIZED ON THE ISLE OF PALMS AFTER SEVERAL YEARS OF RAPID APPRECIATION

**SITE**

Dimensions 85 X 130 X 85 X 130 | Area 0 25 +/- AC | Shape RECTANGULAR | View DIST OCEAN
Specific Zoning Classification SR2 | Zoning Description SINGLE FAMILY RESIDENTIAL
Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe

| Utilities | Public | Other (describe) | | Public | Other (describe) | Off-site Improvements - Type | Public | Private |
|---|---|---|---|---|---|---|---|---|
| Electricity | ☒ | ☐ | Water | ☒ | ☐ | Street ASPHALT | ☒ | ☐ |
| Gas | ☐ | ☒ BOTTLED | Sanitary Sewer | ☐ | ☒ SEPTIC TANK | Alley NONE | ☐ | ☐ |

FEMA Special Flood Hazard Area ☒ Yes ☐ No | FEMA Flood Zone AE | FEMA Map # 45019C0542J | FEMA Map Date 11/17/2004
Are the utilities and off site improvements typical for the market area? ☒ Yes ☐ No If No, describe
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc )? ☐ Yes ☒ No If Yes, describe
NO ADVERSE EASEMENTS WERE NOTED AT THE TIME OF INSPECTION FINAL DETERMINATION OF THE FLOOD ZONE LIES IN THE SURVEY LOT DIMENSIONS OBTAINED FROM COURTHOUSE RECORDS

**IMPROVEMENTS**

| General Description | | Foundation | | Exterior Description - materials/condition | | Interior - materials/condition | |
|---|---|---|---|---|---|---|---|
| Units | ☒ One ☐ One with Accessory Unit | ☒ Concrete Slab | ☐ Crawl Space | Foundation Walls | CONC PIERS/GD | Floors | HDWD/CPT/V GD |
| # of Stories | TWO | ☐ Full Basement | ☐ Partial Basement | Exterior Walls | HDPLNK/GD | Walls | DRYWALL/GD |
| Type | ☒ Det ☐ Att ☐ S Det /End Unit | Basement Area | NONE sq ft | Roof Surface | COMP SHINGLE/GD | Trim/Finish | VERY GOOD |
| | ☒ Existing ☐ Proposed ☐ Under Const | Basement Finish | N/A % | Gutters & Downspouts | OVERHANGS/GD | Bath Floor | C-TILE/V GD |
| Design (Style) | 2STY/HDPLNK | ☐ Outside Entry/Exit | ☐ Sump Pump | Window Type | DH VINYL/GD | Bath Wainscot | C-TILE/FBGLS/GD |
| Year Built | 1999 | Evidence of | ☐ Infestation | Storm Sash/Insulated | THERMAL/GD | Car Storage | ☐ None |
| Effective Age (Yrs) | 3 YRS | ☐ Dampness | ☐ Settlement | Screens | YES | | ☒ Driveway # of Cars 2+ |
| Attic | ☐ None | Heating | ☒ FWA ☐ HWBB ☐ Radiant | Amenities | ☐ Woodstove(s) # | Driveway Surface | CONCRETE |
| | ☒ Drop Stair ☐ Stairs | ☐ Other | Fuel ELEC | ☒ Fireplace(s) # 2 | ☒ Fence WOOD | ☐ Garage | # of Cars |
| | ☐ Floor ☐ Scuttle | Cooling | ☒ Central Air Conditioning | ☒ Patio/Deck PATIO | ☒ Porch C-PCHS | ☒ Carport | # of Cars 2+ |
| | ☐ Finished ☐ Heated | ☐ Individual | ☐ Other | ☒ Pool IN-GRND | ☒ Other STRG | ☐ Att | ☐ Det ☒ Built-In |

Appliances ☒ Refrigerator ☒ Range/Oven ☒ Dishwasher ☒ Disposal ☒ Microwave ☒ Washer/Dryer ☐ Other (describe)
Finished area above grade contains 9 Rooms 5 Bedrooms 4F2H Bath(s) 3,586 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc ) MASTER BEDROOM SUITE WITH JACUZZI TUB, HARDWOOD FLOORS THROUGHOUT EXCEPT BEDROOMS, GRANITE COUNTER-TOPS, ELEVATOR, BUILT-INS, TWO FIREPLACES, CROWN MOLDING, AND CEILING FANS
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc ) THE SUBJECT WAS IN GOOD CONDITION AT THE TIME OF INSPECTION NO REPAIRS WERE NEEDED RECENT RENOVATIONS INCLUDE BUT NOT LIMITED TO NEW HVAC, NEW EXTERIOR MIRRATEK WRAPPING, NEW POOL FILTER AND LINER, AND FRESH INTERIOR/EXTERIOR PAINT THE APPRAISAL WAS MADE IN THE "AS-IS" CONDITION THE APPRAISER ASSUMES THAT THE IMPROVEMENTS ARE STRUCTURALLY SOUND AND THAT THE MECHANICAL SYSTEMS ARE IN NORMAL WORKING ORDER
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe
THE APPRAISER IS NOT A LICENSED CONTRACTOR OR LICENSED HOME INSPECTOR, THEREFORE, THE APPRAISAL CANNOT BE RELIED UPON TO DISCLOSE CONDITIONS AND/OR DEFECTS IN THE SUBJECT PROPERTY HOWEVER, PER INTERIOR INSPECTION, NO PHYSICAL DEFICIENCIES OR ADVERSE CONDITIONS WERE NOTED THAT WOULD AFFECT THE LIVABILITY, SOUNDNESS, OR STRUCTURAL INTEGRITY OF THE SUBJECT PROPERTY
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe

# Uniform Residential Appraisal Report

1693
File # 1693W707

There are 37 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 1,499,000 to $ 3,950,000
There are 10 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 1,685,000 to $ 3,235,000

SALES COMPARISON APPROACH

| FEATURE | SUBJECT | COMPARABLE SALE # 1 | | COMPARABLE SALE # 2 | | COMPARABLE SALE # 3 | |
|---|---|---|---|---|---|---|---|
| Address | 3205 Palm Blvd ISLE OF PALMS, SC | 2405 PALM BLVD ISLE OF PALMS , SC | | 9 31ST AVE ISLE OF PALMS, SC | | 5 33RD AVE ISLE OF PALMS , SC | |
| Proximity to Subject | | 0 68 miles SW | | 0 15 miles W | | 0 04 miles NE | |
| Sale Price | $ N/A | $ 2,470,000 | | $ 2,100,000 | | $ 1,825,000 | |
| Sale Price/Gross Liv Area | $ sq ft | $ 588 10 sq ft | | $ 588 59 sq ft | | $ 524 88 sq ft | |
| Data Source(s) | | MLS #2601402 | | MLS #2601952 | | MLS #2706591/PREV APPRAL | |
| Verification Source(s) | | PUBLIC REC/EXT INSPECTION | | PUBLIC REC/EXT INSPECTION | | PUBLIC REC/INT INSPECTION | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) $ Adjustment | DESCRIPTION | +(-) $ Adjustment | DESCRIPTION | +(-) $ Adjustment |
| Sales or Financing Concessions | | CONV | | CONV | | CONV | |
| Date of Sale/Time | | CLS 11/06/2006 | | CLS 01/31/2007 | | CLS 06/29/2007 | |
| Location | 2ND ROW | 2ND ROW | | 3RD ROW | +50,000 | 3RD ROW | +50,000 |
| Leasehold/Fee Simple | FEE SIMPLE | FEE SIMPLE | | FEE SIMPLE | | FEE SIMPLE | |
| Site | 0 25 +/- AC | 0 25 +/- AC | | 0 20 +/- AC | | 0 20 +/- AC | |
| View | DIST OCEAN | DIST OCEAN | | DIST OCEAN | | DIST OCEAN | |
| Design (Style) | 2STY/HDPLNK | 2STY/HDPLNK | | 2STY/HDPLNK | | 2STY/HDPLNK | |
| Quality of Construction | V GOOD/ELEV | V GOOD/ELEV | | V GOOD/ELEV | | V GOOD/ELEV | |
| Actual Age | 2000/RENOV | 2006/NEW | -25,000 | 2006/NEW | -25,000 | 2006/NEW | -25,000 |
| Condition | GOOD | GOOD | | GOOD | | GOOD | |
| Above Grade Room Count | Total 9 / Bdrms 5 / Baths 4F2H | Total 9 / Bdrms 5 / Baths 4 5 | +6,000 | Total 9 / Bdrms 5 / Baths 3 5 | +18,000 | Total 8 / Bdrms 5 / Baths 5 5 | -6,000 |
| Gross Living Area | 3,588 sq ft | 4,200 sq ft | -42,840 | 3,580 sq ft | 0 | 3,477 sq ft | +7,770 |
| Basement & Finished Rooms Below Grade | NONE N/A | NONE N/A | | NONE N/A | | NONE N/A | |
| Functional Utility | GOOD | GOOD | | GOOD | | GOOD | |
| Heating/Cooling | CEN H&A | CEN H&A | | CEN H&A | | CEN H&A | |
| Energy Efficient Items | STANDARD | STANDARD | | STANDARD | | STANDARD | |
| Garage/Carport | 2+ CAR CPT | 2+ CAR CPT | | 2+ CAR GAR | -8,000 | 3+ CAR GAR | -12,000 |
| Porch/Patio/Deck | C-PCHS/PATIO | C-PCHS/DCK/SCPH | -7,500 | C-PCHS/DECK | -2,500 | C-PCHS/DECK | -2,500 |
| FIREPLACE(S) | TWO FPS | TWO FPS | | ONE FP | +1,000 | ONE FP | +1,000 |
| FENCE/STRG/ETC | FNCE/ELEV/POOL | FENCE/POOL | +5,000 | POOL | +6,000 | POOL/ELEV | +1,000 |
| KITCHEN | KITCH EQUIP | KITCH EQUIP | | KITCH EQUIP | | KITCH EQUIP | |
| Net Adjustment (Total) | | ☐ + ☒ - | $ -64,340 | ☒ + ☐ - | $ 39,500 | ☒ + ☐ - | $ 14,270 |
| Adjusted Sale Price of Comparables | | Net Adj 2 6 % Gross Adj 3 5 % | $ 2,405,660 | Net Adj 1 9 % Gross Adj 6 3 % | $ 2,139,500 | Net Adj 0 6 % Gross Adj 5 8 % | $ 1,839,270 |

☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal
Data Source(s) MLS/PUB RECORDS
My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale
Data Source(s) MLS/PUB RECORDS
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3)

| ITEM | SUBJECT | COMPARABLE SALE #1 | COMPARABLE SALE #2 | COMPARABLE SALE #3 |
|---|---|---|---|---|
| Date of Prior Sale/Transfer | NONE W/IN 36 MONTHS | NONE W/IN 12 MONTHS | 09/05/2006 & 04/07/2006 | NONE W/IN 12 MONTHS |
| Price of Prior Sale/Transfer | N/A | N/A | $10 & $10 | N/A |
| Data Source(s) | MLS/PUBLIC REC | MLS/PUBLIC REC | MLS/PUBLIC REC | MLS/PUBLIC REC |
| Effective Date of Data Source(s) | 06/29/2007 | 06/29/2007 | 06/29/2007 | 06/29/2007 |

Analysis of prior sale or transfer history of the subject property and comparable sales THE SUBJECT WAS NOT SOLD OR TRANSFERRED IN THE THREE YEARS PRIOR TO THE EFFECTIVE DATE OF THIS APPRAISAL. COMPARABLE TWO WAS TRANSFERRED TWICE IN THE LAST TWELVE MONTHS. THOSE TRANSFERS ARE LISTED IN THE GRID ABOVE. NONE OF THE OTHER COMPARABLES WERE SOLD OR TRANSFERRED IN THE TWELVE MONTHS PRECEDING THE CLOSED SALE DATES STATED IN THIS REPORT

Summary of Sales Comparison Approach ALL SALES WERE THE MOST RECENT MARKET TRANSACTIONS TO OCCUR NEAR THE SUBJECT THAT WERE SIMILAR IN DESIGN AND MARKET APPEAL. AFTER DUE CONSIDERATION, EQUAL EMPHASIS WAS AWARDED TO ALL COMPARABLES. AGE ADJUSTMENTS WERE NECESSARY FOR COMPARABLES ONE THROUGH FOUR BECAUSE ALL WERE NEW CONSTRUCTION WHERE THE SUBJECT WAS A PRE-OWNED PROPERTY. VIEW ADJUSTMENTS WERE MADE FOR COMPARABLES TWO, THREE, AND FIVE BECAUSE THEY WERE LOCATED ONE STREET FURTHER AWAY FROM THE BEACH. NO VIEW ADJUSTMENT WAS NECESSARY FOR COMPARABLE FOUR BECAUSE, ALTHOUGH IT WAS ALSO ON THE 3RD ROW, IT WAS LOCATED IN AN AREA OF ISLE OF PALMS WHERE LAND VALUES ARE TYPICALLY HIGHER. ADJUSTED SALES PRICES IN THIS REPORT RANGE BETWEEN 1 8 MIL AND 2 47 MIL. THE APPRAISER TOOK THE MEAN AVERAGE OF ALL ADJUSTED VALUES TO ARRIVE AT FINAL CONCLUSION OF VALUE. THE SALES USED ARE THE BEST AVAILABLE AND ARE CONSIDERED VALID SALES FOR COMPARISON

Indicated Value by Sales Comparison Approach $ 2,150,000

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 2,150,000 Cost Approach (if developed) $ 2,163,485 Income Approach (if developed) $

BOTH THE MARKET DATA ANALYSIS AND THE COST APPROACH TO VALUE CLOSELY SUPPORTED EACH OTHER'S FINDINGS. THE INCOME APPROACH TO VALUE WAS NOT WITHIN THE SCOPE OF WORK REQUIRED TO PROVIDE A CREDIBLE ESTIMATE OF MARKET VALUE

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: THE SUBJECT PROPERTY WAS APPRAISED IN THE "AS IS" CONDITION. FINANCIAL INCENTIVES AND CONCESSIONS HAVE BEEN CONSIDERED IN THIS REPORT.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $ 2,150,000, as of JULY 11, 2007, which is the date of inspection and the effective date of this appraisal



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# Uniform Residential Appraisal Report

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## ADDITIONAL COMMENTS

*** DEFINITION OF INSPECTION***
THE TERM "INSPECTION", AS USED IN THIS REPORT, IS NOT THE SAME LEVEL OF INSPECTION THAT IS REQUIRED FOR A "PROFESSIONAL HOME INSPECTION" THE APPRAISER DOES NOT FULLY INSPECT THE ELECTRICAL SYSTEM, PLUMBING SYSTEM, MECHANICAL SYSTEM, ROOF (EXCEPT FROM THE GROUND LEVEL), FOUNDATION SYSTEM, FLOOR STRUCTURE, OR SUBFLOOR

THE APPRAISER IS NOT AN EXPERT IN CONSTRUCTION MATERIALS AND THE PURPOSE OF THE APPRAISAL IS TO MAKE AN ECONOMIC EVALUATION OF THE SUBJECT PROPERTY IF THE CLIENT NEEDS A MORE DETAILED INSPECTION OF THE PROPERTY, A HOME INSPECTION BY A PROFESSIONAL HOME INSPECTOR, IS SUGGESTED

***LAND TO VALUE RATIO***
THE SITE VALUE USED FOR THE SUBJECT WAS OBTAINED FROM ANALYSIS OF MLS SALES OF VACANT LAND IN THE SUBJECT AREA THE LAND TO VALUE RATIO FOR THE SUBJECT PROPERTY IS HIGHER THAN NORMAL, HOWEVER, THIS IS TYPICAL FOR BEACHFRONT AREA PROPERTIES AND IS NOT FELT TO ADVERSELY EFFECT THE SUBJECT'S MARKETABILITY

***ADDITIONAL COMMENTS***
THE SUBJECT IS CONSIDERED OWNER OCCUPIED IN THIS REPORT IT IS A SECOND HOME/SEASONAL RENTAL AND IS PERIODICALLY RENTED OUT, TYPICALLY FOR WEEK-LONG PERIODS

## COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) SITE VALUE OBTAINED FROM ANALYSIS OF MLS SALES OF VACANT LAND IN THE SUBJECT AREA, SPECIFICALLY MLS #2631758, A 0.25 +/- AC LOT AT 2607 PALM BLVD THAT SOLD 06/06/2007 FOR $1,450,000

| | | | | | |
|---|---|---|---|---|---|
| ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW | OPINION OF SITE VALUE | | | =$ | 1,450,000 |
| Source of cost data DEVELOPERS/APPRAISER FILES | DWELLING | 3,588 Sq Ft @ $ | 175.00 | =$ | 627,900 |
| Quality rating from cost service Effective date of cost data 07/11/2007 | | NONE Sq Ft @ $ | | =$ | |
| Comments on Cost Approach (gross living area calculations, depreciation, etc.) | KITCH EQUIP/PCHS/POOL/FPS/EXTRAS | | | =$ | 40,000 |
| IMPROVEMENTS COST DATA OBTAINED FROM LOCAL BUILDERS | Garage/Carport | 2,322 Sq Ft @ $ | 30.00 | =$ | 69,660 |
| AND APPRAISER FILES NO COST SERVICES WERE USED | Total Estimate of Cost New | | | =$ | 737,560 |
| DEPRECIATION CALCULATED USING ECONOMIC AGE-LIFE | Less Physical | Functional | External | | |
| METHOD THE INFORMATION CONTAINED HEREIN IS NOT | Depreciation 34,075 | | | =$( | 34,075) |
| INTENDED FOR THE PURPOSE OF OBTAINING INSURANCE | Depreciated Cost of Improvements | | | =$ | 703,485 |
| | "As-is" Value of Site Improvements | | | =$ | 10,000 |
| Estimated Remaining Economic Life (HUD and VA only) 62 Years | INDICATED VALUE BY COST APPROACH | | | =$ | 2,163,485 |

## INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) NOT WITHIN THE SCOPE OF WORK

## PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit

Legal Name of Project N/A

Total number of phases N/A Total number of units N/A Total number of units sold N/A

Total number of units rented N/A Total number of units for sale N/A Data source(s) N/A

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion N/A

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source N/A

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion N/A

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options N/A

Describe common elements and recreational facilities N/A



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# Uniform Residential Appraisal Report



This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD) This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted

SCOPE OF WORK The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications The appraiser must, at a minimum (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report

INTENDED USE. The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER The intended user of this appraisal report is the lender/client

DEFINITION OF MARKET VALUE. The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby, (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest, (3) a reasonable time is allowed for exposure in the open market, (4) payment is made in terms of cash in U S dollars or in terms of financial arrangements comparable thereto, and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale

*Adjustments to the comparables must be made for special or creative financing or sales concessions No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area, these costs are readily identifiable since the seller pays these costs in virtually all sales transactions Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1 The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title

2 The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination

4 The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law

5 The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc ) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc ) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property

6 The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner



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# Uniform Residential Appraisal Report



APPRAISER'S CERTIFICATION The Appraiser certifies and agrees that

1 I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report

2 I performed a complete visual inspection of the interior and exterior areas of the subject property I reported the condition of the improvements in factual, specific terms I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property

3 I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared

4 I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report

5 I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report

6 I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report

7 I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property

8 I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land

9 I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales

10 I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property

11 I have knowledge and experience in appraising this type of property in this market area

12 I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

13 I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct

14 I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc ) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property

15 I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct

16 I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report

17 I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law

18 My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application)

19 I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report I certify that any individual so named is qualified to perform the tasks I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it

20 I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report

# Uniform Residential Appraisal Report

1693
File # 1693W707

21 The lender/client may disclose or distribute this appraisal report to the borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, other secondary market participants, data collection or reporting services, professional appraisal organizations; any department, agency, or instrumentality of the United States, and any state, the District of Columbia, or other jurisdictions, without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media)

22 I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me

23 The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties

24 If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws

SUPERVISORY APPRAISER'S CERTIFICATION. The Supervisory Appraiser certifies and agrees that

1 I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2 I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification

3 The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law

4 This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5 If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature

APPRAISER

Signature
Name NATHAN S WARD
Company Name PORT CITY APPRAISALS, INC
Company Address 2146 DORCHESTER RD, N CHARLESTON, SC 29405
Telephone Number (843) 345-0809
Email Address NATHAN@PORTCITYAPPRAISALS COM
Date of Signature and Report July 12, 2007
Effective Date of Appraisal JULY 11, 2007
State Certification #
or State License # A 5267
or Other (describe) State #
State SC
Expiration Date of Certification or License 6/30/2008

ADDRESS OF PROPERTY APPRAISED
1205 Palm Blvd
ISLE OF PALMS, SC 29451
APPRAISED VALUE OF SUBJECT PROPERTY $ 2,150,000

LENDER/CLIENT
Name TRACI DANNER
Company Name SUNSET MORGAGE CO
Company Address 1905 BACONS BRIDGE RD, SUMMERVILLE, SC 29485
Email Address traci sunset@gmail com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name LEGARE R DUKE
Company Name PORT CITY APPRAISALS, INC
Company Address 2146 DORCHESTER RD, NORTH CHARLESTON, SC 29405
Telephone Number (843) 224-3586
Email Address lee@portcityappraisals com
Date of Signature July 12, 2007
State Certification # 3786
or State License #
State SC
Expiration Date of Certification or License 6/30/2008

SUBJECT PROPERTY

☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection
☒ Did inspect interior and exterior of subject property
Date of Inspection 07/11/2007

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street
☒ Did inspect exterior of comparable sales from street
Date of Inspection 07/11/2007

# Uniform Residential Appraisal Report

1693
File # 1693W707

## SALES COMPARISON APPROACH

| FEATURE | SUBJECT | COMPARABLE SALE #4 | | COMPARABLE SALE #5 | | COMPARABLE SALE #6 | |
|---|---|---|---|---|---|---|---|
| Address | 3205 Palm Blvd ISLE OF PALMS, SC | 711 CAROLINA BLVD ISLE OF PALMS , SC | | 8 34TH AVE ISLE OF PALMS, SC | | 4007 PALM BLVD ISLE OF PALMS , SC | |
| Proximity to Subject | | 1 8 miles SW | | 0 14 miles NE | | 0 58 miles NE | |
| Sale Price | $ N/A | $ 2,495,000 | | $ 1,685,000 | | $ 2,293,500 | |
| Sale Price/Gross Liv. Area | $ sq ft | $ 693 06 sq ft | | $ 560 17 sq ft | | $ 764 50 sq ft | |
| Data Source(s) | | MLS #2620596 | | MLS #2626798 | | MLS #2723535--CONTINGENT LIST | |
| Verification Source(s) | | PUBLIC REC/EXT INSPECTION | | PUBLIC REC/EXT INSPECTION | | EXT INSPECTION | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +( ) $ Adjustment | DESCRIPTION | +( ) $ Adjustment | DESCRIPTION | +( ) $ Adjustment |
| Sales or Financing Concessions | | CONV | | CONV | | CONT LISTING | -160,545 |
| Date of Sale/Time | | CLS 04/19/2007 | | CLS 05/29/2007 | | CD 07/03/2007 | |
| Location | 2ND ROW | 3RD ROW | | 3RD ROW | +50,000 | 2ND ROW | |
| Leasehold/Fee Simple | FEE SIMPLE | FEE SIMPLE | | FEE SIMPLE | | FEE SIMPLE | |
| Site | 0 25 +/- AC | 0 21 +/- AC | | 0 22 +/- AC | | 0 25 +/- AC | |
| View | DIST OCEAN | DIST. OCEAN | | DIST OCEAN | | DIST OCEAN | |
| Design (Style) | 2STY/HDPLNK | 2STY/HDPLNK | | 2STY/HDPLNK | | 2STY/HDPLNK | |
| Quality of Construction | V GOOD/ELEV | V GOOD/ELEV | | V GOOD/ELEV | | V GOOD/ELEV | |
| Actual Age | 2000/RENOV | 2007/NEW | -25,000 | 1994/RENOV | | 1984/RENOV | |
| Condition | GOOD | GOOD | | GOOD | | GOOD | |
| Above Grade Room Count (Total / Bdrms / Baths) | 9 / 5 / 4F2H | 10 / 5 / 4 0 | +12,000 | 9 / 5 / 3 0 | +24,000 | 8 / 5 / 3F3H | +6,000 |
| Gross Living Area | 3,588 sq.ft | 3,600 sq ft. | 0 | 3,008 sq ft | +40,600 | 3,000 sq ft. | +41,160 |
| Basement & Finished Rooms Below Grade | NONE N/A | NONE N/A | | NONE N/A | | NONE N/A | |
| Functional Utility | GOOD | GOOD | | GOOD | | GOOD | |
| Heating/Cooling | CEN H&A | CEN H&A | | CEN H&A | | CEN H&A | |
| Energy Efficient Items | STANDARD | STANDARD | | STANDARD | | STANDARD | |
| Garage/Carport | 2+ CAR CPT | 3+ CAR GAR | -12,000 | 1+ CAR GAR | | 3+ CAR GAR | -12,000 |
| Porch/Patio/Deck | C-PCHS/PATIO | C PCHS/PAT/DECK | -3,000 | C-PCHS/PATIO | | C FRNT/DCK/PAT | |
| FIREPLACE(S) | TWO FPS | TWO FPS | | ONE FP | +1,000 | TWO FPS | |
| FENCE/STRG/ETC | FNCE/ELEV/POOL | POOL/ELEV | +1,000 | FENCE/POOL | +5,000 | FENCE | +15,000 |
| KITCHEN | KITCH EQUIP | KITCH EQUIP | | KITCH EQUIP | | KITCH EQUIP | |
| Net Adjustment (Total) | | ☐ + ☒ - | $ -27,000 | ☒ + ☐ - | $ 120,600 | ☐ + ☒ - | $ -110,385 |
| Adjusted Sale Price of Comparables | | Net Adj 1 1 % Gross Adj 2 1 % | $ 2 468,000 | Net Adj 7 2 % Gross Adj. 7 2 % | $ 1,805,600 | Net Adj. 4.8 % Gross Adj 10 2 % | $ 2,183,115 |

## SALE HISTORY

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

| ITEM | SUBJECT | COMPARABLE SALE #4 | COMPARABLE SALE #5 | COMPARABLE SALE #6 |
|---|---|---|---|---|
| Date of Prior Sale/Transfer | NONE W/IN 36 MONTHS | NONE W/IN 12 MONTHS | NONE W/IN 12 MONTHS | NONE W/IN 12 MONTHS |
| Price of Prior Sale/Transfer | N/A | N/A | N/A | N/A |
| Data Source(s) | MLS/PUBLIC REC | MLS/PUBLIC REC | MLS/PUBLIC REC | MLS/PUBLIC REC |
| Effective Date of Data Source(s) | 06/29/2007 | 06/29/2007 | 06/29/2007 | 06/29/2007 |

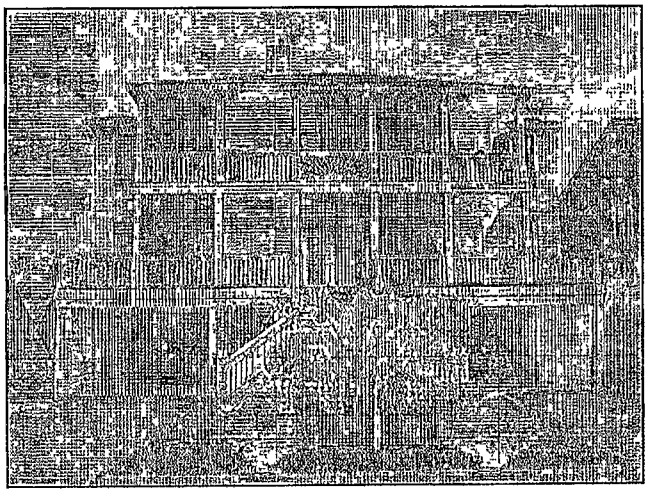
Analysis of prior sale or transfer history of the subject property and comparable sales

## ANALYSIS / COMMENTS

Analysis/Comments COMPARABLE SIX WAS A CONTRACTED LISTING AND WAS INCLUDED TO SHOW CURRENT MARKET PRICING IN THE SUBJECT NEIGHBORHOOD AN ADJUSTMENT BASED ON 7% OF THE LIST PRICE WAS USED TO ACCOUNT FOR TYPICAL PRICE NEGOTIATION FOR COMPARABLE SIX

