

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

ORIGINAL

APPEAL FROM BERKELEY COUNTY
Court of Common Pleas

Robert E. Watson, Master-in-Equity

Appellate Case No.: 2014-001487

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.

RECORD ON APPEAL – VOLUME IV

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Tina Cundari (S.C. Bar #71951)
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Attorneys for Respondents

RECEIVED

APR 23 2015

SC Court of Appeals

INDEX

ORDERS

Order of August 8, 2013	1
Order of May 30, 2014.....	56
Order of January 14, 2011	60

PLEADINGS

Complaint.....	66
Answer and Counterclaims	77
Reply to Counterclaims.....	87
Amended Complaint	92
Answer to Amended Complaint.....	100

MOTIONS

Motion to Alter or Amend Judgment.....	109

TRIAL TRANSCRIPT

Cover Page (May 22, 2012).....	135
Plaintiffs' Opening Statement.....	138
Defendant's Opening Statement	147
Testimony	
Deposition of William Barksdale	171
Linda Gibson	
Direct examination by Mr. Epting	180
Cross-examination by Mr. Stepp	270
Redirect examination by Mr. Epting.....	352
Thomas Hartnett	
Direct examination by Mr. Epting	354
Cover Page (May 23, 2012).....	368
Testimony	
Deposition of Don Snipes	370
Karl Zerbst, Jr.	
Direct examination by Mr. Kefalos	397
Cross-examination by Mr. Jordan.....	445
Examination by Court.....	477
Redirect examination by Mr. Kefalos	480
Examination by Court.....	481
Re-cross examination by Mr. Jordan	482
Examination by Mr. Kefalos.....	482
Examination by Mr. Jordan.....	484
Examination by Court.....	487

Benjamin R. Lanier, Jr.	
Direct examination by Mr. Kefalos	493
Cross-examination by Mr. Jordan	512
Redirect examination by Mr. Kefalos	547
Follow-up examination by Mr. Jordan	549
Examination by Court	550
Cover Page (August 14, 2012)	582
Testimony	
Geoffrey Southard	
Direct examination (qualifications) by Mr. West	583
Cross-examination (qualifications) by Mr. Jordan	588
Direct examination by Mr. West	590
Cross-examination by Mr. Jordan	607
William C. Barksdale, Jr.	
Direct examination (qualifications) by Mr. Stepp	613
Direct examination by Mr. Stepp	620
Cross-examination by Mr. Kefalos	677
Redirect examination by Mr. Stepp	683
Examination by Court	685
Deposition of Marc Bogan	687
Deposition of Rolando Villavicencio	694
Richard Sturm	
Direct examination by Mr. Stepp	705
Cross-examination by Mr. Kefalos	722
Redirect examination by Mr. Stepp	734
Examination by Court	737

TRIAL EXHIBITS

Court Exhibit 3	744
Court Exhibit 7	761
Court Exhibit 10	764
Plaintiffs' Exhibit 2	780
Plaintiffs' Exhibit 8	793
Plaintiffs' Exhibit 22	797
Plaintiffs' Exhibit 23	798
Plaintiffs' Exhibit 30	799
Plaintiffs' Exhibit 31	801
Plaintiffs' Exhibit 32	802
Plaintiffs' Exhibit 35	808
Plaintiffs' Exhibit 37	809
Plaintiffs' Exhibit 38	811
Plaintiffs' Exhibit 39	814
Plaintiffs' Exhibit 41	817
Plaintiffs' Exhibit 50	826
Plaintiffs' Exhibit 57	828

Plaintiffs' Exhibit 60.....	829
Plaintiffs' Exhibit 61.....	830
Plaintiffs' Exhibit 63.....	831
Plaintiffs' Exhibit 67.....	832
Plaintiffs' Exhibit 68.....	833
Plaintiffs' Exhibit 71.....	837
Defendant's Exhibit 1	847
Defendant's Exhibit 2	852
Defendant's Exhibit 3	853
Defendant's Exhibit 4	859
Defendant's Exhibit 5	868
Defendant's Exhibit 6	871
Defendant's Exhibit 7	880
Defendant's Exhibit 8	884
Defendant's Exhibit 9	886
Defendant's Exhibit 10	891
Defendant's Exhibit 11	894
Defendant's Exhibit 12	897
Defendant's Exhibit 13	898
Defendant's Exhibit 14.....	1016
Defendant's Exhibit 15	1029
Defendant's Exhibit 16.....	1032
Defendant's Exhibit 17.....	1036
Defendant's Exhibit 18.....	1039
Defendant's Exhibit 19.....	1041
Defendant's Exhibit 20.....	1043
Defendant's Exhibit 21	1053
Defendant's Exhibit 22.....	1057
Defendant's Exhibit 23.....	1059
Defendant's Exhibit 24.....	1074
Defendant's Exhibit 25.....	1078
Defendant's Exhibit 26.....	1080
Defendant's Exhibit 27.....	1083
Defendant's Exhibit 28.....	1088
Defendant's Exhibit 29.....	1089
Defendant's Exhibit 30.....	1092
Defendant's Exhibit 31	1095
Defendant's Exhibit 32.....	1104
Defendant's Exhibit 33.....	1111
Defendant's Exhibit 34.....	1120
Defendant's Exhibit 35.....	1123
Defendant's Exhibit 36.....	1124
Defendant's Exhibit 37.....	1126
Defendant's Exhibit 38.....	1130
Defendant's Exhibit 39.....	1141
Defendant's Exhibit 40.....	1151

Defendant's Exhibit 41	1224
Defendant's Exhibit 42	1275
Defendant's Exhibit 43	1328
Defendant's Exhibit 44	1376
Defendant's Exhibit 45	1380
Defendant's Exhibit 46	1381
Defendant's Exhibit 47	1382
Defendant's Exhibit 48	1384
Defendant's Exhibit 49	1386
Defendant's Exhibit 50	1392
Defendant's Exhibit 51	1393
Defendant's Exhibit 52	1394
Defendant's Exhibit 53	1395
Defendant's Exhibit 54	1396
Defendant's Exhibit 56	1397
Defendant's Exhibit 57	1398
Defendant's Exhibit 58	1399
Defendant's Exhibit 59	1402
Defendant's Exhibit 60	1406
Defendant's Exhibit 62	1421
Defendant's Exhibit 64	1425
Defendant's Exhibit 65	1511
Defendant's Exhibit 66	1538
Defendant's Exhibit 67	1539
Defendant's Exhibit 68	1543
Defendant's Exhibit 69	1548
Defendant's Exhibit 70	1550
Defendant's Exhibit 71	1553
Defendant's Exhibit 72	1554
Defendant's Exhibit 73	1560
Defendant's Exhibit 74	1568
Defendant's Exhibit 76	1572
Defendant's Exhibit 77	1585
Defendant's Exhibit 78	1594
Defendant's Exhibit 79	1596
Defendant's Exhibit 81	1598
Defendant's Exhibit 82	1599
Defendant's Exhibit 83	1607
Defendant's Exhibit 84	1609
Defendant's Exhibit 85	1610
Defendant's Exhibit 86	1613
Defendant's Exhibit 87	1616
Defendant's Exhibit 88	1619
Defendant's Exhibit 89	1626
Defendant's Exhibit 90	1632
Defendant's Exhibit 91	1633

Defendant's Exhibit 92	1635
Defendant's Exhibit 93	1640
Defendant's Exhibit 94	1643
Defendant's Exhibit 96	1646
Defendant's Exhibit 97	1648
Defendant's Exhibit 98	1651
Defendant's Exhibit 99	1652
Defendant's Exhibit 100	1653
Defendant's Exhibit 101	1654
Defendant's Exhibit 102	1655
Defendant's Exhibit 103	1657
Defendant's Exhibit 104	1658
Defendant's Exhibit 105	1660
Defendant's Exhibit 106	1661
Defendant's Exhibit 107	1662
Defendant's Exhibit 108	1685
Defendant's Exhibit 109	1688
Defendant's Exhibit 110	1691
Defendant's Exhibit 111	1694
Defendant's Exhibit 112	1697
Defendant's Exhibit 113	1701
Defendant's Exhibit 114	1704
Defendant's Exhibit 115	1708
Defendant's Exhibit 120	1735
Defendant's Exhibit 122	1742
Defendant's Exhibit 123	1746
Defendant's Exhibit 124	1753

OTHER

Defendant's Brief on Damages	1762
Plaintiffs' Brief on Damages	1778
Defendant's Reply Brief Concerning Damages	1789

<u>CERTIFICATE OF APPELLANT</u>	1797

68,866.08 ^{monthly}

\$ 826,392.96 annual

Bogard

OP Crk

833 - 6764

100,000

6% @ 30 yrs. = \$600 monthly

\$ 100,000

20 yrs @ 12% APR

\$ 1,434.71 payment each month

Band for title on land

Class - Attorneys

1) Lynn M. Cante - # (843) 884-9394

Off

864-998-4615

R -

A + R Steel - # 559-9597

Steel Buyers

1) Joseph David Co. - # 881-5609

2) T + B Tube Co. - # 767-9965

3) Atlantic Coast Steel - # 832-6686

* Charleston Salvage

Coastal Salvage - # 744-2575 - 7440 Meeting St

R Scrap Metals/Junk Dealers

1) B + B Demolition - # 554-8408

2) B + D Scrap Metal - # 553-8836 (Take copper + aluminum to sell)

3) Char Steel Metal - # 750-722-1340

4) Moe's Salvage - # 851-6559

Window Replacement - (* Ask about done)

- 1) Mailer - #572-9727 / #296-6546
- 2) S+S Home Remodeling - #
- 3) Wayne W. (Pella) #514-3558
~~Wanda Pella Windows & Doors~~ - #1-800-247-3552 ^{green} _{Page}
- 4) Palmetto Windows & Doors - #225-7270
- * 5) Window World - #579-0706

Cabinets -

- 1) Kitchen by Design - #849-6890
- 2) Jiles - #849-6465

Roofing -

- * A-1 Roofing - #345-6048 / ^{Shetrock} #478-9352 ^{Malvin Mangat}
- Jim #820-1400 / ^{Steve Vennin} #425-6652 ^{#884-9807}
- * Mack Brien ^{cliff} ^{friend} ^{brick man} #200-9098 ^{Maria Jansen} #123-2057 ^{Tuff} #532-3286 ^{Capet, Tolo} ^{Carroll} ^{Windows}
- John Richardson - #743-5494 (Painter - ^{Mack} recommended)
- Cicero Simoes - #224-3627 (^{Pandy Cusack} + ^{Donald Salter} recommended)
- Len Neugebauer - #709-0680

Steel Steps -

- * e-mail - d.jarger@d.h.griffin.com
- pleg760@iwp.ec
- D.H. Griffin

* For putting in carpet (Bath Kitchen)

1) M. C. Cante - #

Basement area

2) Carpet Shop - # 873-9252 (Whitney Ray)
 509-7551 (Donald Selbert) # 830-7665 (Raymond) (Billy Sandlin) Randy Lucod
 recommended (452-8931) 889-1983
 509-7551 (Cicero Simons) 224-3627

Pro-Sources

- 3) Cecil Graham - # 209-5954
- 4) Ted Sainbong - # 743-1335
- 5) Lloyd Morrow - # 270-4843
- 6) Don - # 860-1568
- 7) Tony - # 425-2120
- 8) Jeff Sorman - # 737-4829 / 469-7186
- 9) Sandra Penn - #

Michaley
Whalley
recommended

* Silena Barfield - # 843-761-3982

447
104

557 Jack Clay Perkins - # 832-0046

John
Woods

Thurmond Kinchen & Tunnings

15 Mid Atlantic Wharf - Suite 101
 # 843-937-8000

✓ Engineers -

- 1) C.R.G. Engineering - Chris Constantine # 843-266-0700
- 2) Mt. Valley Foundation Repair - # 1-800-333-8819
 Get my foundation, com - 781-
- 3) Allen Campbell

Home Depot Acct # ~~85888~~
Cathy Julie #820-1400 - Exp. 8/1/01

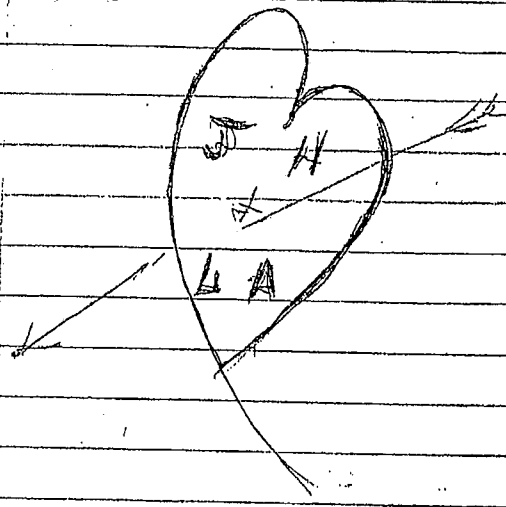
Jim Hamilton

1) 843 - 462-7117

\$ 2,545,381.68

- Brad Honeycutt - # 693-6466
- Caroline Jence # 821-0486
- Palmetto Jence - # 552-4500
- Cal + Tina Woods - # 312-0034

Rob Allertine - Painter
408-5672-7000
Jeff Hicks - Painter



from Lexington, Kentucky

Linda Amiger

- Bill Reich - lives across street from 3205 Palm
- Richard Chestnut - Landscaping Design
- Jerry Poirer - Landscaper
- Good Nature Landscaping - Maintenance
- Carl McCants - Architect
- Bailey + Sawyer (Nick Sawyer) - Builders

Copeland Enterprises - #623-3333
 Business #080018
 Contractor #350780
 + ~~included~~ #5982155
 Case # ~~72792~~ (Case)

#1-877-765-3991 #1-800-431-3003 John Price
 #1-800-431-3000 H.D. Supply #843-270-9533
 Acct. Serv. #465 - 800-798-8809 - Ext. 6426 - Sarah Field Sales Rep
 Energy (1) Refrigerator - 18' cu ft. #285441 Tim Webb
 Star Top Mount (freezer) L-800-298-8888 Ext. 7299
 - White #285951 ~ #285957 30 in. width
 #355 (2) Slide in Stove (around 40 in. height)
 * Show that is electrical cords plugs 18" or 24"
 #239 (3) Dishwasher - #285946 / #285124
 #149

#45 (39) (4) Garbage Disposal - #

website -

H.D. Supply Solutions, com - click on Resources
 (orange box) - apply for Credit -

3/8" x 7/8"	1 1/4" sheetrock nails ^{250lb. light}	Ken CK Supply	Walter #871-8874
Robt. Supply	4x8x1/2" sheetrock - 50 sheets	#291	#514-2178
Pro-Build	4x8x5/8" " - 10 sheets	#608	#5.92
#296-0563	Sheetrock mud - 20 buckets	#251	#11.50
David Shickland	Ceiling spray - med - 20 bags	#220	#11.90
Friend	Taylor #552-7465	#220	#767.20
Walter	David Shickland #296-5324	#220	#812.28 / case
Pro-Build	#345-4840		

Don't order anything until you pay rent?
 1. Mark - 125.00
 2. Josh - windows defined
 3. Rolando - \$30.00 - for an...
 4. Police report - stolen...
 5. who cleans their...
 6. Corn - Mach + Pepsi machine. / Call + delay May 1st

Interested in Apts

CABE Base Housing info

963-2100

963 - 3858

~~Kavandra~~

analysis 

www.ahrd.com

~~Wednesday night got dark very about 11~~

Master Key

- Follin Smith - # 843-766-7500 Sass, Herin ^{Pass.}

Appraiser - rental income at time of purchase -

Hay 78 Baruch Hwy Tax # 843-572-4283
Laurison Leura - # 572-4281 - Brianna Bennett/Co

[illegible]

First Citizens Bank # 719-1352 call 563-1044
Dawn Robinson # 761-8047 # 412-1889 563-3118

Harris Mags #416-1062 - also Real Estate agent
Call # 696-8030

~~Mr. Paul~~
557-2863

Deena Prop. Ment. - (M. Pleasant - Tim Magee recommended) # 856-8488

~~Palm Properties # Debbie~~
~~Sawle * 863-9100~~

Jennifer # 377-8800 or # cell 437-5057

Bearford Creek Prop. Magnet - # 377-8800

Core One Prop: (Steve Smith - ^{Phone} 278-1600)

Call for #1
more
recomm

AMCS (The #1) # Jamie Ken - 345-8166
D # Jimmie Ken #345-8165

Ass Properties Jimmy Kone #345-8165

AMCS

Richard Phillips - 345-8169

Barn Roof

Jimmy Branch - ~~#~~ 843-200-2218

4) Barry Christopher - 214-4213 - ceramic tile

2) Tony Rosales - 770-318-3064

4) Tim Widen (Electrician) - # 200-0753

Jackie Brown
Soviet Union

Benzo - Lincol. # 469-9720 (Randy recommends)

SP-3 Raymond K. Kinkaid - 764# 843 = 609-0620

Hester Young -# 863-8019

526 - Ashley River Rd. - Glenn McConnell - left on
Bees Ferry Rd. - turn right on Main Rd. by Phillips -

Main Rd. + 17 South - go thru light &

keep on going

Sessions Chiropractor / Pig Wig - turn

Left - 2 or 3 miles - pass church - See delay

Habit for Humanity on Main Road Hwy.

Best Supply # 569-1616 / 84 lumber
Big Car # 513-5677

* Ferguson - Jamie Hubbard - # 747-6301

Pis-flo Dual Truck

{ * Magic Jack.com - # 1-800-407-3488
\$19.95 a year

1-800-600-7040 - Close Out News

- Storage Containers - # 552-6130 - # 270-6443
Office John Brenner

Cleaning Units - * (Clean outside windows)

1) Richard Bailey - # 557-4089

interested in lawn maintenance + cleaning opt. # 65/32
2-2nd / 1-Base

2) Jaye Bganz - # 843-514-6295 # 100 opt.

3) Pablo Rogelio - lawn Maintenance # 926-2360
843

* (Jim) Parker Locksmith - # 830-0794

Painting → Chad - # 478-8919

Michael
Childs
recommended

and
est

-765-

204 Lakeview Dr. - guy who rented Talm Bldg.
Summerville + didn't pay!

Next day delivery

24" x 21" Vanity	25" x 22" Cultured Marble Sink / counter top	Bathroom Faucet
\$ 92.77	\$ 69.95	\$ 27. ⁰⁰

2-water liner

\$ 6.20 - 16" flex

1) Sign Monkey - #881-9353 (Banner Sign)

2) Coin-Mach

3) Vending Machine to rent - #

4) Fire Marshall

5) Landscaping

6) Jack Holt - 84 Lumber - about Jack Bullis

7) Order light fixtures + Kitchen faucets

8) Island Realty - ① trash / cardboard under house

9) Police Report about missing appliances

10) SCE + Gas Rebate

11) Great Wiggins - Family Service - Advertis. spots ⁱⁿ ~~Shrine~~ ^{Shrine} ~~Magazine~~
(Arthur Miller recommended)

12) No Smoking Signs in Laundry Rooms - office

13) William Shipley - lawyer

14) Tax Credits for Green Bldg.

15) Mike Lowery - #696-8553

16) Fabio - #786-863-2008

17) Lisa Whipple (for Rent.com) - #367-5452 *

~~lisa@rent.com~~ ~~for rent.com~~

18) Mike w/ Atlantic Bedding 696-5712

Essex Arts. B 200 - Hill - 1st Floor - 1st Floor

S.C. 180 RTF - Joe

Light Blue Chev
Caprice - parked at apt.
S.C. 326 X CZ

Suzannah 200-9019

Attorneys

Exit #14 - Leeds Ave - left (behind Robinson)
Rail Bounding

1) Jimmie Smiley - #744-3043 - 3842-B Leeds Ave

2) De Luca

3) Silber

4) Andy Savage

5) Kevin Holmes - #722-1190 Thurs - 11A.M.

6) Paul Lynch - #579-7012 or #579-7072

Apts - TMS #4850300114

Dep. Chief
Ranger
Burglar
7) Max Glenn #881-7993

8) Mickey Whalley - #224-1750 (Priya's Radiator
2851 River #744-5308)

9) Paul Tacklenburg + Joe Jacumin - 534-2628

10) Teresa Bulford - #532-2040

Taxi ID # Seven Oaks LLC - #30-048-7047

11A.M. - Max Glenn #881-7993

Daniel Island - Suite B-3

- Ben Brangley - 1st Reliance - #789-1400 - #789-1401 or 566-3698

* Home feed - #688-4490 / #870-2451

- Priya's Radiator - #744-5308 - 2851 River

- 3 Tankless Water Heaters defective

- Earth Craft certification - Claude St. Hillary

- Windows - film

* → Mark - DP Rating from Anderson & City
Behind from Windows - purchased from Jack

- Trend to Kitchen Rem - 636-4073 / 701-2550

Sivan Sca

Crin G.

G Campbell

Church

14R

—

7

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466

4

—

51

7-1

Ted

15" x 4"

С. Г. Овчинников

Remount

Parker

Home

Bush

Dase w

H G M. I

Red

Card 4

Grant W

Grand

763-315

324-2

Need

check to see if changed for 3 or 4

1-A * Bathroom lights - 4 bulbs instead of 3 -

1-B - need 2 vent fans in kitchen ceiling

- C - Vents 1 -

H - dining light

Bldg 2 - (vents H H H H H)

Knobs for kitchen cabinets

Knobs for Infield doors

Paephales - H H

Bathroom Vanities H H H H H / Sinks H H H H H

Kitchen Sink H H H H H

Wipers H H H H H

2-F - foyer light

Bathroom light - 1 (Unit)

Hall light - 1 (Unit)

Bells - 3 (Unit)

Retain

- 2 Brass lights - bedroom 1 E / Brass light bathroom 1 E

- Shingled above rods 5 in box 1 E

Dave

Shower Rods - 5 + 11

Shower Curtain - 5 + 11

Refrigerator - HHT III

Stoves - HHT III

Blch. Sink - HHT III

Dishwasher - HHT III

Sinkage Disposal - HHT III

Lights - 1A complete (8) (C) (D) (E) (F) (G) ^{dim} HHT

Cornucopia - 1

Bldg. 2

Bathroom faucets - 8 in box

8 sink strainers

Bathroom Mirrors - 11

Tub & shower valve # 8

Joyce light inside # 321252 - 1

Chandelier 1 box on floor

Seance 1

* Cornucopia 8 tanks - 8 bowls 8 seats

Bathroom lights - 11

lights complete A B C D E

1/2 gas
 electric 554-7234 1-800-251-7234 5 F → Allison in new construction
 Eddie Sue 704-810-3122 6 D → ~~do not call in~~
 Collyer N. Carolina City Inspector
 #843-740-2564 for meter

- 4" letter for doors (stick - ons) → Pam - Est. 6563
- * Wooden knobs or 3 brush nickel for bi-fold doors
- ~~archer bolts~~ for towel rack - larger size (with light)
- Wire shelf for closets
- Caroline Stehry + Miriam - Richard
- Door knob board or plate for door stoppers
- * Knobs on cabinet doors - 16 per kitchen
- Chandelier light
- Blinds for Window - ~~note~~ for double window, buy single
- door stopper hinge for Back bedroom door so avoid hit glass sliding door - put door knob plate on ^{glass} window
- Plastic shower Hooks instead of chrome so won't rust

T.O. get -

- 1) Door / Wall stopper
- 2) Tie things for closet shelves
- 3) Jack - door 2-8 for Hg./AC unit
- 4) Counter top - 1-A needs to be replaced
- 5) Jack back splat around each counter

* S.C. E. & Gas Co. #1-800-251-7234 - Est. 65653
 Ask for Pam

* Storage room 1st Bldg. - looks like leaking rain water
back wall floor -

* Paint ^{up} window area in hall

1-A:

1) Kitchen faucet - drips for a while after turned off
+ faucet seems loose

2) Telephone jack & cut in boxes (old work boxes)

3) Right ^{coat} closet - plumbing pipe exposed

4) Bathroom sink - underneath big hole in wall

5) Bath ^{all} door not shutting correctly

6) Chandelier light - shorten chain - too low

7) Behind front door in corner - could crack open

8) No receptacle in kitchen wall - dishwasher

* Moulding in foyer - 2nd floor stairs / ^{storage room} back wall
9) Hole around chandelier - spray paint on ceiling all around -

1-B

1) Dining room area too small

2) Hanging light - shorten

3) Check all doors - not closing correctly

4) Under bathroom vanity - hole in wall

5) Light globe broken in bedroom

6) Kitchen faucet drips

7) Bath tub chipped / shelves need painting

1-D

1) Kitchen faucet drips

2) Coat closet - plumbing pipe exposed

3) Bath vanity - hole in wall

1-B

1) Kitchen faucet

2) Bath vanity - hole in wall

Paint Window in hall foyer of Bldg 1 -

1-E -

- 1) Egress Window broken - ^{quick pin repair} - ~~not~~ close
- 2) Check exhaust vent in bath
- 3) Kitchen faucet drips
- * Electrician - Hall - foyer - lights to turn off during day / storage area - switch w/ line

1-G

- 1) Shelf & Rod - Hall
- 2) Bath vanity - hinge adjustment
- 3) Kitchen faucet drips
- 4) Bar in kitchen ^{Sandy's Dry Clean}
^{Industrial Parkway}
Left on Hudson Rd - 1/2 mile - 2 lights - caution light - Fire Sta.
Kitchen light - Floor Sinks - right on Midland Parkway -
1-G - H 1/4 to 1/2 mile on left - (left this & Industrial Ave - Palm
Ave on left - Midland Terrace)
- 1) Dining area - corner floor molding - rough

1-F

- * Toilets down - 1-B - 1-D - 1-1/2 - 1-G
1-F

** Banner Locking over electrical box in kitchen*

- Adam Hampton - #843-729-9515
w/ Colubrose attic insulation - David & Meyers recommended

- Back for ^{Storage} Trailer

2-B-Vergl in Buchholz

2-D - ⁰don't look

- 1 - B - blinds, joint work / no cold water

- 1 - D - No cold water in kitchen / Bath vent and
sheetrock mud / alarm keeps beeping...

* 1-A (box around plumbing in front closet - deduct
money from plumber) Vent in Bath
Water in tub - won't drain

under counter in kitchen big gaps -

1-C - light in kitchen + bedroom

1 - E - Kitchens - ⁸ highest fixture in house - ceiling in kitchen

* Check all hot water thermostats

1 - G - Kitchen stove / light bulbs missing

1-F- No cold water-kitch

* Nail beds in dor francis

1-H - hall door - paint side wall / Paint head
under count

* All ball - check for baseboids -

Section 8 Housing

City of Chas. #720-3684

Chas. County Supervisor - #722-1942 - Chas. County

- No. Chas. #747-1793

Chas. Co. #877-428-8844 - register property on the website -

Screen for SC Housing Search, com - click on landlord icon at top

1) rent history

2) credit checks

3) sled reports - soc security #

* North Chas. Housing Authority - # George Saldano #747-1793
#747-2086 - office (Betty) Melba Hope - #266-5902

* Spencer Prayer No. Chas. Police #740-2548 - #745-1077 (call for special patrol)
Sgt. Kevin Veracini Speed Team - #745-1069
Cpl. Jimmy Wagoner - #460-0792

No. Chas. Police #554-5700

Mr. + Mrs.
- Ram Vance - 569-1091 (elderly lady who calls me + gives me info)
Reida Kinsal - #312-0441 or #408-6987

2-Bedroom
- } Christian Sumner #225-1373
Bottom floor #600 } Val #640-7747
Grant Wallace #810-9370

Phil Shealy - Advance Auto

AC - problem - not cool enough

6-7,000 sq. ft. - Check w/ Mike for adequate units

- change AC filters

~~San Jose~~
Cooper

#243

559-2155

put tags on meter box in back of Advance Auto - Tell Satter

Cooper. "No seal or lock on meter box"

Don't want anyone tampering w/ it

- Seal around gaskets in back of bldg.

Berkeley Co. Sheriff #577-9562 / City #719-7930

store #45033

Shelley - #761-3900 Blockbuster

Store Mgr - Laurie - Asst. Mgr

Sign out front - not working

Parking lot light out - in front of Blockbuster

Papa John - Asst. Mgr. #843-899-7402

Melissa Claborn - Eddie Hunt - Mgr

store #1592 in corner

#843-402-0710 Supervisor

V. Pres. - Dan Barwick #207

office Mgr. - Peggy Hunt #204

Anne - Management 277-4323
deputy Property Manager

First Franklin Financial - #706-282-1679 / #770-476-7762

Mary Kay - DPS of Chas. Law firm business

Re Max Realty - they signed lease as landlord -

Need W-9 form - lease signed 6/14/07 - July 15, 2007 -

as Pro-rate & started rent on Dec. 1st 2007

Check into Cash #770-423-479-2410

Allison - Manager

* SCE+bas Investigator - #843-708-2912 - Thomas Hendrix

Randy - Bldg. Inspector Al Graham #740-2534 - 8-9 A.M.
- A+R Sheet Metal - #559-9597 / Robin Dottle - 3:30-4:30 P.M.
740-2569

* Tim Walden - #532-5134 / 805-6060 / 576-0132

{ * TMS - #1421202010 - \$16,192.46

111 S. Hwy. 52

{ * TMS - #1421202055 - \$12,101.48

Advanced Auto - 109 S. Hwy. 52

Fax # - 719-4271 - A+H - Change of address -

Tel. - #723-3800

{ #881-2229
M. Kay Spelling - \$4442.00 / 2.4 million
Bayle & Chene - \$8,558.00

1350
135.00

Nationwide - #8451.00

M. Kenna Agency
David Benson - 795-0189

- Taxes etc. ÷ $\frac{17,400 \text{ sq. ft.} \times 12.00 \text{ sq. ft.}}{12 \text{ months}} =$

NAPA - 877-805-6272

Auto Zone - #800-288-6966

O'Reilly - 1-417-862-2674 Ext. 1277

1-800-825-3392

Sellen
563-6606

-777-

Saver's Office # 297-8717
Fax # 297-8727

Door/Wall Stoppers

Note # 696-2390

1-A

- Carpet in hall closed too short

- Shelves in closet painted

John Kinkaw w/Comcast #514-1951

(Can do hook-ups etc. after hours)

* } Chris w/Comcast - #266-3035

Commercial Sales Support / Charles Yorkman #266-3094

Lisa - #266-3057

Barbara - #554-4100 - Ext #2410

- Lou (Real Estate agent) - #810-3919

* } Matt - Atlantic Coast Pool - #557-2863

* } Chris - Atlantic Coast Pool - #452-6013

- Tommy Melfi - (Plumber) #343-1651

John Swift - #557-6711

Todd Hibbard

- Robin Sease (Interior Decorator) - #

Vicki Hollingworth (recommended) -

- Repas w/Dickie Byrd #437-4640 (install water heaters thermostats)

* Electrician (recommended Ecco Temp by Tommy Santa Clara)

- Louie - #696-7641 (HPC electrical - recommended by Lea Agio)

- Cowboy - Raphael Pate - #538-4447 (or 538-4497)

Mike Elrod - Ecco Temp #478-7518 or #875-4220 (office sales rep Brown - get contract)

- Tommy Rogers - #870-4415 (from him)

Keith + Billy (Wilder Bros Furniture) #843-426-2176

Greenville, S.C.