## Subject Photo Page

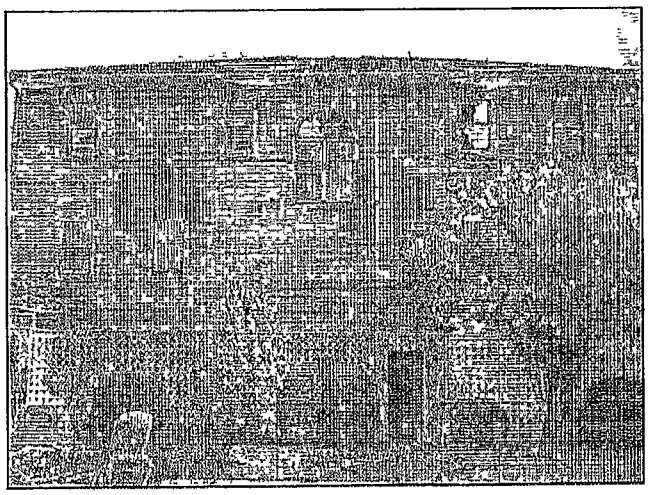
| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |



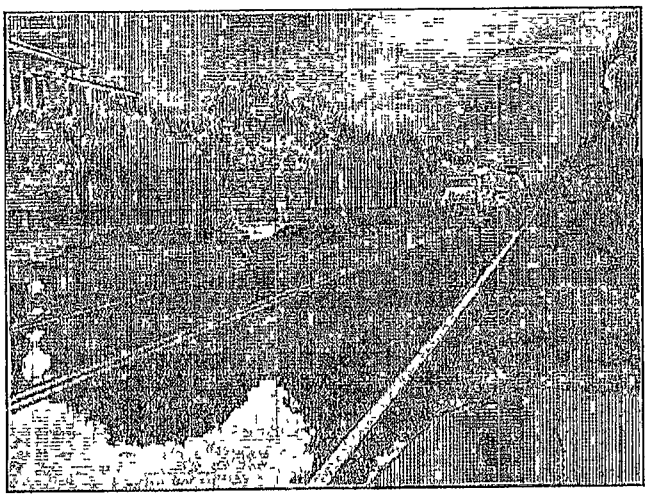
**Subject Front**

3205 Palm Blvd

| | |
|---|---|
| Sales Price | N/A |
| Gross Living Area | 3,588 |
| Total Rooms | 9 |
| Total Bedrooms | 5 |
| Total Bathrooms | 4F2H |
| Location | 2ND ROW |
| View | DIST OCEAN |
| Site | 0 25 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 2000/RENOV |



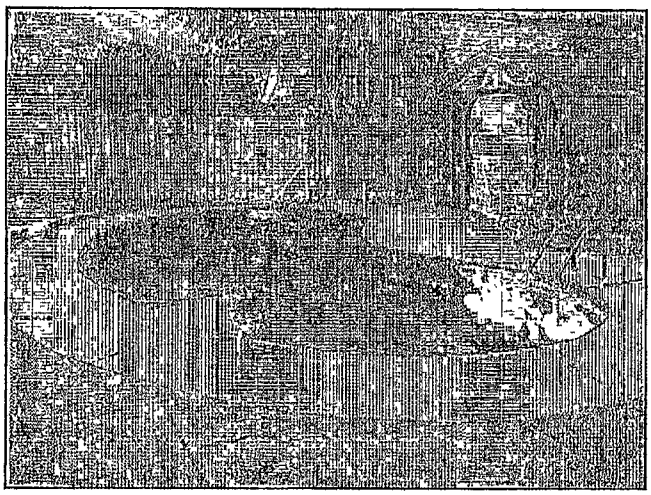
**Subject Rear**



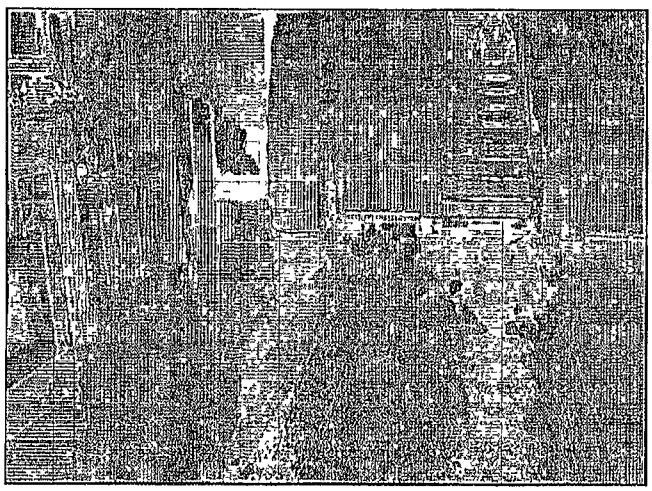
**Subject Street**

## Photograph Addendum

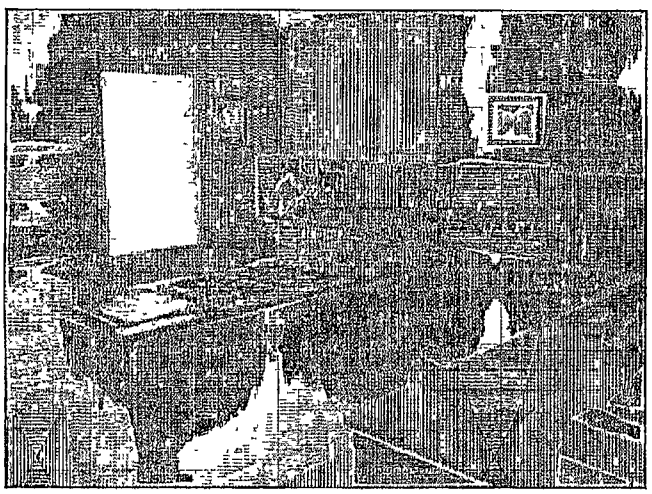
| | | | | | |
|---|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | | |
| Property Address | 3205 Palm Blvd | | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 | |
| Lender | SUNSET MORGAGE CO | | | | |



SWIMMING POOL



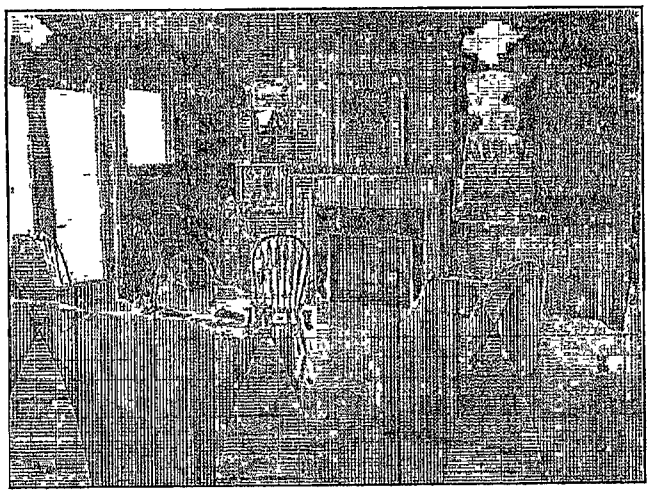
FOYER/DEN



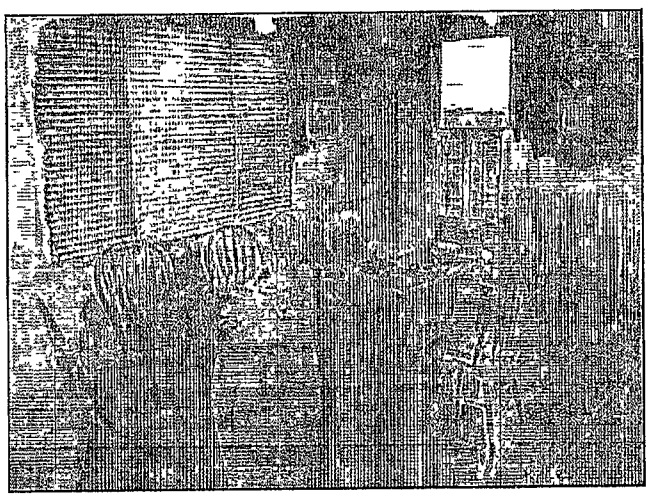
KITCHEN

## Photograph Addendum

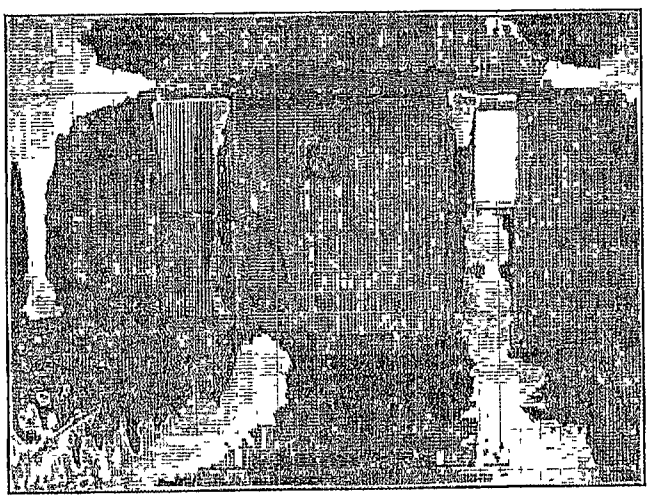
| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |



LIVING ROOM



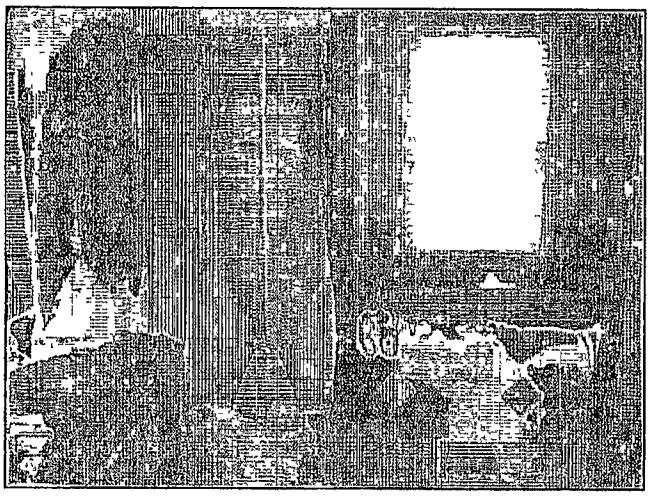
DINING ROOM



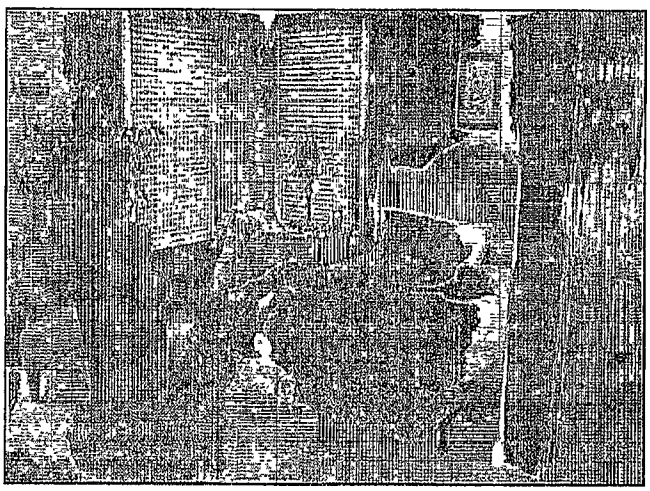
MASTER SUITE

## Photograph Addendum

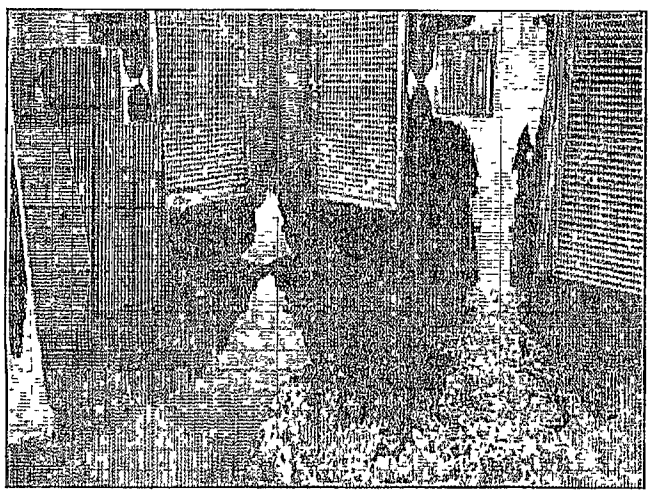
| | | | | | |
|---|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | | |
| Property Address | 3205 Palm Blvd | | | | |
| City | ISLE OF PALMS | County | CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | | |



MASTER BATH



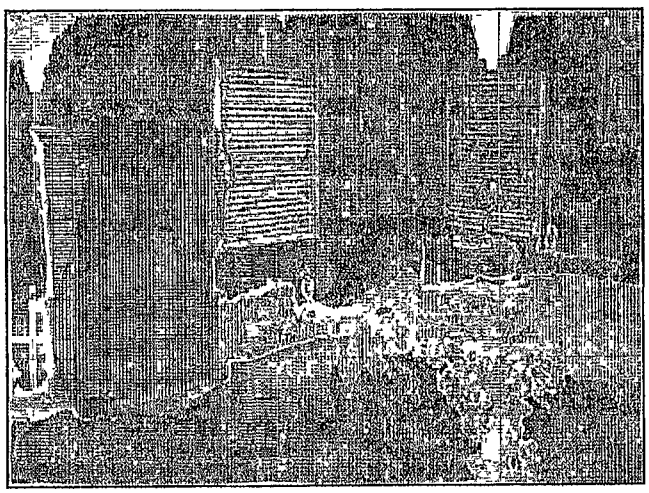
BEDROOM



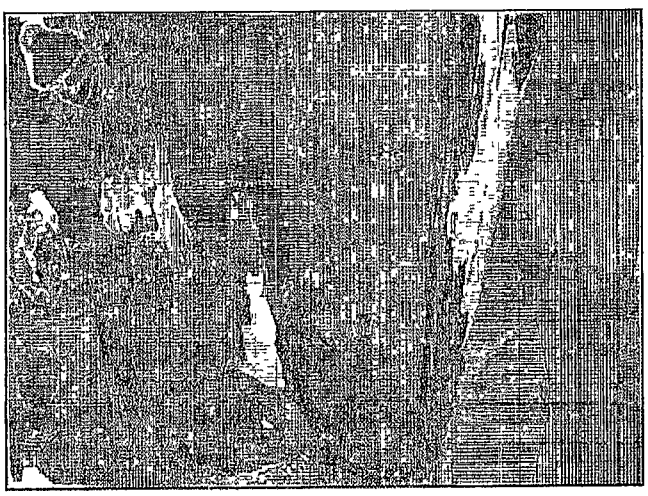
BEDROOM

## Photograph Addendum

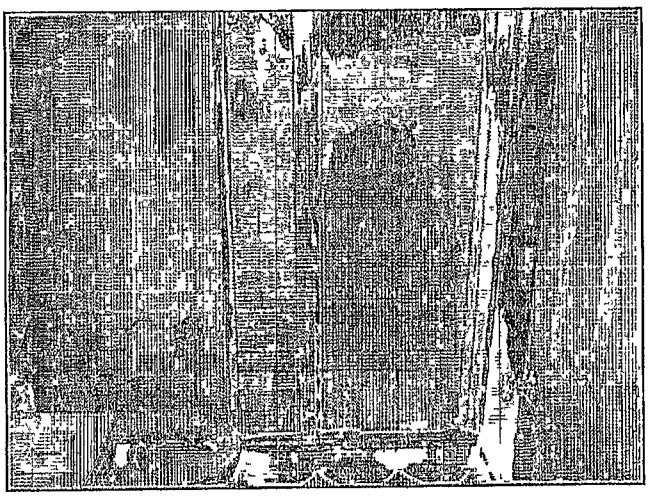
| | | | | | |
|---|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | | |
| Property Address | 3205 Palm Blvd | | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 | |
| Lender | SUNSET MORGAGE CO | | | | |



BEDROOM



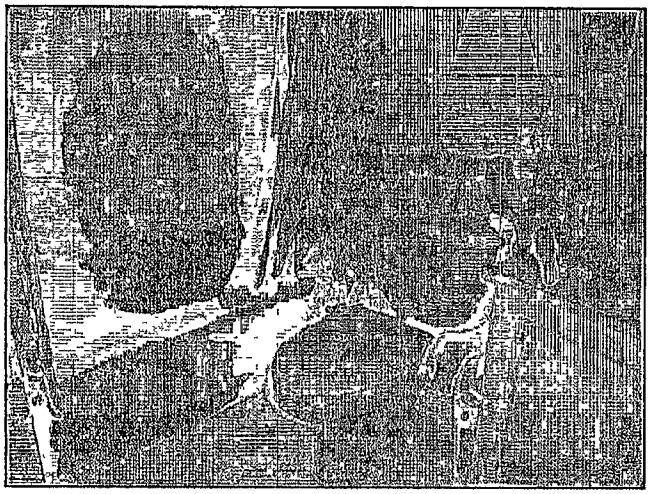
BATH



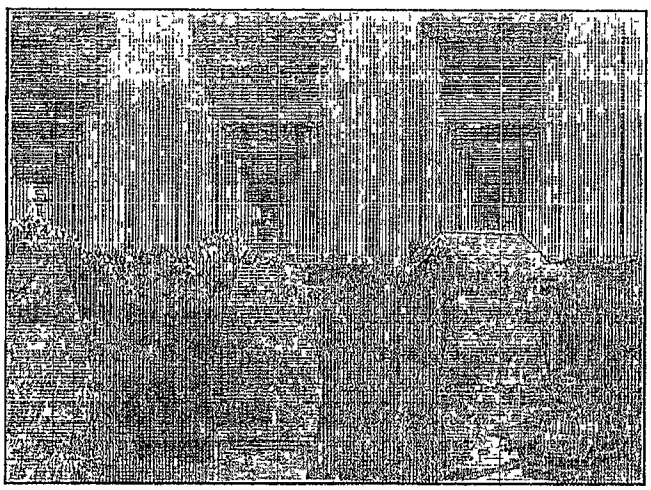
BATH

## Photograph Addendum

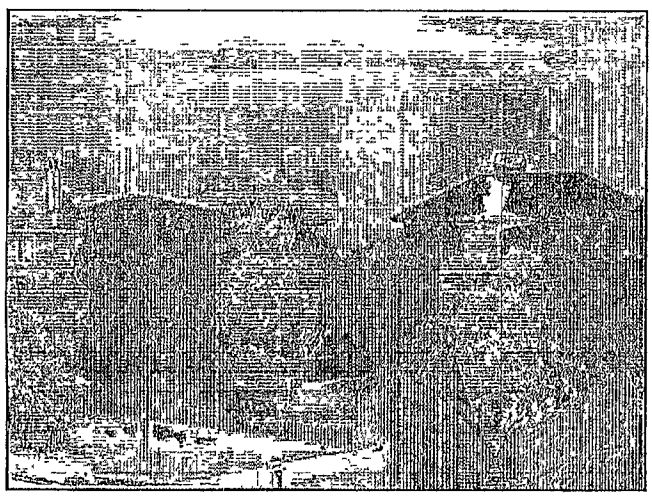
| | | | | | |
|---|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | | |
| Property Address | 3205 Palm Blvd | | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 | |
| Lender | SUNSET MORGAGE CO | | | | |



BATH



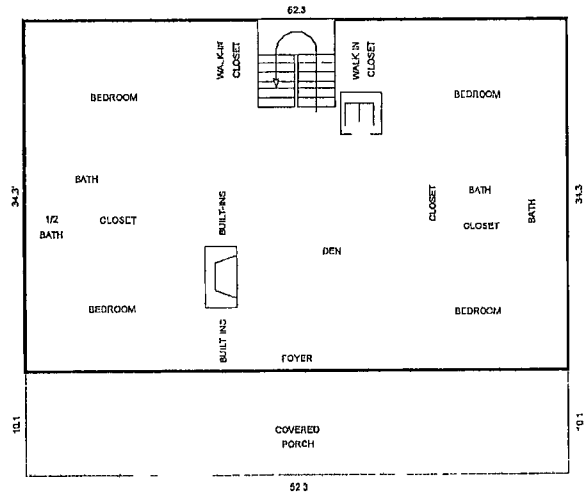
DISTANT OCEAN VIEW 1



DISTANT OCEAN VIEW 2

# Building Sketch

| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |




FIRST FLOOR

Sketch by Apex M™

Comments

## AREA CALCULATIONS SUMMARY

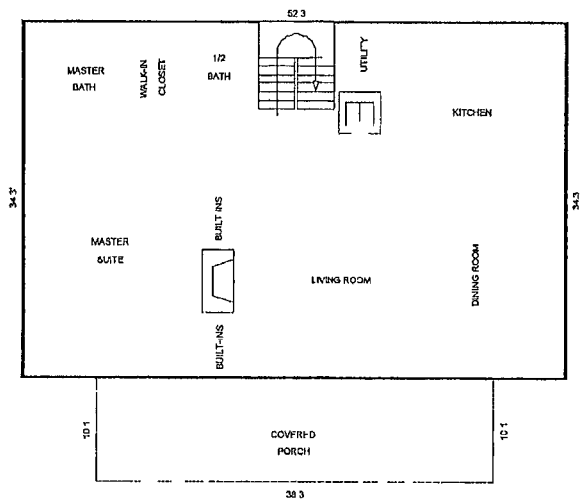
| Code | Description | Net Size | Net Totals |
|---|---|---|---|
| GLA1 | First Floor | 1793 9 | 1793 9 |
| P/P | Porch | 528 2 | 528 2 |
| Net LIVABLE Area | (Rounded) | | 1794 |

## LIVING AREA BREAKDOWN

| Breakdown | Subtotals |
|---|---|
| First Floor | |
| 34 3 x 52.3 | 1793 9 |
| 1 Item (Rounded) | 1794 |

# Building Sketch

| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |




SECOND FLOOR

Sketch by Apex M™

Comments

**AREA CALCULATIONS SUMMARY**

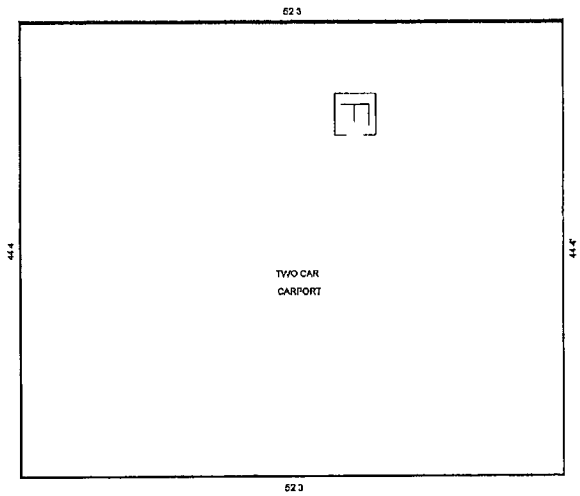
| Code | Description | Net Size | Net Totals |
|---|---|---|---|
| GLA2 | Second Floor | 1793 9 | 1793 9 |
| P/P | C-PCH | 386 8 | 386 8 |
| Net LIVABLE Area | | (Rounded) | 1794 |

**LIVING AREA BREAKDOWN**

| Breakdown | | Subtotals |
|---|---|---|
| Second Floor | | |
| 34 3 x 52 3 | | 1793 9 |
| 1 Item | (Rounded) | 1794 |

## Building Sketch

| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |




GROUND FLOOR

Sketch by Apex IV

Comments

**AREA CALCULATIONS SUMMARY**

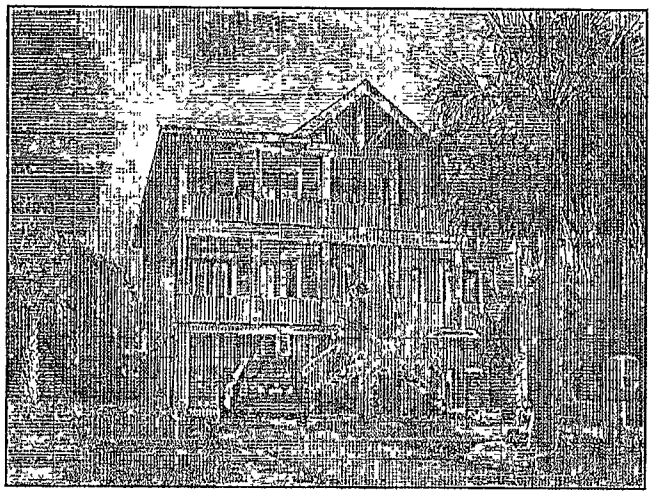
| Code | Description | Net Size | Net Totals |
|---|---|---|---|
| GAR | CARPORT | 2322 1 | 2322 1 |

**AREA BREAKDOWN**

| Breakdown | Subtotals |
|---|---|

## Comparable Photo Page

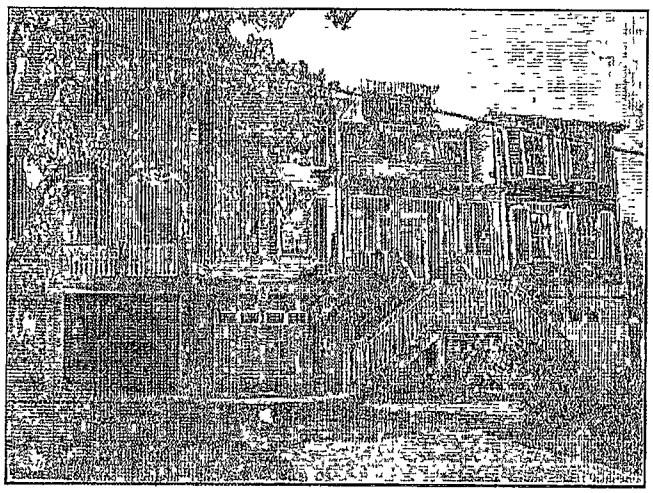
| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |



### Comparable 1

2405 PALM BLVD

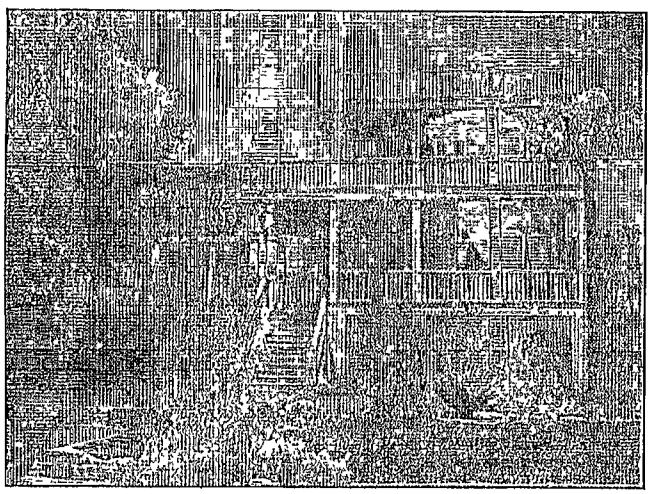
| | |
|---|---|
| Prox. to Subject | 0 68 miles SW |
| Sales Price | 2,470,000 |
| Gross Living Area | 4,200 |
| Total Rooms | 9 |
| Total Bedrooms | 5 |
| Total Bathrooms | 4 5 |
| Location | 2ND ROW |
| View | DIST OCEAN |
| Site | 0 25 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 2006/NEW |



### Comparable 2

9 31ST AVE

| | |
|---|---|
| Prox to Subject | 0 15 miles W |
| Sales Price | 2,100,000 |
| Gross Living Area | 3,580 |
| Total Rooms | 9 |
| Total Bedrooms | 5 |
| Total Bathrooms | 3 5 |
| Location | 3RD ROW |
| View | DIST OCEAN |
| Site | 0 20 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 2006/NEW |