- Best Supply #569-1616

- 84 Lumber - Greg Carrier #513-5677

Office 25'x23'
41'x19'

- Louie Alliance Air Quality - #696-7691

* ~~Lee Rigo recommended~~

* Roofer - Mahin Annum #469-5235

Tina Scappe from Steinberg law recommended

- Roofer - Matthew Litchfield "Lucky" #200-4924

recommended by A.B.C. Supply & John Cumber

- Richard Bailey - Bailey's Janitorial - #557-4089

e-mail faith renee 2 @ suncom, blackberry, net

- Tyron #599-0474

w/ Vending Machines - Richard Bailey's friend

* Mark Campbell - (New Covenant Church - Home Depot) #569-7691

Christopher Hitchman #509-8495

He uses Best Estate agent -
John Vance w/ G-MAC #814-0039

Annette Green #693-0536 (lawn maintenance)

Dane Eaddy #557-6494

Bee's Junk Landfill - get 5 gal. paint #8 - 8'x4' - Glenn M. Combs
take left on Bee's Junk Rd - right side before Fire Station

Backhoe #82 at Air Cond.
Mike McIntosh #697-3386

Howard H.P. Contrasting - #843-270-3271

David Major #568-8409 - A.D.B. 704 - S.C.

paints in lot - White Sedge Designs

* Mary Glood #297-1876 #261-0246

* Fred #Chita

* Terille Fisher #475-9727

* No #813 553-7796

Mercedes Giovanni

to work

Double Window
70" x 39" - Living Room

32 1/4 x 40 - Casement Window } 1 Bedroom
32 1/4 x 40 - Casement Window } 1 Bedroom
33 3/4 x 31 1/4 - Single Window }

70 x 39 1/2
40 x 32 1/2 - } Bedroom
31 x 33 1/2 - } Bedroom
32 x 40 }

1 Bedroom
31 1/2 x 31 1/2 - } Bedroom
31 1/2 x 40 - }
32 1/2 x 40 - Casement } Living Room
40 x 70 - Double Window }

- 8 @ 69" wide @ 16 @ 34" wide

- 15 @ 32" wide

- 8 @ 33" wide

e-mail Benjamin.Lane@ameribank.com

- SCE + Gas -

\$ 645.01

- Ches. Water

- \$ 646.39

- Tennell Contamin

- 1,42.69

- Lawn Maintenance (Summer) - \$ 400.00

- Prop. Taxes

- \$ 26,057.58

- Insurance

- 780 - \$ 22,552.94

21,463.94

Websites - to find out which land was sold & to whom & when

Charleston county .org - go to gis view land parcels

- www.Dorchestercounty.net - go to
online services - gis parcel mapping

- www.cc.bethlehem.sc.us/ - look for
electronic services - gis land parcel - search by
address, owner, or TMS #

Colin T. Glass

412 Pecan Bend Dr. Apt. 228

Bedford, Texas 76022

Appt. 10.6 Marilyn St. - TMS 243 080 5008

-781-

brought in 10/5/05 for
\$890,000

Interested in Apts. -

- Pamela Bance - # 324-8749

512-320-0947

- Ernest Anderson - # 437-2186

- Frank Kappel - # 926-3691

Charles Goodman - # 266-3094

* North Chas. Housing Authority

-782-

{ Joe + Angie Brech
881-2271 - Home
834-0270 - Cell

New Prospect Baptist Church
Laurens - Aug-22f

Kennedy General Home -
606 Main St.
11-2:30 p.m. - Laurens, S.C.
(864) 984-4535

- Craig Crosby #563-4766 / #560-2508

I - 26 to Clinton Ave

- Manning Hughes - #563-3469 or #560-2021 -

- Steve Stahl - #532-8978

Carol
Anderson
recommends
→ Colleen Rhodes - #563-2077 / #560-0336

→ Jesse McNeal - #906-7178

Sharon's → Chris Bender + Calvin McCoy = #724-9753 / #410-330-3940

- Selene Bonfield - #563-6606 / #991-6080

- Tim Welden #532-5134 / #576-0132 / 805-6060

Sharp's
Sharon's Paints
→ Carmel Cunningham - #200-4862

Sept 22
Tank holding
→ Pat Arnold - #884-3550

- George Kinklaw - #530-1486 - sheetrock (Carmel Case)

- Clyde Dargatzis - #568-0404

- Dolly Cannon - #886-6061 (Podiatrist Dr. Tessler)

{ * David Strickland (SCE+L) - known - Eliz. - #209-3814
Tom Williams (gas line connector) - #200-5075
recommended by David

John R. Cumbie - #729-5618 or 719-2051
Bith & Darla Cumbie Realty

- Homer - #899-3003 or #709-6493
Berkeley Monument & Sign Co.

Tommy Melfi - Plumber - #343-1651
Mr. R. Steward - #514-1742

{ Danny Lettelle (Electrician) - #364-0156

- Melvin Manigault - #478-9352

- Art Mitchell - #843-860-1067

- David Baywell - #864-923-4030

- Salvador Escobar - #367-2368

#530-4631

- Fred (does Carpet - Melvin's friend)

Plumber { J. P. Kroghsen - #554-6547 / 200-6916

{ Brandon (from Casa County Rental recommended) #767-0262

* Rocky Brumbaugh - #412-6662

* Marvin Smith - #534-8676 (Chris' friend -
Landscaper, caterer)

- Reginald Underwood (Rene's Dad) #873-8593
(will haul old scrap metal - stoves, refrigerators, etc.)

- Carroll Lense - 478-6650

{ Rocky Brumbaugh - #412-6662

{ Diego Herrera - #642-1919

-784-

Blackbustle - # 1-800-224-2677

704-535-9313

214-854-3190 or 214-854-3000

864-594-3210

972-683-5131 Tammy Mathis@Blackbustle.com

Revised
lease

Real Estate Program Mgr. - Marc Comstock #972-683-8733

* Ref. Sfor #45033 Richard Draper #972-683-8289 972-683-5131

* Jan Litzinger - #972-683-8654

300 Redbird Blvd. Tex #972-683-8406

McKinney, Texas 75069

- e-mail #marc.comstock@blackbustle.com

Tex # - 972-683-8406 to Jan

- e-mail jan.litzinger@blackbustle.com

Apt. Guide & Apt. Finder

Apts. - interested -

1) Jonathan + Christin - # 324-7557

2) Robin Davis - # 356-1268

3) Aysia Forest - # 532-9987

Chas. Southern Univ. Student - ^{Uncle} Tony Williams

4) Sean, Tony, + Jimmy - 917-627-9089
(Chinese-brothers)

5) Debra Richardson - # 732-682-6764

6) Cynthia Dunn - # 609-3444

7) Egloria Brown - # 747-4049

8) Shae Rappell - # 408-6072 or 569-1004

apt for son -

9) Mitchell - # 912-441-5981

10) John Smalls - # 367-1170

11) Fredrick Hill - # 460-5524

12) Ungara Young-Smith - # 843-609-1885
3-Bedroom -

13) Carlos - # 297-1088 - interested in 1-Bedroom
works w/ a business on private island - called
→ supposed to come - see when I left House Office of his

14) Brittany - # 926-4370

→ 15) Erica - # 406-5949 (diff. way a machine)

16) Timothy Patten - # 344-565-6698

3-Bedroom

17) Timothy Patten - (800) friend from Denver

17.1

- Shane Faucett - # 532-2104
Home Improvement - (saw truck at Ohio Hill)
- Bridgette - # 910-514-8255
- Jessica & Aisha - # 557-5029
- college students - Tiedt & Ches. Southern - Ad a new
- Jerico Wade - # 304-4253
- needs 1-bedroom
- Penelope (P.O.) - # 513-4468 (friend of Marquette)
- needs 2 bedroom upstairs
- Christy Anne - # 452-2624
- Crystal Smith - # 843-442-3252 (2-bedroom)
- Shannon Holmes - # 843-225-4914
- (2-bedroom)
- Thomas Holmes - # 843-642-4109
- Crystal Harper - # 843-270-9688
- Andrea Lee - # 843-906-5624
- Ray Davis (Section 8) - # 843-329-9239
- Johnny Young - # 843-735-5106 (New JAC)
- Quincy Pharris - # 843-642-0540
- Robert Donofrio - # 813-389-9834
- # 813-398-1861
- Cynthia Lindsey - # 926-6063
- (friend of Fred & Chita Lopez)
- Tonya - # 843-302-9557

Aug. 2008 -

1) Ches. Co. Housing - \$ 1973.00 8/1/08
2) Dr. Betty Barnwell for Rent 750.00 # 843-589-2325

167.00

Patricia Brown 117.00 - \$487.00

Shaunette 26.00 - \$574.00

Donna Sether 97.00

Verizon 50.00

Jamie Sibus 550.00

Solomon 125.00

Fredrick Jenkins - 134.00

Leticia Hamilton - 433.00

Advanced Auto \$ 4958.33

Papa John's \$ 1792.20

Check into Cash \$ 2075.00

First Frankie \$ 2,000.00

Blockbuster \$ 5840.00

#569-3773 Ext. 436 - Home Depot (Patty)

1) Kitchen Stainless Steel Sink - 33" x 22" x 6" deep

- Home Depot #39

HD Supply #43.99

Side Splash - #14.97

Side Splash - \$

2) Bathroom Vanity - 2' wide x 18" deep x 2'8" high

Home Depot - \$79

HD Supply - \$135.47

* Get Horse feed - Max Jones Tax
#843-761-2013

- 1) Front door - Power hinge broken - screws
- 2) Ceiling Lights - over ^{1st} 2nd room on right
w/ black design - are these lights & do they work?
- 3) Receptacles on wall in all areas
- 2nd office - exposed wires on wall
- 4) Paint door frames
- 5) Moulding ^{or tile} around bottom wall in front area
- 6) Put switch on wall for back area - put on wall as you walk into room on right inside wall near sink wall
- Back wall - sheetrock more? you can see tape - looks horrible -
- 7) Clean ceiling Vents - dust & dirt hanging
- 8) Fix door handle on bathroom door
- 9) Fix door stopper on wall in 1st office, 2nd office
- 10) Fix 2 holes in wall behind counter area
- 11) Brown trim on head board - get paint of it

- 12) Beards on top of wall need painting
- 13) 2nd office - ceiling black trim hanging down
- 14) Bead board section missing - 1st office
- 15) 1st office - hole in bottom wall where tile is missing - fix or replace missing tile
- 16) 1st office ceiling - ^{fix} round cover fell off - on floor
- 17) Melvin Manigault - sheetrock neary looking like showing - screws & nails exposed -
- 18) Terry - couple ceiling tiles wet w/ stain - did you not replace those?

Need Apts. -

- Angel Smith - #330-9851

- 1) Mack - electrical dis-connect boxes
 - 1) gas line over hot water heater box - can't open door
- 2) Mack - ① Order more sand & chert
 ② Be sure to clean up old chert before Wed. - for landscaper
- 3) Call Cain - Mack - checks
- 4) Buy Vending Machine for \$350 near Cost = less
- 5) Trey - Measure insulation in attic
- 6) Pressure Wash - To put sealer down in parking lot
- 7) Epoxy bit for hall foyer -
- 8) Jack Swift / Steve Cimble - office renovation -
- 9) Check e-mail from Grand about direct pricing from Manufacturer on hardwood flooring for office
 - Pick out office boxes / Home Depot
- 10) Comcast - wireless internet for office phone -
 (Dun-It for Apt. units. #554-4100 / #747-140;
 # Lisa
 #266-3057
- 11) Sign for Shipping Center - to rent
- 11) Sign - holder letters for Apt. rental sign

- 13) Major Kinard - NCPD - for ^{30 day} Surveillance
- 14) Max Glenn - about Relando - audit
- 15) Bldg. 5 - fix hole in concrete - Plumbing
- 16) Bldg. 6 - Find water leak
- 17) Bldg. 4 - Hole in back dry steps -
- 18) Dumpster - Concrete block + concrete slab - ^{post} ~~find~~
- 19) Vinyl shutters - vinyl company - G+S Vinyl -
- 20) America Bank - Call Benji for Meet
 at Sumnerville Branch - pick up copies checks - ^{Anne is} ~~making~~ that
- 21) Insurance on Apts. + Shop Center - Check coverage
- 22) America Bank - Benji needs → 10-99's on Palm Blvd.
 + other estimated income -
- 23) Window World - # 579-0706
~~alman~~ Donald Jones # 324-0706

→ 843-853-9790 — Water loss

- * 24) Set power bill for Ralph + water
- Check on missing refrigerator
 - Check on missing Chandeliers
 - Check on broken mirror glass sliding door
 - Side splash for bathroom vanity

- 25) Jack - ^{side} back splash -
- p^{ts} for window
 - window would lock in 1-A
 - door knob loose front door

26) Pay Dean - Mail check + call him

27) Check on insurance - ^{Apke - 4ME Kenma Agency} # 795-0189
^{Ship. Costs #}
McKay chm - ^{Shelby #4ME Kay}

28) Dave Finn - Re-Max
^{helping me - I'm trying to do the right thing}
a cant get my papers, invoices, bills - ^{I thought I was doing business w/}
reliable co. like Re-Max - ^{is Re-Max a reliable company?}
D. Figures are not coming up - cant get my leases / contracts -
properties have been mis-managed - escrow accts. are not
right - even my CPA + attorney are not adding up

29) Sign Co. - Marche Come

30) ~~Ernie~~ M. Farber - # 887-7955 3353

#980-8811

764-7264

9 63 - 2 00
2 1 7 0 5 8

963-5800

Navy Housing

CAF B Housing

~~296~~ 296-6922

864-363 8050

#864 - 353-9262

Summerville, S.C. 29485

- 76/-8588 (Central - 4th Floor Corner)
Hardware & Supply

3:30 p.m. - Wed. 6/25/08

(843) - 367-5452

556-4320 (tell her to call me)

[Faint handwritten notes at the bottom of the page]

[Faint handwritten notes at the bottom of the page]

7-3-7

-796-

6-A

3 - AC in kitchen
1 - ref. - 1/1 Stove
Mixer Htg. / AC

6-C

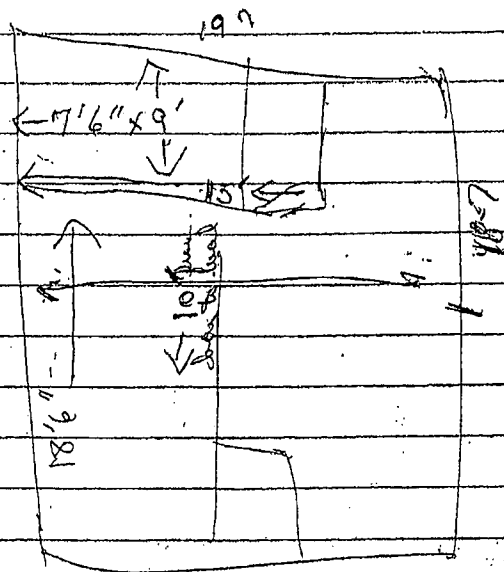
- Doors
- Hot water heater in hall
- AC / Htg. units
- Stoves, ref. Dishwash
Stacked up in living room
Hot water heater in hallway

6-D

15 or 16 Hot water heaters
Stove
Htg. return unit
1 ref.
1 Dishwash
1 sink
7 or 8 new doors
Bunch of old AC return units

6-B

refrig
dishwash
hot water heater



STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

LINDA A. GIBSON, HERITAGE
SEVEN, L.L.C., and SEVEN
OAKS APARTMENTS, L.L.C.,)

Plaintiffs,)

-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.)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE NO. 2008-CP-10-4282

SECOND AMENDED
COMPLAINT
(JURY TRIAL REQUESTED)

2008 AUG 11 PM 4:45
JULIE J. ARMSTRONG
CLERK OF COURT

FILED

The Plaintiffs, LINDA A. GIBSON, HERITAGE SEVEN, L.L.C., and SEVEN OAKS APARTMENTS, L.L.C., by their undersigned attorneys, allege in their Amended Complaint against the Defendants, ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C., and DPS OF CHARLESTON d/b/a RE/MAX PROFESSIONAL REALTY, and PAUL K. MOORE & ASSOCIATES, INC. 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

-1-



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 advice and management services to individuals and businesses, including the Plaintiffs, in the Counties of Berkeley, Charleston, and Dorchester, State of South Carolina.

6. The Defendant **DPS of CHARLESTON, INC. d/b/a 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 and advice to individuals and businesses, including the Plaintiffs, in the Counties of Berkeley, Charleston, and Dorchester, State of South Carolina.

7. At all times relevant hereto the defendants RPV INVESTMENTS, L.L.C. & ROLANDO V. VILLAVICENCIO, were acting as the agent servant and employees of Defendant DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY, in the scope and course of their employment.

8. Upon information and belief, Defendant PAUL K. MOORE & ASSOCIATES, INC. is a corporation organized and existing under the laws of the State of South Carolina, in the business of real estate appraisals.

9. At all times relevant hereto, Defendant PAUL K. MOORE & ASSOCIATES, INC. was acting as the agent of Defendants ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C. DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY.

10. 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

11. The Plaintiff LINDA A. GIBSON, met Defendant ROLANDO V. VILLAVICENCIO at church. Defendant ROLANDO V. VILLAVICENCIO knew of Plaintiffs' relative inexperience in the real estate field, assured the Plaintiffs of his experience and competence in the real estate field, held himself out as an agent for a well known broker, and persuaded the Plaintiffs to allow him to manage Plaintiffs' properties. As a result, the Plaintiffs reposed trust and confidence in all of the Defendants and reasonably believed they were acting in her best interests in all relevant matters and at all relevant times hereto.

12. In December of 2005 the Defendants, **ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C.** and **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. The Plaintiff, trusting in the Defendants' sound judgment in matters such as these, agreed.

13. The Defendants, **ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C.**, and **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, in consideration of a management fee equal to ten (10%) of the rents collected.

14. The parties orally agreed to the aforementioned contractual terms regarding the management of the shopping center and did not memorialize said agreement in writing.

15. 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.**

16. At the same time the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, as the disclosed agents for the sellers, advised the Plaintiff, **LINDA A. GIBSON**, to purchase an apartment complex in the Otranto community.

17. Defendants, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY represented that the apartments were a good investment for the price, were a suitable investment for a person of Plaintiffs limited level investment sophistication, and would provide a positive return on her investment. None of this was true but Plaintiff did not know or have reason to know of that at that time.

18. Defendants, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY further represented that they would help her arrange for the financing of the apartments and would provide confirmation of their value.

19. Defendants informed the Plaintiff that an appraisal of the Apartment Complex is a necessary prerequisite to any loan and retained Defendant PAUL MOORE AND ASSOCIATES to perform an appraisal.

20. Defendant PAUL K. MOORE AND ASSOCIATES undertook to provide an appraisal of the Apartment Complex.

21. On September 12, 2007, Defendant PAUL K. MOORE AND ASSOCIATES provided the Appraisal Report, appraising the Apartment Complex at \$2,800,000 "As Is" and \$3,700,000 in "As Complete" condition as of September 12, 2008.

22. While Plaintiff was not aware of it at the time, the Appraisal Report was inaccurate, materially deficient and negligently prepared, but instead relied upon the Appraisal Report and the advice of the Defendants in making her decision to purchase the apartments.

23. At the same time, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY, convinced Plaintiff to establish a line of credit (secured by a mortgage on her beach home) which the Defendants would have access to provide funds to renovate the apartment buildings.

24. Plaintiff relied on the representations of Defendants as aforesaid and purchased the apartments, and established an \$800,000 line of credit to be used for the renovations of the apartments.

25. Both as an inducement to make the purchase, and following the purchase, the parties orally agreed the Defendants, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY, 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.

26. 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. Plaintiff Gibson and Defendant ROLANDO V. VILLAVICENCIO at all times intended for this loan to be a personal loan to Defendant Villavicencio.

27. Sometime thereafter, the personal loan which Plaintiff LINDA A. GIBSON made to Defendant ROLANDO V. VILLAVICENCIO came due. The Defendant, ROLANDO V. VILLAVICENCIO, failed to repay the \$30,000.00 loan to the Plaintiff, LINDA A. GIBSON, as promised and further failed to provide her with a note as evidence of the personal debt when requested.

28. In the meanwhile, the Defendants, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY, would periodically make representations to the Plaintiffs how the shopping mall was doing financially but did not provide the Plaintiffs with itemized statements of the receipts and disbursements.

29. Subsequently, the Plaintiffs became concerned about the financial responsibility of the Defendants 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..

30. Plaintiffs also 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..

31. 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, among other things, that \$38,000.00 had been paid to the Defendants, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., for "miscellaneous expenses."

32. The Plaintiffs requested an explanation of the miscellaneous expenses and further requested that they be provided with copies of the bills or invoices associated with such expenses. However, the Defendant, RE/MAX PROFESSIONAL REALTY, told the Plaintiffs they did not have bills or invoices. Rather, they paid the miscellaneous expenses at the direction of the Defendants, ROLANDO V. VILLAVICENCIO and RPV INVESTMENTS, L.L.C., without verification. They further advised the Plaintiffs that they 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.

33. At this time, Plaintiff Gibson 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.

34. 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., and DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY, 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. Defendant **ROLANDO V. VILLAVICENCIO** was taking monthly fee out of Plaintiffs' checking account for what he called project management fee, which Plaintiffs' had not approved.
- i. When the Plaintiffs attempted to ask questions about the foregoing, they were threatened with having the permits pulled on the renovations.

35. After further investigation, the Plaintiffs subsequently became aware that Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, had also used funds from one of Plaintiff Gibson's accounts to pay a person named Antonio Rosales-Gutierrez, carpet installer, for work he had performed on a property which, upon information and belief, is managed or owned by **ROLANDO V. VILLAVICENCIO** for the benefit of Defendant Villavicencio.

36. After further investigation the Plaintiffs discovered Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, have withheld rent checks, failed to timely make mortgage payments and expenses, have failed to produce documentation for large "miscellaneous expenses" the Defendants paid out on behalf of themselves, and have notified the tenants of the properties not to speak with or deal with the Plaintiffs directly thereby making it impossible for them to manage their properties and meet their financial obligations.

37. As a result of the aforesaid conduct on the part of the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, 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.

38. The Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**,

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.

39. In December of 2007, Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, presented Plaintiffs with the "termination agreement." This agreement was in fact 3 agreements, an Exclusive Right to Lease Listing Agreement for the shopping center, an Exclusive Right to Lease Listing Agreement for the apartment complex, and a Residential Management Agreement for the apartment complex. Said documents are attached hereto as Exhibits A, B, C. Clearly, these are not "termination agreements."

40. When these agreements were presented to the Plaintiffs, the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, represented that they were nothing more than a written instrument reflecting the oral agreements, terms, and conditions that they had already agreed upon.

41. However, the aforementioned agreements modify the terms of the December 2005 and September 2007 oral agreements between Defendants and Plaintiffs regarding the management of the shopping center and apartment complex. Moreover, they are grossly unfair and one sided in favor of the Defendants, **ROLANDO V. VILLAVICENCIO** and **RPV INVESTMENTS, L.L.C.**, and **DPS of CHARLESTON, INC. d/b/a RE/MAX PROFESSIONAL REALTY**, in comparison to the oral agreements.

42. Furthermore, no new or additional consideration was given in exchange for said modifications to the December 2007 agreements.

FOR A FIRST CAUSE OF ACTION

(Breach of Contract)

**(as to Defendants ROLANDO V. VILLAVICENCIO, RPV
INVESTMENTS, L.L.C. & DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY)**

43. The foregoing paragraphs are incorporated herein by reference.

44. The promises and agreements by and between the Plaintiffs and the Defendants as described herein constitute legally binding oral contracts.

45. 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; to the extent the loan is adjudicated to have been made to RPV Investments, LLC or any other entity, which the Plaintiff denies, the Plaintiff seeks to pierce the corporate veil and hold Defendant Villavicencio personally liable.

- 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 refusing 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 advising Plaintiffs to purchase the apartment complex;
- n. 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;
- o. In using funds from the Plaintiffs' accounts to pay for unauthorized work and/or work performed on property other than that owned by the Plaintiffs.
- p. In such other particulars as the evidence may show.

46. 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. Alternatively, Plaintiffs are entitled to a judgment against the Defendants for actual,

compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A SECOND CAUSE OF ACTION
(Breach of Contract Accompanied by a Fraudulent Act)
(as to Defendants, ROLANDO V. VILLAVICENCIO and RPV
INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY.)

47. The foregoing paragraphs are incorporated herein by reference.

48. By and through the conduct alleged herein, the Defendants breached the aforesaid oral agreements.

49. The Defendants' dishonesty in fact, unfair dealing, misrepresentations, conversion of Plaintiffs' property, and fraudulent inducement evidences the Defendants' fraudulent intent relating to the breaches and constitutes fraudulent acts accompanying the breaches.

50. As a direct and proximate result of the Defendants' breaches of contract accompanied by fraudulent acts, the Plaintiffs have been injured and suffered damages. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A THIRD CAUSE OF ACTION
(Negligent Misrepresentation)
(as to Defendants ROLANDO V. VILLAVICENCIO, RPV
INVESTMENTS, L.L.C. & DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY.)

51. The foregoing paragraphs are incorporated by reference.

52. Defendants represented to Plaintiffs that the Exclusive Right to Lease Listing Agreement for the shopping center, the Exclusive Right to Lease Listing Agreement for the apartment

complex, and the Residential Management Agreement for the apartment complex were termination agreements and later that they were nothing more than a written instrument reflecting the Plaintiffs and Defendants' oral contracts regarding the same.

53. The Defendants further represented that the apartment complex was a good opportunity and 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, among other things.

54. The Defendants had a pecuniary interest in making the representations.

55. These representations were false.

56. Said representations were materially significant and they played the primary role in the Plaintiffs' decision to enter into a written contract.

57. Defendants, experienced in matters such as these, knew of the falsity of the representation made to the Plaintiff or made said representation with reckless disregard for the truth and intended that the representation be acted upon.

58. Plaintiffs did not know that said representations were false, relied on the misrepresentation to their detriment, and had the right to so rely thereon. Plaintiffs would not have undertaken the written agreements if Plaintiffs had known of the falsity of the representations of the Defendants.

59. As a direct and proximate result of the Defendants' fraudulent misrepresentations, the Plaintiffs have been injured and suffered damages. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an

amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A FOURTH CAUSE OF ACTION

(Constructive Fraud)

**(as to Defendants ROLANDO V. VILLAVICENCIO, RPV
INVESTMENTS, L.L.C. & DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY.)**

60. The foregoing paragraphs are incorporated herein by reference.

61. Defendants conduct constitutes constructive fraud.

62. As a direct and proximate result of the Defendants' misrepresentations and/or constructive fraud the Plaintiffs' have been injured and suffered damages. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A FIFTH CAUSE OF ACTION

(Conversion)

**(as to Defendants, ROLANDO V. VILLAVICENCIO and
RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY,**

63. The foregoing paragraphs are incorporated herein by reference.

64. By and through the conduct alleged herein, the Defendants' have exercised an unauthorized assumption and exercise of the right of ownership over the goods and/or personal chattels of the Plaintiffs, to the exclusion of the owner's rights.

65. Plaintiffs have the title and/or right to possession of the monies loaned to Defendants as well as the monies appropriated to them, but which were used for improper and unnecessary

renovations to the Plaintiffs' properties, as well as funds used for those things Defendants cannot and will not account for.

66. Plaintiffs further have the title and/or right to possession of the chattels, fixtures, and other property owned by the Plaintiffs which is located on the Plaintiffs real property.

67. Defendants have converted said monies and property to their own use by refusing to repay said loan money and removing chattels, fixtures, and other property owned by the Plaintiffs' from the Plaintiffs' real property without the Plaintiffs' permission or consent.

68. As a direct and proximate result of the Defendants' conversion of Plaintiffs' property, the Plaintiffs' have been injured and suffered damages. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A SIXTH CAUSE OF ACTION

(Negligence)

**(as to Defendants, ROLANDO V. VILLAVICENCIO and
RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY)**

69. The foregoing paragraphs are incorporated herein by referenced.

70. The Defendants owed Plaintiffs a duty to exercise a reasonable amount of care in their business with the Plaintiff, in advising Plaintiffs on the purchase of the apartment complex, in procuring third party contractors and tenants, and in managing the Plaintiffs' properties.

71. By and through the conduct alleged herein, the Defendants negligently, willfully, and wantonly breached their duties to the Plaintiffs in the following particulars, directly and through the doctrine of vicarious liability and/or respondeat superior, including, but not limited to:

- a. failing to exercise the amount of care one ordinarily would have under the circumstances;
- b. improperly and inadequately investigating and/or screening contractors who would be performing work on the apartment complex;
- c. improperly and inadequately training its agents and/or employees;
- d. improperly and inadequately supervising its agents and/or employees;
- e. hiring incompetent and unqualified workers;
- f. mismanaging the Plaintiffs' rental properties;
- g. mismanaging the renovations of Plaintiffs' properties;
- h. mismanaging the Plaintiffs' funds;
- i. inadequately communicating with the Plaintiffs' regarding their properties;
- j. failing to disclose their dual agent status to the Plaintiffs;
- k. advising that the apartment complex should be purchased; and
- l. in such other particulars as the evidence may show.

72. As a direct and proximate cause of the willful, wanton, and negligent conduct of the Defendants, Plaintiffs have been injured and suffered damages and are entitled to actual compensatory damages in an amount to be determined by the finder of fact, and punitive damages in an amount sufficient to deter similar conduct by these defendants and others.

FOR A SEVENTH CAUSE OF ACTION
(Negligent Training/Supervision/Retention)
(as to Defendants, ROLANDO V. VILLAVICENCIO and
RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY)

73. The foregoing paragraphs are incorporated herein by reference.

74. Defendant Re/Max had a duty to the Plaintiff and public in general to properly train, supervise, retain its agents and/or employees.

75. By and through the conduct alleged herein, the Defendant breached those duties and was negligent, grossly negligent, willful, careless, reckless, or wanton in relation to the Plaintiffs, directly and through the doctrine of vicarious liability and/or respondeat superior, in that they failed to:

- a. exercise the amount of care one ordinarily would have under the circumstances;
- b. properly and adequately investigate and/or screen Defendant Villavicencio and/or RPV Investments, LLC, prior to authorizing them to hold themselves out as Re/Max agents;
- c. properly and adequately train Defendant Villavicencio and/or RPV Investments, LLC;
- d. properly advising Plaintiffs in their investment in the apartment complex;
- e. properly and adequately supervise Defendant Villavicencio and/or RPV Investments, LLC;
- f. hire competent and qualified agents and/or employees;
- g. properly manage the Plaintiffs' rental properties in such a way that would not result in lost profits, tenants, and cause substantial additional costs;
- h. properly oversee and manage the renovations of Plaintiffs' properties;
- i. properly oversee and manage the Plaintiffs' funds that were entrusted to them;
- j. properly and adequately communicate with the Plaintiffs' regarding their properties and its agents and/or employees;

- k. exercise due care for the Plaintiffs' properties it was entrusted to manage and lease;
- l. disclose to the Plaintiffs their status as dual agents;
- m. in such other particulars as the evidence may show.

76. As a direct and proximate cause of the willful, wanton, and negligent conduct of the Defendant, Plaintiffs have been injured and suffered damage and are entitled to actual compensatory damages in an amount to be determined by the finder of fact, and punitive damages in an amount sufficient to deter similar conduct by these defendants and others.

FOR AN EIGHTH CAUSE OF ACTION
(Negligent Misrepresentation)
(as to all Defendants)

77. The allegations above incorporated herein by reference.

78. The Defendants had a pecuniary interest in making certain representations to Plaintiffs as they were made in the course of the Defendants' business, profession, and/or employment, and they stood to gain financially from the transactions in question.

79. The Defendants had a duty to be fair, complete, reasonable and accurate in their representations.

80. Defendants breached this duty by representing to the Plaintiffs that the purchase price of the property was market value and that it was a suitable investment for Plaintiffs when in fact it was not and by failing to disclose that First Reliance Bank and other banks had refused to make the loan.

81. Defendants, experienced in matters such as these, knew or should have known of the falsity of the representations/omission made to the Plaintiff, or made said

representations/omissions with reckless disregard for the truth and intended that the representations be acted upon.