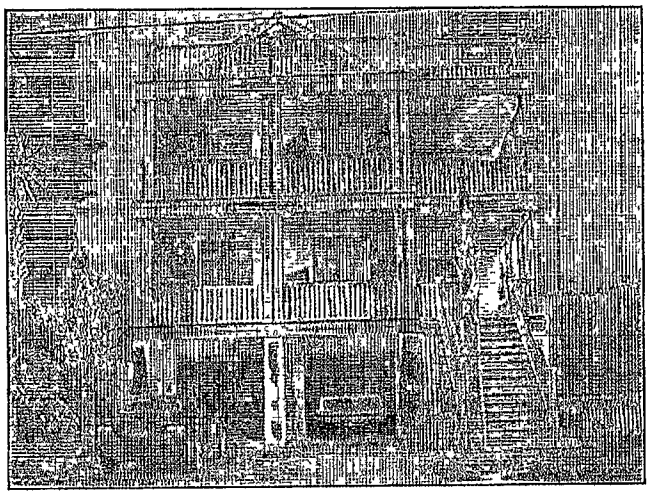
### Comparable 3

5 33RD AVE

| | |
|---|---|
| Prox to Subject | 0 04 miles NE |
| Sales Price | 1,825,000 |
| Gross Living Area | 3,477 |
| Total Rooms | 8 |
| Total Bedrooms | 5 |
| Total Bathrooms | 5 5 |
| Location | 3RD ROW |
| View | DIST OCEAN |
| Site | 0 20 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 2006/NEW |

## Comparable Photo Page

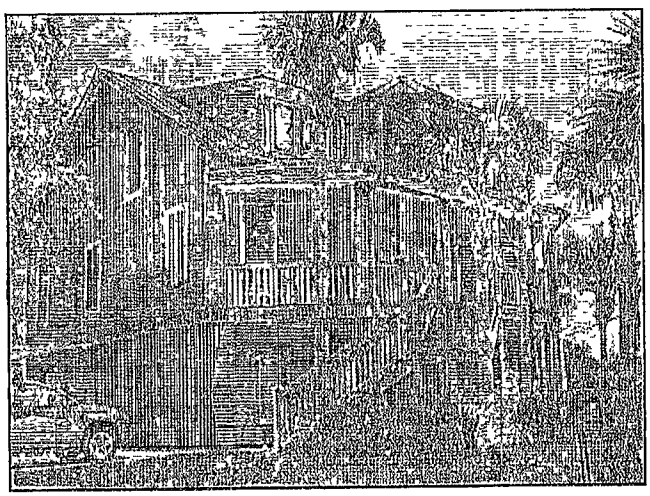
| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |



### Comparable 4

711 CAROLINA BLVD

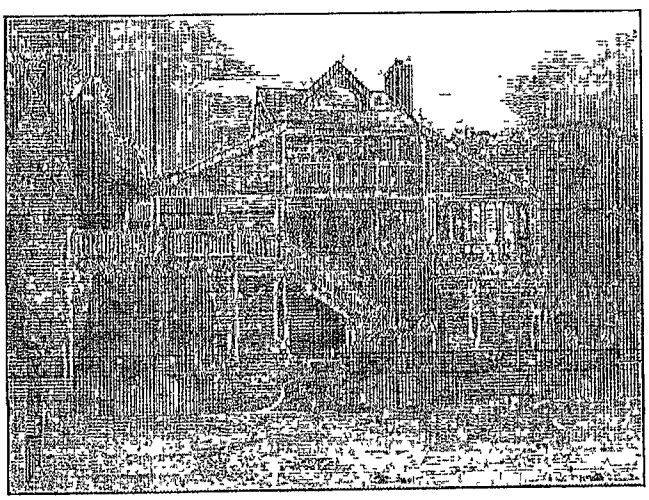
| | |
|---|---|
| Prox to Subject | 1 8 miles SW |
| Sales Price | 2,495,000 |
| Borrower/Client | 3,600 |
| Lender | 10 |
| Total Bedrooms | 5 |
| Total Bathrooms | 4 0 |
| Location | 3RD ROW |
| View | DIST OCEAN |
| Site | 0.21 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 2007/NEW |



### Comparable 5

8 34TH AVE

| | |
|---|---|
| Prox to Subject | 0 14 miles NE |
| Sales Price | 1,685,000 |
| Gross Living Area | 3,008 |
| Total Rooms | 9 |
| Total Bedrooms | 5 |
| Total Bathrooms | 3 0 |
| Location | 3RD ROW |
| View | DIST OCEAN |
| Site | 0 22 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 1994/RENOV |



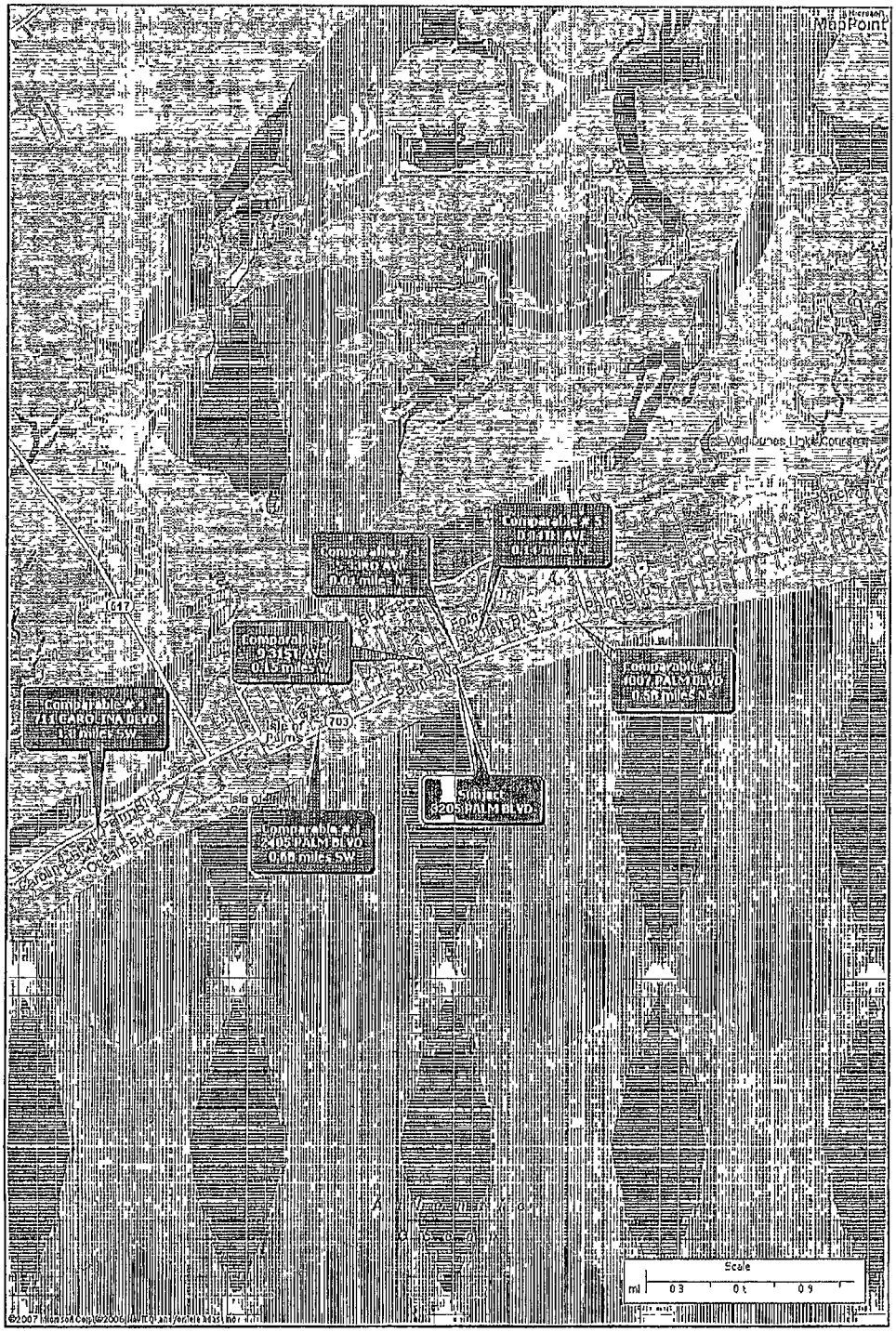
### Comparable 6

4007 PALM BLVD

| | |
|---|---|
| Prox. to Subject | 0 58 miles NE |
| Sales Price | 2,293,500 |
| Gross Living Area | 3,000 |
| Total Rooms | 8 |
| Total Bedrooms | 5 |
| Total Bathrooms | 3 1 3H |
| Location | 2ND ROW |
| View | DIST OCEAN |
| Site | 0 25 +/- AC |
| Quality | V GOOD/ELEV |
| Age | 1984/RENOV |

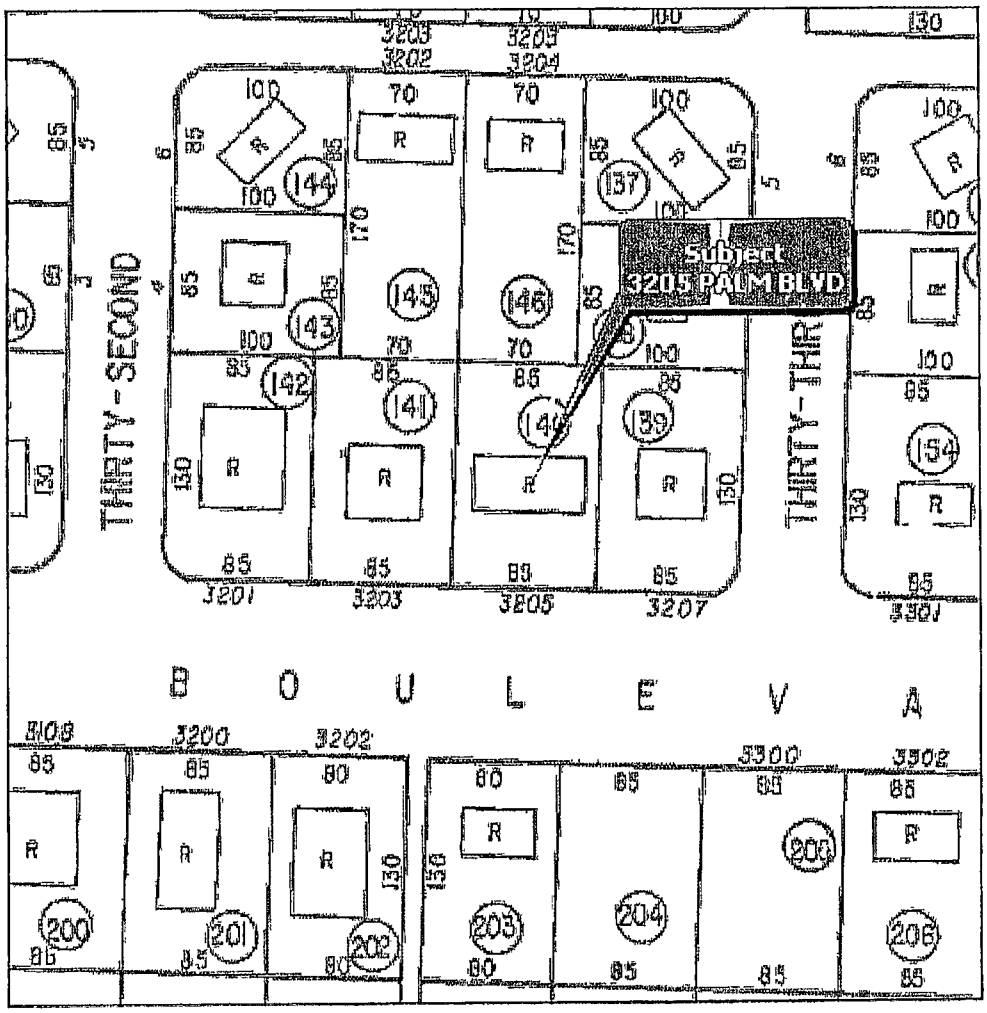
## Location Map

| | | | | |
|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | |
| Property Address | 3205 Palm Blvd | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 |
| Lender | SUNSET MORGAGE CO | | | |



## Plat Map

| | | | | | |
|---|---|---|---|---|---|
| Borrower/Client | GIBSON, LINDA | | | | |
| Property Address | 3205 Palm Blvd | | | | |
| City | ISLE OF PALMS | County CHARLESTON | State SC | Zip Code 29451 | |
| Lender | SUNSET MORGAGE CO | | | | |



STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

SECRETARY OF STATE
FILED
MAY 3 0 2002
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

TYPE OR PRINT CLEARLY IN BLACK INK

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

1. The name of the limited liability company which complies with Section 33-44-105 of the South Carolina Code of 1976, as amended is: 3206 Palm Boulevard, LLC

2. The address of the initial designated office of the Limited Liability Company in South Carolina is:

133 Horse Trail Road
Street Address

St. George — 29477
City — Zip Code

3. The initial agent for service of process of the Limited Liability Company is

Linda Gibson — Signature
Name

and the street address in South Carolina for this initial agent for service of process is

133 Horse Trail Road
Street Address

St. George — 29477
City — Zip Code

4. The name and address of each organizer is

(A) Linda Gibson — 843-563-2984
Name — Telephone Number

133 Horse Trail Road — St. George
Street Address — City

South Carolina — 29477
State — Zip Code

(B) _____
Name — Telephone Number

_____
Street Address — City

_____
State — Zip Code

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

MAY 3 0 2002

SECRETARY OF STATE OF SOUTH CAROLINA

AMERIS-EMAILS-000712

3205 Palm Boulevard, LLC
Name of Limited Liability Company

5. ☒ Check this box only if the company is to be a term company. If so, provide the term specified: December 31, 2050

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

(A) Name _____ Telephone Number _____
Street Address _____ City _____
State _____ Zip Code _____

(B) Name _____ Telephone Number _____
Street Address _____ City _____
State _____ Zip Code _____

(C) Name _____ Telephone Number _____
Street Address _____ City _____
State _____ Zip Code _____

(D) Name _____ Telephone Number _____
Street Address _____ City _____
State _____ Zip Code _____

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

8. Unless a delayed effective date is specified, these articles will be effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time: _____

3205 Palm Boulevard, LLC
Name of Limited Liability Company

9 Set forth any other provisions not inconsistent with law which the organizers determine to include, including any provisions that are required or are permitted to be set forth in the limited liability company operating agreement. _____

10. Signature of each organizer

_____ Date May 22, 2002

_____ Date _____

_____ Date _____

_____ Date _____

FILING INSTRUCTIONS

1. File two copies of this form, the original and either a duplicate original or a conformed copy.

2. If space on this form is not sufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk that will allow for expansion of the space on the form.

3 The filing fee of $110.00 payable to the Secretary of State must accompany this form

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

4. The first annual report for a Limited Liability company must be delivered to the Secretary of State between January first and April first of the Calendar year after which the Limited Liability Company was organized or the foreign company was first authorized to transact business in South Carolina. Subsequent annual reports must be delivered to the Secretary of State between January first and April first of the ensuing calendar years.

NOTE

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THIS CORPORATE NAME ON OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE OF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARKS DIVISION OF THE SECRETARY OF STATE'S OFFICE AT (803) 734-2511.

LLC-ARTICLES OF ORGANIZATION

FORM REVISED BY SOUTH CAROLINA SECRETARY OF STATE, MAY 1999

State of South Carolina
Department of Revenue
301 Gervais Street, P.O. Box 125, Columbia SC 29214

Telephone (803) 898-5381 Fax (803) 737-6435 Internet E-Mail Address: Bostonj@sctax.org

July 27, 2007

Rolando V. Villavicencio
RE/MAX Professional Realty
9209 University Boulevard
North Charleston SC 29406

Re. Federal Identification Number: 01-0706778

**Certificate of Tax Compliance**

This certifies that 3205 Palm Boulevard, LLC has filed all returns for the South Carolina taxes listed below through the period covered shown for each tax. No returns or taxes are now delinquent or unpaid. This does not cover any tax which may be due if an audit of these returns is conducted in the future, or any violations not yet processed or currently under appeal.

| Taxes | File Number | Period Covered |
|---|---|---|
| Partnership | 72043424-6 | Extension to 10/15/2007 |

**This certificate is valid for ninety (90) days with the Secretary of State following the above date. A new request must be submitted once the time has expired.**

**If this letter is being requested due to an administrative dissolution, you will need to mail a copy of it along with the completed Secretary of State Form, Application of Reinstatement of a Corporation Dissolved by Administrative Action (Form Enclosed), and $25.00 to the Secretary of State's Office at the address listed at the bottom of the form **

Sincerely,
J. Boston

Jennifer Boston
Tax Examiner
Processing and Document Services Division

Enclosure

# The State of South Carolina

## Office of Secretary of State Jim Miles
### Certificate of Existence

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

3205 PALM BOULEVARD, LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on May 30th, 2002, with a duration that is until December 31st, 2050, has as of this date filed all reports due this office, including its most recent annual report as required by section 33-44-211, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 30th day of May, 2002.

Jim Miles, Secretary of State

# NOTICE OF SPECIAL FLOOD HAZARDS AND AVAILABILITY OF FEDERAL DISASTER RELIEF ASSISTANCE

Date July 20, 2007
Borrower's Name(s) Linda Gibson

Mailing Address 133 Horse Trail, Saint George, SC 29477

Property Address 3205 Palm Blvd, Isle Of Palms, SC 29451

Lender American Brokers Conduit
538 Broadhollow Road
Melville, NY 11747

We are giving you this notice to inform you that:
The building or mobile home securing the loan for which you have applied is or will be located in an area with special flood hazards.

The area has been identified by the Director of the Federal Emergency Management Agency (FEMA) as a special flood hazard area using *FEMA's Flood Insurance Rate Map or the Flood Hazard Boundary Map* for the following community ISLE OF PALMS, CITY OF . This area has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year. During the life of a 30-year mortgage loan, the risk of a 100-year flood in a special flood hazard area is 26 percent (26%)

Federal law allows a lender and borrower jointly to request the Director of FEMA to review the determination of whether the property securing the loan is located in a special flood hazard area. If you would like to make such a request, please contact us for further information

[X] The community in which the property securing the loan is located participates in the National Flood Insurance Program (NFIP) Federal law will not allow us to make you the loan that you have applied for if you do not purchase flood insurance The flood insurance must be maintained for the life of the loan If you fail to purchase or renew flood insurance on the property, Federal law authorizes and requires us to purchase the flood insurance for you at your expense

- Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through an insurance company that participates in the NFIP Flood insurance also may be available from private insurers that do not participate in the NFIP

- At a minimum, flood insurance purchased must cover the lesser of,
  (1) the outstanding principal balance of the loan, or
  (2) the maximum amount of coverage allowed for the type of property under the NFIP.
  Flood insurance coverage under the NFIP is limited to the overall value of the property securing the loan minus the value of the land on which the property is located.

- Federal disaster relief assistance (usually in the form of a low-interest loan) may be available for damages incurred in excess of your flood insurance if your community's participation in the NFIP is in accordance with NFIP requirements

[ ] Flood insurance coverage under the NFIP is not available for the property securing the loan because the community in which the property is located does not participate in the NFIP In addition, if the non-participating community has been identified for at least one year as containing a special flood hazard area, properties located in the community will not be eligible for Federal disaster relief assistance in the event of a Federally-declared flood disaster

## Acknowledgment by Borrower

Borrower(s) agrees to furnish, at Borrower's expense, an acceptable copy of (1) application for flood insurance and (2) receipt of premium paid satisfying Lender's requirements on or before closing of the above referenced loan and maintain such coverage until the loan is paid in full Delivery of these notices is hereby acknowledged

| | | | |
|---|---|---|---|
| Borrower's Signature Linda Gibson | Date | Borrower's Signature | Date |
| Borrower's Signature | Date | Borrower's Signature | Date |
| | | Lender's Signature | |

# Letter Of Explanation

To Whom It May Concern:

I, Linda A Gibson, Owner, placed 3205 Palm Boulevard, Isle of Palms, South Carolina, 29451-2034, on the MLS market from July 17, 2006 to May 17, 2007

This was mainly because I wanted to sell the property and take the cash proceeds from the sale to purchase an income producing multi-family investment property closer to my area of coverage.

At that time, I did not consider the possibility of a refinance and just wanted to cash out.

Although, once the refinance opportunity was presented to me, I found it feasible and exciting, and immediately took the Isle of Palms property off the market as a requisite to the process

Now, with all the right pieces put together in place, I no longer wish to sell the property by the beach

I further desire to pull out the equity built up from this property through a cash out – refinance transaction in order to continue to pursue the purchase of the apartment complex income generating investment property

This way, not only do I get to achieve my multi-family investment purchase so I can expand my real estate investment portfolio, but I also get to keep the beach property which will benefit me through the continued appreciation in value and more so, to provide me with the income and potential tax write-off

Let this be my testimony that through divine intervention, not only has this cash-out refinance approach become more rewarding for my goal but I also get to keep the beach property that my deceased husband and I bought together from back in 2000, a memorable and meaningful property that my family and my daughters can hold on to and possibly pass on from this generation to the next generations to come

Should you have any questions, please feel free to contact me at 843-563-2984.

Cordially,

Linda A. Gibson

**From:** ROLANDO VILLAVICENCIO (rolandovillavicencio@msn.com)
**To:** Ameris Bank; AMGRolando Villavicencio
**Date:** Tuesday, November 20, 2007 11:28:00 AM
**Subject:** Eccotemp & Triton Invoices

benjie, here are 2 invoices:

1. eccotemp systems, llc: 48 tankless water heaters = $28,941.36

2. triton construction: $30k start up fee & $19,200 for windows & doors = $49,200.

meanwhile, hope we are able to resolve the extra $10,175 discrepancy.

and hope we can get the ad running soon.

david shepp of charleston regional business journal is willing to do quarter page ad for 2 times at $1,000.

let me know your thoughts.

thanks.

rolando

*ROLANDO V. VILLAVICENCIO*
**RE/MAX Professional Realty**
***9209 University Boulevard***
***North Charleston, South Carolina 29406***
**843-767-7777 Office**
**843-767-4006 Fax**
**800-633-9275 Toll Free**
**843-303-3411 Cell**
**rolandovillavicencio@remax.net**

---

From: eccotemp@hotmail.com
To: rolandovillavicencio@msn.com
CC: markvanhaelst@gmail.com; mlester75@gmail.com
Subject: Invoices
Date: Tue, 20 Nov 2007 09:26:30 -0500

Rolando,

Attached you will find an invoice for the tankless water heaters and one for our initial draw. Please call me if you have any questions.

I hope you had success with the water problem last night.

V 778



Thank You,
Bart H. Knapp
843-343-8442

---

Connect and share in new ways with Windows Live. Connect now!

---

Share life as it happens with the new Windows Live. Share now!

V 779

ECCOTEMP SYSTEMS,LLC

111 Blossom Way
Summerville, SC 29483

# Invoice

| Date | Invoice # |
|---|---|
| 11/19/2007 | 88 |

| Bill To |
|---|
| HERITAGE SEVEN<br>C/O ROLAND VILLAVICENCIO<br>RE/MAX REALTY<br>9209 UNIVERSITY BLVD.NORTH CHAR, SC<br>29406 |

| Ship To |
|---|
| VERANDA APARTMENTS<br>C/O TRITON GROUP<br>2625 OTRANTO ROAD<br>NORTH CHARLESTON, SC 29406 |

| P.O. Number | Terms | Rep | Ship | Via | F.O.B | Project |
|---|---|---|---|---|---|---|
| | 2% 10 Net 30 | BK | 11/19/2007 | COMPANY T | S'VILLE | |

| Quantity | Item Code | Description | Price Each | Amount |
|---|---|---|---|---|
| 48 | 40-H-NG | 40 KW OUTDOOR NATURAL GAS | 489 00 | 23,472 00T |
| 48 | 40443PR | Intall Kit with PR | 74 50 | 3,576 00T |
| | | Sales Tax | 7.00% | 1,893 36 |
| | | | **Total** | $28,941 36 |

V 780

Triton Construction

118 N Pembroke Dr.
Goose Creek, SC 29445
PH (843) 224-9486 Fax. (601) 510-9980
TritonConstruction@comcast.net

# Invoice

| Date | Invoice # |
|---|---|
| 11/16/2007 | 748 |

| Bill To |
|---|
| Heritage 7, LLC<br>Linda A. Gibson, Member<br>c/o Rolando Villavicencio<br>9209 University Boulevard<br>North Charleston, SC 29406 |

| Project |
|---|
| |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| | Start-up Fee (5% of estimated project direct cost) | 30,000 00 | 30,000 00 |
| | Window and Door initial order | 19,200.00 | 19,200.00 |
| | | **Total** | $49,200.00 |

V 781

Palmetto Roofing

152 Mclaurin Ave.
Summerville, SC 29483

# Invoice

| Date | Invoice # |
|---|---|
| 2/8/2008 | 6 |

| Bill To |
|---|
| REMAX Professional Realty |

| P O No. | Terms | Project |
|---|---|---|
| | | |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| | Building 4 at Northwood Garden Apartments | 6,883 33 | 6,883.33 |
| | | **Total** | $6,883 33 |

V 857

DEFENDANT'S EXHIBIT 45

Triton Construction

118 N. Pembroke Dr
Goose Creek, SC 29445
PH: (843) 224-9486 Fax: (601) 510-9980
TritonConstruction@comcast.net

# Invoice

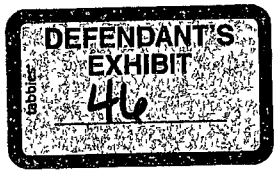
| Date | Invoice # |
|---|---|
| 12/20/2007 | 761 |

| Bill To |
|---|
| Heritage 7, LLC<br>Linda A. Gibson, Member<br>c/o Rolando Villavicencio<br>9209 University Boulevard<br>North Charleston, SC 29406 |

| Project |
|---|
| |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 24 | Material - New Front Doors | 200 00 | 4,800 00 |
| 1 | Roofing Materials - 3 Buildings | 10,500.00 | 10,500 00 |
| 1 | Permit | 4,000.00 | 4,000.00 |
| 1 | Gas Piping Materials | 5,000 00 | 5,000.00 |
| 1 | Sealant materials - 3 buildings | 1,000.00 | 1,000.00 |
| | | **Total** | $25,300 00 |

V 0964



Triton Construction

118 N Pembroke Dr
Goose Creek, SC 29445
PH: (843) 224-9486 Fax. (601) 510-9980
TritonConstruction@comcast.net

# Invoice

| Date | Invoice # |
|---|---|
| 11/16/2007 | 748 |

| Bill To |
|---|
| Heritage 7, LLC<br>Linda A. Gibson, Member<br>c/o Rolando Villavicencio<br>9209 University Boulevard<br>North Charleston, SC 29406 |

| Project |
|---|
| |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| | Start-up Fee (5% of estimated project direct cost)<br>Window and Door initial order | 30,000 00<br>19,200 00 | 30,000.00<br>19,200.00 |
| | | Total | $49,200 00 |

PXD
11.8.07
378075117
$ 42,472.00 for Tankless Water Heater, gas line, plumbing installation

P-442-

DEFENDANT'S EXHIBIT 47

DEFENDANT'S EXHIBIT 30 Gibson

Triton Construction

118 N Pembroke Dr.
Goose Creek, SC 29445
PH (843) 224-9486 Fax (601) 510-9980
TritonConstruction@comcast.net

# Invoice

| Date | Invoice # |
|---|---|
| 1/18/2008 | 764 |

| Bill To |
|---|
| Heritage 7, LLC<br>Linda A. Gibson, Member<br>c/o Rolando Villavicencio<br>9209 University Boulevard<br>North Charleston, SC 29406 |

| Project |
|---|
| |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 48 | Gas line rough-in (reimburseable from SCE&G) | 200.00 | 9,600.00 |
| | Nature's Calling | 2,583.15 | 2,583.15 |
| | | **Total** | $12,183.15 |

PAID
12503
378075191

P-443-

**From:** Lanier, Benjamin (Benjamin.Lanier@amerisbank.com)
**To:** Rolando Villavicencio
**Date:** Friday, February 8, 2008 12:23:23 PM
**Subject:** RE: robert g. katz invoice for $3500 - VERDANA - only earthcraft certified apartment complex in area

Rolando,
The check for Robert Katz will be delivered to you on Monday via our courier.

I am so glad to hear that everything is progressing so nicely. I would like to see the model unit once it is complete.

Also,
I would like to know if you guys are still interested in refinancing the Moncks Corner shopping center. If so, if you will get me the rent roll and the existing appraisal I will work on getting that redone for you guys at a lower rate. I am thinking that this could be a March closing if it works for you.

I know you had mentioned in the past about the refinance of the IOP house Let me know if you are still interested in that one as well.