82. Said representations/omissions were materially significant and played the primary role in the Plaintiffs' decision to enter into a written contract.

83. Defendants induced Plaintiffs into entering into a contract for the purchase of the Otranto property at a substantially higher price than market value, thereby increasing their commission fee and damaging the Plaintiffs.

84. Plaintiffs did not know that said representations were false, relied on the misrepresentations to their detriment, and had the right to so rely thereon. Plaintiffs would not have undertaken the written agreements if Plaintiffs had known of the falsity of the representations of the Defendants.

85. As a direct and proximate result of the Defendants' fraudulent and/or negligent misrepresentations the Plaintiffs' have been injured and suffered damages. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A NINTH CAUSE OF ACTION
(Breach of Fiduciary Duty as to All Defendants)

86. The foregoing paragraphs are incorporated herein by reference

87. The Defendants had a fiduciary relationship with the Plaintiffs.

88. By entering into a fiduciary relationship with the Plaintiffs, the Defendants obligated themselves to act only in the best interests of the Plaintiffs.

89. The Defendants conduct constitutes a breach of this duty.

90. As a direct and proximate result of the Defendants actions, inactions, and breaches of fiduciary duties by the Defendants and through its agents, the Plaintiffs have been injured and suffered damage. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR A TENTH CAUSE OF ACTION
(Civil Conspiracy as to All Defendants)

91. The foregoing paragraphs are incorporated herein by reference.

92. By and through the conduct alleged herein, the Defendants formed a combination for the purpose of injuring the Plaintiff.

93. The Defendants committed overt acts in furtherance of the conspiracy as aforesaid.

94. In addition to the damages caused by the Defendants fraudulent and other improper conduct as alleged herein, the resulting damage to the Plaintiffs as a result of the overt acts done pursuant to the combination has caused The Plaintiffs to have to incur substantial legal fees in defending the frivolous counterclaims in this action, have caused Plaintiff Gibson physical manifestations of loss of sleep, stress, nervousness, and other physical manifestations, and such other special damages as the evidence may show.

95. As a direct and proximate result of the Defendants' civil conspiracy, the Plaintiffs' have been injured and suffered damage. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

FOR AN ELEVENTH CAUSE OF ACTION

(Violation of Unfair Trade Practices Act as to all Defendants)
(S.C. Code Ann. §§ 39-5-10 *et seq.*)

96. The foregoing paragraphs are incorporated herein by reference.

97. The Defendants hold themselves out to the public as honorable, reputable, and experienced in the purchase, sale appraisal and financing of real estate.

98. The Defendants misrepresentations, deception, fraudulent and other actions and/or inactions by the Defendants as described above constitute unfair and deceptive acts or practices as defined by the Unfair Trade Practices Act.

99. Upon information and belief, the Defendants have engaged in these types of deceptive and unfair acts or practices in the past, thereby making it likely that this conduct will continue without deterrence and the Defendants' procedures create a potential for repetition.

100. These acts and/or practices are therefore capable of repetition and have an adverse impact on the public interest.

101. Furthermore, a person of ordinary prudence engaged in the real estate trade or commerce, in the exercise of due diligence, could have ascertained that the conduct alleged herein violated the act and the Defendants knew or should have known that this conduct was a violation of the Act. Accordingly, these unfair acts and/or practices are willful and knowing violations of the Unfair Trade Practices Act.

102. As a direct and proximate cause of the Defendants' deceptive and unfair acts and/or practices, Plaintiffs have been injured and suffered damages.

103. The Plaintiffs are entitled to actual, incidental, consequential, and treble damages pursuant to S.C. Code Ann. 39-5-140(a) as a result of the Defendants' willful and intentional conduct together with reasonable attorneys' fees and costs.

FOR A TWELFTH CAUSE OF ACTION

(Violation of S.C. Code Ann. §§ 40-57-137 *et seq.* / Review by the Licensing Board)
(as to Defendants, ROLANDO V. VILLAVICENCIO and
RPV INVESTMENTS, L.L.C., and DPS of CHARLESTON, INC.
d/b/a RE/MAX PROFESSIONAL REALTY)

104. The foregoing paragraphs are incorporated herein by reference.
105. The Defendants, as Real Estate Brokers, Salesmen, and Property Managers that agreed to provide services to Plaintiffs are bound by the duties of loyalty, obedience, disclosure, confidentiality, reasonable care, diligence, and accounting.
106. The Defendants failed to promote the interests of Plaintiffs as required by contract and law and breached their duties by failing to:
- a. exercise the amount of care one ordinarily would have under the circumstances;
 - b. properly and adequately investigate and/or screen Defendant Villavicencio and/or RPV Investments, LLC, prior to authorizing them to hold themselves out as Re/Max agents;
 - c. properly and adequately train Defendant Villavicencio and/or RPV Investments, LLC;
 - d. properly advising Plaintiffs in their investment in the apartment complex;
 - e. disclose to Plaintiffs all relevant facts concerning the transaction which were actually known to the licensee or, if acting in a reasonable manner, should have been known to the licensee;

- f. properly manage the Plaintiffs' rental properties in such a way that would not result in lost profits, tenants, and cause substantial additional costs;
- g. properly oversee and manage the renovations of Plaintiffs' properties;
- h. properly oversee and manage the Plaintiffs' funds that were entrusted to them;
- i. properly and adequately communicate with the Plaintiffs' regarding their properties and its agents and/or employees;
- j. exercise due care for the Plaintiffs' properties it was entrusted to manage and lease;
- k. disclose to the Plaintiffs their status as dual agents;
- l. account, in a timely manner, for all money and property received in which the Plaintiffs had an interest;
- m. in such other particulars as the evidence may show.

107. As a direct and proximate cause of the willful, wanton, and negligent conduct of the Defendants, Plaintiffs have been injured and suffered damage and are entitled to actual compensatory damages in an amount to be determined by the finder of fact, and punitive damages in an amount sufficient to deter similar conduct by these defendants and others.

108. Further, Plaintiffs demand an investigation and a hearing be conducted by the Licensing Board pursuant to S.C. Code, § 40-57-150, to determine whether sanctions, suspension, revocation or the Defendants' licenses are warranted.

FOR A THIRTEENTH CAUSE OF ACTION
(Negligence as to Paul K. Moore Associates, Inc.)

109. The foregoing paragraphs are incorporated herein by reference.

110. Defendant Paul Moore owed the Plaintiff a duty to perform an honest and accurate appraisal of the Apartment Complex subject of this action and to appraise the Apartment Complex subject to this action with due care and in accordance with reasonable real estate appraisal standards.

111. Defendant Paul Moore, acting by and through its agents, employees and/or servants, was negligent, careless, reckless, and/or grossly negligent and acted in violation of its duties to the Plaintiffs, including, but not necessarily limited to:

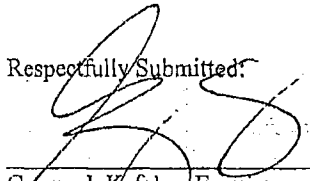
- a. Failing to perform an accurate appraisal of the Apartment Complex at issue;
- b. Performing an inflated appraisal of the Apartment Complex at issue;
- c. Failing to conform to accepted industry standards in appraising the Apartment Complex at issue;
- d. Failing to use the degree of care and caution that a reasonable and prudent real estate appraiser would have used under the circumstances; and
- e. in such other particulars as the evidence may show.

112. As a direct and proximate result of the Defendant's negligence, the Plaintiffs' have been injured and suffered damage. Plaintiffs are entitled to a judgment against the Defendants for actual, compensatory, consequential, incidental, and punitive damages, in an amount sufficient to deter similar conduct by these Defendants and others, in an amount determined by the trier of fact.

WHEREFORE, the Plaintiffs LINDA A. GIBSON, HERITAGE SEVEN, L.L.C., and SEVEN OAKS APARTMENTS, L.L.C. pray for judgment against the Defendants ROLANDO V. VILLAVICENCIO, RPV INVESTMENTS, L.L.C., and RE/MAX

PROFESSIONAL REALTY, jointly, and severally, for actual, special, consequential, treble, and punitive damages to the fullest extent allowed by law in the amount determined by the trier of fact, for the costs of this action, for such equitable relief as the Court may deem appropriate, and for such other relief as this Honorable Court deems just, prudent, and proper.

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
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 11 day of Aug 2010
Charleston, SC

From: Dees, Rae Ann
To: Lanier, Benjamin
Sent: 4/9/2008 6:41:34 PM
Subject: RE: Heritage Seven LLC

Done.

Thank you,
Rae Ann Dees
Ameris Bank
Loan Operations Document Prep
(229) 556-6022

From: Lanier, Benjamin
Sent: Wednesday, April 09, 2008 2:37 PM
To: Tifton-Loan Booking_Funding
Subject: Heritage Seven LLC

Hello,
Can you please make the following draw for Heritage Seven, LLC:

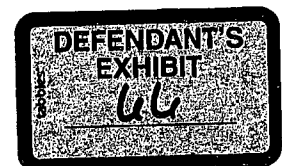
Draw \$18,310.52 from loan# 7970000179-101 (Heritage Seven, LLC)

Deposit into checking account# 2048460204 (Heritage Seven, LLC)

Thanks and please let me know if you have any questions.

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

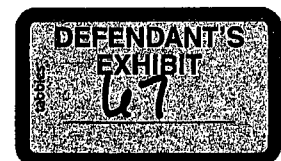
benjamin.lanier@amerisbank.com
www.amerisbank.com



AMERIS-EMAILS-000339

From: Lanier, Benjamin
To: Lanier, Benjamin
Sent: 4/28/2008 6:25:14 PM
Subject: Heritage Seven LLC
Attachments: EC-SC970_EXCHANGE_04282008-142413.PDF

US AUSTIN
TX 78701



AMERIS-EMAILS-000437

Heritage Seven LLC		Contact Notes	
Commercial Loan		Account Remarks	
Shrink <<			
Customer snapshot		Account snapshot	
Pin officer: Benjamin Lerner		Pin officer: 97087	
Branch: 0000970		Last trans amt: 28582.00	
Phone: ()		Last trans date: 04/28/2008	
		Current rate: 5.500000%	
		Current balance: 2,622,665.28	

Account details as of: 04/28/2008

Note Information

Collateral:	48 Unit apartment complex		
Note type:	Com Real Estate		
Last transaction:	28,582.00	04/28/2008	
Interest rate:	5.500000	Secured code:	<Secured, collateral no>
Principal balance:	2,622,665.28	Accrual status:	Accrual
APR:	0.000000	Branch:	0000970
Original balance:	2,110,164.50	Issued/Term:	11/02/2007 060
Original rate:	7.750000	Maturity date:	11/02/2012
Post no trans:	<Allow transactions to>	Dealer reserves:	No
Send no bill:	Send bill to account	Insurance reserves:	No
Paid status:	Not paid	Escrow:	No

Commercial Information

Organization type:	None of the above	Index:	Wall street prime
Interest paid to:	04/02/2008	Margin:	0.250000
Expiration date:	11/02/2012	Margin/index relation:	<Point above or below>
Available amount:	107,488.22	Floor rate:	0.000000
Commitment amt:	2,810,164.50	Collateral:	999.999999
Orig commit amt:	2,810,164.50	Next change date:	//
Draw indicator:	Allow draws	Change frequency:	Same day
Commitment:	Construction loans	Renewed/Times:	// 000

Primary Name and Address

Heritage Seven LLC
ATTN: Linda Gibson
133 House Trail Rd
St George SC 29477-8264

Additional Note Information

Autopay indicator:	<Payments not taken by>	Autopay type:	<Bill cycled with billing>
Account type:		Autopay account:	<Principal plus accrued>
Autopay account:	0.00	Frequency:	Monthly
Apply overage:		Cost center:	0000970
Risk rating:	25	Start interest:	11/02/2007
Extensions:	000	First interest:	12/02/2007
		First payment:	12/02/2008

Montape Seven LLC

Commercial Loan

Contact Notes

Account Remarks

Shrink <<

Customer snapshot

Pmt officer: Benjamin Lerier

Branch: 0000970

Phone: ()

Account snapshot

Pmt officer: 97007

Last trans amt: 20,532.00

Last trans date: 04/28/2008

Current rate: 5.500000%

Current balance: 2,622,665.39

Previous 18 months

Search...

Get Details

Effective	Posted	Description	Amount	Principal	Interest	Balance
04/28/2008	04/28/2008	Note increase [...]	28,532.00	28,532.00	0.00	2,622,665.39
04/24/2008	04/24/2008	Note increase [...]	28,314.45	28,314.45	0.00	2,694,080.00
04/21/2008	04/21/2008	Payment (Reg.)	12,564.84	0.00	12,564.84	2,664,785.00
04/21/2008	04/21/2008	Note increase [...]	5,375.00	5,375.00	0.00	2,664,785.00
04/15/2008	04/15/2008	Note increase [...]	2,196.50	2,196.50	0.00	2,659,333.00
04/14/2008	04/14/2008	Fee (late charge)	100.00			
04/11/2008	04/11/2008	Note increase [...]	25,866.72	25,866.72	0.00	2,557,180.00
04/10/2008	04/10/2008	Note increase [...]	1,554.00	1,554.00	0.00	2,631,333.00
04/09/2008	04/09/2008	Note increase [...]	18,310.52	18,310.52	0.00	2,529,770.00
04/04/2008	04/04/2008	Note increase [...]	5,375.00	5,375.00	0.00	2,511,480.00
03/31/2008	03/31/2008	Note increase [...]	3,800.00	3,800.00	0.00	2,505,080.00
03/26/2008	03/26/2008	Note increase [...]	17,083.10	17,083.10	0.00	2,502,280.00
03/26/2008	03/26/2008	Note increase [...]	10,059.00	10,059.00	0.00	2,465,200.00
03/21/2008	04/01/2008	Note increase [...]	14,083.00	14,083.00	0.00	2,475,140.00
03/19/2008	03/19/2008	Rate change [...]	5.500000		-51.27	2,461,060.00
03/10/2008	03/10/2008	Payment (Reg.)	11,530.95	0.00	11,530.95	2,461,060.00
03/08/2008	03/13/2008	Note increase [...]	20,189.00	20,189.00	0.00	2,461,060.00
03/04/2008	03/04/2008	Note increase [...]	15,526.00	15,526.00	0.00	2,440,870.00
02/26/2008	03/04/2008	Note increase [...]	41,812.00	41,812.00	0.00	2,425,350.00
02/25/2008	02/25/2008	Note increase [...]	68,760.00	68,760.00	0.00	2,383,430.00
02/15/2008	02/15/2008	Note increase [...]	6,300.00	6,300.00	0.00	2,314,670.00
02/12/2008	02/12/2008	Note increase [...]	20,649.99	20,649.99	0.00	2,308,370.00
02/08/2008	02/08/2008	Note increase [...]	3,500.00	3,500.00	0.00	2,287,730.00
02/01/2008	02/01/2008	Payment (S10) [...]	14,056.82	0.00	14,056.82	2,284,230.00
01/30/2008	01/31/2008	Rate change [...]	6.250000		-31.73	2,284,230.00
01/25/2008	01/25/2008	Note increase [...]	5,200.00	5,200.00	0.00	2,284,230.00
01/25/2008	01/25/2008	Note increase [...]	12,183.15	12,183.15	0.00	2,279,030.00
01/22/2008	01/22/2008	Rate change [...]	6.750000		0.00	2,266,840.00

Hawago Seven LLC		Contact Notes	
Contractual Loan		Account Remarks	
		Showing <<	
Customer snapshot		Account snapshot	
Prim officer: Benjamin Lanier		Prim officer: 57007	
Branch: 0900970		Last trans amt: 38,523.00	
Phone: f t		Last trans date: 04/28/2008	
		Current rate: 5.500000%	
		Current balance: 2,622,665.23	

				Search...			
Previous 48 months				Get Details			
Effective	Posted	Description	Amount	Principal	Interest	Balance	
01/25/2008	01/25/2008	Note increase ...	5,200.00	5,200.00	0.00	2,294.23...	
01/25/2008	01/25/2008	Note increase ...	12,183.15	12,183.15	0.00	2,279.03...	
01/22/2008	01/22/2008	Note change ...	6,750.00		0.00	2,268.84...	
01/18/2008	01/18/2008	Note increase ...	18,499.99	18,499.99	0.00	2,268.84...	
01/04/2008	01/10/2008	Note increase ...	5,000.00	5,000.00	0.00	2,249.34...	
01/02/2008	01/02/2008	Payment (Reg...	14,493.09	0.00	14,493.09	2,243.34...	
01/02/2008	01/02/2008	Note increase ...	2,975.00	2,975.00	0.00	2,243.34...	
01/02/2008	01/02/2008	Note increase ...	25,300.00	25,300.00	0.00	2,240.37...	
12/21/2007	12/21/2007	Fee waiver - 820	100.00				
12/18/2007	12/18/2007	Payment (Reg...	13,685.27	0.00	13,685.27	2,215.07...	
12/13/2007	12/14/2007	Note increase ...	6,025.00	6,025.00	0.00	2,215.07...	
12/13/2007	12/14/2007	Note increase ...	5,000.00	5,000.00	0.00	2,209.04...	
12/12/2007	12/12/2007	Fee (late charg...	100.00				
12/11/2007	12/12/2007	Note change ...	7,500.00		-15.30	2,203.04...	
11/20/2007	11/28/2007	Note increase ...	49,200.00	49,200.00	0.00	2,203.04...	
11/28/2007	11/28/2007	Note increase ...	26,941.36	26,941.36	0.00	2,153.84...	
11/14/2007	11/14/2007	Note increase ...	14,741.00	14,741.00	0.00	2,124.90...	
11/13/2007	11/13/2007	Fee payment ...	10,000.00				
11/13/2007	11/13/2007	Fee payment ...	150.50				
11/13/2007	11/13/2007	Fee (manually ...	10,000.00				
11/13/2007	11/13/2007	Fee (manually ...	150.50				
11/07/2007	11/07/2007	Fee payment ...	14.50				
11/07/2007	11/07/2007	Fee (automatic...					
11/07/2007	11/07/2007	Fee (automatic...	14.50				
11/07/2007	11/07/2007	Fee (automatic...					
11/02/2007	11/08/2007	Note increase ...	2,110.16...	2,110.164...	0.00	2,110.16...	
11/02/2007	11/07/2007	Note (New) - 310	0.00	0.00	0.00	0.00	

From: Lanier, Benjamin
To: egibson777@yahoo.com
Sent: 4/28/2008 6:30:51 PM
Subject: Heritage Seven Transactions
Attachments: Heritage Seven LLC

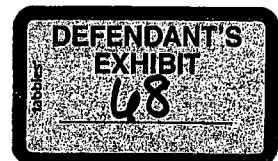
Elizabeth,

I have attached a list of transactions in regards to this loan since its inception for your records. Currently, the remaining balance left to draw from is \$187,499.22. Your mom called and was asking about this balance and the transactions. Please let me know if you have any further questions in regards to this.

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



AMERIS-EMAILS-000325

From: Lanier, Benjamin
To: Lanier, Benjamin
Sent: 4/28/2008 6:25:14 PM
Subject: Heritage Seven LLC
Attachments: EC-SC970_EXCHANGE_04282008-142413.PDF

AMERIS-EMAILS-000326

Heritage Seven LLC		Contact Notes
Commercial Loan		Account Remarks
		Shrink <<
Customer snapshot	Account snapshot	
Prim officer: Benjamin Lerner	Prim officer: 97007	
Branch: 0000970	Last trans amt: 28592.00	
Phone: ()	Last trans date: 04/28/2009	
	Current rate: 5.900000%	
	Current balance: 2,622,665.29	

Account detail as of: 04/28/2009

Note Information

Collateral:	48 Unit apartment complex		
Note type:	Com Real Estate		
Last transaction:	28,592.00	04/28/2009	
Interest rate:	5.500000	Secured code:	<Secured, collateral no>
Principal balance:	2,622,665.29	Accrual status:	Accrual
APR:	0.000000	Branch:	0000970
Original balance:	2,110,164.50	Issued/Term:	11/02/2007 060
Original rate:	7.750000	Maturity date:	11/02/2012
Post no tran:	<Allow transactions to p>	Dealer receives:	No
Send no bill:	Send bill to account	Insurance reserves:	No
Paid status:	Not paid	Escrow:	No

Commercial Information

Organization type:	Name of the above	Index:	Wall street prime
Interest paid to:	04/02/2009	Margin:	0.250000
Expiration date:	11/02/2012	Margin/index relation:	<Points above or below>
Available amount:	107,499.22	Floor rate:	0.000000
Commitment amt:	2,810,164.50	Collar rate:	999.999999
Orig commit amt:	2,810,164.50	Next change date:	/ /
Draw indicator:	Allow draws	Change frequency:	Same day
Commitment:	Construction loans	Renewed/Times:	/ / 000

Primary Name and Address

Heritage Seven LLC
ATTN: Linda Gibson
133 Horse Trail Rd
St George UT 84777-8264

Additional Note Information

Autopay indicator:	<Payments not taken th>	Bill type:	<Bill cycled with billing>
Account type:			<Principal plus accrued>
Autopay account:	0.00	Frequency:	Monthly
		Cost center:	0000970
Apply overage:		Start interest:	11/02/2007
Risk rating:	25	First interest:	12/02/2007
Extensions:	000	First payment:	12/02/2008

AMERIS-EMAILS-000327

Heritage Seven LLC

Commercial Loan

Contract Notes

Account Remarks

Shrink <<

Customer snapshot

Pin officer: Benjamin Latta

Branch: 0000970

Phone: ()

Account snapshot

Pin officer: 97007

Last trans amt: 20,530.00

Last trans date: 04/23/2008

Current rate: 6.500000%

Current balance: 2,622,665.38

Previous 12 months

Search...

Get Details

Effective	Posted	Description	Amount	Principal	Interest	Balance
04/23/2008	04/23/2008	Note increase	28,532.00	28,532.00	0.00	2,622,665.38
04/24/2008	04/24/2008	Note increase	29,314.45	29,314.45	0.00	2,694,000.00
04/21/2008	04/21/2008	Payment (Reg.)	12,564.84	0.00	12,564.84	2,664,760.00
04/21/2008	04/21/2008	Note increase	5,375.00	5,375.00	0.00	2,664,760.00
04/16/2008	04/16/2008	Note increase	2,196.50	2,196.50	0.00	2,659,390.00
04/14/2008	04/14/2008	Fee (late charge)	100.00			
04/11/2008	04/11/2008	Note increase	25,666.72	25,666.72	0.00	2,557,180.00
04/10/2008	04/10/2008	Note increase	1,554.00	1,554.00	0.00	2,531,230.00
04/09/2008	04/09/2008	Note increase	18,310.52	18,310.52	0.00	2,529,770.00
04/04/2008	04/04/2008	Note increase	5,375.00	5,375.00	0.00	2,511,460.00
03/31/2008	03/31/2008	Note increase	3,800.00	3,800.00	0.00	2,536,090.00
03/26/2008	03/26/2008	Note increase	17,083.10	17,083.10	0.00	2,532,290.00
03/26/2008	03/26/2008	Note increase	10,059.00	10,059.00	0.00	2,495,200.00
03/21/2008	04/01/2008	Note increase	14,083.00	14,083.00	0.00	2,475,140.00
03/19/2008	03/19/2008	Rate change	5,500.00		-51.27	2,461,060.00
03/10/2008	03/10/2008	Payment (Reg.)	11,530.95	0.00	11,530.95	2,461,060.00
03/08/2008	03/13/2008	Note increase	20,109.00	20,109.00	0.00	2,461,060.00
03/04/2008	03/04/2008	Note increase	15,626.00	15,626.00	0.00	2,440,870.00
02/26/2008	03/04/2008	Note increase	41,912.00	41,912.00	0.00	2,425,350.00
02/25/2008	02/25/2008	Note increase	68,760.00	68,760.00	0.00	2,383,450.00
02/15/2008	02/15/2008	Note increase	6,300.00	6,300.00	0.00	2,314,670.00
02/12/2008	02/12/2008	Note increase	20,649.99	20,649.99	0.00	2,308,370.00
02/09/2008	02/09/2008	Note increase	3,500.00	3,500.00	0.00	2,297,730.00
02/01/2008	02/04/2008	Payment (STO)	14,056.82	0.00	14,056.82	2,294,230.00
01/30/2008	01/31/2008	Rate change	6,250.00		-31.73	2,294,230.00
01/25/2008	01/25/2008	Note increase	5,200.00	5,200.00	0.00	2,284,230.00
01/25/2008	01/25/2008	Note increase	12,183.15	12,183.15	0.00	2,279,030.00
01/22/2008	01/22/2008	Rate change	6,750.00		0.00	2,266,840.00

Haulage Seven LLC

Commercial Loan

Contact Notes

Account Remarks

Shrink <<

Customer snapshot

Prim officer: Benjamin Lawie

Branch: 0005970

Phone: 11

Account snapshot

Prim officer: 97607

Last trans am: 20,562.00

Last trans date: 04/23/2008

Current rate: 9.500000%

Current balance: 2,622,665.28

Previous 30 months

Search...

Get Details

Effective	Posted	Description	Amount	Principal	Interest	Balance
01/25/2008	01/25/2008	Note increase ...	5,200.00	5,200.00	0.00	2,284.23...
01/25/2008	01/25/2008	Note increase ...	12,163.15	12,163.15	0.00	2,275.03...
01/22/2008	01/22/2008	Rate change ...	6,750.000		0.00	2,265.84...
01/18/2008	01/18/2008	Note increase ...	18,499.99	18,499.99	0.00	2,265.84...
01/04/2008	01/10/2008	Note increase ...	5,000.00	5,000.00	0.00	2,248.34...
01/02/2008	01/02/2008	Payment (Reg...	14,483.09	0.00	14,483.09	2,243.34...
01/02/2008	01/02/2008	Note increase ...	2,975.00	2,975.00	0.00	2,243.34...
01/02/2008	01/02/2008	Note increase ...	25,300.00	25,300.00	0.00	2,240.37...
12/21/2007	12/21/2007	Fee waiver - 820	100.00			
12/19/2007	12/19/2007	Payment (Reg...	13,685.27	0.00	13,685.27	2,215.07...
12/13/2007	12/14/2007	Note increase ...	6,025.00	6,025.00	0.00	2,215.07...
12/13/2007	12/14/2007	Note increase ...	6,000.00	6,000.00	0.00	2,209.04...
12/12/2007	12/12/2007	Fee (late charg...	100.00			
12/11/2007	12/12/2007	Rate change ...	7,500.000		-15.30	2,203.04...
11/28/2007	11/28/2007	Note increase ...	49,200.00	49,200.00	0.00	2,203.04...
11/28/2007	11/28/2007	Note increase ...	29,941.36	29,941.36	0.00	2,163.84...
11/14/2007	11/14/2007	Note increase ...	14,741.00	14,741.00	0.00	2,124.90...
11/13/2007	11/13/2007	Fee payment ...	10,000.00			
11/13/2007	11/13/2007	Fee payment ...	150.50			
11/13/2007	11/13/2007	Fee (manually ...	10,000.00			
11/13/2007	11/13/2007	Fee (manually ...	150.50			
11/07/2007	11/07/2007	Fee payment ...	14.50			
11/07/2007	11/07/2007	Fee (automatic...				
11/07/2007	11/07/2007	Fee (automatic...				
11/07/2007	11/07/2007	Fee (manually ...	14.50			
11/07/2007	11/07/2007	Fee (automatic...				
11/02/2007	11/08/2007	Note increase ...	2,110.16...	2,110.164...	0.00	2,110.16...
11/02/2007	11/07/2007	Note (New) - 310	0.00	0.00	0.00	0.00



13233 Hwy. 68 N.
Clinton, SC 29325

phone (864) 833-6764 fax (864) 833-6898
email: bagwellcontractors@msn.com

SC General Contractors License No. G14703

PROPOSAL

DATE: August 20, 2008

TO: Ms. Linda Gibson
Seven Oaks Apartments
2825 Otranto Rd.
N. Charleston, SC 29406

PROJECT: Renovations to Buildings 3, 4, 5 and 6

LOCATION: Seven Oaks Apartments
2825 Otranto Rd.
N. Charleston, SC 29406

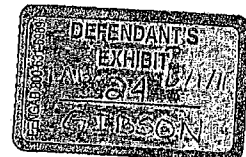
SCOPE OF WORK AND SPECIFICATIONS:

After an on site inspection of your apartment complex, and based on plans and specifications supplied by Ms. Linda Gibson, we propose to supply all labor, materials, supplies and equipment necessary to complete the below scope of work:

- A. Complete existing renovations to Building 3, which houses eight (8) apartments.
 - #1 Complete remaining plumbing.
 - #2 Complete remaining electrical.
 - #3 Complete remaining sheetrock, sand, finish, and paint.
 - #4 Install remaining cabinets.
 - #5 Install new appliances (stoves, refrigerators, dishwashers and garbage disposals).
 - #6 Install floor coverings, which include carpet and vinyl.
- B. Demo and completely renovate interiors of Buildings 4, 5 and 6, which house eight apartments each, for a total of 24 units. These renovations are based on plans and specifications submitted by Ms. Linda Gibson.
 - #1 Remove necessary walls to upgrade plumbing to local Code. - Set in new fixtures. - Install new exterior gas water heaters.

BAG/2008

XVJ 10:11 8002/02/80



- #2 Add designated lighting for layout of kitchen. Wiring throughout each unit will be brought up to local Code.
 - #3 Install all new appliances (stove, refrigerator, dishwasher, and garbage disposal).
 - #4 Remove necessary sheetrock and construct new walls. Add sheetrock where necessary in order to meet local Fire Code. All new sheetrock will be sanded and finished. All existing walls will be repaired, sanded and finished. All walls to receive two coats of paint.
 - #5 Texture all ceilings.
 - #6 All interior doors will be removed and replaced.
 - #7 All interior trim, baseboards and window trims will be removed and replaced with new. All trim will be painted.
 - #8 All floor coverings are to be removed. New carpeting and vinyl will be installed per specifications.
- C. Renovations of the exterior of Buildings 3, 4, 5 and 6 will consist of:
- #1 Removing all windows and installing new thermo pane windows per specifications.
 - #2 Repair existing fascia boards and boxing. Paint fascia boards and boxing.
 - #3 Remove existing exterior doors and install new doors per specifications.
 - #4 Existing staircases will be brought up to local Code.

We will clean up and dispose of all construction debris.

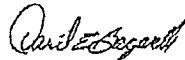
We estimate that it will take approximately eight (8) weeks from starting date to complete these projects.

We propose to complete these projects for the budget price of \$ 257,000.00

NOTE: The quoted price may vary slightly due to local Code requirements and unforeseen material price increases.

Thank you for the opportunity to work with you on this proposed project.

BAGWELL CONTRACTORS, INC.



David E. Bagwell

From: Seven Oaks Apartments (Elizabeth)
To: Lanier, Benjamin
Sent: 8/26/2008 9:19:23 PM
Subject: Seven Oaks Apartments
Attachments: ATT2241819.htm; TenantsPDF.pdf

Hi Benji,

Here is a list of the expenses **monthly** at Seven Oaks:

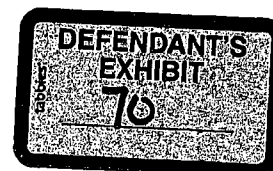
SCE&G	\$645.01
Chas. Water	\$646.39
Fennell Container	\$142.69
Lawn Maintenance	\$400.00
Total:	\$1,834.009

List of expenses **yearly**:

Property Taxes	\$26,057.58
Insurance	\$21,463.94
Total:	\$47,521.52

Attached is a spreadsheet of our monthly income in addition we receive a check from Coinmach total around \$67.00 a month.

Our total number of units is 48. Right now 23 units are occupied leaving 25 to be renovated. Once these are complete and finished we should receive an average of \$700 which would be total of \$17,500 a month. I hope this is clear please let me know if I have confused you or if you have any questions. Thanks, Linda and Elizabeth



AMERIS-EMAILS-000240

Seven Oaks Apartments
Elizabeth Gibson - *Property Manager*
sevenoaksapartments@gmail.com
Phone: 843-297-8717
Fax: 843-297-8727

AMERIS-EMAILS-000241

From: Donnelly, Joli
To: Lanier, Benjamin
Sent: 8/29/2008 7:43:08 PM
Subject: RE: Linda Gibson

That's great.

Joli F. Donnelly
Branch Manager
Ameris Bank
966-C Houston Northcutt Blvd.
Mt. Pleasant, SC 29464
Ph. 843-375-4969
Direct 843-375-4971
Fax 843-881-8350
joli.donnelly@amerisbank.com

-----Original Message-----

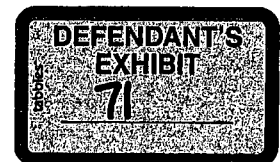
From: Lanier, Benjamin
Sent: Friday, August 29, 2008 2:21 PM
To: Donnelly, Joli
Subject: Linda Gibson

Joli

I met with Linda today and I think we are going to be able to move over her security deposit account and her apt operating acct. She said she may also move some personal money as well. The courier service is what sealed the deal!

Ill be back shortly

Benjamin R. Lanier Jr.
Vice President Business Banker



AMERIS-EMAILS-000726

From: Benjie Lanier
To: Snipes, Don; Sturm, Richard
Sent: 9/5/2008 3:48:54 PM
Subject: Fwd: Seven Oaks CF and repair quote
Attachments: EC-SC973_EXCHANGE_09032008-103301.PDF

Don/Richard,

This is an attachment that will accompany a memo for a credit I need to submit Monday. I will be sending the complete memo and LCA later today. For the time being I will be sending a partial memo for you to read and have an idea of the credit. I am currently in New Jersey so I am trying to piece this together for you guys.

This is for the refinance/LLC name change of a loan we have on our books in the name of Heritage Seven LLC. The owner of the LLC, Linda Gibson wants to move this particular property out of the Heritage Seven LLC and put in an LLC by itself in the name of Seven Oaks Apartments, LLC. Linda is also requesting a \$250k increase to allow for the completion of the last three buildings in this complex. The total exposure of this loan will be over \$3 million so this will need board approval.

I met with Linda last Friday and we reviewed the repairs that are left to be made. In most cases the materials and large ticket items have been purchased she just needs the interior revamped and for the materials to be installed.

I will be sending you more info later today.

Thanks for your help!

Benjie

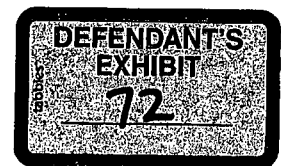
----- Forwarded message -----

From: Lanier, Benjamin <Benjamin.Lanier@amerisbank.com>

Date: Wed, Sep 3, 2008 at 10:36 AM

Subject: Seven Oaks CF and repair quote

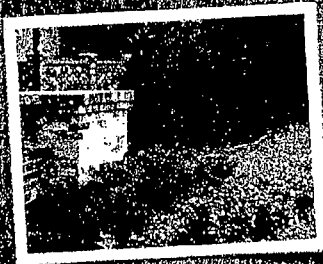
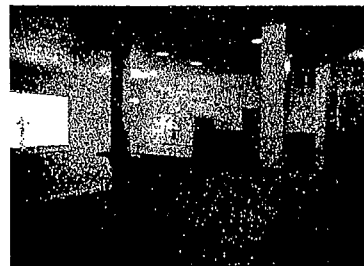
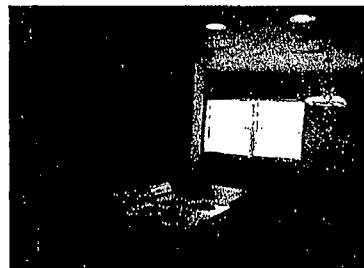
To: Benjiemba@gmail.com



AMERIS-EMAILS-000006

SEVEN OAKS APARTMENTS

2625 OTRANTO ROAD - NORTH CHARLESTON



Door advising: Elizabeth Gibson
Office: 843-297-0717
Cell: 843-693-1396



Office
2625 Otranto Rd.
North Charleston, SC 29405

Thank you for your interest in our apartments.

We are in the middle of the old look with the modern life. Come to see how we manage the old style and still provide you all the modern day conveniences of 21st century.

Are you ready for the decision that will change your life !?

Two options for you to choose:

One Bedroom:

- One Bath
- Newly renovated
- 695sq.ft of living space
- Energy efficient appliances
- Open floor plan
- Water saving devices
- Puron air conditioning

Price: \$650.00 / month*

Two Bedroom:

- One Bath
- Newly renovated
- 832 sq.ft of living space
- Energy efficient appliances
- Open floor plan
- Water saving devices
- Puron air conditioning

Price: \$750.00 / month*

* Prices subject to change

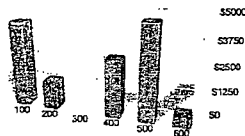
We are continuing to rent the older apartments. The units that have not been renovated has special conditions of prices and payment. Make sure to ask us for them !!

AMERIS-EMAILS-000007

Seven Oaks Apartments August 2008

Building	Number	Tenant	Rent	Paid	Date	OBS:	Building	Number	Tenant	Rent	Paid	Date	OBS:
100	A	Renee Wedemahn	\$750	☒	08/05/2008	2 bedroom	400	A	Dorva Gethers	\$600	☒	08/02/2008	2 bedroom
100	B	Deborah Burr	\$750	☒		2 bedroom	400	B			☒		2 bedroom
100	C	Ebony Winn	\$700	☒		2 bedroom	400	C			☒		2 bedroom
100	D	Nathan Jordan	\$650	☒		1 bedroom	400	D			☒		1 bedroom
100	E	Whitney Giff	\$750	☒	08/07/2008	2 bedroom	400	E	Shawnette Kriaw	\$600	☒	08/05/2008	2 bedroom
100	F	Deborah Richardson	\$700	☒	09/16/2008	2 bedroom	400	F	Bonetta Daniels	\$550	☒	08/07/2008	2 bedroom
100	G			☒		2 bedroom	400	G	Lafise Hamilton	\$600	☒		2 bedroom
100	H	N/A		☒		2 bedroom	400	H	James Sburg	\$550	☒	08/01/2008	2 bedroom
200	A			☒		2 bedroom	500	A	Frederica Jenkins	\$600	☒		2 bedroom
200	B	Pamela Bance	\$700	☒	08/25/2008	2 bedroom	500	B	Kamashia Hair	\$600	☒	08/05/2008	2 bedroom
200	C	Ernest Anderson	\$750	☒	08/08/2008	2 bedroom	500	C	Wayne Greene	\$600	☒		2 bedroom
200	D			☒		1 bedroom	500	D	Solomon Westbury	\$500	☒		1 bedroom
200	E			☒		2 bedroom	500	E	Stephanie Balgobin	\$600	☒		2 bedroom
200	F			☒		2 bedroom	500	F	Wayne West	\$600	☒		2 bedroom
200	G			☒		2 bedroom	500	G	Antonio Rosales Jr.	\$600	☒	08/01/2008	2 bedroom
200	H			☒		2 bedroom	500	H	Zaniqua Taylor	\$600	☒		2 bedroom
300	A			☒		2 bedroom	600	A			☒		2 bedroom
300	B			☒		2 bedroom	600	B			☒		2 bedroom
300	C			☒		2 bedroom	600	C			☒		2 bedroom
300	D			☒		1 bedroom	600	D			☒		1 bedroom
300	E			☒		2 bedroom	600	E	Patricia Brown	\$550	☒		2 bedroom
300	F			☒		2 bedroom	600	F			☒		2 bedroom
300	G			☒		2 bedroom	600	G			☒		2 bedroom
300	H			☒		2 bedroom	600	H			☒		2 bedroom

Building	Total	Apartments Occupied
100	\$4,345	7
200	\$1,450	2
300	\$0	0
400	\$2,900	5
500	\$4,700	6
600	\$550	1
TOTAL	\$13,845	23



431,415
 3960
 1834
 425,651 / 22,567 = 1.13

Lanier, Benjamin

From: Seven Oaks Apartments (Elizabeth) [sevenoaksapartments@gmail.com]
Sent: Tuesday, August 26, 2008 5:19 PM
To: Lanier, Benjamin
Subject: Seven Oaks Apartments
Attachments: TenantsPDF.pdf; ATT2241816.htm

Hi Benji,

Here is a list of the expenses monthly at Seven Oaks:

SCE&G	\$645.01
Chas. Water	\$646.39
Fennell Container	\$142.69
Lawn Maintenance	\$400.00
Total:	\$1,834.009

List of expenses yearly:

Property Taxes	\$26,057.58
Insurance	\$21,463.94
Total:	\$47,521.52

Attached is a spreadsheet of our monthly income in addition we receive a check from Coinmach total around \$67.00 a month.

Our total number of units is 48. Right now 23 units are occupied leaving 25 to be renovated. Once these are complete and finished we should receive an average of \$700 which would be total of \$17,500 a month. I hope this is clear please let me know if I have confused you or if you have any questions. Thanks, Linda and Elizabeth

8/27/2008

AMERIS-EMAILS-000009



13233 Hwy. 56 N.
Clinton, SC 29325

phone (864) 833-6764 fax (864) 833-5699

email: bagwellcontractors@msn.com

SC General Contractors License No. G14783

PROPOSAL

DATE: August 20, 2008

TO: Ms. Linda Gibson
Seven Oaks Apartments
2625 Otranto Rd.
N. Charleston, SC 29406

PROJECT: Renovations to Buildings 3, 4, 5 and 6

LOCATION: Seven Oaks Apartments
2625 Otranto Rd.
N. Charleston, SC 29406

SCOPE OF WORK AND SPECIFICATIONS:

After an on site inspection of your apartment complex, and based on plans and specifications supplied by Ms. Linda Gibson, we propose to supply all labor, materials, supplies and equipment necessary to complete the below scope of work:

- A. Complete existing renovations to Building 3, which houses eight (8) apartments.
 - #1 Complete remaining plumbing.
 - #2 Complete remaining electrical.
 - #3 Complete remaining sheetrock, sand, finish, and paint.
 - #4 Install remaining cabinets.
 - #5 Install new appliances (stoves, refrigerators, dishwashers and garbage disposals).
 - #6 Install floor coverings, which include carpet and vinyl.
- B. Demo and completely renovate interiors of Buildings 4, 5 and 6, which house eight apartments each, for a total of 24 units. These renovations are based on plans and specifications submitted by Ms. Linda Gibson.
 - #1 Remove necessary walls to upgrade plumbing to local Code. Set in new fixtures. Install new exterior gas water heaters.

Proposal - Seven Oaks Apts. - 8/20/2008 - 1

800/200 00

XV3 LB:LL 8002/02/80

AMERIS-EMAILS-000010

- #2 Add designated lighting for layout of kitchen. Wiring throughout each unit will be brought up to local Code.
- #3 Install all new appliances (stove, refrigerator, dishwasher, and garbage disposal).
- #4 Remove necessary sheetrock and construct new walls. Add sheetrock where necessary in order to meet local Fire Code. All new sheetrock will be sanded and finished. All existing walls will be repaired, sanded and finished. All walls to receive two coats of paint.
- #5 Texture all ceilings.
- #6 All interior doors will be removed and replaced.
- #7 All interior trim, baseboards and window trims will be removed and replaced with new. All trim will be painted.
- #8 All floor coverings are to be removed. New carpeting and vinyl will be installed per specifications.

C. Renovations of the exterior of Buildings 3, 4, 5 and 6 will consist of:

- #1 Removing all windows and installing new thermo pane windows per specifications.
- #2 Repair existing fascia boards and boxing. Paint fascia boards and boxing.
- #3 Remove existing exterior doors and install new doors per specifications.
- #4 Existing staircases will be brought up to local Code.

We will clean up and dispose of all construction debris.

We estimate that it will take approximately eight (8) weeks from starting date to complete these projects.

We propose to complete these projects for the budget price of

\$ 257,000.00

NOTE: The quoted price may vary slightly due to local Code requirements and unforeseen material price increases.

Thank you for the opportunity to work with you on this proposed project.

BAGWELL CONTRACTORS, INC.



David E. Bagwell

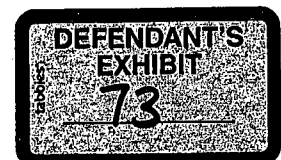
Proposal * Seven Oaks Apts. * 8/20/2008 * 2

800/800 7

XVJ 10:11 800Z/02/80

AMERIS-EMAILS-000011

From: Google Documents
To: Lanier, Benjamin; benjiemba@gmail.com
Sent: 9/11/2008 12:31:07 PM
Subject: Credit Application Memo-Seven Oaks Apartments, LLC
Attachments: Credit Application Memo.doc



AMERIS-EMAILS-000247

Loan Committee Memorandum

The Committee on the part of the Board of Directors is hereby authorized to make such action as may be deemed proper.

AMERIS-EMAILS-000248

Loan Committee Memorandum

Date:

Date: 9/5/08

Borrower's Name: Seven Oaks Apartments, LLC (formerly known as Heritage Seven, LLC)

Loan Officer: Benjie Lanier

I. Business Overview / History

TELL THE STORY OF THE CREDIT AND PRINCIPALS

Who are they?

Seven Oaks Apartments, LLC consists of one guarantor known as Linda A. Gibson. Seven Oaks Apartments is the new LLC name in which Linda would like the apartments to be listed under in order to provide a separation between our current collateral (the 48 unit complex on Otranto Rd.) and a shopping center she owns in Moncks Corner.

Type of company? (Sole Proprietor, Partnership, S-Corp. or C-Corp?)

Seven Oaks Apartments is formed as an LLC.

When did they begin in business?

This LLC was formed in the summer of 2008.

Who are the owners?

Linda A. Gibson is the sole member of this LLC.

Is there a solid management plan?

If something were to happen to Linda, her daughter Elizabeth can fully take over the day to day operation of the apartment complex.

What does the company do?

Seven Oaks Apartments is a real estate holding company for the 48 unit apartment complex known as Seven Oaks.

How long have they been doing it?

This apartment complex was purchased in the fall of 2007 and financed by Ameris Bank under the name Heritage Seven LLC.

AMERIS-EMAILS-000249

Loan Committee Memorandum

Are they in good standing with the state?

Yes, both Seven Oaks Apartments and Heritage Seven LLC are both in good standing.

What is our current relationship, all loans, deposits etc.?

We currently have the apartment complex loan, a deposit account that is used for repairs and a personal CD of Linda's. We are currently in the process of opening the apartment operating account now that they units are being leased and we will also get the escrow account for the apartment complex and the shopping center. We have the opportunity to finance the shopping center she has as well as landing more of her personal accounts due to the easy access to our bank the couriers provide.

Will the loan proceeds produce a future company benefit?

The additional proceeds will be used to finish out the repairs in the three remaining buildings. This will allow for the buildings to complete their restoration and the rental rate will increase given this.

II. Current Relationship

What is the current relationship with Ameris? Loans? Deposits?

Loans-

- \$2.85MM loan in the name of Heritage Seven LLC which is to be refinanced into the name of Seven Oaks Apartments LLC. with an additional request of \$250,000 to finish repairs on the interior of the last 24 units.

Deposits

- Seven Oaks Rehab deposit account- amount varies
- Linda Gibson CD- \$15k
- Seven Oaks Operating Account- in the process of being opened. This account will handle all the monthly payments received. This will be another customer that will utilize the courier route.
- Real Estate Escrow Account- in the process of being opened. This account will handle all security deposits for Seven Oaks Apartments and the shopping center Linda owns in Moncks Corner, SC.

Refer reader to Loan and Collateral Summary

AMERIS-EMAILS-000250

Loan Committee Memorandum

III. Requested Credit Facility

Loan Purpose:

What is the specific, identifiable purpose of the loan?

This request has 2 purposes.

The first purpose is to refinance the existing loan in the name of Heritage Seven LLC into the new LLC name of Seven Oaks Apartments, LLC.

The second purpose is to provide \$250,000 of additional dollars to finish the rehabilitation and repairs to the remaining 3 buildings (24 apartment units) in this complex.

What circumstances in the borrower's business brought about this need?

To date roughly \$700,000 has been put into the complex to provide structural repairs to the inside and outside of all six apartment buildings. Three of the buildings have been completely renovated and are now in the process of being leased up. A list of the remaining repairs that are to be made to this building are attached to this memo.

How much is the borrower contributing toward the cost?

At the time of the closing the borrower injected \$700,000 of her own cash to purchase this property.

What are the repayment terms?

Currently this project is being repaid by interest only monthly payments ending in December and then begin amortizing. If this request is approved I would like to propose interest only until June of next year to allow for the completion of the repairs and the full lease up period of the building.

Amortization period?

Once the interest only period ends this loan will be placed on a 20 year amortization with a 5 year call.

Is that consistent with both loan policy and the economic life of the asset?

Yes, now that this property has experienced an intensive rehab the economic life now matches or exceeds that of a 20 year amortization.

Collateral / Appraisal Description and Valuation:

What is the collateral?

The collateral is a 48 unit apartment complex consisting of 42 Two bedroom units and 6 One bedroom units. In addition, we have a piece of property containing a cell phone tower (that produced lease income) located off of Clements Ferry Rd. in Daniel Island. We took this property to provide additional collateral and income to the project while the construction/lease up took place.

AMERIS-EMAILS-000251

Loan Committee Memorandum

Where is it located? The primary property is located off of Otranto Rd. in North Charleston. The project is minutes from Rivers Avenue as well as University Blvd. Both Rivers Avenue and University Blvd. has many restaurants and shopping options for the people living in the apartment complex. The complex is also very convenient to Charleston Southern University.

What is the age of the collateral?

The complex was originally built in the 1970s however since last fall extensive renovations have been made to the project bringing the building up to date.

How was the value derived?

An appraisal from last fall used marketing, income and costs approaches to derive value. A value of \$2.8 million "as is" was given to the project and an "as complete" value of \$3.7 million once all the repairs were made to the building.

The additional collateral was given a in house value of \$465,000 given its proximity to the Wando River and the small income this property produces. A new appraisal is requested on this property in order to have a solid value on the property.

What is the loan to value percentage? Based on our loan of 2.8 million vs. an as complete value of 3.7 million the LTV was 76%. If the additional collateral that houses the cell tower was included the LTV would decrease to around 70%.

What is the actual cost? The building was purchased for \$2.8 million

Loan to cost percentage? Loan to Cost of 75% on the initial purchase. Linda put \$700,000 into this project at closing.

Loan Pricing / Profitability Issues:

Rate and fees? The loan was originally priced at prime+0 with a \$10,000 fee. The refinance will propose the loan with the new funds be priced at Prime+1/4% with a 5.25% floor and a \$2500 fee for the new money.

How that ties to the profitability model?

If below Ameris' target, what are the mitigating factors to approve the pricing as presented?

IV. Loan Policy Exceptions / Justifications

Loan Committee Memorandum

V. Financial Analysis

Guarantors

Discuss what guarantor's net worth is centered in.

The majority of Linda Gibson's \$52 million dollar net worth is centered in wholly owned real estate. Linda owns quite a bit of property in the Daniel Island area that was her family's land and her late husband's land. The only debts Linda has are her personal home, the Isle of Palms beach house that is a rental, the shopping center in Moncks Corner that is fully leased and the 48 unity apartment building that Ameris Bank has financed.

VI. Industry / Market Review

Direction of borrower's main industry?

The apartment rental business is quite hot right now due to the fact that many people who want to buy homes can either not afford them or get financing for them. In many cases they turn to apartment living. This complex is located close to shopping, businesses and Charleston Southern University.

Competition in the industry?

There are several complexes located close to Seven Oaks Apartments. However, of those complexes Seven Oaks is the only one that has undergone extensive rehab in the last several years.

This makes the complex much more marketable to potential tenants and should keep occupancy rates high.

Any variations in the specific market?

Features of the market conditions that support the loan request?

VII. Strengths / Weaknesses

Strengths:

AMERIS-EMAILS-000253

Loan Committee Memorandum

Weaknesses:

VII. Downside Risk

What is/are the one or two risk items that could jeopardize the loan performing as presented? Items to consider include adverse changes to the borrower's financial condition, changes to the market area that might adversely affect collateral values, or zoning, permitting or other legal problems, etc.

How might these changes affect repayment of the loan?

How will the officer monitor those potential changes and mitigate the risk?

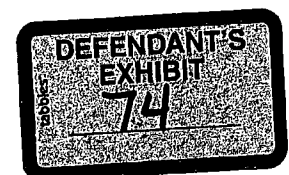
IX. Summary / Conclusion

Summarize why the loan should be made and the supports.

AMERIS-EMAILS-000254

From: Lanier, Benjamin
To: benjiemba@gmail.com
Sent: 9/12/2008 8:48:15 PM
Subject: FW: Seven Oaks Apartments LLC
Attachments: EC-SC973_EXCHANGE_09122008-163758.PDF

From: Lanier, Benjamin
Sent: Friday, September 12, 2008 4:41 PM
To: Lanier, Benjamin
Subject: Seven Oaks Apartments LLC
Importance: Low



AMERIS-EMAILS-000255

Loan Committee Application																																																																												
Borrower: <u>Seven Oaks Apartments, LLC</u> Address: <u>133 Horse Trail Rd.</u> <u>St. George, SC 29477</u> Type of Business: <u>Apartment Management</u>	Bank Location: <u>Mount Pleasant, SC</u> Reg. O: <u>Yes</u> <u>X</u> <u>No</u> Officer: <u>Benjie Lanier</u> Date: <u>9/11/08</u> Customer Since: <u>Nov. 2007</u> NAICS Code: _____																																																																											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Approve / Ratification*</th> <th>New / Renewal</th> <th>Loan Type</th> <th>Original \$ of Commitment</th> <th>Current Balance</th> <th>Available Commitment</th> <th>Rate / Fees</th> <th>Loan Term / Expiration</th> <th>Collateral Codes</th> <th>Special Codes</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Approve /</td> <td style="text-align: center;">New /</td> <td>150 Secured by 3 or more family- Conventional</td> <td>\$ 3,050,000</td> <td>\$ 3,050,000</td> <td>Prime+.25%; \$2500</td> <td>9 mos 10; 20 yr am; 5yr call</td> <td>R0 Residential Real Estate - City</td> <td></td> </tr> <tr><td style="text-align: center;">2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">3</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">4</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td colspan="4"></td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ 3,050,000</td> <td colspan="4" style="text-align: right;">= \$ 3,050,000</td> </tr> </tbody> </table>	Approve / Ratification*	New / Renewal	Loan Type	Original \$ of Commitment	Current Balance	Available Commitment	Rate / Fees	Loan Term / Expiration	Collateral Codes	Special Codes	1	Approve /	New /	150 Secured by 3 or more family- Conventional	\$ 3,050,000	\$ 3,050,000	Prime+.25%; \$2500	9 mos 10; 20 yr am; 5yr call	R0 Residential Real Estate - City		2										3										4										5														\$ -	\$ 3,050,000	= \$ 3,050,000									
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AMERIS-EMAILS-000256

Seven Oaks Apartments Proposed CF

PROPOSED CASH FLOW

Income	Monthly	Annually
2bd room rents	\$ 31,500.00	\$ 378,000.00
1 bd room rents	\$ 3,900.00	\$ 46,800.00
Laundry Room Income	\$ 100.00	\$ 1,200.00
Total Income	\$ 35,500.00	\$ 426,000.00
Vacancy @ 4%	\$ 2,840.00	\$ 34,080.00
Income after Vacancy	\$ 32,660.00	\$ 391,920.00

Expenses	Monthly	Annually
SCE&G	\$ 645.01	\$ 7,740.12
Charleston Water	\$ 1,300.00	\$ 15,600.00
Lawn Maintenance	\$ 400.00	\$ 4,800.00
Property Tax Escrow	\$ 2,171.47	\$ 26,057.58
Insurance Escrow	\$ 1,788.66	\$ 21,463.94
Total Expenses	\$ 6,305.14	\$ 75,661.64
NOI	\$ 26,354.86	\$ 316,258.36

Pmt to Ameris \$22,739.98 \$272,879.77

Excess Cash Flow \$ 3,614.88 \$ 43,378.59

CAP RATES	NOI	Value
6.00%	\$ 316,258.36	\$ 5,270,972.67
6.50%	\$ 316,258.36	\$ 4,865,513.23
6.85%	\$ 316,258.36	\$ 4,616,910.36
7.00%	\$ 316,258.36	\$ 4,517,976.57
7.25%	\$ 316,258.36	\$ 4,362,184.28
7.50%	\$ 316,258.36	\$ 4,216,778.13
8.00%	\$ 316,258.36	\$ 3,953,229.50
8.50%	\$ 316,258.36	\$ 3,720,686.59
9.00%	\$ 316,258.36	\$ 3,513,981.78
10.00%	\$ 316,258.36	\$ 3,162,583.60

*Assumes rents of \$750 for 2 bds and \$650 for 1 bds

*Assumes all 48 Units Rented

*42 (2) bedrooms and 6 (1) bedrooms

Ameris Bank Proposed Loan \$3,050,000
Average Rate (Prime+.25%) 6.50%
Proposed Term (In years) 20

CF/DS Coverage 1.16

Rate	Debt Service	CF	CF/DS Ratio
5.25%	\$20,552.25	\$26,354.86	1.28
5.50%	\$20,980.56	\$26,354.86	1.26
5.75%	\$21,413.55	\$26,354.86	1.23
6.00%	\$21,851.15	\$26,354.86	1.21
6.25%	\$22,293.31	\$26,354.86	1.18
6.50%	\$22,739.98	\$26,354.86	1.16
6.75%	\$23,191.10	\$26,354.86	1.14
7.00%	\$23,646.62	\$26,354.86	1.11
7.25%	\$24,106.47	\$26,354.86	1.09
7.50%	\$24,570.59	\$26,354.86	1.07

Seven Oaks Apartments Current CF

CURRENT CASH FLOW

Income

Rents Received	\$	13,945.00
Laundry Room	\$	67.00
Total Income	\$	14,012.00

*23 total units are currently occupied

*12 tenants in the older units are are paying less than mkt rent

*25 units are vacant due to renovation

Expenses

SCE&G	\$	645.01
Charleston Water	\$	646.39
Fennell Container	\$	142.69
Lawn Maintance	\$	400.00
Property Tax Escrow	\$	2,171.47
Insurance Escrow	\$	1,788.66
Total Expenses	\$	5,794.22

NOI \$ 8,217.78

Pmt to Ameris \$ 12,250.00

Cash Flow \$ (4,032.22)

AMERIS-EMAILS-000258

From: Lanier, Benjamin
To: Snipes, Don; Sturm, Richard
CC: Hudgens, Charles
Sent: 9/15/2008 3:09:15 PM
Subject: FW: Seven Oaks Apartments LLC
Attachments: EC-SC973_EXCHANGE_09152008-103138.PDF

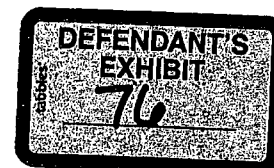
Richard/Don,
Attached is a package for the loan I wanted to talk about last week.

I am still waiting to get her updated PFS (showing current liquidity situation) and her pmts on contingent debts. I would like to discuss this on the call this afternoon.

Please let me know if you seen anything further that you may need.

Thanks,
Benjie

From: Lanier, Benjamin
Sent: Monday, September 15, 2008 10:32 AM
To: Lanier, Benjamin
Subject: Seven Oaks Apartments LLC
Importance: Low



AMERIS-EMAILS-000200

Bank		Loan Committee Application																																										
Borrower: <u>Seven Oaks Apartments, LLC</u> Address: <u>133 Horse Trail Rd.</u> <u>St. George, SC 29477</u> Type of Business: <u>Apartment Management</u>		Bank Location: <u>Mount Pleasant, SC</u> Reg. O: <u>Yes</u> <u>X</u> <u>No</u> Officer: <u>Benjie Lanier</u> Date: <u>9/11/08</u> Customer Since: <u>Nov. 2007</u> NAICS Code: _____																																										
Approve / Ratification*	New / Renewal	Loan Type	Original \$ of Commitment	Current Balance	Available Commitment	Rate / Fees	Loan Term / Expiration	Collateral Codes	Special Codes																																			
1	Approve /	New / 1-4 Secured by 5 or more family- Conventional	\$ 3,050,000		\$ 3,050,000	Prime+.25%; \$2500	9 mos 10/20 yr am; 5yr call	R0 Residential Real Estate - City																																				
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AMERIS-EMAILS-000201

Global Cash Flow Analysis

Linda Gibson

Prepared by: Benjie Lanier

Name	(Name)	Tax Return	Combined	Comments
Date of Statement	(Date)	12/31/06		
Business Income:				
Gross Sales	\$ -	\$ -	\$ -	
Net Income	\$ -	\$ -	\$ -	
+ Depreciation	\$ -	\$ -	\$ -	
+ Amortization	\$ -	\$ -	\$ -	
Traditional Cash Flow	\$ -	\$ -	\$ -	
+ Interest (Business term)	\$ -	\$ -	\$ -	
- Dividends/Withdrawals	\$ -	\$ -	\$ -	
+/- Nonrecurring or Extraordinary	\$ -	\$ -	\$ -	
Personal Income:				
Salary	\$ -	\$ -	\$ -	
Retirement Benefits	\$ 1,005	\$ 1,005	\$ 1,005	
Dividends/Interest Income	\$ -	\$ -	\$ -	
Recurring Capital Gains	\$ -	\$ -	\$ -	
Mortgage/Note Receivable	\$ 148,849	\$ 148,849	\$ 148,849	
Other Income	\$ -	\$ -	\$ -	
Positive Net Rental Cash Flow**	\$ -	\$ -	\$ -	
Total Income	\$ 149,854	\$ 149,854	\$ 149,854	
+ Withdrawals/Distributions	\$ -	\$ -	\$ -	
- Taxes (Incl. Federal, State, FICA, etc.)	\$ -	\$ -	\$ -	
- Living Expenses	\$ (44,956)	\$ (44,956)	\$ (44,956)	
Cash Available to Service Debt	\$ -	\$ 104,898	\$ 104,898	
Debt Service				
	Monthly Pmt			
Business Loans:				
Loan 1	\$ -	\$ -	\$ -	
Loan 2	\$ -	\$ -	\$ -	
Loan 3	\$ -	\$ -	\$ -	
Loan 4	\$ -	\$ -	\$ -	
Loan 5	\$ -	\$ -	\$ -	
Personal Loans:				
First Citizens	\$ 1,014.00	\$ 12,168	\$ 12,168	
Chuse	\$ 380.00	\$ 4,560	\$ 4,560	
Discover	\$ 15.00	\$ 180	\$ 180	
Discover	\$ 51.00	\$ 612	\$ 612	
THD	\$ 48.00	\$ 576	\$ 576	
BOA	\$ 102.00	\$ 1,224	\$ 1,224	
Discover	\$ 26.00	\$ 312	\$ 312	
- Negative Rental Property Cash Flow	\$ -	\$ -	\$ -	
- Total Debt Service	\$ -	\$ 19,632	\$ 19,632	
Excess (Deficit)	\$ -	\$ 85,266	\$ 85,266	
Debt Service Coverage		5.34	5.34	
Debt/Income (%)		13.10%		
Rental Cash Flow:				
		Tax Return		Comments
Gross Rents (Tax Return /Sch.E)		\$ -	\$ 0	
Net Rental Income (Sch. E)		\$ -	\$ 0	
+ Depreciation		\$ -	\$ 0	
+ Interest		\$ -	\$ 0	
Existing Rental CF		\$ -	\$ -	
Gross Rents (New Property)		\$ -	\$ 0	
Vacancy (8%)		\$ -	\$ 0	
= Gross Effective Income		\$ -	\$ 0	
- Other Expenses		\$ -	\$ 0	
Maintenance Expenses (10%)		\$ -	\$ 0	
- Taxes & Insurance		\$ -	\$ 0	
Total Rental Cash Flow		\$ -	\$ -	
Existing Rental Debt Service (P&I)		\$ -	\$ 0	
New Rental Debt Service (P&I)		\$ -	\$ 0	
Total Rental Debt Service		\$ -	\$ -	
**Net Rental Cash Flow		\$ -	\$ -	
Existing Rental DSC				
Total Rental DSC				
Overall DSC			5.34	

Note: If "-" is part of the Description, you must enter a negative sign with that line entry.