Thanks,
Benjie

---

**From:** Rolando Villavicencio [mailto:rolando.villavicencio@yahoo.com]
**Sent:** Thursday, February 07, 2008 4:09 PM
**To:** Lanier, Benjamin; Rolando Villavicencio; Portia Villavicencio
**Subject:** robert g. katz invoice for $3500 - VERDANA - only earthcraft certified apartment complex in area

benjie, hope all is well.

today, we passed the blower door test to exceed the standards for earthcraft certification.

we proudly announce that VERDANA is now officially an earthcraft certified apartment complex - if not the first of its kind in the tri-county area.

because of this, we will now be able to move much quicker.

the prototype we used for the test will now be completed to become our model unit.

by end of this month, we should have a model ready.

we should start seeing units completed and ready for leasing by next month.

meanwhile, here is an invoice for robert g. katz for $3500.

thanks again for all your help and belief in this project.

we are moving along as planned.

rolando

DEFENDANT'S EXHIBIT 48

DEFENDANT'S EXHIBIT AP 10 GIBSON

V 858

ROLANDO V. VILLAVICENCIO
*RE/MAX Professional Realty*
9209 University Boulevard
North Charleston, South Carolina 29406
843-767-7777 Office
843-303-3411 Cell
800-633-9275 Toll Free
*rolandovillavicencio@remax.net*

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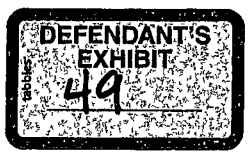
Never miss a thing. Make Yahoo your homepage.

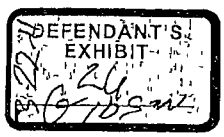
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V 859

# *INVOICE*

| | |
|---|---|
| SOLD TO: | Linda A. Gibson<br>Heritage Seven LLC<br>VERDANA<br>2625 Otranto Road<br>North Charleston, South Carolina 29406 |
| BY: | RE/MAX Professional Realty<br>Rolando V. Villavicencio<br>9209 University Boulevard<br>North Charleston, South Carolina 29406 |
| DATE: | January 18, 2008 |
| RENOVATION AMOUNT DISPERSED: | $156,682.35 |
| ADJUSTMENT: | $ 50.00 |
| BASIS: | $156,632.35 |
| FEE: | Five Percent (5%) |
| AMOUNT: | $7,831.62 |




P-258-

# *INVOICE*

| | |
|---|---|
| SOLD TO: | Linda A. Gibson<br>Heritage Seven LLC<br>VERDANA<br>2625 Otranto Road<br>North Charleston, South Carolina 29406 |
| BY: | RE/MAX Professional Realty<br>Rolando V. Villavicencio<br>9209 University Boulevard<br>North Charleston, South Carolina 29406 |
| DATE: | February 22, 2008 |
| RENOVATION AMOUNT DISPERSED: | $ 68,660.00 |
| BASIS: | $ 68,660.00 |
| FEE: | Ten Percent (10%) |
| PLUS: | $156,682.35 x 1.0% = $1,566.82 |
| AMOUNT: | $8,432.82 |

P -260-

# *INVOICE*

| | |
|---|---|
| SOLD TO: | Linda A. Gibson<br>Heritage Seven LLC<br>VERDANA<br>2625 Otranto Road<br>North Charleston, South Carolina 29406 |
| BY: | RE/MAX Professional Realty<br>Rolando V. Villavicencio<br>9209 University Boulevard<br>North Charleston, South Carolina 29406 |
| DATE: | March 17, 2008 |
| RENOVATION AMOUNT DISPERSED: | $ 81,889.10 |
| BASIS: | $ 81,889.10 |
| FEE: | Ten Percent (10%) |
| AMOUNT: | $8,188.91 |

# *INVOICE*

| | |
|---|---|
| SOLD TO: | Linda A. Gibson<br>Heritage Seven LLC<br>VERDANA<br>2625 Otranto Road<br>North Charleston, South Carolina 29406 |
| BY: | RE/MAX Professional Realty<br>Rolando V. Villavicencio<br>9209 University Boulevard<br>North Charleston, South Carolina 29406 |
| DATE: | March 31, 2008 |
| RENOVATION AMOUNT DISPERSED: | |
| BASIS: | $156,682.35 |
| FEE: | Ten Percent (10%) |
| PLUS: | $ 2,500.00 |
| AMOUNT: | $ 4,850.24 |

P-262-

# *INVOICE*

| | |
|---|---|
| SOLD TO: | Linda A. Gibson<br>Heritage Seven LLC<br>VERDANA<br>2625 Otranto Road<br>North Charleston, South Carolina 29406 |
| BY: | RE/MAX Professional Realty<br>Rolando V. Villavicencio<br>9209 University Boulevard<br>North Charleston, South Carolina 29406 |
| DATE: | April 28, 2008 |
| PROJECT FEE: | $ 4,325.00 |
| AMOUNT: | $ 4,325.00 |

P-263-

# *INVOICE*

| | |
|---|---|
| **SOLD TO:** | Linda A. Gibson<br>Heritage Seven LLC<br>VERDANA<br>2625 Otranto Road<br>North Charleston, South Carolina 29406 |
| **BY:** | RE/MAX Professional Realty<br>Rolando V. Villavicencio<br>9209 University Boulevard<br>North Charleston, South Carolina 29406 |
| **DATE:** | May 2, 2008 |
| **PROJECT FEE:** | $ 4,385.00 |
| **AMOUNT:** | $ 4,385.00 |

P-264-

| | |
|---|---|
| **Today's Date:** | May 25, 2008 |
| **Lender:** | Linda A. Gibson<br>133 Horse Trail Road<br>St. George, South Carolina 29477-8264<br>843-563-2984<br>843-697-0118 |
| **Borrower:** | RPV Investments, LLC<br>Rolando Villavicencio, Member<br>9209 University Boulevard<br>North Charleston, South Carolina 29406<br>843-767-7777 |
| **Bank:** | JP Morgan Chase Bank, N A.<br>P. O. Box 78035<br>Phoenix, Arizona 85062-8035 |
| **Account #:** | 004-470-226-058-13 |
| **Origination Date:** | 090707 |
| **Principal Amount:** | $30,000.00 |
| **Finance Charge:** | Variable rate based on changes in the Prime Rate |
| **Monthly Payment Calculation:** | Finance fees divided by Principal Balance x Amount<br>**Example:** For Chase Statement thru 032608:<br>$394.20 divided by $83,762.11 x $30,000 = $141.19 |
| **Maturity Date:** | On or before July 31, 2008 |

Wife is - Portia Villavicencio

**NOTE:** For Principal Amount received, I promise to pay Linda A. Gibson, through direct payment to CHASE Bank, at the address above, the monthly payments as calculated above on or before due date, starting from 090707 and until Principal Amount is paid in full. The monthly amount I agree to pay includes interest only for the Principal Amount borrowed. If I pay off this note early, I will not have to pay a pre-payment penalty. On or before maturity date, all principal and interest due shall be paid off. Any extension of maturity date, if necessary, shall be by mutual signed agreement.

052508

RPV Investment, LLC, Rolando Villavicencio, Member — Date

DEFENDANT'S EXHIBIT 50

P-899-

DEFENDANT'S EXHIBIT 18 GIBSON

Linda Gibson
133 Horse Trail Road
St. George SC 29477

September 12, 2007

To Whom It May Concern:

This is to certify that I, Linda A. Gibson of 133 Horse Trail Road in St. George, SC 29477 wrote the following checks:

| | |
|---|---|
| RPV Investments - | $30,000 |
| RE/MAX Professional Realty - | $ 5,000 |

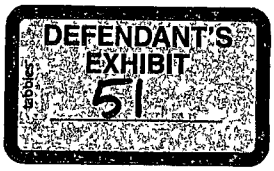
Should you have any questions, please feel free to call me at 843-563-2984 and at 843-697-0118.

Sincerely,

Linda A. Gibson



V 1279



YAHOO! MAIL

property management transfer - VERDANA and Moncks Corner Shopping Center - Heritage Seven LLC
Wednesday, May 28, 2008 1:42 PM

"Rolando Villavicencio" <rolando.villavicencio@yahoo.com>
"donna@prattandco.com" <donna@prattandco.com>, "Donna Stabler" <donna@robertpratt.com>, "Elizabeth Gibson" <egibson777@yahoo.com>, Elizabeth Gibson" <liz@jesscohomes.com>, "Linda Gibson" <lgibson827@yahoo.com>, "Portia Villavicencio" <vportia1@yahoo.com>, "Rolando Villavicencio" <rolando.villavicencio@yahoo.com>

donna, just got off the phone with linda gibson

it is definite we are no longer going to be managing the above properties owned by Heritage Seven LLC

and instead, management and all funds and bank accounts will transfer absolute control to linda gibson

basically, rolando and re/max will no longer be a part of the operation

therefore, please email to us the step by step procedure on what we need to do to transition smoothly.

also, please suggest a time to complete the process - i am thinking, maybe june 30, 2008

we will expect to receive your email soon

thanks

rolando

ROLANDO V. VILLAVICENCIO
*RE/MAX Professional Realty*
**9209 University Boulevard**
**North Charleston, South Carolina 29406**
**843-767-7777 Office**
**843-303-3411 Cell**
**800-633-9275 Toll Free**
***rolandovillavicencio@remax.net***



DEFENDANT'S EXHIBIT 52

June 4, 2008

Barbara Miller
722-1942

To Whom It May Concern:

This is to authorize Re/Max Professional Realty to cut checks on behalf of 2625 Otranto Rd. N. Charleston SC apartments:

1. Charleston Water Systems - $1750.37
2. Deon Joyner (Service Dates 5/12 & 5/28) $ 240. -
3. Rainbow Carpets (43 on 4/30) $ 105
4. ~~Dodson Pest Control~~ (March - April) $ 884. - Do not payment
5. Jason Wood (56 on 5/6) $ 150. ← Tony to call
6. Fennel Container (regular trash) $ 105. -
7. Chase $1000. -
8. Fennel Container (Construction related) $ 1042.26
9. Rolando Villavicencio (reimburse SCE&G Office electric $391.82 - 8.32 was due for disconnect 6A electric $114.86 plus process fee of $3.50 each - $513.68
10. First Citizen's Bank $ 5,777.92
11. SCE&G (hallways & vacant units) $ 504.15

Linda Gibson

Linda A. Gibson
Owner, Heritage Seven LLC

* Do not pay Dodson Pest Control - I need to speak w/them first - So do not pay them at this time - Linda Gibson

DEFENDANT'S EXHIBIT 53

-1182-

June 4, 2008

To Whom It May Concern:

This is to authorize Re/Max Professional Realty to cut checks on behalf of 109-111 S. Hwy 52 Moncks Corner SC property.

1. Mac Advertising - $22.00
2. Moncks Corner Water Works - $38.50
3. Santee Cooper $63.27
4. First Reliance Bank - $12,000.

Sincerely,

Linda A. Gibson

Linda A. Gibson
Owner, Heritage Seven LLC



DEFENDANT'S EXHIBIT 54

# Rolando V. Villavicencio

**RE/MAX Professional Realty**

*9209 University Boulevard*
*North Charleston, South Carolina 29406*
*843-767-7777 Office 843-767-4006 Fax*


| | |
|---|---|
| DATE: | July 29, 2008 |
| TO: | Atty. Teresa Bulford<br>Atty. Steven Epps |
| FROM: | Rolando V. Villavicencio |
| RE: | Expert Witness Invoice<br>Court Appearance<br>Linda A. Gibson<br>133 Horse Trail Road, St. George, SC |
| ITEMS: | 1. Deposition of April 10, 2008<br>10 45 am to 7:00 pm<br>$750.00<br><br>2. Travel Time and Court Appearance<br>Dorchester County Courthouse St. George<br>1:20 pm to 3:20 pm<br>$200.00 |
| TOTAL: | $950.00 |
| PAYABLE TO: | Rolando V. Villavicencio |
| NOTE: | It has been a pleasure being of service to you. In advance, thank you for processing promptly. Please call me any time should you have any questions. |
| SIGNED: | Rolando V. Villavicencio |

V 1243

PLAINTIFF'S EXHIBIT 39
V. Villavicencio
4-25-11 TB

DEFENDANT'S EXHIBIT 54

Date - Oct. 24th, 2008 - 0709125

To the North Chas. Building Dept.:-

I, Linda Gibson, owner of Seven Oaks Apartments at 2625 Chantz Road, North Charleston, S.C. replace the licensed Contractor, Mark Van Hobert (with Triton Construction) with a different contractor, Carroll Coose of Carroll Coose Builders - S.C. License # G14813 on this day, Friday, Oct. 24th, 2008.

Linda A. Gibson
# 843-697-0118

NORTH CHAS. 14

DEFENDANT'S DEPOSITION EXHIBIT
6-6.6.2 ow
12-30-10

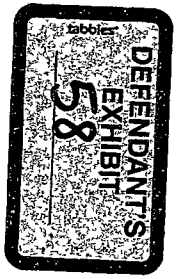
DEFENDANT'S EXHIBIT 57

Charlie Altman
Sawyer - Steinberg

Plan was to do 1 bldg. at a time - they pulled permits for all 6 bldgs. at once at a cost of 450 each $2700 - permits expired in 6 mos. - only 2 bldgs. were finished - now I have to renew + pay for permits again!







June 4, 2008

To Whom It May Concern:

This is to authorize Re/Max Professional Realty to cut checks on behalf of 109-111 S. Hwy 52 Moncks Corner SC property.

1. Mac Advertising - $22.00
2. Moncks Corner Water Works - $38.50
3. Santee Cooper $63.27
4. First Reliance Bank - $12,000.

Sincerely,

Linda A. Gibson

Linda A. Gibson
Owner, Heritage Seven LLC

June 4, 2008

Barbara Miller
722-1942

To Whom It May Concern:

This is to authorize Re/max Professional Realty to cut checks on behalf of 2625 Otranto Rd. N. Charleston SC apartments:

1. Charleston Water Systems - $1750.37
2. Deon Joyner (service Dates 5/12 & 5/28) $ 240. -
3. Rainbow Carpets (4B on 4/30) $ 105
4. ~~Dodson Pest Control (March + April -~~ $ ~~884. -~~ Do not pay
5. Jason Wood (5G on 5/6) $ 150. (Sorry to owe)
6. Fennel Container (regular trash) $ 105. -
7. Chase $1000. -
8. Fennel Container (Construction related) $ 1042.26
9. Rolando Villavicencio (reimburse SCE&G Office electric $391.82 - 8.32 was due for disconnect 6A electric $114.86 plus process fee of $3.50 each - $513.68
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11. SCE&G (hallways & vacant units) $ 504.15

Linda Gibson

Linda A. Gibson
Owner, Heritage Seven LLC

* Do not pay Dodson Pest Control - I need to speak w/them first - I do not owe them at this time - Linda Gibson

-1182-

# *VERDANA*

**2625 Otranto Road**
**North Charleston, South Carolina 29406**

**Presented By**

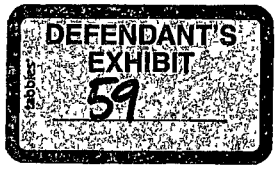
## *ROLANDO V. VILLAVICENCIO*

**RE/MAX Professional Realty**
9209 University Boulevard
North Charleston, South Carolina 29406

# Renovation Specifications And Cost Estimates

| Description Of Work | Estimate | By |
|---|---|---|
| EarthCraft House Multi-Family Program Consulting Costs | $4,800* | EarthCraft House |
| Licensed Contractor/Structural Engineer/Architecture Fees Allowance up to _____ % of total project costs or cost-plus basis or consultation fee or as used basis | $_____* | TBD |
| Air-Tightness Insulation: | $86,555.62 | Air Tight Spray Foam Caroline Crease 478-8836 |
| Low VOC Paint | $3,579,30* | Sherwin Williams |
| Permitting, Licensing, Inspections | $3,120.00* | City Of North Charleston |
| Sheet Removal: Ceiling, Walls, Doors, Wood Cabinets, Etc, and Install New – Labor Only | $33,600.00* | Katz Honey Dew It |
| | $158,400.00 | Morales Drywall 843-330-3998 |
| Exterior Hallways – Convert to Vinyl | $24,000 00* | Katz Honey Dew It |
| Replace Entire Windows – Labor & Materials | $95,078.85 | G&S Home Remodeling 843-572-4440 |
| | $77,500.00* | Davidson, Sash & Doors |
| Soffit/Fascia/Vinyl Siding/Gutters | $66,301.00* | G&S Home Remodeling |
| Atlas Pinnacle 35 Year Architectural Shingles Labor, Materials, Permits, Disposal Included | | |

V 772



| | | |
|---|---|---|
| Energy Star rated Fridgidaire Brand @ $1,291/unit | $61,968.00 | Lowes David Chandler |
| ' x 7' Steel Storage/Garage Door | $888.00 | Precision Door Service<br>803-359-9642 |
| 3.5 Kilowatt 20 Kyocera Solar Panels | $33,250 | SC Solar Inc<br>803-980-4320 |
| Recycled Glass Tiled Shower / Tub Enclosures / Fixtures | | |
| Patented Shower Sprays with Fluidic Technology | | |
| Kohler Dual Force Low consumption Toilet @ $140 ea x 48 | $6,720 00* | Lowes |
| On-Demand Bosch Power Star AE125 Tank-Less Water Heaters<br>4 gallons per minute at 200 amps; 95% efficiency rating<br>10 yr warranty; solid copper heat exchanger; flow sensor;<br>Electronic flow switch; endless hot water supply;<br>Weighs less than 25 lbs; no temp/pressure release valve<br>@ $650.00 each x 48 | $31,200.00 | Bosch |
| Titan SCR2 Tankless Water Heater @ $249.99 ea x 48 | $11,999.52* | www.titanheater.com |
| SOS Tankless Water Heater AE-115 @ $350 each | $16,800.00 | Lowes |
| SOS Tankless Water Heater AE-125 @ $499 each | $23,952.00 | Lowes |
| 38 gallon 6 yr electric lowboy water heater #140425 @ $199 ea | $9,552 | Lowes |
| SC Solid Waster Disposal Fee @ $2 ea x 48 | $96.00* | Lowes |
| Bath Mirror 24 x 36 ¼" # 96675 @ $18.99 ea x 48 | $911.52* | Lowes |
| 24 x 18 combo bath cabinet # 132143 @ $79 ea x 48 | $3,792.00* | Lowes |
| Seton Chrome 4 piece Kit # 198615 @ $15 ea x 48 | $720.00* | Lowes |
| Waldo Know T/S 2F SH Chrome # 188609 @ $66 ea x 48 | $3,168.00* | Lowes |
| Toilet To Go # 746 @ $69 ea x 48 | $3,312.00 | Lowes |
| Wood Round Toilet Seat @ $8 ea x 48 | $384.00* | Lowes |
| Tub/Shower L/D Aglas # 29581 @ $264 ea x 48 | $12,672* | Lowes |
| Tub liner, seamless surround wall (flat high gloss white) corner<br>Quad shelf, new Delta Valve & fixtures @ $2,200 ea unit | $105,600 | Bath Fitter Tom Bryce |
| Lav Faucet 4" no pop # 18631 @$15 ea x 48 | $720.00* | Lowes |
| Disposer 1/3hp Badger @ $55 ea x 48 | $2,640.00* | Lowes |

| | | |
|---|---|---|
| DB Sink with Faucet & Strainer @ $88 ea x 48 | $4,224.00* | Lowes |
| 5BC Basic Fire Extinguisher @ $9.50 ea x 48 | $456.00* | Lowes |
| Life Saver Twin Pack Smoke Detector @ $8.05/pack | $386.40* | Lowes |
| HVAC Digital Mechanical T-Stat @ $19.99 ea x 48 | $959.52 | Lowes |
| Clubhouse/Wellness Center/Fitness Center | | |
| Switch Plates/Phone Plates/Fans/Light Fixtures @ $180 00 | $8,640.00* | Lowes |
| Direct TV Satellite Dish | | |
| Saf-Locks Keyless Entry / Security System | | |
| Hallway Bicycle Storage | | |
| Wireless Internet/Cable Outlets | | |
| Updated Electricals/Meters | | |
| 13 Seer RUUD 2 Ton a/c system @ $2,360 x 42 units<br>13 Seer RUUD 1.5 Ton A/C System @ $2,360 x 6 units | $99,120.00<br>$14,160.00 | Myers Heating & A/C<br>$113,280.00 |
| 13 Seer RUUD @ $1,300? per unit x 48 | $62,400* | Prestige Heating & Air |
| 13 Seer Bryant By Carrier @ $2533 w/ new line sets<br>Demo units, recover refrigerants, split system heat pumps<br>Energy Star Thermostats 1 yr warranty/ 5 yr parts | $121,600 | Lonzie & Sons Frank Allen |
| Recover refrigerant @ 48 units/demo; includes $75/unit | $119,554 | Lonzie 100107 |
| 13 Seer 1.5 Ton @ $1,868.33 ea x 24<br>13 Seer 2.0 Ton @ $1,965.00 ea x 24 | $44,840<br>$47,160 | Goose Creek Heating/Air<br>$92,000.00 |
| Unit Doors 36" 6 Panel #21683 @ $138.03 tax ea | $6,625.44* | Lowes |
| Therma Tru Smooth Star Fiberglass Unit Door @ $520 ea<br>20 Minute fire rating with 90 minute pressure rate | $24,960 | Lowes |
| Interior/Hallway Doors/Hardware/Stoppers @ 759.77 tax/unit | $36,468.96* | Lowes |
| Molding. Baseboard & Quarter Round @ $277.16 tax/unit | $13,303.68* | Lowes |
| 47" Vinyl Shutter Blk Louver #8645 $26.50 tax / pair x 72<br>Non-Toxic Paint | $1,908.00* | Lowes |
| 12x12 Sahara Beige Ceramic Tile #188333 @ 459sqft x $358.02 | $17,184.96* | Lowes |

V 775

| | | |
|---|---|---|
| 31 5/16 3 x 5 Durock # 72779 @ $247.69 x 24 units | $5,944.56* | Lowes |
| Highrise Carpet # 241836 @ $329.28 x 336 sqft x 48 units | $15,805.44* | Lowes |
| 6' Cushionaire Carpet Pad # 171537 @ $134.40/56 pcs x 48 units | $6,451.20* | Lowes |
| Crown Moldings, Trims, Window Coverings | | |
| Kitchen Cabinets Tacoma Oak Honey @ $1,888.95 tax ea x 48 | $90,669.60* | Lowes |
| 36" bartop & 6' countertop @ $219.95 tax/unit x 48 | $10,557.60* | Lowes |
| White ReliaBilt Windows & Half-Screen @ $738 44 tax/unit | $35,445.12 | Lowes |
| Landscaping Cold Hardy Palms & Bamboo by Jeff Schryver | | 843-557-6075 |
| Bldg Front & Rear Doors 2/0 x 3/0 x 2/0 steel @ $2,782 tax / pair | $16,692.00 | Lowes |
| Stairs, Railings, Wood Work, Floorings, Lighting | | |
| Brick Entry Decorative Items / Lighting | | |
| Signage | | |
| Cluster Box Units (CBU) Mailboxes @ 12 doors @ $1,200 x 4 | $4,800.00* | mailboxes.com |
| **TOTAL OF * ITEMS:** | **$688,814.18** | |
| **Allowance For Over/Under Estimate of 10%:** | **$619,932.76 - $757,695.60** | |
| **Per Unit Cost Budget:** | **$12,915.27 – 15,785.32** | |

**NOTES:**

1. **All * items and prices above are based on original price proposals submitted by service providers, a noted, and shall be subject to adjustment at actual contract signing;**
2. **Per Unit Cost Budget already includes costs incurred to complete entire complex, as desired, includin but not limited to the office/multi use building, and most other common area and grounds.**
3. **Items above from "Description of Work" that do not have price estimates are only indicated for referenc use only. Should there be excess funds available, these items may/shall be taken into consideration.**
4. **The statements and figures herein, while not guaranteed, are secured from sources we believ authoritative;**
5. **Prices, descriptions, estimates, service providers, etc are subject to change without prior written notice;**
6. **All of the above are prepared for use only by RE/MAX Professional Realty, Rolando V. Villavicencio, a a guideline, and should not be construed as final and/or in contractual form.**

V 776

STATE OF SOUTH CAROLINA )
)
COUNTY OF CHARLESTON )

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2008 - CP - 10 - 4282

LINDA A GIBSON, HERITAGE SEVEN, LLC and SEVEN OAKS APARTMENTS, LLC Plaintiff(s)

vs

ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, LLC and RE/MAX PROFESSIONAL REALTY Defendant(s)

(Please Print)
Submitted By: J. Kevin Holmes
Address: PO Box 9
Charleston, SC 29402

SC Bar #: 002578
Telephone #: (843) 577-7423
Fax #: (843) 722-1190
Other:
E-mail: kholmes@steinberglawfirm.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint

DOCKETING INFORMATION *(Check one box below)*

- [x] **JURY TRIAL** demanded in complaint.
- [ ] This case is subject to **ARBITRATION** pursuant to the Circuit Court Alternative Dispute Resolution Rules
- [ ] This case is subject to **MEDIATION** pursuant to the Circuit Court Alternative Dispute Resolution Rules
- [ ] This case is exempt from ADR (certificate attached)

NATURE OF ACTION
*(Check One Box Below)*

**Contracts**
- [ ] Construction (100)
- [ ] Debt Collection (110)
- [ ] Employment (120)
- [x] General (130)
- [ ] Wrongful Breach (140)
- [ ] Other (199)

**Torts - Professional Malpractice**
- [ ] Dental Malpractice (200)
- [ ] Legal Malpractice (210)
- [ ] Medical Malpractice (220)
- [ ] Other Malpractice (299)

**Torts - Personal Injury**
- [ ] Assault/Slander/Libel (300)
- [ ] Conversion (310)
- [ ] Motor Vehicle Accident (320)
- [ ] Premises Liability (330)
- [ ] Products Liability (340)
- [ ] Other (399)

**Real Property**
- [ ] Claim & Delivery (400)
- [ ] Condemnation (410)
- [ ] Foreclosure (420)
- [ ] Mechanic's Lien (430)
- [ ] Partition (440)
- [ ] Possession (450)
- [ ] Other (499)

**Inmate Petitions**
- [ ] PCR (500)
- [ ] Sexual Predator (510)
- [ ] Mandamus (520)
- [ ] Habeas Corpus (530)
- [ ] Other (599)

**Judgments/Settlements**
- [ ] Death Settlement (700)
- [ ] Foreign Judgment (710)
- [ ] Magistrate's Judgment (720)
- [ ] Minor Settlement (730)
- [ ] Transcript Judgment (740)
- [ ] Lis Pendens (750)**
- [ ] Other (799)

**Administrative Law/Relief**
- [ ] Driver License Reinstate (800)
- [ ] Judicial Review (810)
- [ ] Relief (820)
- [ ] Permanent Injunction (830)
- [ ] Forfeiture (840)
- [ ] Other (899)

**Appeals**
- [ ] Arbitration (900)
- [ ] Magistrate-Civil (910)
- [ ] Magistrate-Criminal (920)
- [ ] Municipal (930)
- [ ] Probate Court (940)
- [ ] SCDOT (950)
- [ ] Worker's Comp (960)
- [ ] Zoning Board (970)
- [ ] Other (999)

**Special/Complex /Other**
- [ ] Environmental (600)
- [ ] Automobile Arb (610)
- [ ] Medical (620)
- [ ] Other (699)

** Check only if Summons & Complaint to follow in 20 days

Submitting Party Signature: J. Kevin Holmes Date: 7/28/08

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S C Code Ann §15-36-10 et. seq

SCCA / 234 (3/04)



DEFENDANT'S EXHIBIT 60

| | |
|---|---|
| **STATE OF SOUTH CAROLINA** ) | **IN THE COURT OF COMMON PLEAS** |
| ) | **NINTH JUDICIAL CIRCUIT** |
| **COUNTY OF CHARLESTON** ) | **CASE NO.: 2008-CP-10-** 4282 |
| **LINDA A. GIBSON, HERITAGE SEVEN, L.L.C., and SEVEN OAKS APARTMENTS, L.L.C.,** ) | |
| Plaintiffs, ) | **SUMMONS** |
| -vs- ) | Causes of Action for Breach of Contract, for Production of Books and Records and an Accounting, and for a Temporary Restraining Order |
| **ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C., and RE/MAX PROFESSIONAL REALTY,** ) | (Jury Trial Requested) |
| Defendants. ) | |

FILED
2008 JUL 28 AM 11:11
JULIE J. ARMSTRONG
CLERK OF COURT
BY

**TO THE DEFENDANTS ABOVE NAMED:**

**YOU ARE HEREBY SUMMONED** and required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your Answer upon the subscribers, at their offices at No. 61 Broad Street, P.O. Box 9, Charleston, South Carolina, 29402 within thirty (30) days after the service thereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid judgement by default will be rendered against you for the relief demanded in the Complaint.