Ameris

CF

Prepared 9/15/2008

AMERIS-EMAILS-000202

Loan and Collateral Summary

Borrower Seven Oaks Apartments, LLC

Date 5/11/2008

Borrower Name	Origination Date	Purpose	Original Loan Amt/ Commitment	Current Balance	Available Commitment	Rate/Fee	Collateral	Collateral Appraised Value	Margin	Collateral Loan Value	Terms / Maturity	AQC
<u>DIRECT EXPOSURE</u>												
Seven Oaks Apartments, LLC		Refinance existing apt loan	\$ 3,050,000		\$ 3,050,000	Prime+14% \$3500	1st mortgage on 48 unit Apt. Complex on Otranto Rd. N Charleston	\$ 3,700,000		\$ -	9 mos 10 then 20 yr arm/5 yr call	30
		Total Direct Exposure	\$ 3,050,000	\$ -	\$ 3,050,000			\$ 3,700,000		\$ -		
<u>INDIRECT EXPOSURE</u>												
		Total Indirect Exposure	\$ -	\$ -	\$ -			\$ -		\$ -		
TOTAL DIRECT EXPOSURE			\$ 3,050,000					\$ 3,700,000	LTV=	82.3%		
TOTAL INDIRECT EXPOSURE			\$ -					\$ -	LTV=	#DIV/0!		
TOTAL EXPOSURE			\$ 3,050,000					\$ 3,700,000	LTV=	83.3%		

AMERIS-EMAILS-000203

Ameris Bank

Profitability Analysis

9/15/2008

Seven Oaks Apts, LLC

Loans:	Fixed/ Variable	AQG	Avg. Annual Balance	Interest Rate	Avg. Term (months)	Gross Fees
1	v	20	\$ 3,050,000	5.25%	60	\$ 2,500
2	F	20	\$ -	0.00%	0	\$ -
3	F	20	\$ -	0.00%	0	\$ -
4	F	20	\$ -	0.00%	0	\$ -
5	F	20	\$ -	0.00%	0	\$ -
6	F	20	\$ -	0.00%	0	\$ -
7	F	20	\$ -	0.00%	0	\$ -
8	F	20	\$ -	0.00%	0	\$ -
9	F	20	\$ -	0.00%	0	\$ -
10	F	20	\$ -	0.00%	0	\$ -
Total Loans			\$ 3,050,000			
Deposits:						
DDA			\$ 5,100			
High Yield			\$ 10,000	3.75%		
Savings			\$ -	0.00%		
CD's			\$ 5,344	4.00%	0	
CD's			\$ 15,050	4.00%	0	
CD's			\$ -	0.00%	0	
CD's			\$ -	0.00%	0	
CD's			\$ -	0.00%	0	
CD's			\$ -	0.00%	0	
Total Deposits			\$ 35,494			
Other Income Sources:						
L/C Fees			\$ -			
Other			\$ -			

Profitability Calculation	
Total Interest Income	\$ 160,125
+ Loan Fees	\$ 500
- Interest Expense	\$ (1,191)
- Cost of Funds	\$ (78,080)
+ Funds Credit	\$ 653
Net Interest Income	\$ 82,007
+ Equity Credit	\$ 8,246
+ Loan Loss Reserve Credit	\$ 1,236
- Loan Loss Provision	\$ (6,100)
Gross Income	\$ 85,389
+ Non Interest Income	\$ -
- Overhead Allocation	\$ (13,725)
Net Income Before Taxes	\$ 71,664
- Taxes	\$ (24,366)
Net Income	\$ 47,298
Key Information	
Allocated Equity	\$ 266,875
Allocated Loan Loss Reserve	\$ 56,425
Net Interest Margin	2.69%
Return on Assets	1.55%
Return on Equity	17.72%
Target Return on Equity	18.00%
\$ of Income Below Target ROE	\$ 739

Instructions for completing the customer information:

Lines 1-10 Each loan in a relationship (up to 10) should be listed separately. The interest rate should be designated as fixed (F) or variable (V). The Asset Quality Grade (AQQ) for each loan should be indicated. The loan balance(s) should reflect the average annual balance of the loan by loan type. For Ag-related borrowers, this would normally be 50% - 65% of the total commitment. For term loans, this would be the current outstanding balance less 1/2 the annual payment. The current interest rate on each loan should be listed. For variable-rate loans with floor rates that are greater than the current rate, the floor rate should be used. Conversely, if the calculated rate is greater than the ceiling rate, then the ceiling rate should be used. Officer judgement is best used when considering the interest rate, given all these factors. The term of the loan(s) should be expressed in months. This is NOT the original loan term, but the remaining term to maturity, or the next available repricing date, whichever is earlier. Finally, the gross fees charged on the loan should be entered, as the model will use the average term to annualize the fee, per FASB 91.

Lines 14-21 Average annual deposit balances should be reflected on these lines. There is no interest rate associated with DDA deposits. For all other deposit types, the current interest rate charged on that account should be indicated. Up to five CD's can be shown, along with the interest rate and the remaining term of the CD(s), expressed in months. As with the loan term, this is NOT the original term of the CD(s), but the time until the next repricing date.

Line 25 Any fees for standby and/or commercial letters of credit should be included here.

Line 26 Other income sources should be included, such as account-analysis charges, merchant services, trust fees, etc.

Last Revised 9/02/2008

AMERIS-EMAILS-000204

Seven Oaks Apartments Current CF

CURRENT CASH FLOW

Income

Rents Received	\$	13,945.00
Laundry Room	\$	67.00
Total Income	\$	14,012.00

*23 total units are currently occupied

*12 tenants in the older units are paying less than mkt rent

*25 units are vacant due to renovation

Expenses

SCE&G	\$	645.01
Charleston Water	\$	646.39
Fennell Container	\$	142.69
Lawn Maintance	\$	400.00
Property Tax Escrow	\$	2,171.47
Insurance Escrow	\$	1,788.66
Total Expenses	\$	5,794.22

NOI	\$	8,217.78

Pmt to Ameris	\$	12,250.00

Cash Flow	\$	(4,032.22)

AMERIS-EMAILS-000205

Seven Oaks Apartments Proposed CF

PROPOSED CASH FLOW

Income	Monthly	Annually
2bd room rents	\$ 31,500.00	\$ 378,000.00
1 bd room rents	\$ 3,900.00	\$ 46,800.00
Laundry Room Income	\$ 100.00	\$ 1,200.00
Total Income	\$ 35,500.00	\$ 426,000.00
Vacancy @ 8%	\$ 2,840.00	\$ 34,080.00
Income after Vacancy	\$ 32,660.00	\$ 391,920.00

Expenses	Monthly	Annually
SCE&G	\$ 645.01	\$ 7,740.12
Charleston Water	\$ 1,300.00	\$ 15,600.00
Lawn Maintenance	\$ 400.00	\$ 4,800.00
Property Tax Escrow	\$ 2,171.47	\$ 26,057.58
Insurance Escrow	\$ 1,788.66	\$ 21,463.94
Total Expenses	\$ 6,305.14	\$ 75,661.64
NOI	\$ 26,354.86	\$ 316,258.36

Pmt to Ameris	\$22,739.98	\$272,879.77
Excess Cash Flow	\$ 3,614.88	\$ 43,378.59

CAP RATES	NOI	Value
6.00%	\$ 316,258.36	\$ 5,270,972.67
6.50%	\$ 316,258.36	\$ 4,865,513.23
6.85%	\$ 316,258.36	\$ 4,616,910.36
7.00%	\$ 316,258.36	\$ 4,517,976.57
7.25%	\$ 316,258.36	\$ 4,362,184.28
7.50%	\$ 316,258.36	\$ 4,216,778.13
8.00%	\$ 316,258.36	\$ 3,953,229.50
8.50%	\$ 316,258.36	\$ 3,720,686.59
9.00%	\$ 316,258.36	\$ 3,513,981.78
10.00%	\$ 316,258.36	\$ 3,162,583.60

*Assumes rents of \$750 for 2 bds and \$650 for 1 bds
 *Assumes all 48 Units Rented
 *42 (2) bedrooms and 6 (1) bedrooms

Ameris Bank Proposed Loan \$3,050,000
 Average Rate (Prime+.25%) 6.50%
 Proposed Term (in years) 20

CF/DS Coverage 1.16

Rate	Debt Service	CF	CF/DS Ratio
5.25%	\$20,552.25	\$26,354.86	1.28
5.50%	\$20,980.56	\$26,354.86	1.26
5.75%	\$21,413.55	\$26,354.86	1.23
6.00%	\$21,851.15	\$26,354.86	1.21
6.25%	\$22,293.31	\$26,354.86	1.18
6.50%	\$22,739.98	\$26,354.86	1.16
6.75%	\$23,191.10	\$26,354.86	1.14
7.00%	\$23,646.62	\$26,354.86	1.11
7.25%	\$24,106.47	\$26,354.86	1.09
7.50%	\$24,570.59	\$26,354.86	1.07

Loan Committee Memorandum

Date: 9/5/08

Borrower's Name: Seven Oaks Apartments, LLC (formerly known as Heritage Seven, LLC)

Loan Officer: Benjie Lanier

I. Business Overview / History

TELL THE STORY OF THE CREDIT AND PRINCIPALS

Who are they?

Seven Oaks Apartments, LLC consists of one guarantor known as Linda A. Gibson. Seven Oaks Apartments is the new LLC name in which Linda would like the apartments to be listed under in order to provide a separation between our current collateral (the 48 unit complex on Otranto Rd.) and a shopping center she owns in Moncks Corner.

Type of company? (Sole Proprietor, Partnership, S-Corp. or C-Corp?)
Seven Oaks Apartments is formed as an LLC.

When did they begin in business?
This LLC was formed in the summer of 2008.

Who are the owners?
Linda A. Gibson is the sole member of this LLC.

Is there a solid management plan?
If something were to happen to Linda, her daughter Elizabeth can fully take over the day to day operation of the apartment complex.

What does the company do?
Seven Oaks Apartments is a real estate holding company for the 48 unit apartment complex known as Seven Oaks.

How long have they been doing it?
This apartment complex was purchased in the fall of 2007 and financed by Ameris Bank under the name Heritage Seven LLC.

Are they in good standing with the state?

AMERIS-EMAILS-000207

Loan Committee Memorandum

Yes, both Seven Oaks Apartments and Heritage Seven LLC are both in good standing.

What is our current relationship, all loans, deposits etc.?

We currently have the apartment complex loan, a deposit account that is used for repairs and a personal CD of Linda's. We recently opened another account for Seven Oaks Apartments as well as a business CD we will also get the escrow account for the apartment complex and the shopping center. We have the opportunity to finance the shopping center she has as well as landing more of her personal accounts due to the easy access to our bank the couriers provide.

Will the loan proceeds produce a future company benefit?

The additional proceeds will be used to finish out the repairs in the three remaining buildings. This will allow for the buildings to complete their restoration and the rental rate will increase given this.

II. Current Relationship

What is the current relationship with Ameris? Loans? Deposits?

Loans-

- \$2.8 MM loan in the name of Heritage Seven LLC which is to be refinanced into the name of Seven Oaks Apartments LLC. with an additional request of \$250,000 to finish repairs on the interior of the last 24 units.

Deposits

- Linda Gibson CD- \$15k
- Linda Gibson- \$10k High Yield Checking Account
- Seven Oaks Operating Accounts- Two checking accounts have been opened. One account has a balance of \$4900 and the other account has an opening balance of \$200. Seven Oaks also has a 7 month CD in the amount of \$5344. This will be a customer that will utilize the courier route.
- Real Estate Escrow Account- This account is in the process of being opened. This account will handle all security deposits for Seven Oaks Apartments and the shopping center Linda owns in Moncks Corner, SC.

Refer reader to Loan and Collateral Summary

III. Requested Credit Facility

AMERIS-EMAILS-000208

Loan Committee Memorandum

Loan Purpose:

What is the specific, identifiable purpose of the loan?

This request has 2 purposes.

- The first purpose is to refinance the existing loan in the name of Heritage Seven LLC into the new LLC name of Seven Oaks Apartments, LLC.
- The second purpose is to provide \$250,000 of additional dollars to finish the rehabilitation and repairs to the remaining 3 buildings (24 apartment units) in this complex.

What circumstances in the borrower's business brought about this need?

To date roughly \$700,000 has been put into the complex to provide structural repairs to the inside and outside of all six apartment buildings. Three of the buildings have been completely renovated and are now in the process of being leased up. A list of the remaining repairs that are to be made to this building are attached to this memo.

How much is the borrower contributing toward the cost?

At the time of the closing the borrower injected \$700,000 of her own cash to purchase this property.

What are the repayment terms?

Currently this project is being repaid by interest only monthly payments ending in December and then begins amortizing. If this request is approved I would like to propose interest only until June of next year to allow for the completion of the repairs and the full lease up period of the building.

Amortization period?

Once the interest only period ends this loan will be placed on a 20 year amortization with a 5 year call.

Is that consistent with both loan policy and the economic life of the asset?

Yes, now that this property has experienced an intensive rehab the economic life now matches or exceeds that of a 20 year amortization.

Collateral / Appraisal Description and Valuation:

What is the collateral?

The collateral is a 48 unit apartment complex consisting of 42 Two bedroom units and 6 One bedroom units. In addition, we have a piece of property containing a cell phone tower (that produced lease income) located off of Clements Ferry Rd. in Daniel Island. We took the Klister Lane property to provide additional collateral and income to the project while the construction/lease up took place.

Where is it located? The primary property is located off of Otranto Rd. in North Charleston. The project is minutes from Rivers Avenue as well as University Blvd. Both Rivers Avenue and

AMERIS-EMAILS-000209

Loan Committee Memorandum

University Blvd. has many restaurants and shopping options for the people living in the apartment complex. The complex is also very convenient to Charleston Southern University. The Klister Lane property is located off of Clements Ferry Rd. near Daniel Island.

What is the age of the collateral?

The complex was originally built in the 1970s however since last fall extensive renovations have been made to the project bringing the building up to date.

How was the value derived?

An appraisal from last fall used marketing, income and costs approaches to derive value. A value of \$2.8 million "as is" was given to the project and an "as complete" value of \$3.7 million once all the repairs were made to the building. A new appraisal will be conducted on the approval of this request to verify that the LTVs are still in line with the current market conditions.

The additional collateral was given a in house value of \$465,000 given its proximity to the Wando River and the small income this property produces. A new appraisal is requested on this property in order to have a solid value on the property.

What is the loan to value percentage? Based on our loan of 2.8 million vs. an as complete value of 3.7 million the LTV was 76%. If the additional collateral that houses the cell tower was included the LTV would decrease to around 70%.

What is the actual cost? The building was purchased for \$2.8 million

Loan to cost percentage? Loan to Cost of 75% on the initial purchase. Linda put \$700,000 into this project at closing.

Loan Pricing / Profitability Issues:

Rate and fees? The loan was originally priced at prime+0 with a \$10,000 fee. The refinance will propose the loan with the new funds be priced at Prime+1/4% with a 5.25% floor and a \$2500 fee for the new money.

How that ties to the profitability model?

Per the profit model this loan comes in at an ROE of 17.52% this is slightly below the 18% ROE requirement. This will improve as the accounts that have been opened are utilized more.

V. Financial Analysis

Guarantors

Discuss what guarantor's net worth is centered in.

The majority of Linda Gibson's \$52 million dollar net worth is centered in wholly owned real

AMERIS-EMAILS-000210

Loan Committee Memorandum

estate. Linda owns quite a bit of property in the Daniel Island area that was her family's land and her late husband's land. The only debts Linda has are her personal home, the Isle of Palms beach house that is a rental, the shopping center in Moncks Corner that is fully leased and the 48 unity apartment building that Ameris Bank has financed.

VI. Industry / Market Review

Direction of borrower's main industry?

The apartment rental business is quite hot right now due to the fact that many people who want to buy homes can either not afford them or get financing for them. In many cases they turn to apartment living. This complex is located close to shopping, businesses and Charleston Southern University.

Competition in the industry?

There are several complexes located close to Seven Oaks Apartments. However, of those complexes Seven Oaks is the only one that has undergone extensive rehab in the last several years. This makes the complex much more marketable to potential tenants and should keep occupancy rates high.

Any variations in the specific market?

Features of the market conditions that support the loan request?

VII. Strengths / Weaknesses

Strengths:

Borrower/GTR has \$700k of her personal money invested in this project.

Linda and her daughter Elizabeth are hands on managers and oversee the day to day operations of the apartment complex.

Linda has many pieces of collateral that can be pledged or liquidated if trouble arose in the repayment of this loan.

Linda's other contingent debts consist of a shopping center in Moncks Corner that is 100% and that she has a large equity stake in. Her other debts consist of a family beach house on the Isle of Palms and her personal residence in St. George, SC.

Loan Committee Memorandum

Weaknesses:

Lack of large amounts of liquidity given Linda's \$50+ net worth.

A large majority of Linda's net worth is centered in wholly and partially owned real estate. The mitigating factor of this is that many of these property are owned outright and have no mortgages on them.

VII. Downside Risk

What is/are the one or two risk items that could jeopardize the loan performing as presented?

If the rental market dried up and Linda was unable to rent the units for the market price some repayment problems could occurs based solely on said collateral. However, given Linda's character and her ability to repay the loan this would be negated.

IX. Summary / Conclusion

This loan should be approved as presented at a grade of 20 given Linda's character, past payment performance and her financial strength.

AMERIS-EMAILS-000212

From: Lanier, Benjamin
To: sevenoaksapartments@gmail.com
Sent: 9/15/2008 7:43:15 PM
Subject: Heritage Seven Payoff and Personal Statement
Attachments: Heritage Seven Payoff; Personal Financial Statement.xls

Linda,

First off, I would like to thank you for your business and thank you for coming by last week and opening those new accounts. These accounts mean a lot to us and we look forward to servicing any of your other needs in the future.

Here is the payoff for Heritage Seven you requested. I have also attached a personal financial statement. Please let me know if you have any questions when filling this out.

Here are the items my guys addressed again today on the call when I spoke with them about the request:

- Updated Personal Financial Statement. The previous statement I had for you is almost a year old so we would like to see any updates you may have and get a new statement for our file.
- List of bank accounts/liquidity (aka Bank account balances for all of your holdings). This will help show my guys the cash you have on hand in addition to the accounts you have with us.
- Cash flow (income/expenses/payment) of the Moncks Corner shopping center- we will need this when we are looking at this loan but also need to get an idea of the Cash Flow that is currently coming into the building.
- Amount of monthly income from your building/land rentals (ex: BarGib)

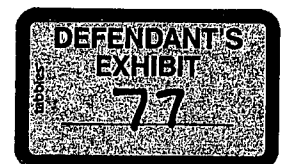
Our goal is to show my guys where your income sources are and that this is a solid project.

Once again thank you for your business and please accept my condolences on your loss.

Best regards,
Benjamin R. Lanier Jr.
Vice President- Business Banker
Ameris Bank
966 Houston Northcutt Blvd. Suite C
Mount Pleasant, SC 29464
Direct: 843-375-4973
Cell: 843-345-3507
Fax: 843-881-8350

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

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AMERIS-EMAILS-000486

From: Lanier, Benjamin
To: Lanier, Benjamin
Sent: 9/15/2008 7:33:47 PM
Subject: Heritage Seven Payoff
Attachments: EC-SC973_EXCHANGE_09152008-153206.PDF

AMERIS-EMAILS-000487

Haulage Seven LLC 737/0000173-00101 Commercial Loan 02-0512112		Contact Notes Account Remarks Show <<
Customer snapshot Print officer: Benjamin Laiter Branch: 0000970 Phone: ()	Account snapshot Print officer: 97007 Last trans amt: 12517.53 Last trans date: 09/11/2008 Current rate: 5.250000% Current balance: 2,781,214.20	

Payoff Date: 09/15/2008

Payoff Summary

Total payoff: 2,786,885.38
 As of: 09/15/2008
 Per client: 405,5937375

Included In Payoff Calculation

Principal balance: 2,781,214.20
 Interest: 5,271.18
 Late charges: 100.00
 Other fees: 300.00

Loan Information

Collateral: 448 Unit apartment complex
 VIN:
 Paid to: 09/02/2008
 Status: Accrual

Note type: Com Real Estate
 Bill type: Bill cycled with billing segmt
 Interest type: Simple interest, in arrears
 Calc basis: Actual/360

	A	B	C	D	E	F	G	H	I
1	Amoris Bank								
2									
3									
4	PERSONAL FINANCIAL STATEMENT								
5	Answer all questions using "yes" or "no" where necessary. Please begin by completing the schedule on the reverse side.								
6									
7									
8	Personal Information								
9	Name (first, middle, last)								Birth Date
10									
11	Home Address								City, State, Zip
12									
13	Business/Employer								Title/Position and
14									
15	Business Address								City, State, Zip
16									
17	Do you have any dependents? If yes, list ages								If yes, how many?
18									
19	Have you ever taken bankruptcy? If yes, explain.								Are you a debtor?
20									
21	If joint account, list names of individuals whose assets, liabilities, and income are included.								
22									
23									
24									
25	Indicate "A" (Applicant), "C" (Co-applicant), or "J" (Jointly held with others) beside assets and li								
26	ASSETS						Acquired	\$ Amount	
27	Cash on hand and unrestricted in banks from below						\$	-	
28	Accounts/Notes receivable (Schedule 1)						\$	-	
29	Cash surrender value life insurance (Do not deduct loans (Schedule 3))						\$	-	
30	Listed (AMIX, NYSE) stocks, bonds, US Govt Securities (Schedule 4)						\$	-	
31	Other stocks and bonds (Schedule 4)						\$	-	
32	Real Estate in cost or market value (Schedule 5)						\$	-	
33	Automobiles						\$	-	
34	Boat						\$	-	
35	IRA / Retirement Accounts						\$	-	
36	Other Assets - Items						\$	-	
37	Personal Property						\$	-	
38							\$	-	
39							\$	-	
40	Total Assets						\$	-	
41	Net Worth						Subtract your total liabilities from total assets and enter figure in right		
42	Contingent Liabilities						As guarantor or co-signer, legal duties on leases or contracts		
43									
44									
45	Income Information						Annual		
46	Alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation								
47	Salary (Gross)						\$	-	

AMERIS-EMAILS-000489

	J	K	L	M	N	O	P	Q	R
1									
2									
3									
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AMERIS-EMAILS-000490

	A	B	C	D	E	F	G	H	I
48	Income and contributions, dividends, interest						\$		-
49	Rental Income						\$		-
50	Other Income - Items						\$		-
51	Total Income						\$		-
52									
53									
54	I warrant that there is no judgment against me and that I am not liable for any property except as shown, nor for any pending against me in any court, and no assets are pledged in any manner not shown herein, and that this statement is true and complete and is offered for the purpose of obtaining								
55									
56	Signature						Date		
57									
58									
59									
60	Please complete the schedules on the reverse side of this								
61									
62									
63									
64									
65									
66									
67									
68	Supplementary Schedules (Totals to front)								
69									
70	Schedule 1 Debt/Credit Lines						(Include home equity and any other open-end revolving)		
71	Name of bank/credit						Endowment or Collateral (Describe)		
72									
73									
74									
75	Total Bank Debt and Credit Lines								
76	Name of bank (and bank, including credit card)						Endowment or Collateral (Describe)		
77									
78									
79									
80	Total Other Debt and Credit Lines								
81	Grand total debt/credit lines								
82									
83	Schedule 2 Accounts, Loans and Notes Receivable								
84	Name and address of debtor						Maturity Date		
85							\$		
86							\$		
87	Total Accounts, Loans and Notes Receivable						\$		
88									
89	Schedule 3 Life Insurance								
90	Name of Insured				Beneficiary		Insurance Company		Face Amount of Policy
91							\$		-
92							\$		-
93							\$		-
94									

AMERIS-EMAILS-000491

	J	K	L	M	N	O	P	Q	R
48								\$	-
49								\$	-
50								\$	-
51	Total Cash (take to asset section above)							\$	-
52									
53									
54	credit. With joint credit, all applicable must sign.								
55									
56	Signature						Date		
57									
58									
59									
60	subject								
61									
62									
63									
64									
65									
66									
67									
68	Attach additional pages if necessary								
69									
70	credit, even if unused								
71	Credit Line	Original Amount	Unpaid Balance	Monthly Payment					
72	\$	- \$	- \$	-	-	-	-	\$	-
73	\$	- \$	- \$	-	-	-	-	\$	-
74	\$	- \$	- \$	-	-	-	-	\$	-
75	\$	- \$	- \$	-	-	-	-	\$	-
76	Credit Line	Original Amount	Unpaid Balance	Monthly Payment					
77	\$	- \$	- \$	-	-	-	-	\$	-
78	\$	- \$	- \$	-	-	-	-	\$	-
79	\$	- \$	- \$	-	-	-	-	\$	-
80	\$	- \$	- \$	-	-	-	-	\$	-
81	\$	- \$	- \$	-	-	-	-	\$	-
82									
83									
84	Amount Owed	Description and/or nature of debt	Description of security held	Repayment Terms					
85	-								
86	-								
87	-							\$	-
88									
89									
90	Cash Surrender Value	Loan Against Policy	Yearly Premium	Type of Policy		Is Policy Assigned			
91	\$	- \$	- \$						
92	\$	- \$	- \$						
93	\$	- \$	- \$						
94									

AMERIS-EMAILS-000492

	A	B	C	D	E	F	G	H	I
95	Schedule 4 Stocks, Bonds and US Government Securities								
96	Description of Security	Registered in the Name of				Total Number of Shares			
97							-	\$	
98							-	\$	
99							-	\$	
100	Total Listed Securities								
101	Total Unlisted Securities								
102									
103	Schedule 5 Real Estate								
104	Description or address of property	Title in the name of				Date Acquired	Original	Cost	
105							\$	-	
106							\$	-	
107							\$	-	
108							\$	-	
109	TOTAL						\$	-	
110									
111	Other Credit References	Name and Address						Date	
112									
113									

AMERIS-EMAILS-000493

	J	K	L	M	N	O	P	Q	R
95									
96	Market Value per Share	Total Market Value		Pledged	Yield		Is stock listed (L) or unlisted (U)		
97	- \$	-					L		
98	- \$	-					L		
99	- \$	-					L		
100	- \$	-							
101	\$	-							
102									
103									
104	Market Value	Original Loan Amount		Unpaid	Balance		Monthly	Payment	
105	\$	- \$	-	\$	-	\$	-	\$	-
106	\$	- \$	-	\$	-	\$	-	\$	-
107	\$	- \$	-	\$	-	\$	-	\$	-
108	\$	- \$	-	\$	-	\$	-	\$	-
109	\$	- \$	-	\$	-	\$	-	\$	-
110									
111	Account Number	Type of Account					High Credit		
112							\$		
113							\$		

AMERIS-EMAILS-000494

From: Seven Oaks Apartments (Elizabeth)
To: Lanier, Benjamin
Sent: 9/15/2008 9:45:43 PM
Subject: Re: Heritage Seven Payoff and Personal Statement

Moncks Corner:

Advanced Auto Parts- \$4958.33
Check into Cash- \$2075.00
Papa Johns- \$1792.20
Blockbuster- \$5840.00
First Franklin- \$2000.00
Berkeley Federal Credit Union- \$1350.00

Total: \$18,015.53

I will look through my papers on the other statements. Thanks, Linda Gibson

On Sep 15, 2008, at 3:43 PM, Lanier, Benjamin wrote:

Linda,
First off, I would like to thank you for your business and thank you for coming by last week and opening those new accounts. These accounts mean a lot to us and we look forward to servicing any of your other needs in the future.

Here is the payoff for Heritage Seven you requested. I have also attached a personal financial statement. Please let me know if you have any questions when filling this out.

Here are the items my guys addressed again today on the call when I spoke with them about the request:

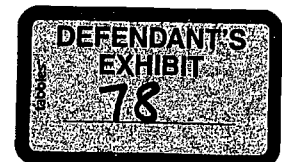
- Updated Personal Financial Statement. The previous statement I had for you is almost a year old so we would like to see any updates you may have and get a new statement for our file.
- List of bank accounts/liquidity (aka Bank account balances for all of your holdings). This will help show my guys the cash you have on hand in addition to the accounts you have with us.
- Cash flow (income/expenses/payment) of the Moncks Corner shopping center- we will need this when we are looking at this loan but also need to get an idea of the Cash Flow that is currently coming into the building.
- Amount of monthly income from your building/land rentals (ex: BarGib)

Our goal is to show my guys where your income sources are and that this is a solid project.

Once again thank you for your business and please accept my condolences on your loss.

Best regards,
Benjamin R. Lanier Jr.
Vice President- Business Banker
Ameris Bank
966 Houston Northcutt Blvd. Suite C
Mount Pleasant, SC 29464
Direct: 843-375-4973
Cell: 843-345-3507
Fax: 843-881-8350

benjamin.lanier@amerisbank.com



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www.amerisbank.com

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<mime-attachment.eml><Personal Financial Statement.xls>

Seven Oaks Apartments
Elizabeth Gibson - Property Manager
sevenoaksapartments@gmail.com
Phone: 843-297-8717
Fax 843-297-8727

AMERIS-EMAILS-000498

From: Seven Oaks Apartments (Elizabeth)
To: Lanier, Benjamin
Sent: 9/18/2008 6:10:59 PM
Subject: Re: Heritage Seven Payoff and Personal Statement

Benji,

We have almost all of building 200 rented minus two units updated since the last spreadsheet I gave to you. The rented apartments now in building 200: A,B,C,D,E,F. We now have 33 units rented for a income of \$17,095 a month.

Banks:

First Reliance Bank: \$18,681

First Citizens: \$4900

This is what we have at the present time. Let me know if you need anything else. Thanks, Linda Gibson

On Sep 15, 2008, at 3:43 PM, Lanier, Benjamin wrote:

Linda,

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- Updated Personal Financial Statement. The previous statement I had for you is almost a year old so we would like to see any updates you may have and get a new statement for our file.
- List of bank accounts/liquidity (aka Bank account balances for all of your holdings). This will help show my guys the cash you have on hand in addition to the accounts you have with us.
- Cash flow (income/expenses/payment) of the Moncks Corner shopping center- we will need this when we are looking at this loan but also need to get an idea of the Cash Flow that is currently coming into the building.
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Best regards,
Benjamin R. Lanier Jr.
Vice President- Business Banker
Ameris Bank
966 Houston Northcutt Blvd. Suite C
Mount Pleasant, SC 29464
Direct: 843-375-4973
Cell: 843-345-3507
Fax: 843-881-8350

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

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AMERIS-EMAILS-000495

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<mime-attachment.eml><Personal Financial Statement.xls>

Seven Oaks Apartments
Elizabeth Gibson - Property Manager
sevenoaksapartments@gmail.com
Phone: 843-297-8717
Fax: 843-297-8727

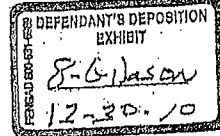
AMERIS-EMAILS-000496

proposal



CARROLL CEASE BUILDERS

1215 Pine Court
HANAHAN, SC 29406
Office 854-7114 Fax 854-0082 Cell 478-6650
SC Lic. #G14813



PROPOSAL SUBMITTED TO MRS. LINDA GIBSON OWNER		PHONE 697-0118	DATE 10/24/08
STREET 2625 ATLANTIC RD.		JOB NAME SEVEN OAKS APARTMENTS	
CITY, STATE AND ZIP CODE NORTH CHARLESTON, S.C.		JOB LOCATION BUILDING #3 ONLY	
ARCHITECT	DATE OF PLANS	JOB PHONE	same

We hereby submit specifications and estimates for:

- SCOPE OF WORK TO COMPLETE BUILDING #3 AS FOLLOWS:**
- 1) SUPERVISE BALANCE OF REMAINING WORK TO COMPLETE BUILDING #3.
 - 2) INSTALL ALL REMAINING KITCHEN & BATH CABINETS & COUNTERTOPS.
 - 3) COMPLETE ANY REMAINING TRIM WORK ON INTERIOR.
 - 4) PAYMENTS TO ME & MY WORKERS TO BE MADE WEEKLY AND SET UP ON HOURS WORKED ON BUILDING #3 ONLY.
 - 5) ESTIMATED COST OF COMPLETION OF DRY WALL, PAINTING, TRIM, CABINET INSTALLATION & FLOOR COVERING APPROX. \$10,000.00

We propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00)
 Payment to be made as follows:
WEEKLY FOR ME AND MY WORKERS BASED ON TIME WORKING ON BUILDING #3 ONLY

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 above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature

Carroll Cease

Note: This proposal may be withdrawn by us if not accepted within **30** days.

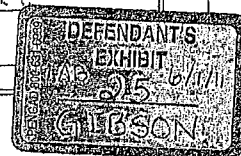
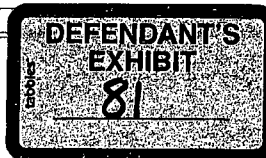
Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: **10-24-2008**

Signature

Signature

-1178-



From: Lanier, Benjamin
To: Snipes, Don
Sent: 12/11/2008 9:46:08 PM
Subject: Heritage Seven
Attachments: Heritage Seven Modification LCA Package

Don,

Attached is the LCA and updated rent rolls for Linda Gibson's apartment complex. I have included her personal cash flow and a listing of her sources of cash/debts.

She has requested 9 months interest only due to the fact that she is doing these improvements on the remaining buildings along and along and does not expect them to be complete until late summer of next year. I think by providing her the 9 month IO period I can sell her on the increase of the rate which is currently P+1/4 with no floor (4.25%) to Prime+1/4 with a 6% floor.

The complex currently has a 72% occupancy. A total of 35 units are occupied. 17 of the occupied units have been renovated and 18 of the units have tenants that are in the unrenovated units. Building 3 is completely vacant due to renovations and should be complete by the end of the month and ready to lease up. This will increase CF for her and enable her to pay for the repairs that are being done on the other outdated buildings.

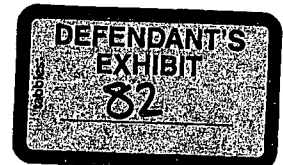
Please let me know if you need anything further and I will be happy to provide.

Thanks,

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AMERIS-EMAILS-000226

From: Lanier, Benjamin
To: Lanier, Benjamin
Sent: 12/11/2008 9:29:18 PM
Subject: Heritage Seven Modification LCA Package
Attachments: EC-SC973_EXCHANGE_12112008-162820.PDF

AMERIS-EMAILS-000227

Seven Oaks Apartments Current CF

CURRENT CASH FLOW- 11/2008

Income

Rents Received	\$	20,995.00
Laundry Room	\$	67.00
Total Income	\$	21,062.00

*35 total units are currently occupied

*18 tenants in the older units are are paying less than mkt rent

*72% occupied

*13 units are vacant due to renovation

Expenses

SCE&G	\$	645.01
Charleston Water	\$	646.39
Fennell Container	\$	142.69
Lawn Maintance	\$	400.00
Property Tax Escrow	\$	2,171.47
Insurance Escrow	\$	1,788.66
Total Expenses	\$	5,794.22

NOI	\$	15,267.78

Pmt to Ameris	\$	14,000.00

Assumes 6% interest only payment

Cash Flow	\$	1,267.78

CF/DS		1.09

AMERIS-EMAILS-000228

Global Cash Flow Analysis

Linda Gibson

Prepared by: Benjie Lanier

Name	(Name)	Tax Return	Combined	Comments
Date of Statement	(Date)	12/31/07		
Business Income:				
Gross Sales	\$ -		\$ -	
Net Income	\$ -		\$ -	
+ Depreciation	\$ -		\$ -	
+ Amortization	\$ -		\$ -	
Traditional Cash Flow	\$ -		\$ -	
+ Interest (Business term)	\$ -		\$ -	
- Dividends/Withdrawals	\$ -		\$ -	
+/- Nonrecurring or Extraordinary	\$ -		\$ -	
Personal Income:				
Salary		\$ -	\$ -	
Retirement Benefits			\$ -	
Dividends/Interest Income		\$ 7,477	\$ 7,477	
Recurring Capital Gains		\$ -	\$ -	
Mortgage/Note Receivable		\$ 81,258	\$ 81,258	
Other Income		\$ -	\$ -	
Positive Net Rental Cash Flow**			\$ -	
Total Income		\$ 88,735	\$ 88,735	
+ Withdrawals/Distributions		\$ -	\$ -	
- Taxes (incl. Federal, State, FICA, etc.)		\$ -	\$ -	
- Living Expenses		\$ (31,057)	\$ (31,057)	
Cash Available to Service Debt		\$ 57,678	\$ 57,678	
Debt Service	Monthly Pmt			
Business Loans:				
Loan 1	\$ -	\$ -	\$ -	
Loan 2	\$ -	\$ -	\$ -	
Loan 3	\$ -	\$ -	\$ -	
Loan 4	\$ -	\$ -	\$ -	
Loan 5	\$ -	\$ -	\$ -	
Personal Loans:				
First Citizens	\$ 1,014.00	\$ 12,168	\$ 12,168	
Chase	\$ 380.00	\$ 4,560	\$ 4,560	
Discover	\$ 15.00	\$ 180	\$ 180	
Discover	\$ 51.00	\$ 612	\$ 612	
TIID	\$ 48.00	\$ 576	\$ 576	
BOA	\$ 102.00	\$ 1,224	\$ 1,224	
Discover	\$ 26.00	\$ 312	\$ 312	
- Negative Rental Property Cash Flow	\$ -		\$ -	
- Total Debt Service	\$ -	\$ 19,632	\$ 19,632	
Excess (Deficit)	\$ -	\$ 38,046	\$ 38,046	
Debt Service Coverage		2.94	2.94	
Debt/Income (%)		22.12%		
Rental Cash Flow:				
Gross Rents (Tax Return /Sch.E)		\$ -	0	
Net Rental Income (Sch. E)		\$ -	0	
+ Depreciation		\$ -	0	
+ Interest		\$ -	0	
Existing Rental CF		\$ -	\$ -	
Gross Rents (New Property)		\$ -	0	
Vacancy (8%)		\$ -	0	
= Gross Effective Income		\$ -	0	
- Other Expenses		\$ -	0	
Maintenance Expenses (10%)		\$ -	0	
- Taxes & Insurance		\$ -	0	
Total Rental Cash Flow		\$ -	\$ -	
Existing Rental Debt Service (P&I)		\$ -	0	
New Rental Debt Service (P&I)		\$ -	0	
Total Rental Debt Service		\$ -	\$ -	
**Net Rental Cash Flow		\$ -	\$ -	
Existing Rental DSC				
Total Rental DSC				
Overall DSC			2.94	

Note: If "-" is part of the Description, you must enter a negative sign with that line entry.

Ameris

CP

Prepared 12/11/2008

AMERIS-EMAILS-000229

Ameris Bank

Profitability Analysis

12/11/2008

Heritage Seven/Linda Gibson

Loans:	Fixed/ Variable	AQG	Avg. Annual Balance	Interest Rate	Avg. Term (months)	Gross Fees
1	v	25	\$ 2,810,000	6.00%	48	\$ 250
2	F	20	\$ -	0.00%	0	\$ -
3	F	20	\$ -	0.00%	0	\$ -
4	F	20	\$ -	0.00%	0	\$ -
5	F	20	\$ -	0.00%	0	\$ -
6	F	20	\$ -	0.00%	0	\$ -
7	F	20	\$ -	0.00%	0	\$ -
8	F	20	\$ -	0.00%	0	\$ -
9	F	20	\$ -	0.00%	0	\$ -
10	F	20	\$ -	0.00%	0	\$ -
Total Loans			\$ 2,810,000			
Deposits:						
DDA			\$ 22,486			
NOW / MMA			\$ -	0.00%		
Savings			\$ -	0.00%		
CD's			\$ 15,050	4.50%	0	
CD's			\$ 5,344	4.50%	0	
CD's			\$ -	0.00%	0	
CD's			\$ -	0.00%	0	
CD's			\$ -	0.00%	0	
Total Deposits			\$ 42,880			
Other Income Sources:						
L/C Fees			\$ -			
Other			\$ -			

Profitability Calculation	
Total Interest Income	\$ 168,600
+ Loan Fees	\$ 63
- Interest Expense	\$ (918)
- Cost of Funds	\$ (103,689)
+ Funds Credit	\$ 1,741
Net Interest Income	\$ 65,797
+ Equity Credit	\$ 11,409
+ Loan Loss Reserve Credit	\$ 2,339
- Loan Loss Provision	\$ (10,538)
Gross Income	\$ 69,007
+ Non Interest Income	\$ -
- Overhead Allocation	\$ (12,645)
Net Income Before Taxes	\$ 56,362
- Taxes	\$ (19,163)
Net Income	\$ 37,199
Key Information	
Allocated Equity	\$ 281,000
Allocated Loan Loss Reserve	\$ 57,605
Net Interest Margin	2.34%
Return on Assets	1.32%
Return on Equity	13.24%
Target Return on Equity	18.00%
\$ of Income Below Target ROE	\$ 13,381

Instructions for completing the customer information:

Lines 1-10 Each loan in a relationship (up to 10) should be listed separately. The interest rate should be designated as fixed (F) or variable (V). The Asset Quality Grade (AQQ) for each loan should be indicated. The loan balance(s) should reflect the average annual balance of the loan by loan type. For Ag-related borrowers, this would normally be 50% - 65% of the total commitment. For term loans, this would be the current outstanding balance less 1/2 the annual payment. The current interest rate on each loan should be listed. For variable-rate loans with floor rates that are greater than the current rate, the floor rate should be used. Conversely, if the calculated rate is greater than the ceiling rate, then the ceiling rate should be used. Officer judgement is best used when considering the interest rate, given all these factors. The term of the loan(s) should be expressed in months. This is NOT the original loan term, but the remaining term to maturity, or the next available repricing date, whichever is earlier. Finally, the gross fees charged on the loan should be entered, as the model will use the average term to annualize the fee, per FASB 91.

Lines 14-21 Average annual deposit balances should be reflected on these lines. There is no interest rate associated with DDA deposits. For all other deposit types, the current interest rate charged on that account should be indicated. Up to five CD's can be shown, along with the interest rate and the remaining term of the CD(s), expressed in months. As with the loan term, this is NOT the original term of the CD(s), but the time until the next repricing date.

Line 25 Any fees for standby and/or commercial letters of credit should be included here.

Line 26 Other income sources should be included, such as account-analysis charges, merchant services, trust fees, etc.

Last Revised 12/01/2008

AMERIS-EMAILS-000230

Loan and Collateral Summary

Borrower Heritage Seven LLC

Date 12/11/2008

Borrower Name	Origination Date	Purpose	Original Loan Amt/ Commitment	Current Balance	Available Commitment	Rate/Fee	Collateral	Collateral Appraised Value	Margin	Collateral Loan Value	Terms / Maturity	AQG
<u>DIRECT EXPOSURE</u>												
Seven Oaks Apartments, LLC		Refinance existing apt loan	\$ 2,810,000		\$ 2,800,000	Prime + 145% F: 6%	1st mortgage on 48 unit Apt. Complex on Orange Rd. N Charleston	\$ 3,700,000		\$ -	9 mos 10 then 30 yr and 5 yr call	25
		Total Direct Exposure	\$ 2,810,000	\$ -	\$ 2,800,000			\$ 3,700,000		\$ -		
<u>INDIRECT EXPOSURE</u>												
		Total Indirect Exposure	\$ -	\$ -	\$ -			\$ -		\$ -		
TOTAL DIRECT EXPOSURE			\$ 2,800,000					\$ 3,700,000	LTV=	75.7%		
TOTAL INDIRECT EXPOSURE			\$ -					\$ -	LTV=	<DIVIDE>		
TOTAL EXPOSURE			\$ 2,800,000					\$ 3,700,000	LTV=	75.7%		

1604

AMERIS-EMAILS-000231

Linda Gibson Sources of Income		<u>Monthly</u>	<u>Annual</u>	
IOP Beach Rental	\$	5,408.70	\$ 64,904.37	rental income
BarGib Enterprises	\$	7,500.00	\$ 90,000.00	rental income: land/building lease
Hidden Cove Associates	\$	7,031.25	\$ 84,375.00	rental income: land/building lease
Cell Phone Tower Leases	\$	1,473.33	\$ 17,680.00	land lease
Moncks Corner Shopping Center	\$	18,015.00	\$ 216,180.00	Shopping Center
National Companies	\$	575.25	\$ 6,903.00	Personal Business
Total 2007 W2 Income	\$	40,003.53	\$ 480,042.37	

Linda Gibson Expenses		<u>Monthly</u>	<u>Annual</u>	
First Citizens	\$	1,014.00	\$ 12,168.00	1st mortgage on primary residence
Chase	\$	380.00	\$ 4,560.00	2nd mortgage on primary residence
Discover	\$	15.00	\$ 180.00	credit card
Discover	\$	51.00	\$ 612.00	credit card
THD	\$	48.00	\$ 576.00	credit card
BOA	\$	102.00	\$ 1,224.00	credit card
Discover	\$	26.00	\$ 312.00	credit card
Moncks Corner Shopping Center	\$	10,484.24	\$ 125,810.88	shopping center loan
IOP Beach House	\$	7,812.41	\$ 93,748.92	beach house loan
Total	\$	19,932.65	\$ 239,191.80	

Debt to Income %		50%	50%
Cash Flow/Debt Service		2.01	2.01
Excess Cash	\$	20,070.88	\$ 240,850.57

AMERIS-EMAILS-000232

Linda Gibson/Heritage Seven

Moncks Corner Shopping Center CF

Tenant	Lease Rate
Advanced Auto	\$ 4,958.33
Check Into Cash	\$ 2,075.00
Papa Johns	\$ 1,792.20
Blockbuster	\$ 5,840.00
First Franklin	\$ 2,000.00
Berkeley Federal CU	\$ 1,350.00
Total Income	\$ 18,015.53
Monthly Payment to FRB	\$ 12,000.00
CF/DS	1.50

AMERIS-EMAILS-000233

From: Lanier, Benjamin
To: Seven Oaks Apartments (Elizabeth)
Sent: 12/18/2008 5:47:45 PM
Subject: RE: Questions on behalf of Linda Gibson

Linda,
Here are the answers to the questions in regards to your loan:

- What is the loan balance?

As of 12/18/2008 the loan balance is \$2,796,216.75. The total committed amount of the loan is \$2,809,431.86. Thus there is \$13,215.11 left to draw on the project.

- What is the loan structure (term, interest only or amortized)?

The loan was structured as interest only payments due monthly on the outstanding principal balance for 12 months during the construction/rehab period. After the 12 month period the loan was to begin amortizing with principal and interest payment due monthly based on a 20 year amortization with a 4 year call to maturity.

As of December 2nd, 2008, the 12 month interest only period ended and the loan converted to principal and interest payments based on a 20 year amortization at a rate of 7.75% (which was the rate at the time of the original loan closing) as per the promissory note.

This loan is in the process of being modified to remain on interest only to allow for the completion of the final three buildings in the complex. The payment on the renewal will be interest only payments of 6% on the outstanding principal balance for a period of 9 additional months (proposed).

- What is the interest rate?

Interest rate upon the note modification shall be WSJ prime +1/4% with a floor rate of 6%. Thus meaning the lowest this rate can go is 6% during the loan term. 6% is the lowest we are currently able to price loans given the current lending environment.

- Monthly payment?

The proposed modified payment shall be the interest accrued on the outstanding loan balance at a rate of 6%. Given the current balance of \$2,796,216.75 the monthly payment shall be roughly \$13,981 per month.

- What specific properties are used as collateral for the loan?

The collateral for this loan is a mortgage on 2625 Otranto Road North Charleston, SC and the parcel of land on Klister Lane with the TMS# 271-00-01-129. Klister Lane is to be released once the rehab of the apartment project is complete and an occupancy of 75% is obtained in the complex.

- What is the insurance requirement for this property? Do you take into account replacement cost and or value of land?

Per the evidence of insurance in the file the coverage on this loan is \$2,050,000. Hazard Insurance is required for all loans with a vertical structure upon it. This loan did not require flood insurance.

- Is this a recourse or a non-recourse loan?

This loan has recourse as it is personally guaranteed by Linda Gibson.

I hope this helps. If you have any further questions in regards to the loan, please let me know and I'll be happy to help.

Benjie

From: Seven Oaks Apartments (Elizabeth) [mailto:sevenoaksapartments@gmail.com]
Sent: Thursday, December 18, 2008 12:04 PM
To: Lanier, Benjamin
Subject: Re: Questions on behalf of Linda Gibson



AMERIS-EMAILS-000729

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Seven Oaks Apartments
Elizabeth Gibson - *Property Manager*
sevenoaksapartments@gmail.com
Phone: 843-297-8717
Fax: 843-297-8727

AMERIS-EMAILS-000731

From: Lanier, Benjamin
To: Tifton-Loan Servicing
Sent: 12/23/2008 5:46:12 PM
Subject: Heritage Seven, LLC

Irene,

Attached is the loan modification I spoke with you about a few weeks ago. This loan was originally done with a 12 month term of interest only then converted to 48 months of principal and interest. The 12 month term expired on 12/2/2008 and I have received approval to extend this loan for 9 more months on interest only. In our conversation you told me it would be best just to redo the note and use a new loan number. Please let me know if you have any questions. I will be out of the office in NJ but I will have access to my Blackberry. I would like to date this note for 12/26.

Thank you in advance for your help!

Benjamin R. Lanier Jr.
Vice President- Business Banker
Ameris Bank
966 Houston Northcutt Blvd Suite C
Mount Pleasant, SC 29464
Direct: 843-375-4973
Cell: 843-345-3507
Fax: 843-881-8350

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

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AMERIS-EMAILS-000562

8. **Insolvency.** You warrant 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 Waiver.** 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 amount 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, governing 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 duty of 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 personally. The holder 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 lend 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. **Source.** 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-disposal 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 withhold 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 ATTORNEY'S 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 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 as actively 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 approvals, 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 ability to repay the Debt, 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 ability to repay the Debt, 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 benefit from my loans and financial accommodations relating to the credit of the Borrower, 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. 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 this 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 Debt, 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 unrestricted right to enforce this Guaranty as to any of the Debt that was not assigned. This Guaranty that inures to the benefit of and is enforceable by you and your successors and assigns and any other person to whom you may grant an interest in the Debt 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. Notices to any 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 applicable 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 certificates that you may consider necessary to perfect, continue, and preserve my obligations under this Guaranty and to confirm your loan status on any Property. This is of the essence.

Paul William Gibson Family Trust
South Carolina Guaranty
ECM-Volante-0008400600834027010009Y

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Initials
Page 2

Ameris-00192

18. 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 Olson Family Trust

By Linda A. Olson
Linda A. Olson, Trustee

Paul William Olson Family Trust
South Carolina Guaranty
S2/4Xbaletr0005600000243027010006V

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Page 3

Ameris-00193

DATE AND PARTIES. The date of this Quorum is December 24, 2008. The parties and their addresses are:

BORROWER:
HERITAGE SEVEN, LLO
a South Carolina Limited Liability Company
152 Horse Trail Rd.
Bl George, SC 29477

5. **TERMINOLOGY.** As used in this quarryry, the terms have the following meanings:

A. Principals. 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.

3. **APPROVED AND FUTURE DEBT GUARANTEE.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce you, as your estate, to make loans or secure in any other transactions with the Borrower from time to time, I, individually and unconditionally agree as follows: I hereby agree to act as guarantor to you the payment and performance of all the principal and interest on all loans made by the Borrower above described, and to all other loans, among all other loans, made by the Borrower to you, or to any other person, firm or corporation, at any time in the future now or hereafter, including, but not limited to the following described defaults (including without limitation, all principal, accrued interest, all arrears) of any loan and call loan made, whenever 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. 787000C174-102, dated January 8, 2002, from Heritage Seven, LLC Borrowed to you, in the amount of (\$2,800,000.00).

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, guarantees, advances for freight, insurance, repairs and storage, and all extensions, renewals, refinancings and modifications of those debts) whether now existing or created or incurred in the future, due or to become due, or accrued or contingent, including obligations and debts arising from the terms of all documents prepared or submitted for the transaction such as applications, security agreements, assignments, and the Note.

You may, without notice, apply OGE's Guaranty to each 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.

A. Future Advances: I waive notice of and consent to any and all future advances made to the Borrower by you.

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, jointly or separately or in order of the Debt or against any Property. You may sue me alone, or anyone else who is called on to satisfy the Debt or any of the obligations to satisfy the Debt, by itself or in conjunction with anyone else, for their own or for their own and for my benefit. Any condition or defense which I have in this Guaranty or any instrument executed in connection with the Debt, by which I might be able to avoid or limit my liability, is hereby waived by me in advance of my payment of the Debt, by my agreement to pay according to the terms of this Guaranty and may not be asserted by the obligee, involving or unavailability of any notes or agreements evidencing the Debt, the violation of any applicable state laws, foreign, or any other circumstances which make the indebtedness unenforceable against the Borrower. I am herein obligated to pay to the Guaranty even if and only to the extent that I am obligated to pay the Debt, including the Borrower, on each obligation discharged in bankruptcy, liquidation, or otherwise discharged by law.

1. **WARRANTY.** If a participant publishes or distributes any item he or she acquires from the Bureau, the contents of the Data, or any of his/her liability in connection with the Data, he or she shall immediately notify me by mail, teletype and airtel that this Warranty, and the Data referred herein, will remain in full force and effect as of this date, notwithstanding any item of this Data, or, in spite of, or in spite of any Property, in connection with any liabilities in any proceeding in the United States District Court. Such action or undertaking includes, without limitation, valuation of Property, retention of records or disposition of records or connected data items upon notice by me, pursuant to the United States Bankruptcy Code, as amended. In the event that any agreement of indemnity or interest retained and paid by any other guarantor, borrower, surety, underwriter 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.

As REVOCATION, I agree that this is an irrevocable and unconditional Guaranty. I agree that this Guaranty will remain binding on me, whether or not there are any Debts outstanding, and you have actually received written notice of my revocation or written notice of my death or bankruptcy. Notice of revocation or notice of my death or bankruptcy will not affect my obligations under this Guaranty with respect to any Debts incurred by or for which you have made a commitment to lend before you actually receive such notice, and all amounts, principal, interest, and modifications of such Debt. I agree that if any third person claiming the Guaranty provides a notice of revocation to you, I will still be obligated under the Guaranty until I provide such a notice of revocation to you. If any third person provides a notice of revocation to you, I will still be obligated under the Guaranty until I provide such a notice of revocation to you. If any third person provides a notice of revocation to you, I will still be obligated under the Guaranty until I provide such a notice of revocation to you.

PROFESSION. I agree that any Property may be assigned, exchanged, interest in whole or in part be substituted without notice to me and without defrauding, discharging or diminishing my liability. My obligation is absolute and your failure to provide my security interests at any age or occasion by which which limits the Property will not relieve me of my liability under this Guaranty. You are under my duty to preserve or protect my Property which you are in actual or constructive possession. For purposes of this paragraph, you will only be in "actual" possession when you have physical, legal 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.

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

A. Pappas, 12410 124th St. & Highway 101, Everett, WA 98203.

10. Insolvency or bankruptcy. The debtor, insolvent or insolvency or, appointment of a receiver or of an official or, appointment of any similar court or, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary liquidation 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, Business, or any assigns, partners, surety or guarantor of this Guaranty or any Debt.

D. *Salmonella* Typhimurium. A 500-μl portion was inoculated into 10 ml of 10% formalin.

8. Other Resources: I do not agree under the terms of any other document relating to the Debt.

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

B. Misrepresentation. I make no verbal or written statement or omission now or in the future

11. Witnesses. I call in evidence as witness my testament and my son.

1. **Forfeiture.** The Property is used in a manner or for a purpose

4. **Name Change:** I change my name to example in additional name without getting you before making each

X. 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

11. Insolvency. You determine in good faith that a material adverse change has occurred in my financial condition.

regions financial statements before the date of this guaranty or that the prospect for payments or performance of the Ooba is impaired for any reason.

South Carolina University
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Page 1

DEFENDANT'S
EXHIBIT
86

9. **WARRANTY AND CONSENT.** To the extent not prohibited by law, I waive protest, assignment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of default.

A. **Additional Waiver.** In addition, to the extent permitted by law, I consent to assign, assignee, you may take, and guaranty waiver defense that may be available based on these terms or based on the terms of a party to the Debt or this Guaranty.

(1) You may require or extend payment on the Debt, regardless of the number of such payments or extensions.

(2) You may exercise any power, authority, guarantee, security, accommodation or other or any other security.

(3) You may revalue, substitute or replace any property.

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

(5) You may enforce any debt, responsibility or participation of the Debt to any person in any amount and I waive notice of such debt, responsibility or participation.

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

(7) You may undertake a violation of any property in connection with any proceedings under the United States Bankruptcy Code concerning the Borrower or me, regardless of any such violation, or of any assets involved in the Debt or this Guaranty.

(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 pursue any of the Debt, in no way affects or impacts my liability.

(9) I agree to waive release of any responsibility, liability, through subordination to guaranties, and each subordination to any way affect or impact my liability. In addition, and the effect of the Borrower, in which I have been paid in full, I waive any right of contribution, subordination, reimbursement, indemnification, exoneration, and any other right I may have to enforce any remedy which you have or in the future may have against the Borrower or another guarantor or as to the Debt.

Any Guarantor who is an "individual," as contemplated by the United States Bankruptcy Code, 11 U.S.C. 101, as amended, makes these waivers personally. An individual includes, among others, a director, officer, partner, or other person in control of the Borrower, a person in an equity share in a company 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 individual makes these waivers only if the Debt is fully repaid.

B. **Waiver by Lender.** Your exercise of this right, or any other right, 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 which 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 the Guaranty immediately due.

B. **Set-off.** You may use any and all remedies you have under state or federal law or in any document relating to the Debt.

C. **Insurance Benefits.** You may make a claim for any and all insurance benefits or rebates 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. **Turnover.** You may terminate my right to check advances and may refuse to make any further extensions of credit.

F. **Set-off.** You may set off 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 other amount because I have with you any money owed to me on an item presented to you or in your possession for collection or endorsement and any proceeds of any other non-deposit collection. "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 owed by someone who has not agreed to pay the Debt, your right of set-off will apply to my interest in this obligation and to any other amounts I could withhold on my right to receive or endorsement.

Your right of set-off does not apply to an account or other obligation where my right is only a representative capacity. It also does not apply to any individual Retirement Account or other tax-deferred investment account.

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

D. **Waiver.** Except as otherwise required by law by showing 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 exercise the event a default and to use any remedy if the default continues or occurs again.

11. **COLLECTION EXPENSES AND ATTORNEY'S 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 added to the amount I have owed 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. **WARRANTY AND REPRESENTATION.** 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 issued into at the request of the Borrower, and that I am authorized 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 regarding 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. **RELEASE.** I acknowledge that you are relying on this Guaranty in extending credit to the Borrower, and I have signed this Guaranty to allow you to extend credit to the Borrower. I represent and warrant to you that I have a clear and marketable economic interest in the Borrower and expect to derive substantial benefit from any loans and financial accommodations resulting in the creation of indebtedness guaranteed hereby. I agree to rely exclusively on the right to create this Guaranty prospectively as to future proceeds in the manner as provided for in this Guaranty 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 revolving security that continues to be provided by this Guaranty and you will have no duty to begin this or within the number of any such benefits, and this Guaranty will be enforceable and enforceable by you without regard to the results, terms 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 laws are preempted by federal law.

15. **AMENDMENT, INTERPRETATION AND REVOCABILITY.** 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 portions will still be enforceable.

16. **ASSIGNMENT.** If you assign any of the Debt, you may assign all or any part of this Guaranty without notice to me or my consent, and this Guaranty will issue in the benefit of your assignee to the extent of such assignment. You will continue to have the right to enforce this Guaranty as to any of the Debt that are not assigned. This Guaranty shall issue in the benefit of you and your successors and assigns and any other person to whom you may grant an interest in the Debt 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 need not be used to interpret or define the terms of this Guaranty.

18. **NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, all notices 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. Notices to me or Guarantor will be deemed to be made in full if delivered. I will deliver to you, in writing, all changes in my name, address or other applicable information. I will provide you with a truthful statement of information you request. All financial statements and information given you will be correct and complete. I agree to sign, deliver, and file any additional documents or certificates that you may consider necessary to perfect, maintain, and preserve any collection under this Guaranty and to confirm your the status on any Property. This 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 said, I agree to the terms contained in this Guaranty. I do acknowledge receipt of a copy of this Guaranty.

Executed on _____
South Carolina Guaranty
604734646/0008400000814020100007

P1899 Bankers Options, Inc., St. Cloud, MN 56309

10000
Page 2

QUARANTY

Linda A. Gibson
Individually

Linda A. Gibson
South Carolina Guaranty
33CAXblender00084600008249227010908Y

©1998 Danwea Systems, Inc., St. Cloud, MN 55671

Initials **LG**
Page 3

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This document was prepared by

MORTGAGE
(With Future Advance Clauses)

DATE AND PARTIES: The date of this Mortgage (Security Instrument) is JANUARY 8, 2008. The parties and their addresses are:

MORTGAGOR:
HERITAGE SVEN, LLO
A South Carolina Limited Liability Company
133 Horse Trail Rd
St George, SC 29477

LENDER:
AMERIS BANK
Organized and existing under the laws of Georgia
49 Archdale Street
Charleston, SC 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:

SEE ATTACHED EXHIBIT A

The property is located in CHARLESTON County at 2825 OTRANTO RD N CHARLESTON SC 29408 1ST MTG DATED 11-02-07 REC 11-08-07 BK 843 PG 739 CHARLESTON CO, CHARLESTON, South Carolina 29408.

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 \$2,809,681.86. 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. 7870000178-102, dated January 8, 2008, from Mortgagor to Lender, with a loan amount of \$2,809,681.86 and maturing on October 2, 2008. 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

Heritage Sven, LLO
South Carolina Mortgage
SC14X040400008160000843087010802Y

*1888 Statute Systems, Inc., St. Cloud, MN 55702

With Page 1



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created in "household goods" in connection with a "consumer loan," so 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. 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 of 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. ASSIGNMENT OF LEASES AND RENTS. Mortgagor assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (Property):

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including but not limited to any extensions, renewals, modifications or replacements (Leases).

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

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance. Mortgagor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so require) without Lender's consent. Mortgagor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional tort. Otherwise, Mortgagor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

14. 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.

15. 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 515-68-10, 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.

16. 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.

17. 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.