08-10982

**THE STEINBERG LAW FIRM, LLP**
61 Broad Street
Post Office Box 9
Charleston, South Carolina 29402
(843) 720-2800

By:_____
J Kevin Holmes
and

By:_____
Charles S. Goldberg
Attorneys for the Plaintiffs

Charleston, South Carolina
28th day of July, 2008.

| | |
|---|---|
| **STATE OF SOUTH CAROLINA** ) | **IN THE COURT OF COMMON PLEAS** |
| ) | **NINTH JUDICIAL CIRCUIT** |
| **COUNTY OF CHARLESTON** ) | **CASE NO.: 2008-CP-10-** 4282 |
| **LINDA A. GIBSON, HERITAGE SEVEN, L.L.C., and SEVEN OAKS APARTMENTS, L.L.C.,** ) | |
| Plaintiffs, ) | **COMPLAINT** |
| -vs- ) | Causes of Action for Breach of Contract, for Production of Books and Records and an Accounting, and for a Temporary Restraining Order |
| **ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C., and RE/MAX PROFESSIONAL REALTY,** ) | (Jury Trial Requested) |
| Defendants. ) | |

FILED
2008 JUL 28 PM 4:41
JULIE J. ARNDT, CLERK OF COURT
BY

The Plaintiffs, **LINDA A. GIBSON, HERITAGE SEVEN, L.L.C.**, and **SEVEN OAKS APARTMENTS, L.L.C.**, by their undersigned attorneys, allege in their Complaint against the Defendants, **ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C.**, and **RE/MAX PROFESSIONAL REALTY**, and would respectfully show unto this Honorable Court:

## PARTIES, JURISDICTION, AND VENUE

1. The Plaintiff, **LINDA A. GIBSON**, is a resident of the County of Dorchester, State of South Carolina and is the sole shareholder of the Plaintiffs, **HERITAGE SEVEN, L.L.C.**, and **SEVEN OAKS APARTMENTS, L.L.C.**, which in turn respectively own the shopping center and the apartment complex hereinafter described.

2. The Plaintiff, **HERITAGE SEVEN, L.L.C.**, is a corporation organized under the laws of the State of South Carolina which has its principal place of business located

in the County of Dorchester, State of South Carolina and which is engaged in the business of renting a shopping mall located at 109-111 S. Highway 52, Moncks Corner, South Carolina 29461 in the County of Berkeley, State of South Carolina.

3. The Plaintiff, **SEVEN OAKS APARTMENTS, L.L.C.**, is a corporation organized under the laws of the State of South Carolina which has its principal place of business located in the County of Dorchester, State of South Carolina and which is engaged in the business of renting apartments located at 2625 Otranto Road, North Charleston, South Carolina 29406 in the County of Charleston, State of South Carolina.

4. The Defendant, **ROLANDO V. VILLAVICENCIO**, is a resident of the County of Berkeley, State of South Carolina and is a joint owner or shareholder of the Defendant, **RPV INVESTMENTS, L.L.C.**.

5. The Defendant, **RPV INVESTMENTS, L.L.C.**, is a corporation organized under the laws of the State of South Carolina which has its principal place of business located in the County of Berkeley, State of South Carolina and which is engaged in business of providing investment advise and management services to individuals and businesses, including the Plaintiffs, in the Counties of Berkeley, Charleston, and Dorchester, State of South Carolina.

6. Upon information and belief, the Defendant, **RE/MAX PROFESSIONAL REALTY**, is a corporation organized under the laws of the State of South Carolina which has its principal of business located in the County of Charleston, State of South Carolina and which is engaged in the business of providing real estate management services to individuals and businesses, including the Plaintiffs, in the Counties of

Berkeley, Charleston, and Dorchester, State of South Carolina.

7. At all times mentioned herein, the Defendant, **RE/MAX PROFESSIONAL REALTY**, provided office space to the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, in its offices located at 9209 University Boulevard, North Charleston, South Carolina and held the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.** out to be agents or employees of **RE/MAX PROFESSIONAL REALTY** and further represented that the Defendants would all work together to provide real estate management services to the Plaintiffs

8. This Honorable Court has jurisdiction of the parties and the subject matter of this action and venue is proper by reason of the residence of at least one of the Defendants and the commission of the acts or omissions hereinafter alleged having occurred in the County of Charleston, State of South Carolina

**FACTUAL ALLEGATIONS**

9. In December of 2005 the Defendant, **ROLANDO V. VILLAVICENCIO,** holding himself out to be an agent for the Defendant, **RE/MAX PROFESSIONAL REALTY,** advised the Plaintiff, **LINDA A. GIBSON,** to purchase the shopping center located at 109-111 S. Highway 52, Moncks Corner, South Carolina 29461 in the County of Berkeley, State of South Carolina.

10. The Defendant, **ROLANDO V. VILLAVICENCIO,** individually and as the Defendant, and **RPV INVESTMENTS, L.L.C.**, and the Defendant, **RE/MAX PROFESSIONAL REALTY**, represented to the Plaintiff, **LINDA A. GIBSON** and **HERITAGE SEVEN, L.L.C.**, that they would manage the shopping center property by

performing services including advertising the shopping mall, finding tenants, leasing the mall, paying the mortgage, taking care of repairs and maintenance, and paying the expenses of the mall including taxes, insurance, and other expenses for a management fee equal to ten (10%) of the rents collected.

11. Upon information and belief, the shopping center rental units were leased in the name of the Defendant, **RE/MAX PROFESSIONAL REALTY**, which has collected the rents on a monthly basis, paid expenses as directed by the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and made periodic distributions to the Plaintiffs.

12. The Defendants would periodically make representations to the Plaintiffs how the shopping mall was doing financially but did not provide the Plaintiffs with with itemized statements of the receipts and disbursements.

13. In September of 2007 the Defendant, **ROLANDO V. VILLAVICENCIO**, approached the Plaintiff, **LINDA A. GIBSON**, about loaning him Thirty Thousand ($30,000.00) Dollars to complete a real estate transaction and represented that the loan would be repaid within thirty (30) days and the Plaintiff agreed to make the loan.

14. At the same time the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, as the disclosed agents for the sellers, advised the Plaintiff, **LINDA A. GIBSON**, to purchase the apartment complex.

15. The Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, holding themselves out to be and acting as agents for the Defendant, **RE/MAX PROFESSIONAL REALTY**, represented to the Plaintiffs, **LINDA**

**A. GIBSON** and **SEVEN OAKS APARTMENTS, L.L.C.**, that they would manage the apartment complex consisting of six (6) buildings by performing services including overseeing the renovation of the apartment complex one (1) building at a time to preserve rental income to pay the mortgage, advertising and leasing the apartments, collecting the rents, paying the mortgage, taking care of repairs and maintenance, and paying taxes, insurance, and other expenses for a management fee equal to ten (10%) of the rents collected.

17. The Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, further advised the Plaintiffs, **LINDA A. GIBSON** and **SEVEN OAKS APARTMENTS, L.L.C.**, to establish a line of credit with the lender to provide funds to renovate the buildings one (1) building at a time as supervised and directed by the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**

18. The Defendant, **ROLANDO V. VILLAVICENCIO**, failed to repay the $30,000.00 loan to the Plaintiff, **LINDA A. GIBSON**, as promised and failed to provide her with a note as evidence of the debt when requested.

19. The Plaintiffs became concerned and requested that the Defendant, **RE/MAX PROFESSIONAL REALTY**, provide them with an itemized statement of the income and expenses of the shopping center, however, the Defendant, **RE/MAX PROFESSIONAL REALTY**, which had collected the rents and made the disbursements, told the Plaintiffs they would have to obtain an itemized statement from the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**.

20. After numerous demands for an accounting the Defendant, **RE/MAX**

**PROFESSIONAL REALTY**, finally provided the Plaintiffs with a computer printout of the shopping center's income and expenses which showed that $38,000 00 had been paid to the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, for "miscellaneous expenses "

21. The Plaintiffs requested an explanation of the miscellaneous expenses and to be provided with copies of the bills or invoices associated with such expenses, however, the Defendant, **RE/MAX PROFESSIONAL REALTY**, told the Plaintiffs did not have bills or invoices, paid the miscellaneous expenses at the direction of the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, without verification, and that the Plaintiffs would have to obtain an explanation and copies of the bills or invoices from the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**.

22. The Plaintiff instructed the Defendant, **RE/MAX PROFESSIONAL REALTY**, not to disburse further amounts for expenses from her account at the direction of the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, without her prior approval.

23. The Plaintiffs became increasingly concerned and began investigating the renovation of the apartment complex by the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, had discovered the following problems:

a. Renovations had begun on three (3) buildings instead of one (1) as represented thereby limiting rental income needed to pay the mortgage;

b Substantial sums of money had been paid to a general contractor who was not performing or supervising the renovation work;

c. Renovations were started without proper permits having been obtained from the municipal authorities;

d. Renovations were actually being performed by the owner of the "Honey-Do-It" handyman company;

e. Substantial sums had been paid to the general contractor to order doors and windows for the apartment which doors were never ordered and the money squandered;

f. Some of the appliances from the apartment complex were being removed and delivered to another apartment complex owned or managed by the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.;**

g. Substantial sums of money had been withdrawn from the line of credit established to renovate the apartment complex for materials, labor, and supplies that could not be accounted for;

h. When the Plaintiffs attempted to ask questions about the foregoing, they were threatened with having the permits pulled on the renovations

24. As a result of the aforesaid questionable conduct on the part of the Defendants, the Plaintiffs justifiably demanded that they be provided with complete copies of all books and records, leases, contracts, listing agreement, management agreements, files, and an accounting on both the shopping center and the apartment complex so they could be examined by an independent certified public accountant.

25. The Defendants refused to provide the Plaintiffs with complete copies of all books and records or to make an accounting unless the Plaintiffs entered into a new "termination agreement" with undisclosed terms to be dictated by the Defendants and the Defendants have withheld rent checks, failed to timely make mortgage payments and expenses, and have notified the tenants of the properties not to speak with or deal

with the Plaintiffs directly thereby causing the Plaintiffs to suffer irreparable harm by making it impossible for them to manage their properties and meet their financial obligations.

**FOR A FIRST CAUSE OF ACTION - BREACH OF CONTRACT**

26. The allegations contained in paragraphs 1 through 25 are incorporated by reference.

27. The Defendants, by their acts or omissions, have breached the express and implied terms of their agreements with the Plaintiffs in the following particulars:

a. In failing to provide copies of her contracts, leases, agreements, files and documents;

b. In failing to provide itemized statements of income and expenses;

c In paying "expenses" without reasonable and adequate documentation how the money was being spent:

d In failing to repair and maintain the properties as requested by tenants;

e. In failing to timely pay mortgages and expenses;

f. In failing to repay the loan to the Plaintiff, **LINDA A. GIBSON**;

g. In making withdrawals from the line of credit established to renovate the apartment complex without proper control of how the monies were spent;

h. In removing some appliances from the apartment complex and converting them to their own use and benefit;

i. In refused to allow an independent audit by a certified public accountant of the Plaintiff's books and records;

j. In paying substantial sums of money to a general contractor who was not actually performing work or supervising work being performed on the apartments;

k. In threatening the Plaintiffs with "pulling permits" on the apartment complex when confronted with questions and concerns;

l. In withholding rents unless the Plaintiffs entered into a "termination agreement" on undisclosed terms to be dictated by the Defendants;

m In failing to renovate the apartment complex one (1) building at a time as represented to insure a continuing rental income to pay the mortgage.

28. As a direct and proximate result of the aforesaid breach of contract by the Defendants the Plaintiffs have the right to rescind any agreements entered into with the Defendants and have suffered and will continue to suffer damages in the future in such an amount exceeding the sum of Ten Thousand ($10,000 00) Dollars as determined by the Trier of Fact.

**FOR A SECOND CAUSE OF ACTION - FOR PRODUCTION OF BOOKS AND RECORDS AND FOR AN ACCOUNTING**

29. The allegations contained in paragraphs 1 through 28 are incorporated by reference.

30. The Defendants have exclusive possession of all the books and records, leases, contracts, listing agreement, management agreements, files, records, and documents relating to the Plaintiffs' properties.

31 As set forth above the Plaintiffs have reasonable grounds to be concerned over the handling of their properties and their accounts and the Plaintiffs were justified in requesting copies of the books and records, leases, contracts, listing agreements, management agreements, files, records, and documents relating to the Plaintiffs' properties so they could examined by a certified public accountant

32. The Plaintiff are informed and believe they are entitled to have this

Honorable Court Order that copies of the books and records, leases, contracts, listing agreements, management agreements, files, records, and documents relating to the Plaintiffs' properties be produced to the Plaintiff for independent examination

33. The Plaintiffs are further informed and believe they are entitled to have this Honorable Court Order that the Defendant make and produce a complete accounting all receipts of rents and expenditures relating to the Plaintiffs' properties.

**FOR A THIRD CAUSE OF ACTION - FOR A TEMPORARY RESTRAINING ORDER**

34 The allegations contained in paragraphs 1 through 33 are incorporated by reference.

35. The Plaintiff has suffered and continues to suffer irreparable harm by being denied copies of the books and records, leases, contracts, listing agreements, management agreements, files, records, and documents relating to the Plaintiffs' properties, by the Defendants failing to timely pay the mortgages and expenses, by the Defendants unilaterally stopping to manage the properties and withholding rents, by the Defendants instructing the tenants not to deal with the Plaintiffs so that they can collect rents, make needed repairs and maintenance, complete renovations, and pay mortgages and expenses themselves, and by the Defendants threatening to subject the Plaintiff to punitive actions in an attempt to force the Plaintiffs to enter into a "termination agreement" on undisclosed terms to be dictated by the Defendants.

36. The Plaintiffs are informed and believe they are entitled to have this Court issue Temporary Restraining Orders enjoining the Defendants from denying the Plaintiffs access to the books and records related to their properties, from withholding

rents collected by the Defendants needed by the Plaintiffs to manage their properties, pay expenses, and meet their financial obligations, enjoining the Defendants from interfering with the management of their properties; and enjoining the Defendants from threatening or taking any punitive actions in an attempt to force the Plaintiffs into entering into a "termination agreement" before the Defendants produce the Plaintiff's books and records for independent examination by a certified public accountant and make a full and complete accounting.

**WHEREFORE**, the Plaintiffs pray for judgment against the Defendants, jointly, severally, or in the alternative, finding that the Defendants have breached the terms of the investment advice and property management agreement entered into with the Plaintiffs; issue an Order finding that the Plaintiffs have the right to rescind any such agreements; award the Plaintiffs such actual damages as determined by the Trier of Fact; issue an Order requiring the Defendants to produce copies of all books and records, leases, contracts, listing agreements, management agreements, files, records, and documents relating to the Plaintiffs' properties; issue an Order directing the Defendants to make and provide a a complete accounting of the income and expenses related to the Plaintiffs' properties; issue a Temporary Restraining Order enjoining the Defendants from denying access to their books and records and rents needed to manage their properties and meet their financial obligations, enjoining the Defendants from interfering with the management of their properties, and enjoining the Defendants from threatening or taking any punitive actions in an attempt to force the Plaintiffs into entering into a "termination agreement" before the Defendants produce the Plaintiff's books and records for independent examination by a certified public accountant and

make a full and complete accounting; for the costs of this action; and for further relief as may be just and proper.

**THE STEINBERG LAW FIRM, L.L.P.**
61 Broad Street
Post Office Box 9
Charleston, South Carolina 29402
(843) 720-2800

By:_____
J. Kevin Holmes

and

By:_____
Charles S. Goldberg
Attorneys for the Plaintiffs

Charleston, South Carolina

28th day of July, 2008.

STATE OF SOUTH CAROLINA )
)
COUNTY OF CHARLESTON )

**VERIFICATION**

**PERSONALLY APPEARED** before me, **LINDA A. GIBSON**, who first being duly sworn, deposes and says.

1. I am Linda A Gibson.

2. I am a named Plaintiff and the sole shareholder of the Plaintiffs, Heritage Seven, L L C , and Seven Oaks Apartments, L.L.C., referenced in the attached Complaint.

3. I have read the allegations contained in the attached Complaint and the allegations are true and correct of my own personal knowledge and, as to the allegations made on information and belief, I believe them to be true.

Linda A. Gibson

**LINDA A. GIBSON**

**SWORN TO** before me, Notary Public for the State of South Carolina this 22nd day of July, 2008.

Amelia L. Pratt

**NOTARY PUBLIC** for South Carolina
My Commission Expires: 2-25-13

FILED
2008 JUL 28 AM 11:41
JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

| | |
|---|---|
| STATE OF SOUTH CAROLINA | ) IN THE COURT OF COMMON PLEAS |
| | ) FOR THE NINTH JUDICIAL CIRCUIT |
| COUNTY OF CHARLESTON | ) CASE NO.: 2008-CP-10-4282 |
| LINDA A GIBSON, HERITAGE SEVEN, L L C , and SEVEN OAKS APARTMENTS, L L.C., | ) |
| Plaintiffs, | ) **PLAINTIFFS' THIRD SUPPLEMENTAL ANSWERS TO DEFENDANTS' INTERROGATORIES** |
| -vs- | ) |
| ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C., DPS OF CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL, and PAUL K. MOORE ASSOCIATES, INC., | ) |
| Defendants | ) |

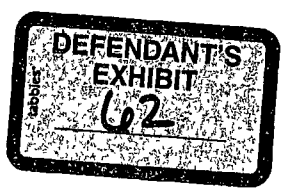
TO: DEFENDANTS ROLANDO VILLAVICENCIO AND RVP INVESTMENTS, LLC AND THEIR ATTORNEYS ELLEN CHEEK, ESQUIRE, MICHAEL WILKES, ESQUIRE

Pursuant to Rule 33, SCRCP, the Plaintiffs respond as follows to Defendants Rolando Villavicencio and RPV Investments, LLC's First Set of Interrogatories to Plaintiffs:

2. State the name, address, and telephone number(s) of each person who is expected to be called as an expert witness on behalf of Plaintiffs; identify the subject matter on which the expert is expected to testify; summarize the opinions to which the expert is expected to testify; and state whether the expert has prepared a written report, in draft or final form, regarding his or her opinions

**ANSWER:** Thomas Hartnett
Hartnett Realty
134 Meeting St





Charleston, SC 29401-2224
(843) 723-7222

Mr. Hartnett will testify regarding his opinion of the value of the "Cell Tower" property and the value of the apartments as of 2010.

3. Set forth an itemized statement of all damages claimed to have been sustained by Plaintiffs in this lawsuit.

a Identify all related documents.

**ANSWER:** Plaintiff lost property located at 3205 Palm Boulevard in foreclosure. This property was pledged as collateral for a $700,000 loan Plaintiff obtained from First Citizens Bank and used for the down payment for the apartments This property was already encumbered by a loan from First Citizens Bank in the approximate amount of $800,000 before the addition of the $700,000 for a total obligation $1,500,000. Plaintiff paid interest on the 2nd mortgage to First Citizens in the approximate amount of $66,000.

The $1,500,000 loan was foreclosed by First Citizens. The total amount past due with interest and attorneys fees was approximately $1,579,181.26. The property was sold during foreclosure for $1.025 million with net proceeds of approximately $950,000. Plaintiff was required to hire attorneys to negotiate a settlement of the deficiency of $450,000 under the settlement, First Citizens financed the deficiency and Ms. Gibson signed a 2 year note to First Citizens for $450,000 and has paid monthly interest in the amount of $11,250 since December 10, 2010. Plaintiff paid attorneys fees and costs in the amount of $37,354.00 on account of the First Citizens settlement. These consist of Andrew K. Epting $13,750, George J. Kefalos $10,190.22; Robert Papa $10,895; Paul Tecklenburg $277.50; CPA $2,142.44.

Ms. Gibson also lost the equity she would have had in the 3205 Palm Boulevard property, amounting to between $100,000 to $200,000.

Plaintiff purchased the Otranto apartments with a loan from Ameris Bank. Plaintiff secured the loan with a first mortgage on the apartments as well as a mortgage on a track of land located on Klister Lane, Berkeley County. The Klister Lane property was valued at approximately $338,000 and was free and clear of any encumbrances. Plaintiffs collected rent from this property in an amount of $2,700.00 /month.

Plaintiff paid $172,381.72 in interest payments during the time of the loan. Ameris Bank brought a foreclosure action against Plaintiff. Following institution of the suit, Ameris sold the loan to Galt Valley Mortgage, who sought a judgment from Plaintiff in the approximate amount of $3 million Plaintiff was required to hire counsel to defend the foreclosure action and negotiate a settlement. The settlement consisted of Plaintiffs agreement to deed the apartments and the Klyster Lane track to Galt in exchange for a waiver of deficiency.

Plaintiff has incurred attorney's fees in the defense of the apartment foreclosure action in the amount of $566,666. These fees were calculated on the basis of 1/3 of all sums saved from the deficiency claimed by Galt Valley. For the purposes of the settlement with Galt Valley, as well as the calculation of attorneys fees, the apartments and the Klyster Lane properties were valued together at $1.3 million. This value resulted in a savings of approximately $1.7 million and attorneys fees in the amount of $566,666 00. Plaintiff also paid $20,000 to attorney Lawrence Richter to represent her regarding the Ameris claim

Respectfully Submitted:

George J. Kefalos, Esquire
GEORGE J. KEFALOS, P.A.
3 State Street, Charleston, SC 29401
P: 843-722-6612
F: 843-377-1310
George@kefaloslaw.com

Andrew K. Epting, Jr., Esquire
Michelle N. Endemann, Esquire
ANDREW K. EPTING, JR., LLC
3 State Street, Charleston, SC 29401
P: 843.377.1871
F. 843.377.1310
ake@epting-law.com

On this 27 day of Sept 2011
Charleston, SC

[illegible] OF SERVICE

THE UNDERSIGNED HEREBY [illegible] that true and correct copies of the pleading or paper to which this certificate is affixed was served upon the party(s) to this action in accordance with the applicable Court Rules by electronic transmission or by hand delivery or by regular U.S. Mail, postage prepaid, properly addressed to the attorney(s) of record for such party(s).

Signed this 27 day of SEPTEMBER 2011 at Charleston, South Carolina

Carolina paid 1031 exchange for Moncks Corner
2.5 million for Moncks Corner we borrowed $400,000
borrowed from Palm Blvd. which is Pd. off b/c of
refi.

Paid off F. Reliance refinanced w/ First Citizens
1.5 million

Carolina paid 1.2 million borrowed 400,000 from J.R.
Proceeds $40 ± same charge from Carolina

Moncks Corner = 2.5 mill Put down 1.2 mill.

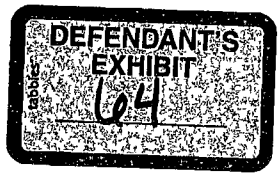
$12,000 a month for Moncks Corner (Interest only)

400,000
450,000
700,000
} 1.5 million w/ First Citizens

800,000 still owe to First Reliance
Shopping Center = 12,000 only we paying from M.C.

2.1 mill we owe for Verdana
1.2 mill we owe for Moncks Corner





Benjie 12,000 friendly loan interest 2 yrs 5,000 mth

1.2 Combine proceeds
800,000 – ~~1st~~ Sale on Combs
400,000 – borrowed 1st Reliance
1.2 million liability to 1st Reliance

Manchu Commercial Plaza 2.4 million
{ equity 1.2 million

thru Paid $400,000 thru 1st Citizen

1st Citizen

5 million to 1st Citizen
( 700,000 ~~commissions~~ / Down Payment
400,000 to pay off 1st Reliance
400,000 on my original loan for Palm
{ equity $1 million

Paid to Attn: me

$1.5 million thru 1st Citizen (for Palm)

This will be taken over by Benjie

~~$600,000~~ $1.2 million owed to 1st Reliance (for Shoppins Center
(being paid by Shopping Center Acct)

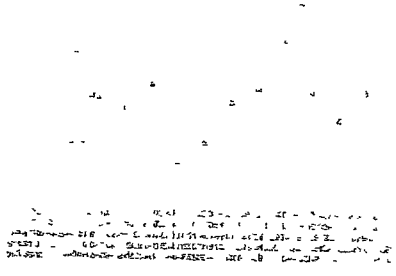
– Talks w/ Dawn about re-structuring loan of $1.5 million to get better rate

* For Benjie –
2007 Tax returns 456-of 1099 copies + Extension form
Comm. 1 Mo Manual Realty Palm Blvd. for 2007

| July 2006 | August 2006 | Sep 2006 | Oct 2006 | Nov 2006 | Dec 2006 | |
|---|---|---|---|---|---|---|
| $13,057.20 | $18,015 53 | $13,940 53 | $20,040 53 | $13,940 53 | $17,364 03 | $212,086 36 |
| $3,603 10 | $1,801 55 | $1,801 55 | $1,801 55 | $1,596 55 | $1,736 40 | 24631 89 |
| 27 59% | 10 00% | 12 92% | 8 99% | 11 45% | 10 00% | 11 61% |
| 22.21% | 13 80% | 10 00% | 12 92% | 7 97% | 12 46% | 141 86% |







AIA 107 contract w/ Gen. Contractor

# CITY OF NORTH CHARLESTON
## BUILDING PERMIT

David Dixon
John Dunn - Engineer

PERMIT# 0709122 TAX MAP# 485-003-00-114

740-2564

Call 740-2565 for inspections
8:00 am - 9.00 am and 3.30 pm - 4.30 pm

OWNER **Data Unavailable**

LOCATION OF BUILDING **2625 Otranto Rd Bldg 100, Unit A-h**

SUBDIVISION ZONING **R-2**

FLOOD ZONE **X**

CONTRACTOR **TRITON CONSTRUCTION**

STATE LICENSE 17133-state OCCUPANCY TYPE **Residential Apartments (Average)**

LOCAL LICENSE CONSTRUCTION TYPE **I-A**

NUMBER OF UNITS **0** NUM. OF STORIES **0** SQ. FT. **0**

| | |
|---|---|
| EST COST OF CONSTRUCTION **$ 80000.00** | TOTAL FEE **$ 450.00** |
| PERMIT FEES: _____ CONTR LIC: 321 2 _____ | MISC REVENUE: 396.6 _____ |

PROPOSED USE **apartments**

DESCRIBE WORK **interior demo, reroof, vinyl siding, painting, sheet rock**

BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY WILL NOT BE ISSUED UNTIL LANDSCAPE, BUFFERING PLAN AND FIRE APPROVAL HAS BEEN SUBMITTED TO BUILDING DEPARTMENT. FINAL CO'S HAVE TO BE PICKED UP FROM BUILDING DEPT. BEFORE POWER CAN BE RELEASED

******* NOTICE *******

THE OWNER OF THIS BUILDING AND THE UNDERSIGNED DO HEREBY COVENANT AND AGREE TO COMPLY WITH THE ORDINANCES OF THIS JURISDICTION, PERTAINING TO BUILDINGS AND TO CONSTRUCT THE PROPOSED BUILDING OR STRUCTURE OR TO MAKE THE PROPOSED CHANGE OR ALTERATION IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH, AND CERTIFY THAT THE INFORMATION AND STATEMENTS GIVEN ON THIS APPLICATION, DRAWINGS AND SPECIFICATIONS ARE TO THE BEST OF THEIR KNOWLEDGE TRUE AND CORRECT. IT IS UNDERSTOOD AND AGREED BY THE APPLICANT THAT ANY ERROR, MISSTATEMENT OR MISREPRESENTATION OF FACT EITHER WITH OR WITHOUT INTENTION ON HIS PART, SUCH AS MIGHT, IF KNOWN CAUSE A REFUSAL OF THIS APPLICATION OR ANY ALTERATION OR CHANGE IN PLANS MADE WITHOUT APPROVAL OF THE BUILDING INSPECTOR SUBSEQUENT TO THE ISSUANCE OF THE BUILDING PERMIT, SHALL CONSTITUTE SUFFICIENT GROUNDS FOR REVOCATION OF SUCH PERMIT. PERMIT VOID IF WORK NOT STARTED WITHIN SIX MONTHS OF DATE OF ISSUE OR IF WORK STOPS FOR A PERIOD OF SIX MONTHS.

I HEREBY CERTIFY THAT I HAVE READ AND EXAMINED THIS APPLICATION AND KNOW THE SAME TO BE TRUE AND CORRECT. ALL PROVISIONS OF LAWS AND ORDINANCES GOVERNING THIS TYPE OF WORK WILL BE COMPLIED WITH

APPROVED BY _____ DATE _____ SIGNATURE OF APPLICANT _____ DATE _____

RECEIPT#: _____

-458-

# CITY OF NORTH CHARLESTON
## BUILDING PERMIT

| | | | |
|---|---|---|---|
| PERMIT# | **0709123** | TAXMAP# | **485-03-00-114** |
| OWNER | **Data Unavailable** | | Call 740-2565 for Inspections<br>8 00 am - 9 00 am and 3 30 pm - 4 30 pm |
| LOCATION OF BUILDING | **2625 Otranto Rd Bldg 200, Units A - H** | | |
| SUBDIVISION | | ZONING | **R-2** |
| | | FLOOD ZONE | **X** |

| | | | |
|---|---|---|---|
| CONTRACTOR | **TRITON CONSTRUCTION** | | |
| STATE LICENSE | 17133-state | OCCUPANCY TYPE | **Residential Apartments (Average)** |
| LOCAL LICENSE | | CONSTRUCTION TYPE | **I-A** |

NUMBER OF UNITS **0** NUM. OF STORIES **0** SQ. FT **0**

| | |
|---|---|
| EST. COST OF CONSTRUCTION **$ 80000.00** | TOTAL FEE **$ 410.00** |
| PERMIT FEES. _____ CONTR LIC. 321.2 _____ | MISC REVENUE. 396 6 _____ |

PROPOSED USE **apartment**

DESCRIBE WORK **Interior demo, reroof, vinyl siding, painting and sheet rock**

BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY WILL NOT BE ISSUED UNTIL LANDSCAPE, BUFFERING PLAN AND FIRE APPROVAL HAS BEEN SUBMITTED TO BUILDING DEPARTMENT FINAL CO'S HAVE TO BE PICKED UP FROM BUILDING DEPT. BEFORE POWER CAN BE RELEASED

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APPROVED BY _____ DATE _____ SIGNATURE OF APPLICANT _____ DATE _____

RECEIPT#: _____

-459-

# CITY OF NORTH CHARLESTON
## BUILDING PERMIT

PERMIT# **0709125** TAX MAP# **485-03-00-114**

OWNER **Data Unavailable**

Call 740-2565 for inspections
8.00 am - 9.00 am and 3.30 pm - 4 30 pm

LOCATION OF BUILDING **2625 Otranto Rd Bldg 300, Uints A-h**

SUBDIVISION ZONING **R-2**

FLOOD ZONE **X**

CONTRACTOR **TRITON CONSTRUCTION**

STATE LICENSE 17133-state OCCUPANCY TYPE **Residential Apartments (Average)**

LOCAL LICENSE CONSTRUCTION TYPE **I-A**

NUMBER OF UNITS **0** NUM OF STORIES **0** SQ. FT. **0**

| | |
|---|---|
| EST. COST OF CONSTRUCTION **$ 80000.00** | TOTAL FEE **$ 410.00** |
| PERMIT FEES: _____ CONTR LIC. 321.2 _____ | MISC REVENUE 396.6 _____ |

PROPOSED USE **apartment**

DESCRIBE WORK **interior demo, reroof, vinyl siding, painting and sheet rock**

BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY WILL NOT BE ISSUED UNTIL LANDSCAPE, BUFFERING PLAN AND FIRE APPROVAL HAS BEEN SUBMITTED TO BUILDING DEPARTMENT FINAL CO'S HAVE TO BE PICKED UP FROM BUILDING DEPT BEFORE POWER CAN BE RELEASED.

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_____ _____ _____ _____

APPROVED BY DATE SIGNATURE OF APPLICANT DATE

RECEIPT#: _____

-460-

# CITY OF NORTH CHARLESTON
## BUILDING PERMIT

PERMIT# **0709126** TAX MAP# **485-03-00-114**

OWNER **Data Unavailable**

Call 740-2565 for Inspections
8 00 am - 9:00 am and 3.30 pm - 4.30 pm

LOCATION OF BUILDING **2625 Otranto Rd Bldg 400, Units A-h**

SUBDIVISION

ZONING **R-2**

FLOOD ZONE **X**

CONTRACTOR **TRITON CONSTRUCTION**

STATE LICENSE 17133-state OCCUPANCY TYPE **Residential Apartments (Average)**

LOCAL LICENSE CONSTRUCTION TYPE **I-A**

NUMBER OF UNITS **0** NUM. OF STORIES **0** SQ FT. **0**

| | |
|---|---|
| EST. COST OF CONSTRUCTION **$ 80000.00** | TOTAL FEE **$ 410.00** |
| PERMIT FEES: _____ | CONTR LIC: 321.2 _____ MISC REVENUE: 396.6 _____ |

PROPOSED USE **apartment**

DESCRIBE WORK **Interior demo,reroof, vinyl siding, painting and sheetrock**

BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY WILL NOT BE ISSUED UNTIL LANDSCAPE, BUFFERING PLAN AND FIRE APPROVAL HAS BEEN SUBMITTED TO BUILDING DEPARTMENT. FINAL CO'S HAVE TO BE PICKED UP FROM BUILDING DEPT BEFORE POWER CAN BE RELEASED.

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APPROVED BY _____ DATE _____ SIGNATURE OF APPLICANT _____ DATE _____

RECEIPT#: _____

-461-

# CITY OF NORTH CHARLESTON
## BUILDING PERMIT

PERMIT# **0709127** TAX MAP# **485-03-00-114**

OWNER **Data Unavailable**

Call 740-2565 for Inspections
8 00 am - 9 00 am and 3.30 pm - 4.30 pm

LOCATION OF BUILDING **2625 Otranto Rd Bldg 500, Units A-h**

SUBDIVISION ZONING **R-2**

FLOOD ZONE **X**

CONTRACTOR **TRITON CONSTRUCTION**

STATE LICENSE 17133-state OCCUPANCY TYPE **Residential Apartments (Average)**

LOCAL LICENSE CONSTRUCTION TYPE **I-A**

NUMBER OF UNITS **0** NUM. OF STORIES **0** SQ. FT. **0**

EST. COST OF CONSTRUCTION **$ 80000.00** TOTAL FEE **$ 410.00**

PERMIT FEES: _____ CONTR LIC: 321 2" _____ MISC REVENUE: 396.6 _____

PROPOSED USE **apartment**

DESCRIBE WORK **sheetrock,interior demo, reroof, vinyl siding, painting**

BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY WILL NOT BE ISSUED UNTIL LANDSCAPE, BUFFERING PLAN AND FIRE APPROVAL HAS BEEN SUBMITTED TO BUILDING DEPARTMENT. FINAL CO'S HAVE TO BE PICKED UP FROM BUILDING DEPT BEFORE POWER CAN BE RELEASED

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APPROVED BY _____ DATE _____ SIGNATURE OF APPLICANT _____ DATE _____

RECEIPT#. _____ -462-

# CITY OF NORTH CHARLESTON
## BUILDING PERMIT

PERMIT# 0709128 TAX MAP # 485-03-00-114

OWNER Data Unavailable

Call 740-2565 for Inspections
8 00 am - 9.00 am and 3:30 pm - 4 30 pm

LOCATION OF BUILDING 2625 Otranto Rd Bldg 600, Unit A-h

SUBDIVISION ZONING R-2

FLOOD ZONE X

CONTRACTOR TRITON CONSTRUCTION

STATE LICENSE 17133-state OCCUPANCY TYPE Residential Apartments (Average)

LOCAL LICENSE CONSTRUCTION TYPE I-A

NUMBER OF UNITS 0 NUM. OF STORIES 0 SQ. FT. 0

| | |
|---|---|
| EST. COST OF CONSTRUCTION $ 80000.00 | TOTAL FEE $ 410.00 |
| PERMIT FEES: _____ CONTR LIC. 321.2 _____ | MISC REVENUE: 396.6 _____ |

PROPOSED USE apartment

DESCRIBE WORK Interior demo, reroof, vinyl siding, painting, sheet rock

BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY WILL NOT BE ISSUED UNTIL LANDSCAPE, BUFFERING PLAN AND FIRE APPROVAL HAS BEEN SUBMITTED TO BUILDING DEPARTMENT. FINAL CO'S HAVE TO BE PICKED UP FROM BUILDING DEPT BEFORE POWER CAN BE RELEASED

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APPROVED BY DATE SIGNATURE OF APPLICANT DATE

RECEIPT#: _____ -463-

From: "Robinson, Dawn" <dawn robinson@firstcitizensonline com>
Subject. **break down**
Date. September 17, 2008 3.06 45 PM EDT
To: sevenoaksapartments@gmail.com

Linda,

The breakdown of the $1,500,000 proceeds included (roughly)
$411,000 to refinance first mortgage on 3205 Palm
$400,000 to refinance second mortgage on 3205 Palm
$689,000 to finance apartments

689
70
759

Based on your current rate of 7 57%, the daily interest cost associated with the $689,000 is $144 88

Dawn

Dawn H. Robinson
Senior Vice President
Commercial Relationship Manager

First Citizens Bank
212 East Main Street
Moncks Corner, SC 29461

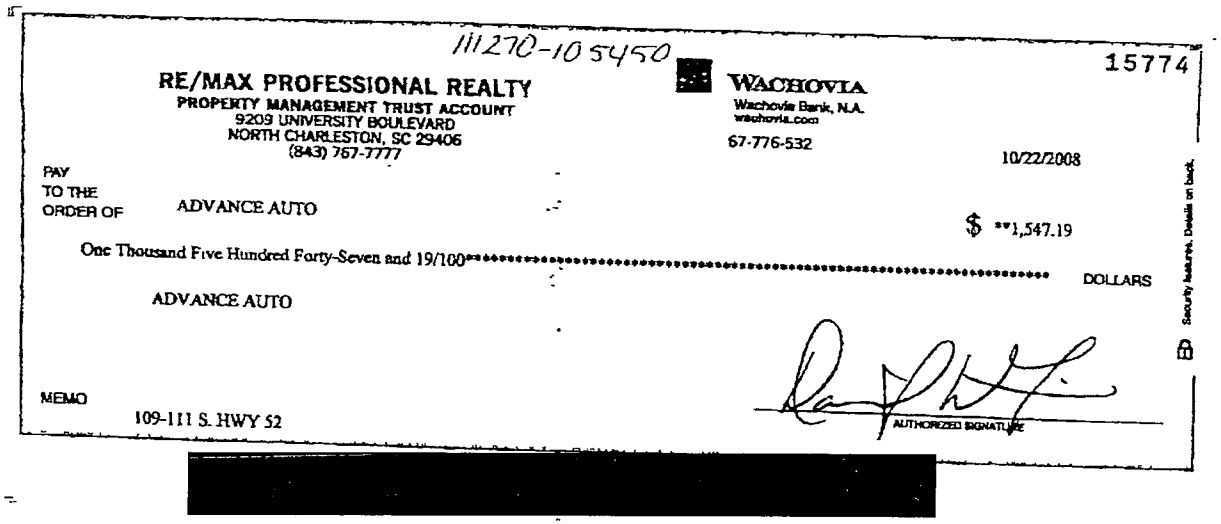
843 761.3982 Office
843 761 2574 Fax
843.412 6889 Mobile

---

*Please note: email address of sender has changed
to "firstcitizensonline.com"*

This electronic mail and any files transmitted with it are confidential and are intended solely for the use of individual or entity to whom they are addressed. If you are not the intended recipient or the person responsible for delivering the electronic mail to the intended recipient, be advised that you have received this electronic mail in error and that any use, dissemination, forwarding, printing, or copying of this electronic mail is strictly prohibited ' If you have received this electronic mail in error, please immediately notify the sender by return mail.

09/17/08, 15.06:49



111270-105450

15774

**RE/MAX PROFESSIONAL REALTY**
PROPERTY MANAGEMENT TRUST ACCOUNT
9209 UNIVERSITY BOULEVARD
NORTH CHARLESTON, SC 29406
(843) 767-7777

WACHOVIA
Wachovia Bank, N.A.
wachovia.com
67-776-532

10/22/2008

PAY TO THE ORDER OF ADVANCE AUTO

$ **1,547.19

One Thousand Five Hundred Forty-Seven and 19/100********** DOLLARS

ADVANCE AUTO

MEMO 109-111 S. HWY 52

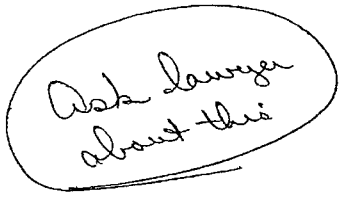
AUTHORIZED SIGNATURE

Security features. Details on back.

[redacted]

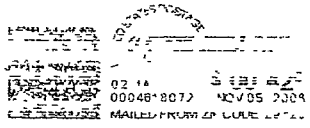
11/04/2008 10:28 FAX 843 767 7744

RE/MAX Professional Realty
9209 University Blvd
North Charleston, SC
29406

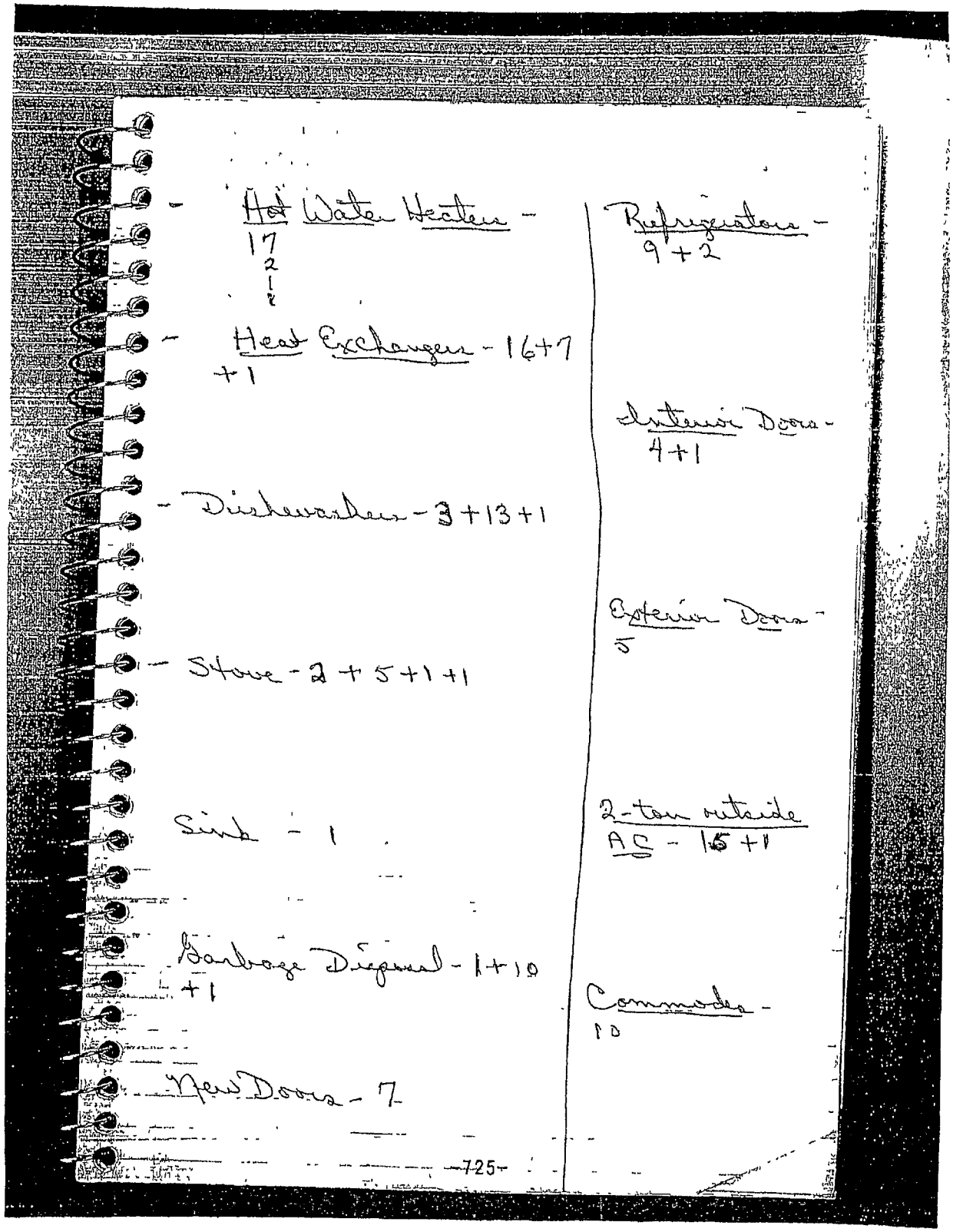



?

Linda Gibson
Heritage Seven LLC
Seven Oaks LLC
2625 Otranto Road
North Charleston, SC
29406




29406-9653



- Hot Water Heaters - 17 2 1 2
- Heat Exchanger - 16+7 +1
- Dishwashers - 3+13+1
- Stove - 2 + 5+1+1
- Sink - 1
- Garbage Disposal - 1+10 +1
- New Doors - 7

Refrigerators - 9+2

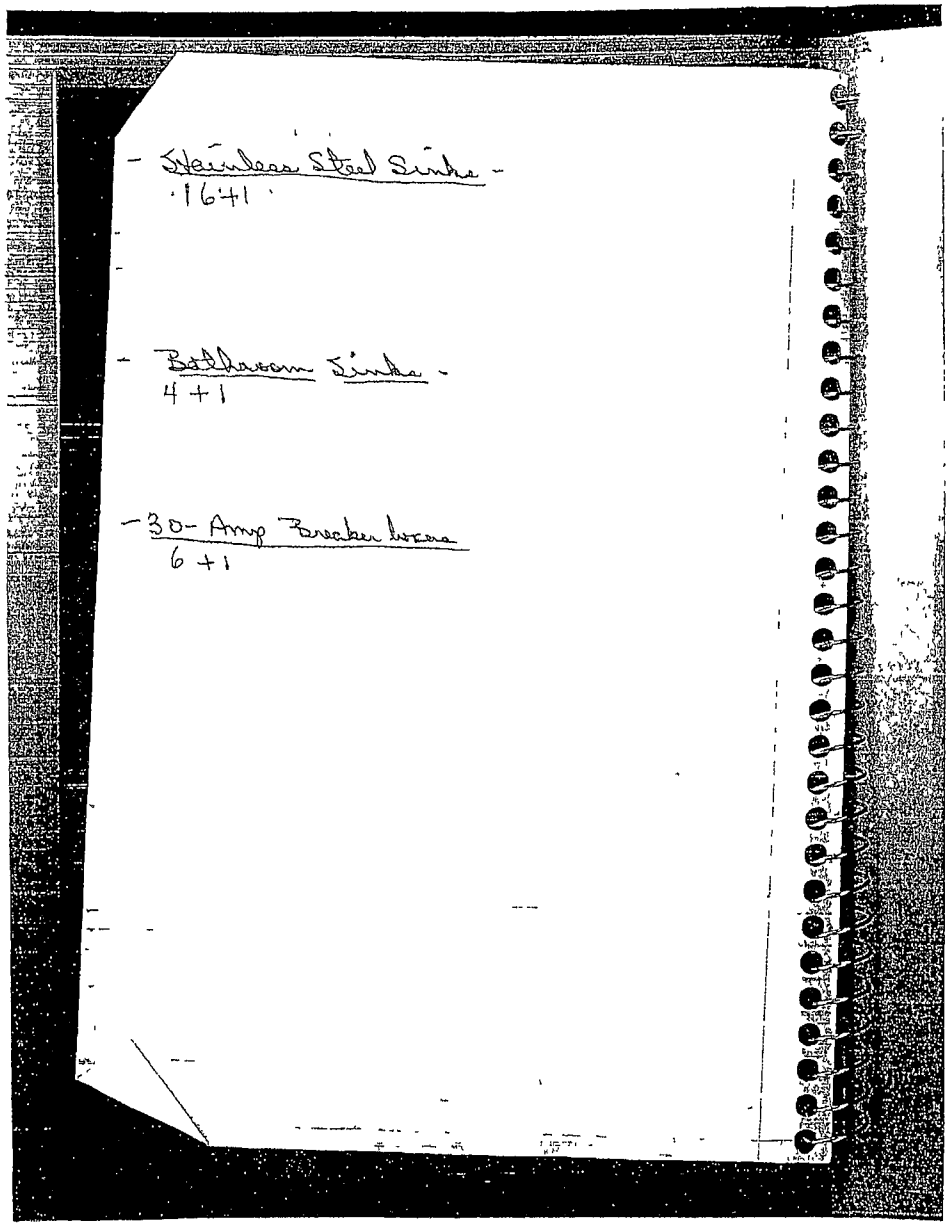
Interior Doors - 4+1

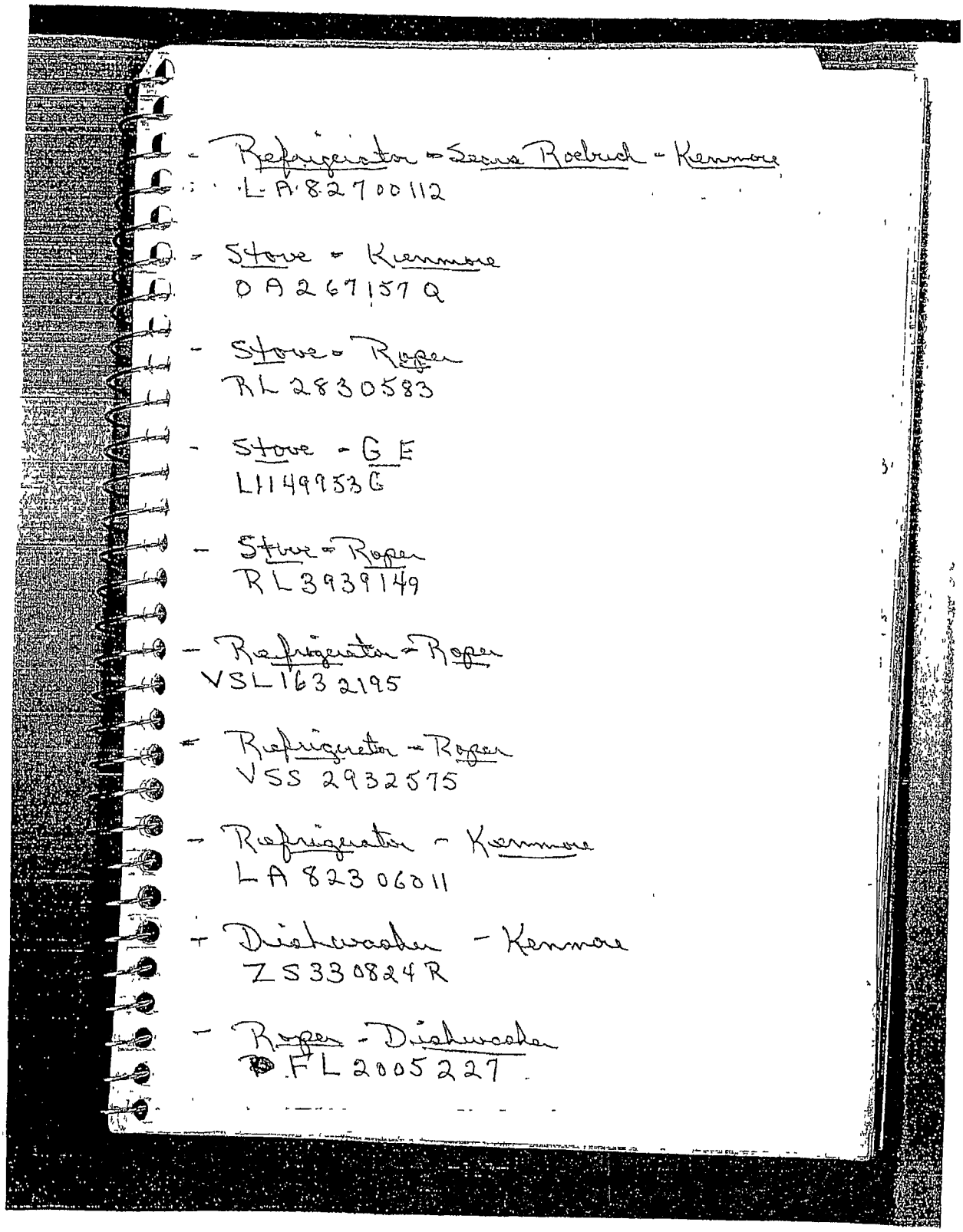
Exterior Doors - 5

2-ton outside AC - 15+1

Commodes - 10

-725-


- Stainless Steel Sinks -
1641
- Bathroom Sinks -
4+1
- 30- Amp Breaker boxes
6+1