If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may notify borrower in writing, and, in such case, borrower will pay to Lender the amount necessary to make up the shortage or deficiency. Borrower shall make up the shortage or deficiency as Lender directs, subject to the requirements of applicable law.

If, by reason of any default under this Security Instrument, Lender declares all Secured Debts due and payable, Lender may then apply any Funds against the Secured Debts.

When Mortgagor has paid all of the sums secured, Lender will promptly refund to Mortgagor any Funds that are being held by Lender.

21. 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.

22. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all homestead exemption rights relating to the Property.

23. FIXTURE FILING. Mortgagor gives to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.

24. 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.

25. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSION. 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.

26. 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.

27. 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.

28. 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:

Heritage Seven, LLC

By Linda Gibson (Seal)
Linda Gibson, Member

(Witness)

(Witness)

By Paul William Gibson Family Trust, Member

By Linda Gibson (Seal)
Linda A. Gibson, Trustee

(Witness)

(Witness)

ACKNOWLEDGMENT.

Heritage Seven, LLC
South Carolina Mortgage
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Notary
Page 2

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MORTGAGE
(With Future Advance Clause)

DATE AND PARTIES. The date of this Mortgage (Security Instrument) is JANUARY 8, 2009. The parties and their addressee are:

MORTGAGOR:
LINDA A GIBSON
An unmerited Individual
P/K/A LINDA ANN AVINGER
133 Horse Trail Rd
St George, SC 29477

LENDER:
AMERIS BANK
Organized and existing under the laws of Georgia
49 Archdale Street
Charleston, SC 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:

SEE ATTACHED EXHIBIT A

The property is located in BERKLEY County at 271-00-01-128 KLISTER LANE CHARLESTON SC 29492 16T MTG 11-02-07 REC 11-07-07 DK 6976 PG 206 BERKLEY CO SC, 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-stocks, 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 \$2,809,881.86. 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. 7970000176-102, dated January 8, 2009, from Heritage Seven, LLC (Borrower) to Lender, with a loan amount of \$2,809,881.86 and maturing on October 2, 2009. 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

Heritage Seven, LLC
South Carolina Notaries
SC44XNotar000946000024027010909V

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Initials

Page 1



Ameris-00197

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

A. To make all payments when due and to perform or comply with all covenants.

8. To promptly deliver to Lender any notices that Mortgagor receives from the holder.

G. 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.

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. 581), as applicable.

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.

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. ASSIGNMENT OF LEASES AND RENTS. Mortgagor assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (Property).

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

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will

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Initials Page 2

1. Wills

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 pay to Lender amounts for (a) yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, (b) yearly leasehold payments or ground rents (if any), (c) yearly premiums for hazard or property insurance, (d) yearly premiums for flood insurance (if any), and (e) yearly premiums for mortgage insurance (if any). Mortgagor will pay those amounts to Lender unless Lender tells Mortgagor, in writing, that Mortgagor does not have to do so, or unless the law requires otherwise. Mortgagor will make those payments at the times required by Lender.

Lender will estimate from time to time Mortgagor's yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the Escrow Items. The amounts that Mortgagor pays to Lender for Escrow Items under this section will be called the Funds.

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Lender will use the Funds to pay the Escrow Items.

Lender will not be required to pay Mortgagor any interest or earnings on the Funds unless either (i) Lender and Mortgagor agree in writing, at the time Mortgagor signed this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may notify borrower in writing, and, in such case, borrower will pay to Lender the amount necessary to make up the shortage or deficiency. Borrower shall make up the shortage or deficiency as Lender directs, subject to the requirements of applicable law.

If, by reason of any default under this Security Instrument, Lender declares all Secured Debts due and payable, Lender may then apply any Funds against the Secured Debts.

When Mortgagor has paid all of the sums secured, Lender will promptly refund to Mortgagor any Funds that are being held by Lender.

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. **FIXTURE FILING.** Mortgagor gives to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to 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

Halligan Seven, LLC
South Carolina Mortgage
SC/MortgageDoc 1600008240027010090V

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Initials
Page 6

Ameris-00202

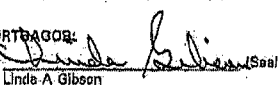
between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender 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.

26. 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 Debt 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.

28. 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.

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:
 (Seal)
Linda A. Gibson
Individually

(Witness)

(Witness)

ACKNOWLEDGMENT.
(Individual)

_____, OF _____, _____ OF _____, ss.
I, _____, a notary public for _____, do
hereby certify that Linda A. Gibson, an unmarried individual, F/K/A LINDA ANN AVINGER, personally appeared
before me this day and acknowledged the due execution of the foregoing instrument.
Witness my hand and official seal this _____ day of _____, _____.

Signature of Notary Public

My commission expires:

Hallmark Seven, LLC
South Carolina Mortgage
SC/Mortgage/00084600006243027010800Y

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Initials  Page 2

Ameris-00201

From: Lanier, Benjamin
To: Seven Oaks Apartments (Elizabeth)
Sent: 2/12/2009 7:41:17 PM
Subject: Heritage Seven Loan Pmt

Linda,

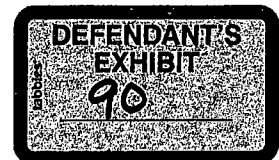
I hope you are doing well. Your loan popped up on the past due report at 9 days and I wanted to give you a heads up before it hit 10 days and incurred the late fee. Let me know if I need to have Riley come by there and pick the payment up and I will be happy to do that. The amount due is \$11,185.87. Please let me know if you have any questions.

Thanks and have a great weekend,

Benjamin R. Lanier Jr.
Vice President- Business Banker
Ameris Bank
966 Houston Northcull Blvd. Suite C
Mount Pleasant, SC 29464
Direct: 843-375-4973
Cell: 843-345-3507
Fax: 843-881-8350

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

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AMERIS-EMAILS-000601

Status Memo

Date: 06/02/2009

Borrower's Name: Heritage Seven, LLC

Loan Officer: Benjie Lanier

Customer Meeting 6/2/2009

On 6/2/2009, Karl and I met with the guarantor Linda Gibson at the Seven Oaks apartment complex. During the meeting several discussions were had to include the current rent rolls, collection of rents, status of contingent debts and the bringing the loan payments due to Ameris Bank current.

According to Linda the property is currently 56% occupied. The vacant units include the 8 units in building 3 that are to come on line shortly and be available for rent. Linda has had many challenges as of late due to the fact that several of her tenants have either lost their income or have not had the money to pay their rents as agreed. This has forced her hand on several occasions to evict tenant and then go on the hunt for new tenants that will pay as agreed.

Linda is emotionally drained from the financial strains she has experienced on three of her properties. These properties include the subject apartment complex, a retail strip mall in Moncks Corner and the family beach house on Isle of Palms. The beach house is currently for sale and has been for the past year. She has not rented the property for this would hurt the potential sale of the property. Linda feels she was put in this financial predicament due to the misuse of funds by her ex property manager/real estate agent. Linda has stated that his misuse of funds has put her a month behind on her shopping center loan, behind on her beach house payment and due to the lack of tenants from this project being complete she is behind on the apartment loan.

Linda is currently suing her former property/project manager who was also her real estate agent. The case is being handled by the Richter Law Firm and is in the discovery phase of the process.

We presented a solution to extend her a loan roughly in the amount of \$28,000 to catch her payments that are due on the apartments up to date at a rate of 4.5%. At the time of the memo she had not responded that she is interested in this idea. We also move to decrease her interest rate to 4.5% to allow her have breathing room while the occupancy level increases and the remaining units in building 3 are completed.

Action Plan

It is the opinion of the loan officer that several plans of action take place. The plan of action is as follows:

- Change the risk rating from 25 to a 30 since this project is still not 100% completed.
- This loan was price at Prime +1/4% with no floor (3.25%) but when the loan was modified/renewed in December due to the fact that it was to begin amortizing the rate had



AMERIS-EMAILS-000136

to be increased to 6% due to the bank wide mandate on 6% floors. The Lender requests that the interest rate be lowered to 4.5% in order to assist with the Cash Flow issues that are being experienced during the completion/lease up term. This will not only assist the borrower while the repairs are undergoing it will also provide additional cash flow for the repairs to be paid for. This will also show good faith on our part to help Linda get through this difficult phase and to get this project completed faster. Getting the project completed is paramount to the success of this loan performing. Linda has been working with a contractor that will perform the necessary work at a very reasonable price.

- It is Linda's intention to remain dedicated to this project until it is completely finished. Linda is fully involved in the project and has stayed on site to make sure the project is completed. Once this complex is finished she wishes to sell the complex and move forward.
- Loss prevention- It has been suggested we finance another piece of property in her portfolio to provide payment relief for this project and others that are creating a major financial strain on Linda to avoid late payments and past due carries. As of the time of this memo Linda is considering this proposal and the alternatives.

Loan and Collateral Summary

Borrower Heritage Seven LLC

Date 6/2/2009

Borrower Name	Origin- ation Date	Purpose	Original Loan Amt/ Commitment	Current Balance	Available Commitment	Rate/Fee	Collateral	Collateral Appraised Value	Margin	Collateral Loan Value	Terms/ Maturity	AQG
<u>DIRECT EXPOSURE</u>												
Seven Oaks Apartments, LLC		Refinance existing apt loan	\$ 2,810,164	\$ 2,796,467	\$ -	Prime+1/4% F=4.5%	1st mortgage on 48 unit Apt. Complex on Ozamo Rd. N Charleston	\$ 3,700,000		\$ -	90 days 10: Then prime	30
		Total Direct Exposure	\$ 2,810,164	\$ 2,796,467	\$ -			\$ 3,700,000		\$ -		
<u>INDIRECT EXPOSURE</u>												
		Total Indirect Exposure	\$ -	\$ -	\$ -			\$ -		\$ -		
TOTAL DIRECT EXPOSURE			\$ 2,796,467					\$ 3,700,000	LTV=	75.6%		
TOTAL INDIRECT EXPOSURE			\$ -					\$ -	LTV=	SDIV/0		
TOTAL EXPOSURE			\$ 2,796,467					\$ 3,700,000	LTV=	75.6%		

1636

AMERIS EMAILS 015

Ameris Bank Profitability Analysis

6/2/2009

Heritage Seven, LLC

Loans:	Loan Type	Fixed/ Variable	AQG	Avg. Annual Balance	Interest Rate	Avg. Term (months)	Gross Fees
1	CRE	V	25	\$ 2,796,467	4.50%	3	\$ -
2		V	20	\$ -	0.00%	0	\$ -
3		V	20	\$ -	0.00%	0	\$ -
4		V	20	\$ -	0.00%	0	\$ -
5		V	20	\$ -	0.00%	0	\$ -
6		V	20	\$ -	0.00%	0	\$ -
7		V	20	\$ -	0.00%	0	\$ -
8		V	20	\$ -	0.00%	0	\$ -
9		V	20	\$ -	0.00%	0	\$ -
10		V	20	\$ -	0.00%	0	\$ -
Total Loans				\$ 2,796,467			
Deposits:							
DDA				\$ 107			
NOW / MMA				\$ 11,780	2.00%		
Savings					0.00%		
CD's				\$ 15,397	2.50%	12	
CD's				\$ -	0.00%	0	
CD's				\$ -	0.00%	0	
CD's				\$ -	0.00%	0	
CD's				\$ -	0.00%	0	
Total Deposits				\$ 27,284			
Other Income Sources:							
L/C Fees				\$ -			
Other				\$ -			

Profitability Calculation	
1	Total Interest Income \$ 125,841
2	+ Loan Fees \$ -
3	- Interest Expense \$ (621)
4	- Cost of Funds \$ (88,089)
5	+ Funds Credit \$ 955
6	Net Interest Income \$ 38,087
7	
8	+ Equity Credit \$ 10,766
9	+ Loan Loss Reserve Credit \$ 2,555
10	- Loan Loss Provision \$ (41,947)
11	Gross Income \$ 9,461
12	+ Non Interest Income \$ -
13	- Overhead Allocation \$ (12,584)
14	
15	Net Income Before Taxes \$ (3,123)
16	
17	- Taxes \$ 1,062
18	Net Income \$ (2,061)
19	
Key Information	
21	Allocated Equity \$ 307,611
22	Allocated Loan Loss Reserve \$ 72,988
23	Net Interest Margin 1.36%
24	Return on Assets -0.07%
25	Return on Equity -0.67%
26	Target Return on Equity 18.00%
27	\$ of Income Below Target ROE \$ 57,432
28	

Instructions for completing the customer information:

Loan Types:	A&D - Acquisition & Development Loans (includes Raw land), AQ RE - Loans Secured by Agriculture Real Estate, CRE - Commercial Real Estate Term Loans, CTL - Construction Loans, including Both Commercial and Residential Construction, HELOC - Home Equity, Line of Credit, LOC - Both Revolving and Non-Revolving Lines of Credit, RRE - Residential Real Estate Term Loans, SBA - SBA Guaranteed, STL - Short Term Loans (< 12 mos) Secured by Collateral Other Than Real Estate, TML - Term Loans (>12 mos) Secured by Collateral Other Than Real Estate.
Lines 1-10	Each loan in a relationship (up to 10) should be listed separately. The interest rate should be designated as fixed (F) or variable (V). The Asset Quality Grade (AQG) for each loan should be indicated. The loan balance(s) should reflect the average annual balance of the loan by loan type. For Ag-related borrowers, this would normally be 50% - 65% of the total commitment. For term loans, this would be the current outstanding balance less 1/2 the annual payment. The current interest rate on each loan should be listed. For variable-rate loans with floor rates that are greater than the current rate, the floor rate should be used. Conversely, if the calculated rate is greater than the ceiling rate, then the ceiling rate should be used. Officer judgement is best used when considering the interest rate, given all these factors. The term of the loan(s) should be expressed in months. This is NOT the original loan term, but the remaining term to maturity, or the next available repricing date, whichever is earlier. Finally, the gross fees charged on the loan should be entered, as the model will use the average term to annualize the fee, per FASB 91.
Lines 14-21	Average annual deposit balances should be reflected on these lines. There is no interest rate associated with DDA deposits. For all other deposit types, the current interest rate charged on that account should be indicated. Up to five CD's can be shown, along with the interest rate and the remaining term of the CD(s), expressed in months. As with the loan term, this is NOT the original term of the CD(s), but the time until the next repricing date.
Line 25	Any fees for standby and/or commercial letters of credit should be included here.
Line 26	Other income sources should be included, such as account-analysis charges, merchant services, trust fees, etc.

Last Revised 6/01/2009

AMERIS EMAILS 016

Status Memo

Date: 06/02/2009

Borrower's Name: Heritage Seven, LLC

Loan Officer: Benjie Lanier

Customer Meeting 6/2/2009

On 6/2/2009, Karl and I met with the guarantor Linda Gibson at the Seven Oaks apartment complex. During the meeting several discussions were had to include the current rent rolls, collection of rents, status of contingent debts and the bringing the loan payments due to Ameris Bank current.

According to Linda the property is currently 56% occupied. The vacant units include the 8 units in building 3 that are to come on line shortly and be available for rent. Linda has had many challenges as of late due to the fact that several of her tenants have either lost their income or have not had the money to pay their rents as agreed. This has forced her hand on several occasions to evict tenant and then go on the hunt for new tenants that will pay as agreed.

Linda is emotionally drained from the financial strains she has experienced on three of her properties. These properties include the subject apartment complex, a retail strip mall in Monoks Corner and the family beach house on Isle of Palms. The beach house is currently for sale and has been for the past year. She has not rented the property for this would hurt the potential sale of the property. Linda feels she was put in this financial predicament due to the misuse of funds by her ex property manager/real estate agent. Linda has stated that his misuse of funds has put her a month behind on her shopping center loan, behind on her beach house payment and due to the lack of tenants from this project being complete she is behind on the apartment loan.

Linda is currently suing her former property/project manager who was also her real estate agent. The case is being handled by the Richter Law Firm and is in the discovery phase of the process.

We presented a solution to extend her a loan roughly in the amount of \$28,000 to catch her payments that are due on the apartments up to date at a rate of 4.5%. At the time of the memo she had not responded that she is interested in this idea. We also move to decrease her interest rate to 4.5% to allow her have breathing room while the occupancy level increases and the remaining units in building 3 are completed.

Action Plan

It is the opinion of the loan officer that several plans of action take place. The plan of action is as follows:

- Change the risk rating from 25 to a 30 since this project is still not 100% completed.
- This loan was price at Prime +1/4% with no floor (3.25%) but when the loan was modified/renewed in December due to the fact that it was to begin amortizing the rate had

to be increased to 6% due to the bank wide mandate on 6% floors. The Lender requests that the interest rate be lowered to 4.5% in order to assist with the Cash Flow issues that are being experienced during the completion/lease up term. This will not only assist the borrower while the repairs are undergoing it will also provide additional cash flow for the repairs to be paid for. This will also show good faith on our part to help Linda get through this difficult phase and to get this project completed faster. Getting the project completed is paramount to the success of this loan performing. Linda has been working with a contractor that will perform the necessary work at a very reasonable price.

- It is Linda's intention to remain dedicated to this project until it is completely finished. Linda is fully involved in the project and has stayed on site to make sure the project is completed. Once this complex is finished she wishes to sell the complex and move forward.
- Loss prevention- It has been suggested we finance another piece of property in her portfolio to provide payment relief for this project and others that are creating a major financial strain on Linda to avoid late payments and past due carries. As of the time of this memo Linda is considering this proposal and the alternatives.

From: Lanier, Benjamin
To: zzzDisabled - Zerbst, Karl
Sent: 8/21/2009 1:54:24 PM
Subject: RE: Seven Oaks CF
Attachments: Seven Oaks Cash Flow.xls

Karl,
Here is the CF Analysis with the changes you asked for. I also put a hard copy in your chair for review.

From: Zerbst, Karl
Sent: Thursday, August 20, 2009 6:03 PM
To: Lanier, Benjamin
Subject: RE: Seven Oaks CF

Thank you

Karl H. Zerbst, Jr.
Ameris Bank | Market President
966-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: Lanier, Benjamin
Sent: Thursday, August 20, 2009 2:15 PM
To: Zerbst, Karl
Subject: Seven Oaks CF

Karl
Here is a cash flow scenario I worked up on Seven Oaks per the parameters we discussed.

Benjamin R. Lanier Jr.
Ameris Bank | VP, Business Banker
966 Houston Northcutt Blvd. Suite C
Mount Pleasant, SC 29464
(D) 843-375-4973 (F) 843-881-8350 (C) 843-345-3507
benjamin.lanier@amerisbank.com

Visit us online at www.amerisbank.com

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AMERIS-EMAILS-000127

	A	B	C	D	E	F	G
1	Seven Oaks Apartments Current CF						
2	Seven Oaks Apartments Cash Flow Analysis						
3	Income				No. of Units	Type	Proposed Rents
4	Rents Received	\$ 28,200.00			42	2 bd 2 ba	\$ 600.00
5					8	1 bd 1 ba	\$ 500.00
6	Total Income	\$ 28,200.00			Grand Total		
7							
8	Gross Rental Revenue	\$ 28,200.00					
9							
10	Expenses @50%	\$ 14,100.00			Loan Amount	\$ 1,850,000	
11	Total Expenses	\$ 14,100.00			Rate	5.80%	
12					Amortization	25	
13	NOI	\$ 14,100.00			Payment	\$11,471.36	
14							
15	Pmt to Ameris	\$11,471.36					
16							
17	Cash Flow	\$ 2,628.64					
18							
19	CF/DS	1.23					
20							
21							
22							
23	2 bedroom apts are currently renting for \$700						
24	1 bedroom apts are currently renting for \$600						

AMERIS-EMAILS-000128

	H
1	
2	
3	Total Rents
4	\$ 25,200.00
5	\$ 3,000.00
6	\$ 28,200.00
7	
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24	

AMERIS-EMAILS-000129

From: Snipes, Don
To: Lanier, Benjamin; Edwards, Jon
Sent: 9/29/2009 8:23:23 PM
Subject: LCA for Heritage Seven
Attachments: EC-SC900_EXCHANGE_09292009-162130.PDF

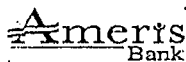
Jon,

Attached is an LCA I signed using admin authority to pay taxes on the real estate securing Heritage Seven. I need the approval ratified. Thanks.

<<EC-SC900_EXCHANGE_09292009-162130.PDF>>



AMERIS-EMAILS-000002



Loan Committee Application

Borrower: Heritage Seven, LLC Bank Location: Mount Pleasant, SC
Address: 133 Horse Trail Rd. Reg. O: Yes X No
St. George, SC 29477 Officer: Benjie Lanier Date 9/29/09
Type of Business: Property Mgt. Customer Since: Nov. 2007 NAICS Code: 531110

Approve / Ratification*	New / Renewal	Loan Type	Original \$ of Commitment	Current Balance	Available Commitment	Rate / Fees	Loan Term / Expiration	Collateral Codes	Special Codes
1	Approve	New	160 Secured by non- farm, non-residential	\$ 50,071.96	\$ 50,071.96	4.50%	60 days	R4 ComRB-City Property	
2									
3									
4									
5									
				\$ 50,072	\$ -				
						= \$ 50,072			

Comments:

The following request is a note to be extended for the payment of 2008 Charleston County property taxes. The taxes are due in the amount of \$50,071.96. Note shall be for 60 days to allow for the sale of the property.

Balance Recap / ROE		Avg. Balances	Other Direct & Related Borrowers	Exposure
Demand Deposits	Direct	\$ 107	Other Direct & Related Debt (See Loan and Collateral Summary)	\$ 2,796,467
	Related	\$ 6,341		
Interest Bearing	Direct	\$ 5,511	Total Exposure	\$ 2,846,539
	Related	\$ 15,397		
Total Deposits		\$ 27,356		

ROE % (per profit model) -10%

*Ratification Approval Authority

FDIC, Part 365, LTV Exception

Does the loan exceed FDIC Supervisory LTV limits?

☐ Yes ☒ No If Yes, identify it:

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%)

Material Exceptions / Loan Agreement

- Borrower/Guarantor's Financials are missing or stale ☒
Borrower's/Guarantor's Beacon score below 625 ☒
Interest payment frequency outside of policy ☐
Capitalized interest has been added to loan ☐
LTV ratio exceeds policy for loan type ☐
Credit term exceeds policy (term, amortization, etc) ☐
DSC below policy for loan type ☐
Check if other exceptions exist and complete page 3 ☐
Check if Loan Agreement is proposed. If yes, see pg 2. ☐

Strategy / AQG / DSC

Decrease Exposure Strategy	30 Asset Quality Grade	Debt/Income or DSC

Purpose of Credit (If purchase, indicate cost)

- 1 Loan to pay 2008 Taxes
- 2
- 3
- 4
- 5

Repayment Terms (frequency of principal and interest payments)

	Primary Source of Repayment	Secondary Source of Repayment
1 Single pay note due at maturity	Apt. Income	Borrower Funds
2		
3		
4		
5		

Collateral Recap

	Date Valued	Gross Value	Margin	Net Value
Secured by mtg on 2625 Otanto Rd N, Charleston, SC	9/2007	\$ 4,165,000	100.00%	\$ 4,165,000
3+ acres of Land on Klister Rd, Charleston, SC		\$ -	100.00%	\$ -
		\$ -	100.00%	\$ -
		\$ -	100.00%	\$ -
		\$ -	100.00%	\$ -
Less: (Prior Liens)		\$ (2,796,467)		\$ (2,796,467)
		\$ 1,368,533		\$ 1,368,533

Borrower(s) / Guarantor(s)	Guaranty Amount	Beacon Score	Statement Date	Liquid Assets	Total Assets	Total Liabilities	Net Worth	Income
Linda A. Gibson	100%	698	7/7/08	\$ 112,555	\$ 56,835,800	\$ 5,723,617	\$ 51,112,183	\$ 155,604
Paul Gibson Trust	100%			\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -
Totals				\$ 112,555	\$ 56,835,800	\$ 5,723,617	\$ 51,112,183	\$ 155,604

Approvals	Initials	Date	Special Approval Conditions
Officer	<i>[Signature]</i>	9/29/2009	Indicate the most recent year that property taxes on all real estate collateral have been paid? 2007
Bank President	<i>[Signature]</i>		
Bank ELC	<i>[Signature]</i>	9/29/09	APPROVED VIA ADMINISTRATIVE AUTHORITY
RCO/SCO			
Ameris OLC			
Ameris ELC			

AMERIS-EMAILS-000003

Ameris Bank Profitability Analysis

9/29/2009

Heritage Seven, LLC

Loans:	Loan Type	Fixed/ Variable	AQG	Avg. Annual Balance	Interest Rate	Avg. Term (months)	Gross Fees
1	CRE	V	30	\$ 50,072	4.50%	2	\$ -
2		V	20	\$ -	0.00%	0	\$ -
3		V	20	\$ -	0.00%	0	\$ -
4		V	20	\$ -	0.00%	0	\$ -
5		V	20	\$ -	0.00%	0	\$ -
6		V	20	\$ -	0.00%	0	\$ -
7		V	20	\$ -	0.00%	0	\$ -
8		V	20	\$ -	0.00%	0	\$ -
9		V	20	\$ -	0.00%	0	\$ -
10		V	20	\$ -	0.00%	0	\$ -
Total Loans				\$ 50,072			
Deposits:							
DDA				\$ -			
NOW / MMA				\$ 11,959	0.00%		
Savings				\$ -	0.00%		
CD's				\$ 15,397	0.00%	0	
CD's				\$ -	0.00%	0	
CD's				\$ -	0.00%	0	
CD's				\$ -	0.00%	0	
CD's				\$ -	0.00%	0	
Total Deposits				\$ 27,356			
Other Income Sources:							
L/C Fees				\$ -			
Other				\$ -			

Profitability Calculation	
1	Total Interest Income \$ 2,253
2	+ Loan Fees \$ -
3	- Interest Expense \$ -
4	- Cost of Funds \$ (1,577)
5	+ Funds Credit \$ 957
6	Net Interest Income \$ 1,633
7	
8	+ Equity Credit \$ 193
9	+ Loan Loss Reserve Credit \$ 49
10	- Loan Loss Provision \$ (2,504)
11	Gross Income \$ (629)
12	+ Non Interest Income \$ -
13	- Overhead Allocation \$ (225)
14	
15	Net Income Before Taxes \$ (854)
16	
17	- Taxes \$ 290
18	Net Income \$ (564)
19	
Key Information	
21	Allocated Equity \$ 5,508
22	Allocated Loan Loss Reserve \$ 1,387
23	Net Interest Margin 3.26%
24	Return on Assets -1.13%
25	Return on Equity -10.24%
26	Target Return on Equity 18.00%
27	\$ of Income Below Target ROE \$ 1,555
28	

Instructions for completing the customer information:

Loan Types:	A&D - Acquisition & Development Loans (includes Raw land), AG RE - Loans Secured by Agriculture Real Estate, CRE - Commercial Real Estate Term Loans, CTL - Construction Loans, Including Both Commercial and Residential Construction, HELOC - Home Equity, Line of Credit, LOC - Both Revolving and Non-Revolving Lines of Credit, RRE - Residential Real Estate Term Loans, SBA - SBA Guaranteed, STL - Short Term Loans (< 12 mos) Secured by Collateral Other Than Real Estate, TML - Term Loans (>12 mos) Secured by Collateral Other Than Real Estate.
Lines 1-10	Each loan in a relationship (up to 10) should be listed separately. The interest rate should be designated as fixed (F) or variable (V). The Asset Quality Grade (AQG) for each loan should be indicated. The loan balance(s) should reflect the average annual balance of the loan by loan type. For Ag-related borrowers, this would normally be 50% - 65% of the total commitment. For term loans, this would be the current outstanding balance less 1/2 the annual payment. The current interest rate on each loan should be listed. For variable-rate loans with floor rates that are greater than the current rate, the floor rate should be used. Conversely, if the calculated rate is greater than the ceiling rate, then the ceiling rate should be used. Officer judgement is best used when considering the interest rate, given all these factors. The term of the loan(s) should be expressed in months. This is NOT the original loan term, but the remaining term to maturity, or the next available repricing date, whichever is earlier. Finally, the gross fees charged on the loan should be entered, as the model will use the average term to annualize the fee, per FASB 91.
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Line 25	Any fees for standby and/or commercial letters of credit should be included here.
Line 26	Other income sources should be included, such as account-analysis charges, merchant services, trust fees, etc.

Last Revised 8/03/2009

AMERIS-EMAILS-000005

LOAN NUMBER	LOAN NAME	ACCT. NUMBER	NOTE DATE	INITIALS
7070000178-103	Heritage Seven, LLC		10/01/09	OL
NOTE AMOUNT	INDEX (w/Margin)	RATE	MATURITY DATE	LOAN PURPOSE
150,071.00	Wall Street Journal Prime	4.800%	12/01/09	Commercial
Creditor Use Only				

PROMISSORY NOTE (Commercial - Single Advance)

DATE AND PARTIES. The date of this Promissory Note (Note) is October 1, 2009. The parties and their addresses are:

LENDER:

AMERIS BANK
866-C Houston Northwest Blvd
Mt. Pleasant, SC 29404
Telephone: (843) 376-4600

BORROWER:

HERITAGE SEVEN, LLC
a South Carolina Limited Liability Company
122 Horse Trail Rd
St. George, SC 29477

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

- Parties.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together. "You" and "Your" refer to the Lender.
- Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- 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.
- Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- 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, the principal sum of \$150,071.00 (Principal) plus interest from October 1, 2009 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

3. INTEREST. Interest will accrue on the unpaid Principal balance of this Note at the rate of 4.800 percent (Interest Rate) until October 2, 2009, after which time it may change as described in the Variable Rate subsection.

- Interest After Default.** If you default a default under the terms of the Loan, including failure to pay in full at maturity, you may increase the Interest Rate otherwise payable as described in this section. In such event, interest will accrue on the unpaid Principal balance of this Note at 16.000 percent until paid in full.
- 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.
- Usury Prohibition.** The amount assessed or collected on this Note is authorized by the South Carolina usury laws under S.C. Code Ann. § 37-3-605, 37-3-105 and 37-10-101 et. seq.
- Annual.** Interest accrues using an Actual/360 day counting method.
- Premium Rate.** The stated rate reflects a premium over your annual market rate of interest for comparable loans of 1.200 percent. This Premium Rate will be in effect until October 2, 2009.
- Variable Rate.** The Interest Rate may change during the term of this transaction.

- Index.** Beginning with the first Change Date, the Interest Rate will be based on the following index: the base rate on corporate loans posted by at least 70% of the 10 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 that 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.
- Change Date.** Each date on which the Interest Rate may change is called a Change Date. The Interest Rate may change October 2, 2009 and only thereafter.
- Calculation Of Change.** On each Change Date you will calculate the Interest Rate, which will be the Current Index. 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.
- Limitations.** The Interest Rate changes are subject to the following limitations:
(a) **Minimum.** The Interest Rate will never be less than 4.800 percent.
(b) **Effect Of Variable Rate.** A change in the Interest Rate will have the following effect on the payment: The amount of the final payment will change.

4. 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.

- Late Charge.** If a payment is more than 10 days late, I will be charged 6.000 percent of the Unpaid Portion of Payment or \$5.00, whichever is greater. However, this charge will not be greater than \$100.00. I will pay this late charge promptly but only once for each late payment.
- Returned Check Charge.** I agree to pay a fee not to exceed \$50.00 for each check, remittance order or withdrawal or draft I issue in connection with the Loan that is returned because it has been dishonored.

5. GOVERNING AGREEMENT. This Note is further governed by the Commercial Loan Agreement executed between you and me as a part of this Loan, as modified, amended or supplemented. The Commercial Loan Agreement states the terms and conditions of this Note, including the terms and conditions under which the maturity of this Note may be accelerated. When I sign this Note, I represent to you that I have reviewed and am in compliance with the terms contained in the Commercial Loan Agreement.