- Refrigerator - Sears Roebuck - Kenmore
  LA 82700112

- Stove - Kenmore
  DA 267157 Q

- Stove - Roper
  RL 2830583

- Stove - GE
  L1149953G

- Stove - Roper
  RL 3939149

- Refrigerator - Roper
  VSL 1632195

- Refrigerator - Roper
  VSS 2932575

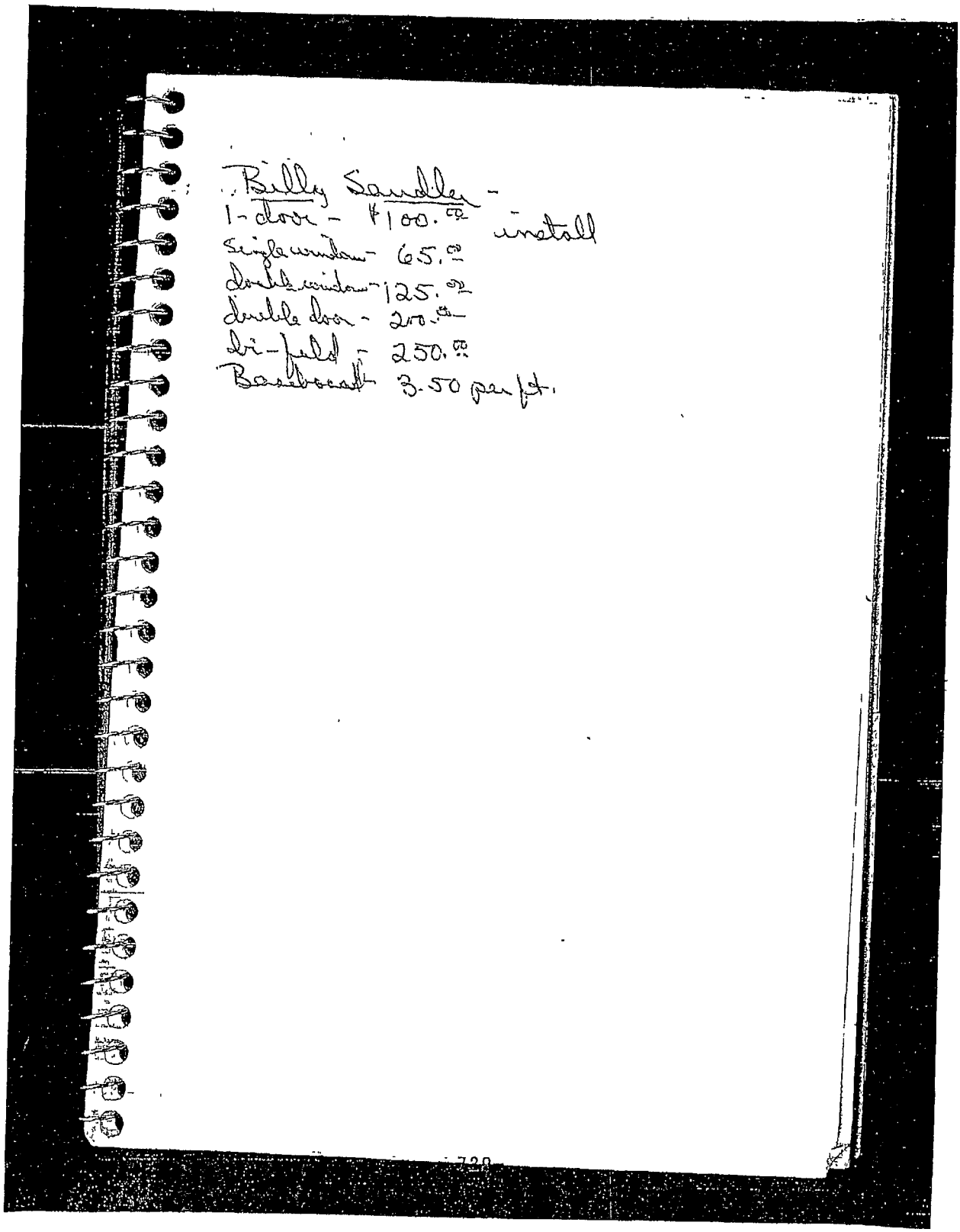
- Refrigerator - Kenmore
  LA 82306011

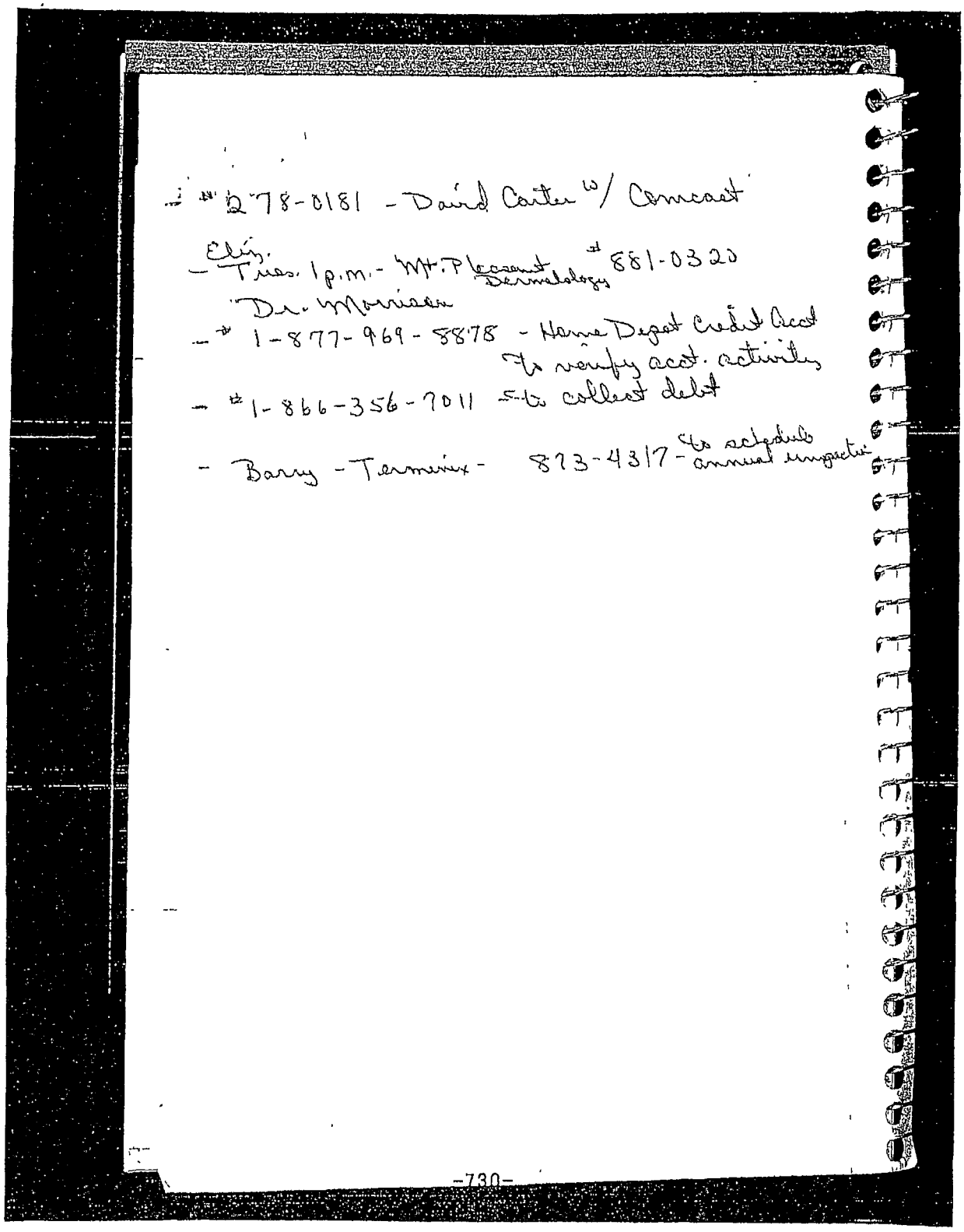
- Dishwasher - Kenmore
  ZS 330824R

- Roper - Dishwasher
  FL 2005227

- Dishwasher - Kenmore
  * ZR 3286 17R

- Dishwasher - Hotpoint
  * AM 761 280 Y


Billy Sandley -
1-door - $100.00 - install
single window - 65.00
double window - 125.00
double door - 200.00
bi-fold - 250.00
Baseboard 3.50 per ft.



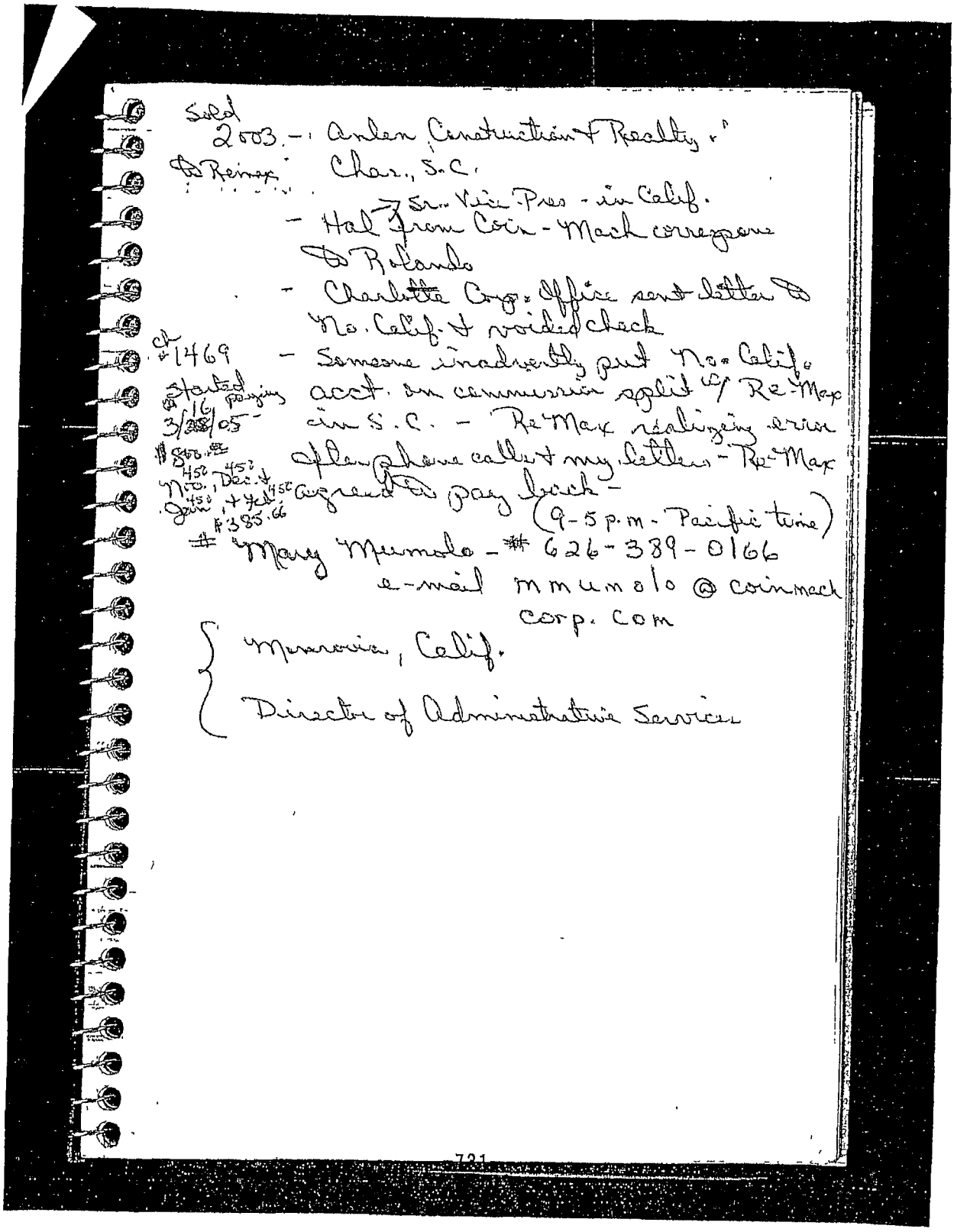
# 278-0181 - David Carter w/ Comcast

Eliz.
Tues. 1 p.m. - Mt. Pleasant Dermatology # 881-0320
Dr. Morrison

- # 1-877-969-5878 - Home Depot Credit Acct
To verify acct. activity

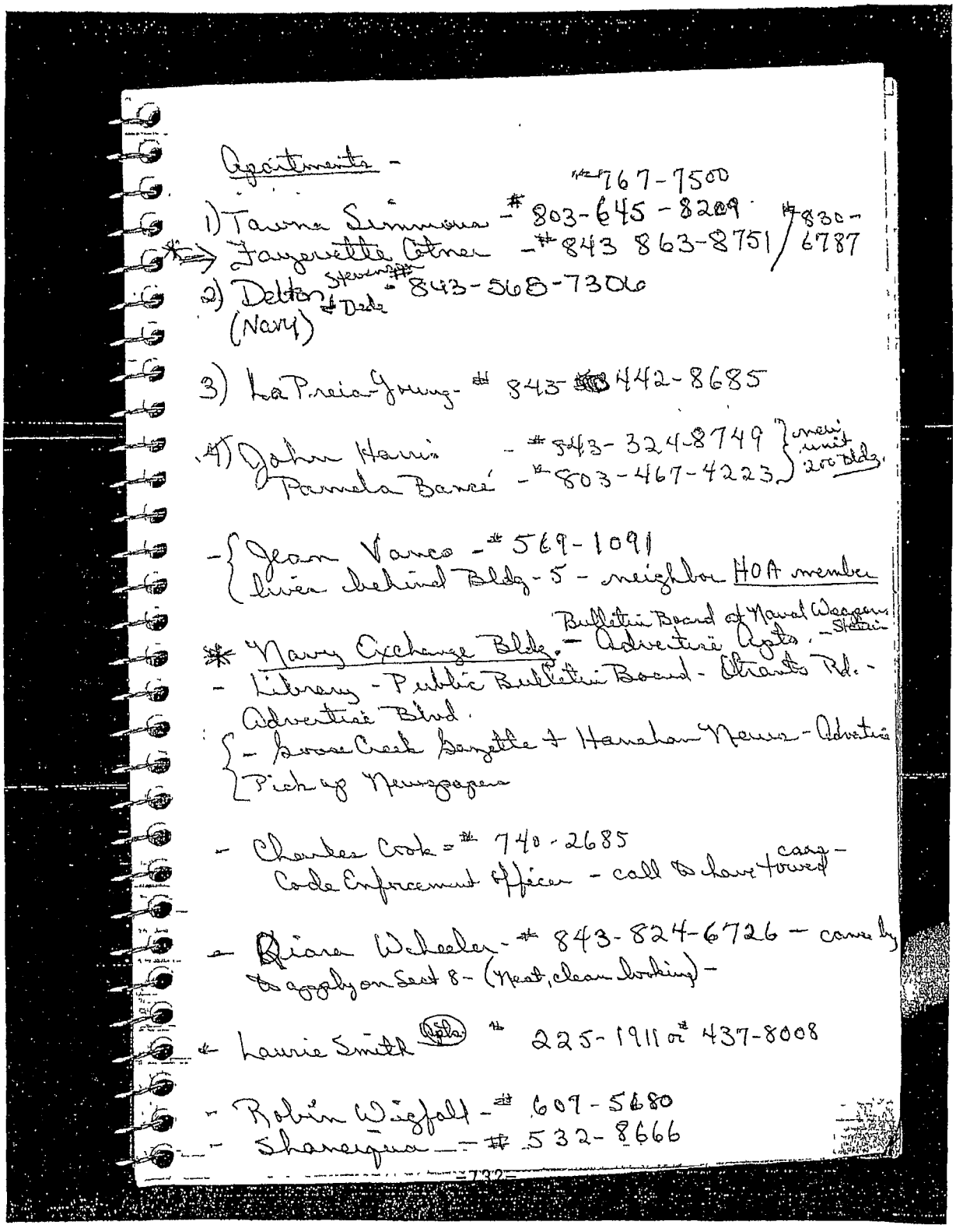
- # 1-866-356-7011 - to collect debt

- Barry - Terminix - 873-4317 - to schedule annual inspection



Sold
2003 - Arden Construction & Realty, "
& Remax Char., S.C.
- Hal → Sr. Vice Pres - in Calif.
- Hal from Coin-Mach corrogave
& Rolando
- Charlotte Corp. Office sent letter &
No. Calif. & voided check
Ck #1469 - Someone inadvertly put No. Calif.
started paying acct. on commission split w/ Re-Max
3/16/05 in S.C. - Re-Max realizing error
$500.00 after phone call & my letter - Re-Max
450 Nov. 450 Dec. & 450 agreed to pay back -
Jan. 450 & Feb. $385.66 (9-5 p.m. - Pacific time)
# Mary Mumolo - ## 626-389-0166
e-mail mmumolo @ coinmach
corp. com

{ Monrovia, Calif.
Director of Administrative Services



Appointments -

1) Tawna Simmons - # 803-645-8209 # 767-7500
2) Fayerette Cotner - # 843 863-8751 / # 830-6787
3) Delton (Navy) Spouse # Desk # 843-568-7306
4) La Preia Young - # 843 442-8685
5) John Harris - # 843-324-8749 } new unit 200 bldg.
Pamela Banci - # 803-467-4223 }

- { Joan Vance - # 569-1091
  { lives behind Bldg-5 - neighbor HOA member

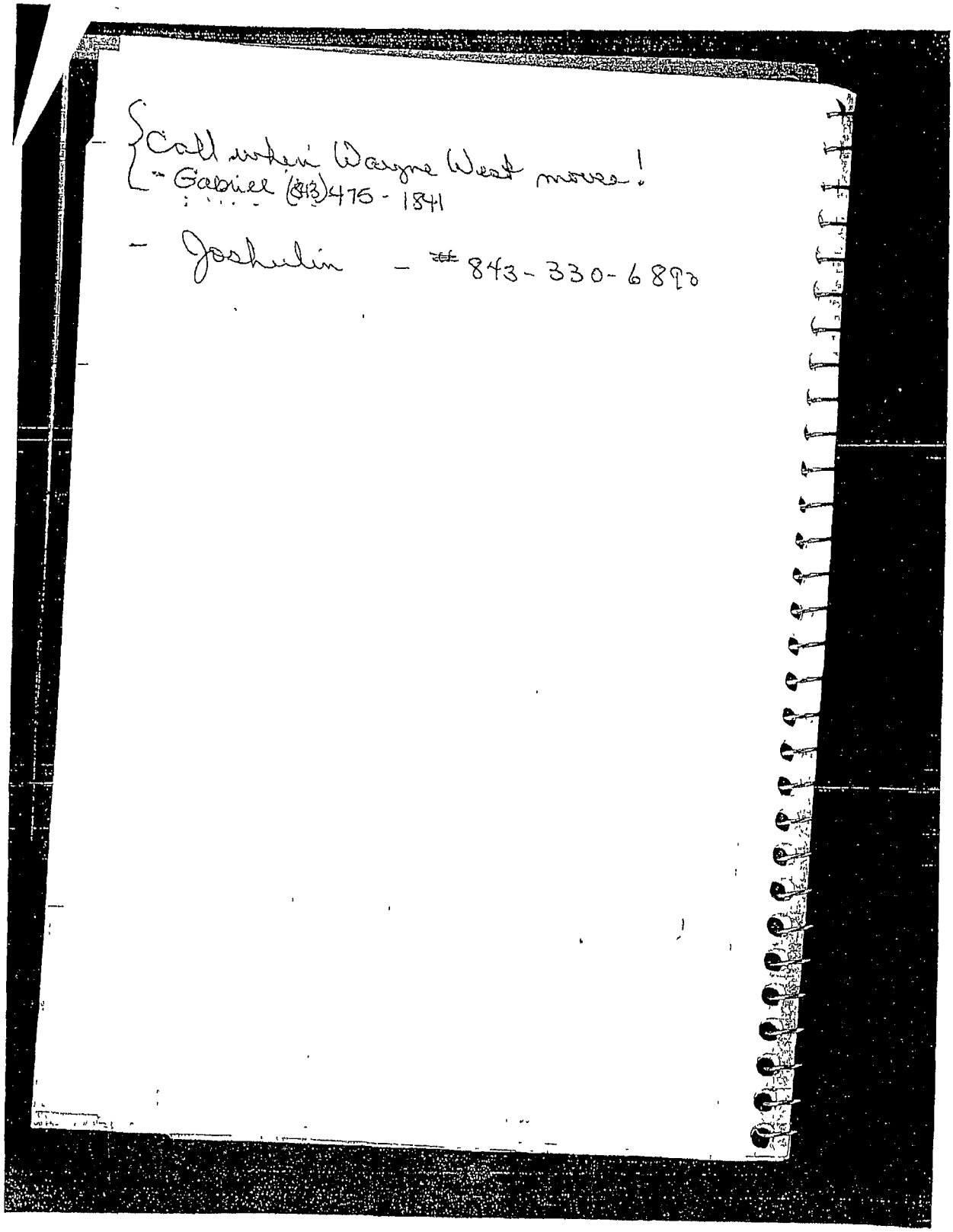
* Navy Exchange Bldg. - Bulletin Board of Naval Weapons Station
- Library - Public Bulletin Board - Atlantic Rd. - Advertise Apts.
- Advertise Blvd.
- { - Goose Creek Gazette + Hanahan News - Advertise
  { Pick up Newspapers

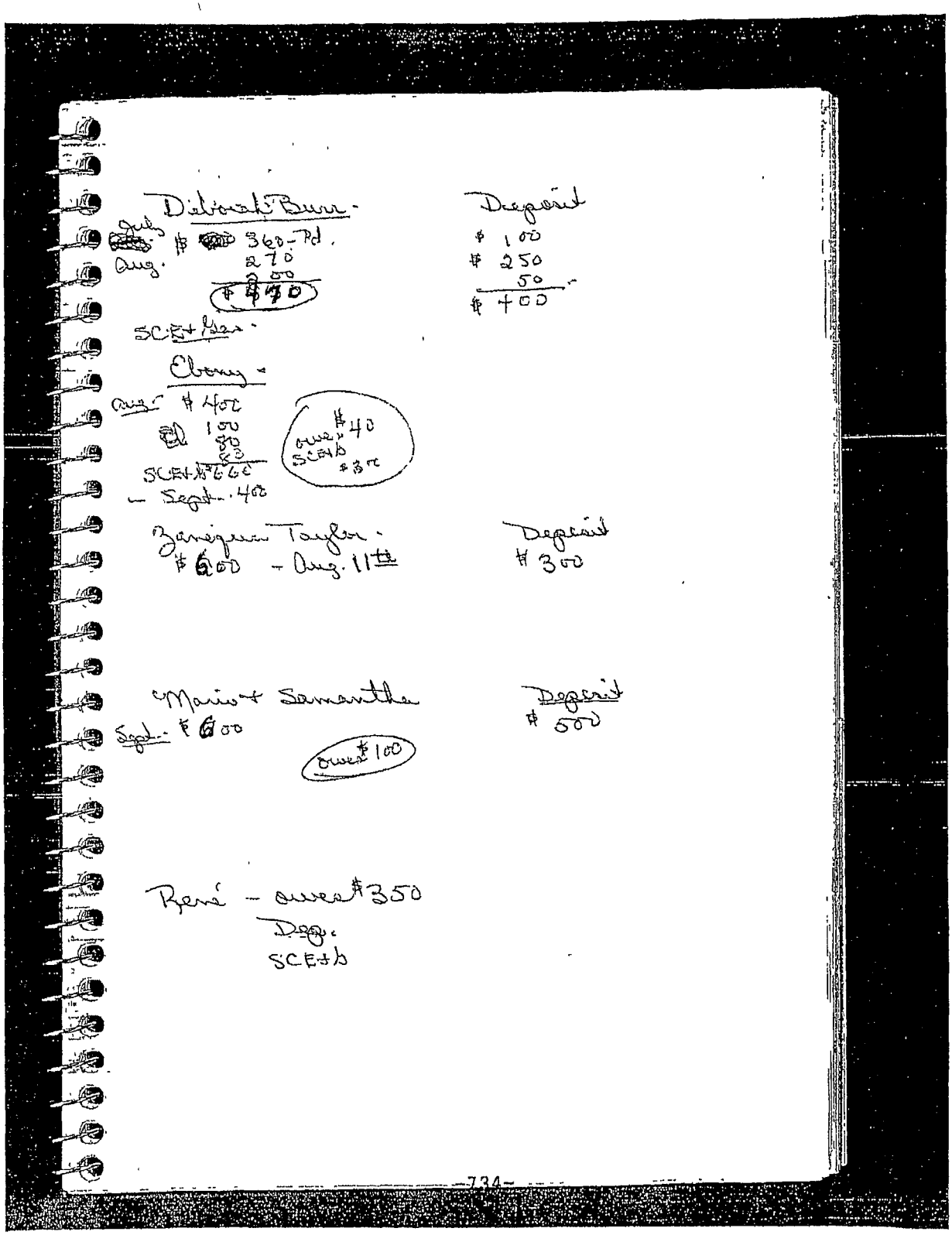
- Charles Cook - # 740-2685
  Code Enforcement Officer - call to have towed cars -

- Diana Wheeler - # 843-824-6726 - come by to apply on Sept 8 - (Neat, clean looking) -

* Laurie Smith USPS # 225-1911 or # 437-8008

- Robin Wigfall - # 609-5680
- Shaneque - # 532-8666


{Call writer Wayne West moves!
- Gabriel (813)475-1841
- Joshulin - 843-330-6890



Deborah Burr.
July $360 - Pd.
Aug. 270
300
$930

Deposit
$100
$250
50
$400

SCE+Gas.

Ebony.
Aug. $402
100
50
53
SCE+Gas 625
- Sept. 402

$40 owes SCE+G $37

Janiqueu Taylor.
$600 - Aug. 11th

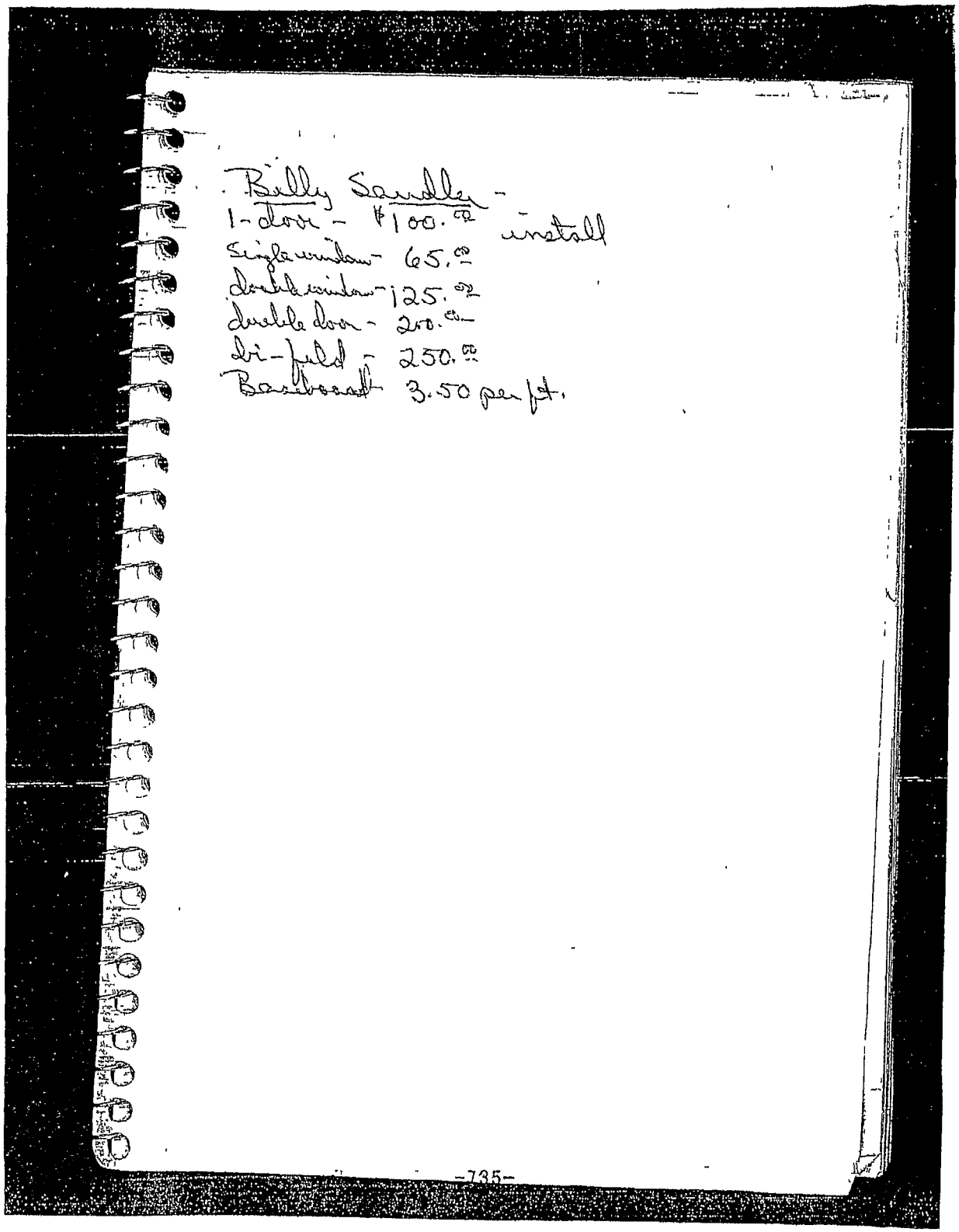
Deposit
$300

Mario + Samantha
Sept. $600

Deposit
$500

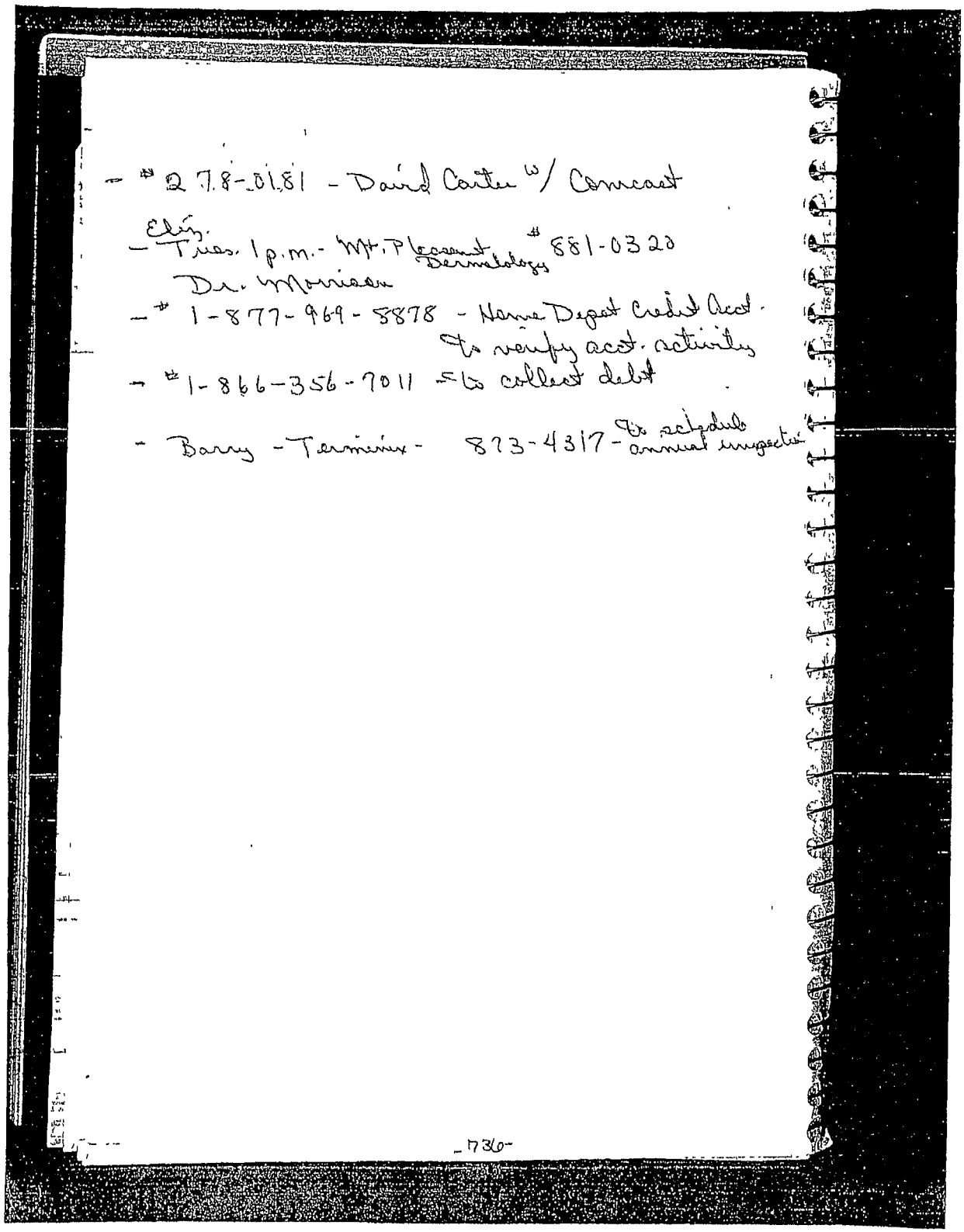
owes $100

René - owes $350
Dep.
SCE+G



Bally Sandlay -
1-door - $100.00 ea install
Sigla window - 65.00 ea
double window - 125.00 ea
double door - 200.00 ea
bi-fold - 250.00 ea
Baseboard 3.50 per ft.

-735-



- # 278-0181 - David Carter w/ Comcast
- Eliz. Tues. 1 p.m. - Mt. Pleasant Dermatology # 881-0320 Dr. Morrison
- # 1-877-969-5878 - Home Depot Credit Acct. & verify acct. activity
- # 1-866-356-7011 - to collect debt
- Barry - Terminix - 873-4317 - to schedule annual inspection

-730-

Apts Wanted Trey

List

- Debria Richardson - # 732-682-6764
1) Robin Davis (843) 356-1268
I wanted 2 know about 2 bedroom
how long until done
- Jonathan Wiese & Christin Martin # 324-7157
# 478-4079
- Ayshia Forrest - # 532-9987
Chas Southern Univ. student
Tony Wallace - Uncle
- ~~Shinee~~ Sean # 917-627-9089
(Oriental - 4 brothers)
- Nikia Jackson # 425-6652
Nikki + Oliver Fanning
* Janique Taylor - # 873-1927 - 2 bedroom { 534-8357 - Aunt 6-8 452-0906 Barbara Grace
* Jennifer Elliott - # 568-3383 - ~~New wind~~ need old / 1-Bedroom
- Deandra Frost - # 478-0682 } 1-bedroom
# 744-2342
- Ashley # 609-3729
- Victoria Mosley # 843-926-2057
- 2-Bedroom
- Amanda Knight 843-# 207-8000 Ext # 112 -
- Angel (Rene's ~~co-worker~~ friend) # 475-3535
(wants 2-bedroom)

Randy Cooper - Attorney #881-5413
Real Estate, tax planning
Having Marysa recommended
Attorney Rick Brownyard -
- Tyrone Williams - # home 821-0659
- Omar Lozo - # 514-8021 - 1 or 2 Bedroom
- Samantha Griffin - # 371-0129 - wants 2 bedroom
(Jennifer Ellis' sister)
- Claudia Green - # 646-578-1547 } New
347-701-3850 } 2-Bedroom

* Shamekwa Rayson - # 843-864-9088
Trident Tech Student work w/ Direct TV -
* 1-Bedroom - Old or New
DL# 100815555 S.C. DL#

✓ Patrick Oliver - # 552-0470
Engineer - Casey
Oliver's Kitchen + Bath - 767-4400
Michael Jenkins - # 609-0597 needs Hearing Aids for 1 bedroom Chris
Charlene McGrew - # 735-3030 Ebony 530-740
Nate Jordan - # 200-6493 ~~843-6069~~ 760-4659 735-0617 744-
~~696-9128~~ 2-bedroom 761
Pierre Widenmann - # ~~696-9128~~ 696-9128 New
Security Guard Shelby Braswell - # 345-0035 (2-Bedroom)
* does deck painting, construction, drywall)

Ebony 926-7930 #926-3607
Susan Binnie #442-6111 Ebony

* Leticia Jennings - # 926-9495 (Olivia's Niece) 2-Bedroom
Lachelle Palmer - # 926-5980 (2-Bedroom)

Deep Yard
Dawn Easterling Wade Hall
N. Wade Hall
# 843
Pablo - # 926-2360
Rosalie
- Christie Simmons - # 735-4471
- Val 640-7747 - 225-1373
Tuanna Heyward - 926-0154 (2-Bedroom)



Kimegad @ comcast . net
give her info on apts. - + get her to
look w/ 584-0620 - Beach
CAFB +
Naval Housing

Cala Tina
312-0441

- Wes Little - Catalyst Development
576-5490 - Hire - Real Estate
interest in 56 acres Developer

- SCE + Gas - 1-800-251-7234

N. Chas Police
#554-5700
police report # 200802 5617 # 200802 4315
200802 0927

Dept Code - #308-7307
Charlotte Haskell
# 324-8401

- bluemoon.com
Whitney + Roommates
509-7484 rental agreements
819-8520 lease applications

Mike London
843 #499-5041 5011

- LaToya White - #460-4292
Apts - 2-Bedroom

Eddie W/ Papa John...
- Archer Property Mgmt -
# 402-0710 Ext. 220 - Charlotte
926-1101 - cell - Eddie

- Berkshire apartments.com
(#?) many apartments
1-617-646-2300 (Corporate)
693-0536 770-587-5160 (SE)

- Kevin Holmes / Molly
Jax # 722-1190

- Joe Loomis - # 303-304-4740 (to rent shop. center)
- Timothy Doctor - # 830-5711 - (to rent shop. center for Karate school)
- Dr. Popp - # 766-6229

- State Farm - # 563-4800

$227.19
199.73
415.19

Kyle Clouse -
#843-906-6314
Navy Sub USS Michigan
March - April 2 Bedroom

- Jerry Hayes - # 743-9196
(Gibbes Art Gallery)

- Gary Benton - # 478-808-0820
about quarter horses he got off internet - Lintonia House AQHA

- 797-7603 - Debra Quality Electric

→ Max Jones - # 761-8298 / 822-2462
about leasing shop. center - Fax # 843-761-2013
e-mail - maxj@peoplefcu.com

- Wayne West - # 926-2331 - Apts.
-7896

- Molly ... - #

- Papa John - Attn: Charlotte
Fax # 843-402-0716 ✓ -

- First Franklin Financial
Attn: Mary Ivey ✓ 706-288-1679
#770-476-7762 770-476-7762

- Canopy light on
1 parking light - hazy
on Shelby

Blockbuster #761-3900 (Shelby)
Real Estate Manager
~~Terri Murray~~ ~~972-683-8134~~
Marc Comstock ~~847-296-0828~~
#972-683-8733
Dallas, Texas

Advanced Auto
Attn: Karen St. Pierre

Section 8 Housing

| | Housing | Hair |
|---|---|---|
| Donna | 503 | -- 97.2 |
| Herman | 600 | |
| Shawnette | 600 | 26 |
| Brenetta | | -- 550 |
| Latrissa Hamlin | 216 | - 384 - Pd. 4 |
| Jamie | | 550 |
| Fredricka | 261 | - 339 |
| Kamesha Hair | | -- 600 |
| Solomon | 375 | - 125 |
| Stephanie | | |
| Debra | | 600 |
| Tony | | 600 |
| Pat Brown | 433 | - 117 |
| Whitney | | - 602 |

$2,988 - Latrissa owes $344

2988
344
3332

- Check into Cash -
Jennifer Jegiorski
#423-473-4223 - direct line
Fax # 423-473-4347
E-mail Jegiorski @checkintocash

[redacted]

-740-

SCEG - 1866 543-7234
554-7234
ID, IH 1-800-251-7234
1D, 2E, 2F + 2G
fax number - (843) (803) 933-8045

#866-692-7234 Rita or Laurie
- Columns # 2 digits missing
#886103 886045-906748
8-5
- Rita - Jax

all scheduled to be turned on today 6/ /08

Spoke to Suzette 5/31/08
Spoke to Rita 6/9/08

Tameka
Tasha
Stephanie
Theresa

767-4005 Jack

Best Supply
# 569-1616

Greg Carrier
# 513-5677
84 Lumber

$23.67
15 bags — R-13 x 14½ wide insulation 87 sq.ft.
15 bags — R-19 x 14½ wide insulation $32.50 16.96 106.67 sq.ft
50 pcs — 16" (Framed) shoe moulding $48.50
50 pcs — tile

- Pro-flo Dual flush at Ferguson $126.50
  Jamie Hubbard # 749-6301
  or Patrick
- 1-800-600-7040 - Close Out Menu
- ~~Shutters - 14"x48"~~
- ~~8 tall surrounds~~
- ~~Get Vinyl down - Call Cecil~~
- Order everything for Bldg. 2 -

Mechanical -
24 x 21 x 33½ tall - Bathroom Vanity ordered
24 x 18 x 31½ tall - fully assembled comes w/ cultured marble sink -

742

- Vents under eaves of building
- door stoppers on hinges → Brass or Nickel - P. 1021
- Sconce light on foyer wall
- 2 lights in foyer - round ball
- 4' fluorescent
  three for each bldg.
- 14" x 48" Shutters (24 total) - Taylor # 296-5124 / Brandon (Cathy # 524-6206)
- Insulation in attic (Mark's guy # 303-1967 w/ calculations / Dave's guy outside door = 5/8" fire drywall with foam)
- Board fire extinguisher for storage area
- Blinds for Windows
- Sign (for Rent) - Linda Hough # 803-478-6549 / # 813-0137 / # 552-2626
- Phone for Office / Computer
- Set up Bank acct. 1st Citizens

* 10-99 @ Rob, Charlie, Renata, Ralph, Mark -
Manatee Landscaping - Jason Suggs # 296-9104
Allgreen Landscaping - Blake # 303-2352

* Tax Credits for Brownfields - Tax Incentives for this Dept. - check w/ accountant
Mark will recommend Rebates CPA → 1) Neil Meyer # 743-6800
2) Jerry Hill - # 475-3317 / Claude St. Clair #
3) Board of this dept #
4) Dan Strauss (Mark will talk to him)
Rebates (Water Heater) 5) Ecco - Tiny (Mike) - # 478-7518
~~Shutters 15" x 47" - $12 pair / louvered~~

David Boswell
* 864-833-1074

- Carroll O'Neal 843-224-9001

• Attorney — Tom Morrison
843-577-4303

Judge (Municipal Court)

~~$300-400 = to set up bike~~

Constable
* - Charles Coles — 870-0267 (Backpumps 1-bedroom for Sam)
870-0266

(1) Bldg. E-B
Kaneshia Hair
Chasmo de Lord
# 793-2519

lease about to expire
~~Mary Tolbert 904-535-9766~~
~~Jonathan Weaver~~
~~Christin Martin~~
# 478-4079 (check status utility bills copy of Drivers Application)
# 324-7157
$30 per adult credit check

(2) Jack - Refund check Mark said I overpaid you

~~(3) Belmeto - electricity bill for Donnie's 2 apts.~~

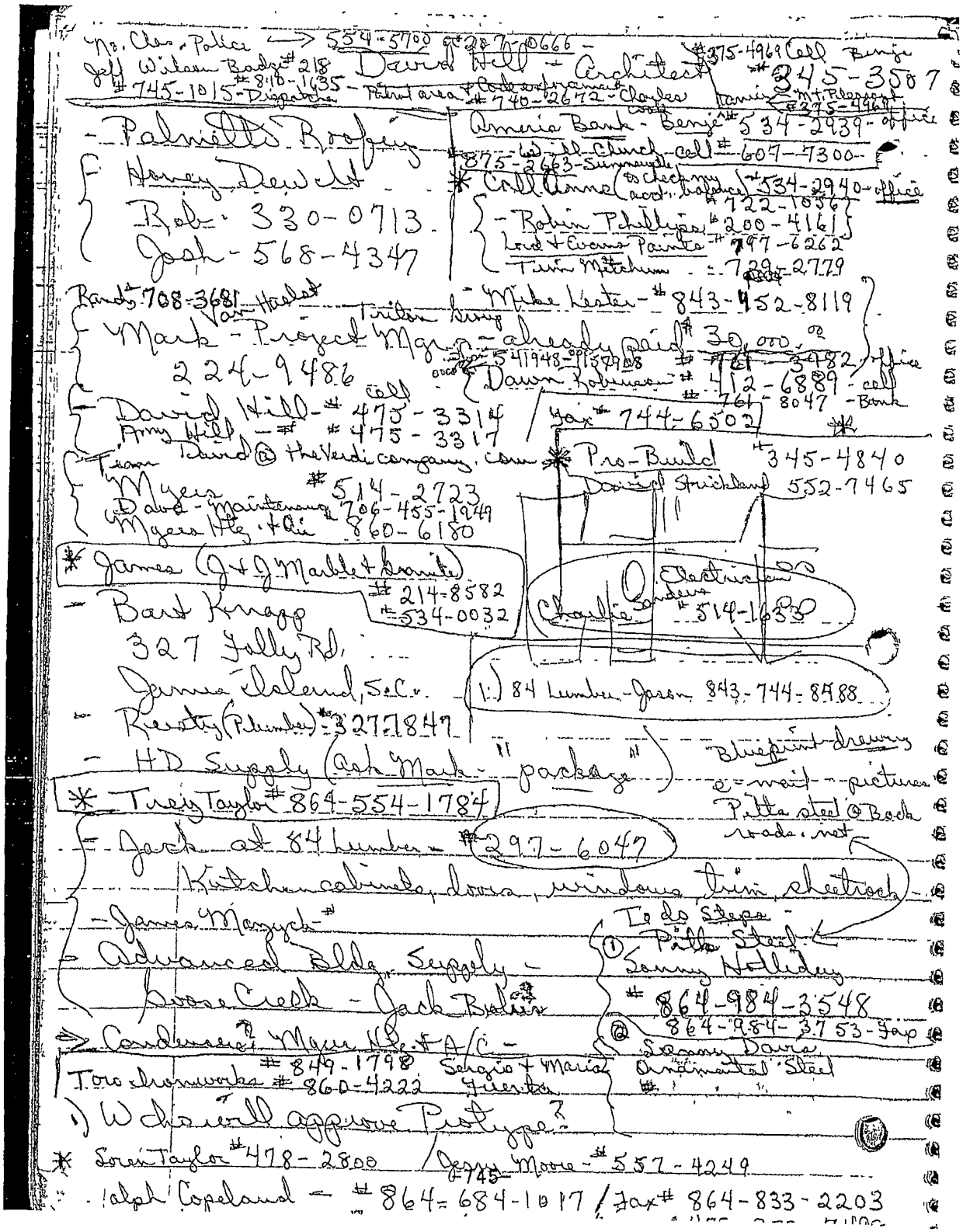
~~(4) Cox - Mark owed Jerry - Jesse.~~

~~(5) ReMax - Donna - close acct. Strip Center + Open Acct. at 1st Citizen~~

~~(6) John - H.D Supply - Order brings for doors to prevent~~ stoops hitting wall

~~(7) Pay H.D Supply~~

-744-


No. Chs. Police → 554-5700 #287-0666 -
Jeff Wilson Body #218 David Hill - Architect #375-4969 Cell Benjie #345-3587
#745-1015 - Pizzeria #818-1635 - Retail area + Code of ... #740-2672 - Charles
- Palmetto Roofing
Harvey Dewalt
Bob - 330-0713
Josh - 568-4347
Randy 708-3681 Van Hoelat
Mark - Project Mgr - 224-9486
David Hill - # 475-3314 cell
Amy Hill - # 475-3317
David@theVerdicompany.com
Team Myers #514-2723
Dave - maintenance 706-455-1949
Myers Htg. + Air 860-6180
* James (J+J Marble + Granite) #214-8582 #534-0032
- Bart Knapp
327 Folly Rd.
James Island, S.C.
- Rooty (Plumber) - 327-7847
- HD Supply (ask Mark - "package")
* Trey Taylor #864-554-1784
- Jack at 84 lumber - #297-6047
Kitchen cabinets, doors, windows, trim, sheetrock
- James Mazyck #
- Advanced Bldg. Supply -
Goose Creek - Jack Baker
Condensers, Mass Htg. + A/C -
#849-1798 Sergio + Maria
Toro Ironworks #860-4222 Fuentes
1) Who will approve Prototype?
* Soren Taylor #478-2800
Ralph Copeland - #864-684-1017
Amerisa Bank - Benji #534-2939 - office
875-Lee-Church - cell #607-7300
* Call Anne (to check my acct. balance) #534-2940 - office
#722-1056
- Robin Phillips #200-4161
Lead + Evans Paints #797-6262
Tim Mitchum - 729-2779
- Mike Lester - #843-452-8119
#30,000.00
#5419482-01579108 #761-3782 - office
Dawn Robinson #412-6889 - cell
761-8047 - Bank
Fax #744-6502
* Pro-Build #345-4840
David Strickland 552-7465
Electrician
Charlie Sanders #514-1655
1.) 84 Lumber - Jason 843-744-8588
Blueprint drawings
e-mail - pictures
Pitts steel @ Bock roads. net
To do Steps -
1 Pitts Steel
Sammy Holliday
#864-984-3548
2 Sammy Dana
Ornamental Steel
#
864-984-3753 - fax
#745-
Jesse Moore - #557-4249
Fax # 864-833-2203

CCIM - Certified Commercial Investment Management / Earth Kraft Products

contractor

- 48 units - Verdi Group - Triton Group
3 bldgs - Removed windows & doors, carpets, flooring, cabinets, tubs, sinks
- Exteriors are painted, caulking - everything prepped for
- Tina Vaughn - 553-0363
- outside painted + new roofs
July 2nd #12,862.05 Loan
- use products - to gain points for Checklist

- 20-24 units @ $600 each - Section 8 (Most are Section 8 same inspection)
- Pays supplies directly
- No lumber - only facia for roof
- Bought it for 2.8 million ÷ 48 units = $58,333
Remodel 700,000 plus a mine ÷ 48 = $14,583
Appraised 3.5
Sell for → 4.2 - 4.5 million

- Moissette Project - Old Navy Base
Granite countertops -
11" x 24" deep & 3 1/2" splash in back
Base cabs = 16" wide x 90" long -
$1,000.00 per unit w/ sink, Steinberg under mount sink 18 gauge

* 106 Marilyn St - Goose Creek - Rolando
Chuck Taylor - Greenwood 864-223-3700

1st Citizens —

$ 400,000 - from 1st Reliance — 2.8 million

$ 700,000 - from 1st Citizen Tilney (right words) = 700 m

$ 400,000 - 1st Reliance — 2-1 million loan from Comerica Bank

$ 1.5 million

Equity building —
— May incur debts, but build assets

Carroll Sease recommended ✓ superintendent - Builder - set into an attorney

* Horace Curry - 991-4571

does maintenance work for Northwood plumbing - A.C.

## Lee Robertson - 697-4898

Alexander (Brad Pitt) 843-437-9853

- Insurance for Apts & Project

- Financing - How project was funded -
  Repayment terms - from Banks
- Where 2.8 million came from Palm?
  → A 700,000 borrowed off of 3905 Palm?

3.3 million total debt
400,000 old debt

- Are the loans (repayment terms?)
- Chris @ CRG? Who is this?
- Mark - Project manager? Who is this?
- Myers Heating or Air?
- What are the mechanical drawing? Why were they disregarded?
- Impact to Earthcraft Certification?
- Bryant Brand?
- Myers Heating & Air - Connection w/ Chris CRG?

Seer rating

48

- Line (All sealing & any openings completed by others)
  - who?
  - How much?
  - by when?
  - * - required to get repressurization? recompressure

- Is electrical contractor included in #116,000 -

- Square footage of each apartment unit?

1) - Mark - Carpet what price
   *6 mos?
2) Where are cabinets, tubs, sinks, carpet, paint, light fixtures
   a) Are they paid for?
3) Are all materials ordered?
   We have windows + doors
4) Steel steps -

* Has Mark pulled the permits on all the buildings

* Sign contract for Mergus Htg./AC

1) How much money spent thus far?

- How much left?

2) What else needs to be ordered?

3) Progress on Bldg. #1 - what is projected time of completion on #1, #2, #3 -

4) How do we keep track of what supplies come in?

5) Where will we store supplies coming in?

6) Security at night?

7) How much losing per day by apts. not being rented?

-750-

8) Certain stuff - supplies - who is responsible for ordering & making sure it is there on time?

9) Have I paid in advance for supplies that I have not received yet - and what supplies is that?

10) Bldg. #1 - hinges sprayed w/ paint, but rust coming back

a) Moldon sheetrock - Address that before painting

b) sheetrock mud on old doors & painting them - that will crack later on & fall out - why not put new doors

11) What does a door casing cost & the moulding & circulation?

12) Where is the aluminum, copper wires, & air conditioning compressor? 2x4's? Where did they go?

* Nothing is suppose to leave -

* Get a Bldg. inspector to come + check w/out Mark being there.

13) Projected time on Completion of all 3 Bldgs.

14) Did lady move out of Bldg. # 3 ?

15) Is this cost efficient to go green? Paint - price - what is difference in paint?
Carpet?
Light bulb?

16) How much more $ will it cost to go green?

17) Personal insurance on Apts. to cover damage by tenants?

18) Estimate on columns?

19) When supplies come in, who accounts for it? Who tells who to go to what?

Walter Sheely - # 803-924-1000
# 706-645-6378-office # 706-590-0451-cell

20) The paint - who picks it up, who authorizes them to get paint, do I have an open acct. + crew picks up as needed?

① Jimmy + Deanna Simon - 563-4887

21) Steel Steps -
7 1/2 rise x 10 1/4 run
w/ a 3/4" nosing
How long? 109 1/4 height · 4' wide
Handrails - How high? 42" @ handrail height
Steps to be bolted

Floor to floor height
Bar
any restriction on how far steps can go out -
Size of Stringers - What kinds of material for rails

Friend of Walter Sheely
1) Hugh Howe - ask recommendation for Bar Contractor
(C+S Bank - Pres.)

- General Contractor - Carroll O'Neal # 224-9001

2) Tom Morrison -
Real Estate Attorney - setting up LLC for Apt.

-753-

* Put Apt. complex in separate LLC -
Apt. TMS# 4850300114 / Advance Auto Bldg? TMS# 142/20205.5 / TMS# 142/20210- } Bloodbuster Shop. Cntr.

1) Liability insurance for Heritage, LLC

2) Check other Property Managers about fee for managing apartments - 10% is too high

3) Insurance for Apts + liabilities

* Put tankless water heater inside on next 3 Bldgs.
- Mike Lowery - Man for maintenance + security at night - its his property
- Carrie A/C - Compressors + coil how many do we get
- Sergio Ramos - Cost of copper + aluminum -
- Myers Bldg. Where is many copper lines?
- Stop Paint deal w/ Mark - Have Eliz. take that over
- Salvage Place in Landrum - get tel. # 411 -
- Do Lady out of Bldg. # 3 ?
- Meet w/ Mark + talk - about Rolando + myself working
- Dexter - info - on Apts - cost when Onea brought that
+ taxes Property

-754-

2007 - $26,057.58
2006 - Delinquent
2005 - $27,440
2004 - $17,335 - Abes Pro, LLC - owners from 4/4/07 -

To check on Property → Charleston County.org Tax records 2.25 acres 2625 Otranto Rd. - TMS# 485-03-00-114

- Inspector to come when Mark is there
- Bank - do they have inspector to check out?
- Police - to come patrol

To build steps → Tom Shaw Works - Mt. Pleasant - Carroll O'Neal recommended

* Why was Bldg. #1 not done first - one at a time?
- tubs over rotten floor - ?
- 1st bldg. - on right - top & bottom floor doesn't meet - on right side - stairs
- Prototype - Sprayed ceiling - still cracked - Patchwork job *
- insulation being saved to re-use
- Fire code - sheetrock
- DHEC inspector - doors re-mud & sanded - cheaper to buy new doors
- Oil paint being thrown outback in yard - trees
- Columns - heavy shingles will cause sag more
- need to be put back
- Who are the inspectors - what have they approved & not approved
  a) Are sub-contractors permitted -
- Mark - about permitting - his license being pulled - because of lack of permitting
- Rhonda - under estimated job
- AHOA + to terminate Ben - Contractor
- Why painted when construction not done yet.
- Looks like only 2 weeks work here - been done - besides Demo 755
- looks like I have thrown away money away - Mark, what would you have done differently?

Property Mgmt. Darnell Real Estate.
- Ravenel & Associates - # 886-8845
- Robert Pratt - # 767-7777
- Strategic Asset Mgmt → # 696-8030 ask Dexter
- Horacio Myers - # 416-1462 ? Byrnes
* - Jim Roberts - to manage & buy Commercial Real Estate - recommended by Ryan Bateman # 452-9417 # 720-2890
- Vernon Owens pager # 569-9458 / # 693-1311

- Laurie Dore Bright (Phillip & Krista Sprague)
# 708-1527 or # 709-3997

Code Issue -
- Smoke Detectors
- Aluminum wiring to be replaced w/ copper
- Valves - replace plumbing -
- Documentation of district plumbing recommendation
- Rotten floors

1) How many air conditioner units do it have?
2) How many windows + doors in each unit?
* 3) Set name of apts. changed to Verdana + run ad in paper the rent apts.
4) Ladywin Bldg. 3
5) Insurance Policy on Apts.? look to and it
6) L.L.C. w/ lawyer - to put apts in L.L.C.

Bagwell 864-923-4650

* 7) Mike Lowery - to recommend guy for Security & Maintenance

Check on -

1) Mark - lock for Prototype - doors, windows;
2) Paint for column - 5 gal. (color?)

Electrician - Scott Homan recommended
- Mike Williams - cell 843-412-1396 / Home 843-565-4071
- Quality Electric - Charlie Sanders (Jack Bullis recommended)
Charlie 514-1633 / Chad 200-5061 / Office 797-7603
→ JBT Electric - Ty 460-0393
(Tim Meyers recommended)

* No. Chas. Bldg. Office # 740-2564
Debbie Brigman

- Carl Zubst about appraisal
- David Blalock - electric - (Carroll Campbell recommends)
# 743-3805 or # 412-5017 or # 871-4122
* Matt DeDab # 630-990-7996 / # cell 630-897-5326
Shopping Center in Barnwell
- Mike Lovinski - 843 # 499-5064

- Jerry Mews (Electrician - Sub of Michael Lindsey)
-757-
$5,000 a unit turnkey (except lighting & appliances)

- * Carpet Tape / Connector for Water Hose # } Bob Murdock + # 884-5387 lighting fixtures - John recommends
- * Tape Recorder
- Brubaker Salvage #
- Window Replacement - to give estimate on replacing windows
- Anderson Windows # (call about warranty even if can't them)
- ~~Tape Recorder~~ Write down name of person I talked w/ + time + date -
- Home Depot order thru Team National
- Check w/ Donna + Ralph - Roofing price on labor + materials a) Paint on Exterior + interior
- Myer Htg. + Air - # - Tim Myer
- Where is the copper that came out of my units? I am under the impression that was my copper -
- Carpet Tape - at h. Fishman - Ken # 742-0935
- Amerin Bank # (Board of Directors)
- Mike McIntosh - # 697-3386
- Keep @ Beach House + storage closet

* Angie Davis (interior Decorator # 843-607-0026
friend of Cathy Beever - met at shop when it sold Aluminum
Jerry Moore - # 557-4249
Construction - painting, drywall, install carpet + vinyl, plumbing, electrical, demo, doors, cabinets, base, stairs, labor on prep work, repair kitchen floor, cabinet tops

#10 109.63 -758-
750. ☒ - Jerry + Karen
#10 059 63 minimum