6. PAYMENT. I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in a single payment of all unpaid Principal and accrued interest on December 1, 2009.

Payments will be rounded to the nearest \$0.01. 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.

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 TO PAY 2008 PROPERTY TAXES ON NORTHWOOD GARDENS APARTMENTS.

9. SECURITY. The Loan is secured by appropriate security instruments prepared together with this Note as follows:

Heritage Seven, LLC
South Carolina Promissory Note
SC/4X/Memo/00115000008012024100100N

Waters Kluwer Financial Services ©1996, 2009 Bankers Systems®

Initials LC
Page 1



Ameris-00152

Document Name: 2018 OBTAINED, N CHARLESTON SC
28406, 1ST MFG, DSD DATED 11-03-07, RCD 11-06-07
DK 413 PDS 131-146, CHARLESTON CO SC
Lender: HUNTER LANE, 2 ACRES, CHARLESTON SC
28402, 1ST MFG, DSD DATED 11-03-07, RCD 11-07-07,
BK 6879, PDS 204-211, HUNTER LANE CO SC

Parties to Document
Mortgage Servicer, LLC
Lender A/Glass

and by the following, previously executed, security instruments or agreements: CROSS COLLATERALIZED TO 28700002178-102 COVERING SAME PROPERTIES.

10. 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 renewal 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 (15 C.F.R. 58.1), as applicable.

11. WAIVERS AND CONSENT. To the extent not prohibited by law, I waive present, payment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of default.

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 waivers you may take, and generally make statements that may be available based on these waivers or based on the terms of a party to this Note.

(1) You may receive or extend payments on this Note, regardless of the number of such renewals or extensions.

(2) You may release any Borrower, co-borrower, guarantor, surety, accommodation maker at any other assignment.

(3) You may release, substitute or transfer any Property securing this Note.

(4) You, or any individual participating in this Note, may waive your right of appeal.

(5) You may also have any other, replacement or participation of this Note to any person in any amount and I waive notice of such sales, replacements 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, guaranteeing or relating to this Note.

(7) I agree that any party who guarantees this loan of any loan accommodations, accounts, extensions, modifications, substitutions or future advances.

B. As Waiver by Lender. Your consent of default, or your forbearance from, or duty to, the exercise of any of your rights, remedies, privileges or rights to default upon my default performance of any conditions 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. COMMISSIONS. I understand and agree that you (or your affiliates) will have commissions at fees on any mortgages produced, and may earn such fees on other services that I buy through you or your affiliates.

13. 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 laws are preempted by Federal law.

14. JOINT AND SEVERAL LIABILITY AND SUCCESSION. 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 remove the who is obligated on the Loan, or any number of us together, to enforce the Loan. Extending the Loan or any other obligation under this Note will not affect my duty under the Loan and I will still be obligated to pay the Loan. This Note and the Loan are 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.

15. ASSIGNMENT, INTEGRATION AND ENTIRETY. This Note may not be assigned 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 shall be severed and the remaining provisions shall not be affected. The parties to this Note represent and warrant that they have not received any other debt from you and I agree to the payment of this Note. In a strict, this Note would become subject to Section 812 of the Uniform Residential Deed Act for Fiscal Year 2007.

16. INTERPRETATION. Whomever 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.

17. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it to my last date sent to the servicer's address listed in the DATE AND PAYMENT section, or to any other 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 applicable information. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, enforce, and preserve my obligations under this Note and to maintain your files relating to my Property. This is of the essence.

18. CREDIT INFORMATION. I agree to supply you with whatever information you reasonably request. You may request for this information without undue frequency, and will give me reasonable time in which to supply the information.

19. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan, closing documents to fix or accurately reflect the facts between you and me. I agree to assume all costs including my fee of destruction and not, however, actual expenses, legal fees and reasonable costs for failing to reasonably comply with your requests within 100 days.

20. SIGNATURES. By signing this Note, I agree to the terms contained in this Note. I acknowledge receipt of a copy of this Note.

BORROWER:
Mortgage Servicer, LLC
Lender A/Glass

Hunter Lane, LLC
South Carolina Residential Trust
SCN/A/2018-0511/05000002178-102/1001

Uniform Residential Deed Act 1980, 2006 Deed Act System

Page 1

Ameris-00153

8. WAIVER AND CONSENT. To the extent not prohibited by law, I hereby release, permit and consent, defend, notice of satisfaction, notice of intent to accelerate and notice of default.

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

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

(2) You may release any Borrower, endorser, guarantor, surety, indemnification matter or any other co-obligor.

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

(4) You, or any third party participating in the Debt, may waive your right of setoff.

(5) You may enter into any other, supplemental or participations in the Debt to any person in any amounts and I waive notice of such acts, requests 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 action taken under the United States Bankruptcy Code concerning the Borrower or me, regardless of any such valuation, or actual amount received by you arising from the sale of such Property.

(8) I agree to continue to pay under the Debt, and agree that any delay or lack of diligence in the enforcement of the Debt, or any failure to file a claim in a bankruptcy proceeding, shall not be a defense to my obligation.

(9) I agree to waive reliance on any anti-deficiency statutes, through subordination or otherwise, and such waiver in no way affects my liability, in addition, until the obligations of the Borrower in favor have been paid in full, I waive any right of subordination, perfection, reimbursement, indemnification, exoneration, and any other right I may have to enforce any security when you now have or in the future may have against the Borrower or another guarantor or as to my Property.

Any Guarantor who is an "insider" as contemplated by the United States Bankruptcy Code, 11 U.S.C. 101, or otherwise, waives every defense, remedy, or other remedy, including, but not limited to, setoff, subordination or other non-payment, obligation. Any person in control of the Borrower, a person in control of the Guarantor, or a person in control of the Guarantor, in each of which the Borrower is a general partner, partner, officer or other person in control at a time relative to any of these other parties. Any Guarantor who is not an insider waives those defenses until the Debt is fully paid.

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 rights to begin upon my actual performance of any provisions contained in the Debt instrument, 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 act or omission, where you acted reasonably and in good faith.

10. RECEIPTS. 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. Rescission. You may void any and all remedies you have or may have in federal law or in any state law relating to the Debt.

C. Insurance Benefits. You may make a claim for any and all insurance benefits or amounts that may be available on account of the Debt.

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. Setoff. You may use the right of setoff. 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 account opened by you or to your predecessor for collection or savings, and any retirement account or other non-retail obligation. "Any account 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 my other waiver controls, my right to receive money from you is also waived by anyone 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 amount I hold subject to my right of set off or endorsement.

You right of set off does not apply to an account or other obligation where my obligation only is a representative capacity. It also does not apply to any individual retirement account or other non-retail obligation.

You will not be liable for the discharge of any check while the dispositive account because you set off against any of my accounts. I agree to hold you harmless from any such holder making a result of your exercise of your right of set off.

F. Waiver. Except as otherwise required by law, by checking any one of "types of check" you do not give up your right to use any other remedy. You do not waive to default if you choose not to use a remedy. If checking not to use any remedy, you do not waive your right to later consider the extent a default and to use any remedies if the default continues or occurs again.

11. COLLECTION EXPENSES AND ATTORNEY'S 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. 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 law or contract governing me or in 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 taken on any responsibilities or obligations from you or any information provided by you regarding 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. RELEASE. I acknowledge that you are relying on this Guaranty in extending credit to the Borrower, and I have signed this Guaranty in order to extend such credit. I represent and warrant to you that I have a clear and individual separate interest in the Borrower and I agree to deliver substantial benefits from my share and financial contributions resulting in the extension of indebtedness guaranteed hereby. I agree to fully and exclusively use the debt to receive the Guaranty proceeds, as to have suggestions in this matter to periodically checked in the Guaranty at any time. In my opinion, the benefits of the Guaranty are to be received by the Guaranty and you will have no duty to include him or condition the receipt of any such benefits, and the Guaranty will be enforceable and enforceable by you without regard to the terms, course 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. ASSIGNMENT, INFORMATION AND SEVERABILITY. This Guaranty may not be assigned or modified by oral agreement. My assignment or modification of this Guaranty is enforceable 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 not be enforceable.

16. ASSIGNMENT. If you assign any of the Debt, you may assign it to any part of the Guarantor without notice to me as my consent, and this Guaranty will remain in the hands of your assignee to the extent of such assignment. You will continue to have the unassigned right to enforce this Guaranty as to any of the Debt, but this right is assigned. This Guaranty shall have 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 Debt 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, my notice will be given by following in so making it by that time sent to the appropriate party's address listed in the DEBT AND PARTIES section, or to any other address designated as valid. Notice to any 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 address information. I will provide you any financial statement or information you request. All financial statements and information given you will be correct and complete. I agree to sign, deliver, and file and to submit any documents or certificates that you may require necessary to perfect, continue, and preserve my obligations under this Guaranty and to execute your two rights on any Property. This 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 about a credit reporting agency your credit information 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 the 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.

Under & O'Brien
South Carolina Guaranty
GCM-000000011802006032024100109Y

Walter Edward Financial Services #1896, 3008 Beardsley Boulevard

10/10/10
Page 2

Ameris-00155

GUARANTOR: Linda A. Gibson
(Linda A. Gibson)
Individual

Ameris-00156

Linda A. Gibson
South Carolina Guaranty
SC/KB/EN/00118600006632094100106V

Waters Knows Financial Services® 1006, 7008 Bankers System®

Initials LG
Page 3

Ameris-00156

Linda Gibson Personal Financial Statement

Dated: 10/6/2009

Personal Assets

133 Horse Trail Rd. St. George, SC Primary Residence	\$	300,000.00
171 Quarter Horse Rd. St. George, SC	\$	410,000.00
Aulas	\$	10,000.00
Cato 2000 Truller	\$	35,000.00
Other Personal Items	\$	27,000.00
Total	\$	782,000.00

Cash in Banks	\$	75.00
3206 Palm Blvd. Acct	\$	6,260.00
Gibson Ranch	\$	128.00
BB&T Checking	\$	12,000.00
Horledge Seven LLC	\$	25.00
Seven Oaks LLO	\$	1,000.00
First Reference	\$	10,475.00
Total	\$	10,475.00

Assets		TMS#
Tract B, Daniel Island	\$	170,000.00 248-00-02-042
104 Family Cemetery Rd.	\$	60,000.00 203-00-01-032
Tract 6 Daniel Island	\$	483,600.00 271-00-01-003
Kilmer Ln, DI, SC	\$	987,300.00 271-00-01-087
Clemente Perry Rd, Lot A, Tract A	\$	3,450,000.00 271-00-01-040
1006 Pinefield Drive Lot B	\$	1,780,000.00 271-00-01-084
637 Marina Drive Lot C	\$	2,825,000.00 271-00-01-005
Kilmer Ln, DI, SC	\$	485,000.00 271-00-01-128
65 acres DI, SC	\$	5,800,000.00 271-00-02-020
2837 Clemente Perry Rd.	\$	2,600,000.00 271-00-02-030
Highland A DI, SC	\$	650,000.00 271-00-02-174
3206 Palm Blvd.	\$	1,600,000.00 571-10-00-140
109-111 Moncks Corner Shopping Center	\$	1,600,000.00
Seven Oaks Apts	\$	1,100,000.00
Total	\$	23,320,800.00

Total Assets \$ 24,121,275.00

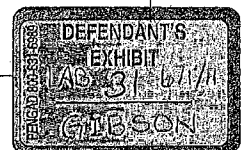
Liabilities	
133 Horse Trail Rd. St. George, SC	\$ 181,188.00
3206 Palm Blvd. 10P, SC	\$ 1,658,007.00
133 Horse Trail Home Equity Mtg	\$ 82,262.00
109-111 S. Hwy 52 (Moncks Corner Shopping Center)	\$ 1,110,742.82
Barn Loan	\$ 46,280.00
Seven Oaks Apartments	\$ 2,829,892.30
Total	\$ 5,778,369.82

Total Liabilities \$ 5,778,369.82

Net Worth \$ 18,342,905.18

Annual Income	
Cell Tower Lease	\$ 32,400.00
Hidden Cove	\$ 54,375.00
BurGib	\$ 90,000.00
3206 Palm Blvd. Rental	\$ 20,000.00
Moncks Corner Plaza	\$ 192,000.00
Seven Oaks Apartments	\$ 80,000.00
Total	\$ 478,775.00

Linda A. Gibson 10/7/09
Linda A. Gibson Date



AMERIS-00256

From: Sturm, Richard
To: zzzDisabled - Zerbst, Karl
Sent: 10/13/2009 12:55:58 PM
Subject: RE: Seven Oaks Apts.

OK

Richard Sturm
Ameris Bank | President SC
1301 Cervino St. | Suite 700
Columbia, SC 29201
(D) 803.733.2881 (F) 803.733.2892 (C) 803.603.7897
richard.sturm@amerisbank.com

Visit us online at www.amerisbank.com

From: Zerbst, Karl
Sent: Thursday, October 08, 2009 5:11 PM
To: Sturm, Richard
Subject: FW: Seven Oaks Apts.

See below. I think the right course of action is to now do a term sheet so we have full disclosure subject to approval by all. I also met with Linda and although she has yet to agree to the offer of \$1,100,000, I think she will. I plan to visit the parcels of land on Saturday with Linda so we can select the tracts of land that she can't will offer as collateral. I will need to complete a LCA on both deals very soon so we can decide and thus order appraisals on the multiple properties. If we can commit next week we then need to allow for the appraisal so we can close by month end to avoid any carry. Update you more as I know.

Karl H. Zerbst, Jr.
Ameris Bank | Market President
998-C Houston Northwest | Mt. Pleasant, SC 29404
(D) 843-648-5488 (F) 843-881-8350
(C) 843-452-3538 (O) 843-375-4069
kj.zerbst@amerisbank.com

From: Phillip Murphy (<mailto:phillip.murphy@krology.net>)
Sent: Thursday, October 08, 2009 4:19 PM
To: Zerbst, Karl
Subject: RE: Seven Oaks Apts.

Karl,
Let's move forward. Did your meeting with Linda go OK? Let's put this project to bed and move forward with a closing.
Phillip

-----Original Message-----
From: Zerbst, Karl (<mailto:Karl.Zerbst@amerisbank.com>)
Sent: Thursday, October 08, 2009 4:36 PM
To: Phillip Murphy
Subject: RE: Seven Oaks Apts.

In response to your email, we can not offer a fixed rate at 4.25% as I mentioned to you when I met you today but we can cap the interest rate to where it is fair to both parties. If you want to transfer the debt after 2 years that's fine but that will require a new note. What we discussed today we both agreed it was fair and equitable. And that is how I have always been with you and others. I am not able to negotiate terms beyond what I shared at your house. Let me know if you want a term sheet that supports our conversation, thanks.

Karl H. Zerbst, Jr.
Ameris Bank | Market President
998-C Houston Northwest | Mt. Pleasant, SC 29404
(D) 843-648-5488 (F) 843-881-8350
(C) 843-452-3538 (O) 843-375-4069
kj.zerbst@amerisbank.com

From: Phillip Murphy (<mailto:phillip.murphy@krology.net>)
Sent: Thursday, October 08, 2009 4:10 PM
To: Zerbst, Karl
Subject: Seven Oaks Apts.

Karl, please review and call me.
Thanks,
Phillip

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to which they are addressed. It is not an offer or acceptance, and it is not intended

AMERIS-EMAILS-000199



From: zzzDisabled - Zerbst, Karl
To: Charpla, David; Sturm, Richard
Sent: 11/6/2009 3:40:26 PM
Subject: Linda Gibson

Update: I meet with her Monday at 4:00 to discuss what tracts of land and how many we will use to secure our residual loan. I plan to offer a term sheet for two loans so we can move forward in the restructuring of the current indebtedness. She told me last night she is expecting an offer for the beach house and as a result First Citizens is waiting to see before they start any type of action. She has the property listed for \$1,650,000 which essentially pays the debt and commission. Update again after Monday.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

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(C) 843-452-3838 (O) 843-375-4969

karl.zerbst@amerisbank.com



AMERIS-EMAILS-001165

From: zzzDisabled - Zerbst, Karl
To: Charpla, David; Snipes, Don
Sent: 11/9/2009 11:10:24 PM
Subject: Linda Gibson

I met with her and her lawyer, Robert Papa, today. He is helping her to work out her issue with the banks, particularly with First Citizens but he came with her today to get an understanding of where we are. Meeting went well and they plan to visit with First Citizens tomorrow. They will get back to me very soon with a plan to resolve the current status. I'll let you know.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

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(C) 843-452-3838 (O) 843-375-4969

karl.zerbst@amerisbank.com



AMERIS-EMAILS-000220

From: zzzDisabled - Zerbst, Karl
To: Charpia, David; Snipes, Don; Sturm, Richard
Sent: 11/17/2009 10:40:36 PM
Subject: FW: Linda Gibson

I met with Linda and her new attorney, Robert Papa last Monday. He was to get back with me last week but did not although I did receive this email today. Larry Richter confirmed today that his firm no longer represents Linda. I wish he did for our benefit but I understand why he no longer does. With respect to the below email, I'm not sure what Robert is asking for in the way of more help from Ameris. It seems they need to offer something that works for both of us. Linda did call me today and asked for a little more time. I do and will remain hopeful that we can resolve the issues we face but I don't think we can or should wait for 1st Citizens. I have selected two parcels of land that is income producing to Linda that would be used on the residual loan if Linda and Robert want to work for a win-win. David - I got your voice mail and can meet with you at 4:30 tomorrow and I will know more then.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

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(C) 843-452-3838 (O) 843-375-4969

karl.zerbst@amerisbank.com

From: Robert Papa [mailto:papa@btitelecom.net]
Sent: Tuesday, November 17, 2009 4:20 PM
To: Zerbst, Karl
Subject: RE: Linda Gibson

Hi Karl,

I have been spending quite a bit of time with Linda trying to sort out things to be able to advise her on what is in her best interest. As you know, Linda has no earned income from a 9-5 job. Her subsistence is based on the real estate income. What Ameris is offering re the deferment of the \$300K is appreciated. The numbers for Linda are close but we need more help from Ameris. The attorney for First Citizens is in NYC and returns this Thursday or Friday so I do not have a concession package with them yet. I have court tomorrow in Chas in the morning and Walterboro in the afternoon but will check emails early and mid-day. Rob

From: Zerbst, Karl [mailto:Karl.Zerbst@amerisbank.com]
Sent: Friday, November 13, 2009 5:39 PM
To: papa@btitelecom.net
Subject: Re: Linda Gibson

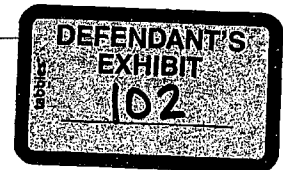
He represents me personally but not the bank. That would be his conflict in my opinion. I thank you for your immediate attention. We need to meet Monday and decide if Linda is in favor of the residual loan to include 2 parcels that she owns that will secure the loan. I can not stress the importance of that structure being put in place. I will be available Monday afternoon if that makes sense with you and Linda. Thank you

From: Robert Papa
To: Zerbst, Karl
Sent: Fri Nov 13 16:16:29 2009
Subject: Linda Gibson

Good afternoon Karl,

I just finished meeting with Linda. I was out yesterday all day and into the evening on a mediation so I essentially lost a day this week. I was unable to speak to Larry Richter this week by phone but I wrote to him. He wrote back and indicated that he did in fact have a conflict of interest as to Ameris Bank. He did not elaborate in his response other than to say he had such a conflict. You tell me he has no conflict. Is there any light you can shed on that? Did he or is he representing you personally or in some venture?

In any event, I also just got a response yesterday from Richter about First Citizens. I am trying to meet with not First Citizens but their attorney. I am waiting at this time to see if that can happen on Monday.



AMERIS-EMAILS-000214

Please get back to me re the above. I look forward to moving this forward on a positive note next week.

Thank you

Rob Papa

Papa, Ungaro, and Falkiewicz

Attorneys at Law

6 Carriage Lane

Charleston, SC 29407

AMERIS-EMAILS-000215

From: zzzDisabled - Zerbst, Karl
To: Charpia, David; Snipes, Don
CC: Sturm, Richard
Sent: 11/23/2009 10:46:02 PM
Subject: Linda Gibson

She is coming to my office tomorrow with or without her attorney, I would like for him to attend. Do you want to be on the phone for the discussion? She is planning on being in my office at 1:15, does this work? Richard – you are certainly invited as well.

Karl H. Zerbst, Jr.

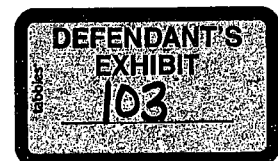
Ameris Bank | Market President

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karl.zerbst@amerisbank.com



AMERIS-EMAILS-000213

From: zzzDisabled - Zerbst, Karl
To: Sturm, Richard; Snipes, Don; Charpia, David
Sent: 11/25/2009 2:27:38 PM
Subject: FW: Linda Gibson

Don -- nothing has been committed to her as she has not been forthright in her decisions. However, this figure was discussed after Richard made the offer thinking this might make the difference in her moving forward. We might want to consider deferring the interest on the \$300,000 if she moves forward today; however allow the sale of the apartments if more than the current offer be applied to the \$300,000. Just an idea.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

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(C) 843-452-3838 (O) 843-375-4969

karl.zerbst@amerisbank.com

From: Snipes, Don
Sent: Wednesday, November 25, 2009 9:12 AM
To: Sturm, Richard; Zerbst, Karl; Charpia, David
Subject: RE: Linda Gibson

Have we "committed" on the \$300M yet? If not, given her asset values, maybe we reduce that to \$200M or less, but I don't want this to clog up any deal we can strike.

From: Sturm, Richard
Sent: Wednesday, November 25, 2009 8:45 AM
To: Zerbst, Karl; Charpia, David; Snipes, Don
Subject: RE: Linda Gibson

We discussed reducing the residual loan by 300,000 to induce her to take out deal. Is that off the table now?

Richard Sturm

Ameris Bank | President SC

1301 Gervais St. | Suite 700

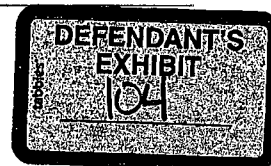
Columbia, SC 29201

(D) 803.733.2681 (F) 803.733.2692 (C) 803.603.7897

richard.sturm@amerisbank.com

Visit us online at www.amerisbank.com

From: Zerbst, Karl
Sent: Wednesday, November 25, 2009 8:11 AM
To: Charpia, David; Snipes, Don
Cc: Sturm, Richard
Subject: Linda Gibson



As we discussed last evening Linda is to decide today, preferably by noon if she will in fact decide first, to sell the property and stay committed to that decision and second, agree to the terms and most importantly the collateral that I have suggested. To that point, I would like for us to document through this email our plan so I can move quickly to put things in place for the betterment of the bank. Loan #1 for \$1,200,300 secured by the apartment property for 90 days interest only monthly to allow time for Linda to sell or refinance. In 90 days, it must be gone. Loan # 2 - Residual loan - \$1,646,237 for 90 days interest only then term out for 9 months, which will be at maturity. Rates of interest are at 4.25% with payments for the 9 months at 30 year amo. This structure is all predicated on Linda offering two tracks of land held in her name and to be cross collateralized on both loans. The 2 tracks are identified as 271-00-01-040 and 271-00-02-030. Gary Pruitt has suggested a value of \$2,450,000 for both tracks. In my opinion these two tracks have the most value in Linda's portfolio. If we can accomplish this structure and

AMERIS-EMAILS-000196

quickly it allows for a win-win for both the bank and Linda. It was decided last night we could close with out the appraisals and subsequently order them once closed. I would have the Woody Law Firm to close. If Linda were to use her attorney, I would still have Woody review the documents and borrower's expense. Let me know if I have illustrated our discussion correctly. On the other hand, if she does not agree then David gets the file.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

966-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

AMERIS-EMAILS-000197

From: zzzDisabled - Zerbst, Karl
To: Charpia, David; Snipes, Don
Sent: 11/25/2009 7:08:46 PM
Subject: FW: Linda Gibson

Just called Linda she is awaiting to hear from her attorney, I look to hear from her soon. Let you know

Karl H. Zerbst, Jr.

Ameris Bank | Market President

966-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: Zerbst, Karl
Sent: Wednesday, November 25, 2009 8:11 AM
To: Charpia, David; Snipes, Don
Cc: Sturm, Richard
Subject: Linda Gibson

As we discussed last evening Linda is to decide today, preferably by noon if she will in fact decide first, to sell the property and stay committed to that decision and second, agree to the terms and most importantly the collateral that I have suggested. To that point, I would like for us to document through this email our plan so I can move quickly to put things in place for the betterment of the bank. Loan #1 for \$1,200,300 secured by the apartment property for 90 days interest only monthly to allow time for Linda to sell or refinance. In 90 days, it must be gone. Loan #2 – Residual loan - \$1,646,237 for 90 days interest only then term out for 9 months, which will be at maturity. Rates of interest are at 4.25% with payments for the 9 months at 30 year amo. This structure is all predicated on Linda offering two tracks of land held in her name and to be cross collateralized on both loans. The 2 tracks are identified as 271-00-01-040 and 271-00-02-030. Gary Pruitt has suggested a value of \$2,450,000 for both tracks. In my opinion these two tracks have the most value in Linda's portfolio. If we can accomplish this structure and quickly it allows for a win-win for both the bank and Linda. It was decided last night we could close with out the appraisals and subsequently order them once closed. I would have the Woody Law Firm to close. If Linda were to use her attorney, I would still have Woody review the documents and borrower's expense. Let me know if I have illustrated our discussion correctly. On the other hand, if she does not agree then David gets the file.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

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(C) 843-452-3838 (O) 843-375-4969

karl.zerbst@amerisbank.com



AMERIS-EMAILS-001166

From: Charpla, David
To: zzzDisabled - Zerbst, Karl
Sent: 11/25/2009 10:28:58 PM
Subject: Re: Linda Gibson

I will touch base with you on Monday when I get back to the office. I hope you have a great thanksgiving. David

From: Zerbst, Karl
To: Charpia, David
Cc: Snipes, Don; Sturm, Richard
Sent: Wed Nov 25 17:21:59 2009
Subject: Linda Gibson

She called me after she talked to Rob Papa and he doesn't want her to make a decision until he has time to think on the issue. So I hand it over to you. She did ask and I told her of the parcels that would be acceptable to us. I think she will decide to do what has been recommended but Rob may slow the process down. Let me know if I can help.

Karl H. Zerbst, Jr.

Ameris Bank | Market President

966-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



AMERIS-EMAILS-001169

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made and entered into as of December 1, 2010 (the "Effective Date") by and among Galt Valley, LLC ("Galt"), Heritage Seven, LLC ("Heritage"), Paul William Gibson Family Trust ("Trust"), and Linda A. Gibson f/k/a Linda Ann Avinger ("Gibson"). The signatories to this Agreement, as the context may require, are sometimes referred to individually as a "party" and collectively as the "Parties".

RECITALS

WHEREAS, Heritage is the maker of a promissory note also known as loan number 7970000179-101 dated November 2, 2007 ("Note 101"), made payable to Ameris Bank and its successors and assigns, in the original principal amount of \$2,810,164.50.

WHEREAS, Note 101 is secured by a Mortgage dated November 2, 2007 (the "101 Mortgage") covering certain property identified therein (the "Charleston Property"), and recorded at Book L643, Page 739, in the property records of Charleston County RMC on November 6, 2007, South Carolina.

WHEREAS, Note 101 was also secured by an Assignment of Leases and Rents dated November 2, 2007 (the "101 Leases"), and recorded in Book O643, page 226, in the property records of Charleston County RMC, South Carolina on November 6, 2007.

WHEREAS, Heritage is the maker of a promissory note also known as loan number 7970000179-103 dated October 1, 2009 ("Note 103"), made payable to Ameris Bank and its successors and assigns, in the original principal amount of \$ 50,071.96.

WHEREAS, Note 103 is secured by a Mortgage, Assignment of Leases and Rents dated November 2, 2007 (the "103 Leases") covering certain property identified therein (the "Berkeley Property"), and recorded at Book 6975, page 204, and Book 6975, page 212, respectively in the property records of Berkeley County, South Carolina.

WHEREAS, the indebtedness evidenced by Note 101 and Note 103 (collectively, the "Notes") were guaranteed by the Trust and Gibson (the "Guaranties"), who at all relevant times, were the sole members and managers of Heritage.

WHEREAS, Heritage failed to make payments due under the Notes and Ameris Bank declared a default thereunder.

WHEREAS, on June 14, 2010, Ameris Bank filed a lawsuit against Heritage et al in an action styled Ameris Bank v. Linda A. Gibson, formerly known as Linda Ann Avinger, individually and as Trustee of the Paul W. Gibson Family Trust, Heritage Seven, LLC, and Access Portable Toilets, Inc., in the Court of Common Pleas, Berkeley County, South Carolina, Civil Action File No. 2010-CP-08-2134 (the "Lawsuit"), asserting claims for breach of the Notes, breach of the Guaranties and for attorneys' fees. Heritage and Gibson, individually and as trustee, answered and asserted counterclaims against Ameris Bank in the Lawsuit.



WHEREAS, on July 14, 2010, Ameris Bank, assigned Note 101, Note 103, 101 Mortgage, 103 Mortgage, 101 Leases, 103 Leases, and Guaranties (collectively, the "Loan Documents"), to Galt.

WHEREAS, by Consent Order, dated August 23, 2010, Galt, as assignee of the Loan Documents, was substituted for Ameris Bank as Plaintiff in the Lawsuit, and Ameris Bank was interposed as a Counterclaim Defendant.

WHEREAS, the Parties, without any admission of liability, desire to fully compromise and settle all litigation, claims and disputes between them, and to avoid the uncertainty, inconvenience and expense of further litigation, upon the terms contained herein.

NOW, THEREFORE, in consideration of the covenants, promises, releases and other provisions contained herein, and the recitals hereto which are an integral part of this Agreement, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Transfer of Interest in the Collateral Properties. Heritage hereby agrees to execute deeds attached hereto as Exhibits A and B and bill of sale attached hereto as Exhibit C as well as any other documents necessary to effect the transfer of all of its right, title and interest in the real property and personal property secured by the 101 Mortgage and 103 Mortgage, and that such transfer is effective as of the Effective Date, with Galt now the owner.

2. Payment by Heritage to Galt. Heritage agrees to pay Galt the sum of all monies received from Leases and Rents as to the property in Berkeley County since October 15, 2010 and December 1, 2010 as to the property in Charleston County related to the properties which are the subject of the recitals.

3. Satisfaction of the Notes. The Parties agree that Note 101 and Note 103 are deemed satisfied as a result of this Agreement and Galt, therefore, shall cancel the Loan Documents of record.

5. Dismissal of Litigation. Within ten (10) days of the execution of this Agreement, the Parties agree to dismiss all pending litigation between or among them as follows:

- (a) The Parties agree to file a Consent Order and Stipulation of Dismissal With Prejudice in the Lawsuit, in the form attached hereto as Exhibit D.

6. Releases.

- (a) Heritage, the Trust, and Gibson on behalf of themselves and their respective predecessors, successors, assigns, heirs, executors, parent

corporations, subsidiaries, affiliates, past and present officers, directors, managers, employees, partners, members, shareholders, owners, attorneys, representatives and agents, do hereby fully, finally and forever release and discharge Galt and its respective successors, assigns, parent corporations, subsidiaries, affiliates, partnerships, past and present officers, directors, managers, employees, partners, members, shareholders, owners, attorneys, representatives and agents, from any and all claims, disputes, demands, actions, causes of action or suits of any kind or nature whatsoever, in law or equity, whether known or unknown, arising out of or related in any way to any acts, events, facts or transactions from the beginning of time through the Effective Date of this Agreement, including without limitation, any and all claims or counterclaims that were or could have been asserted in the Lawsuit but expressly reserves all claims against Ameris and its agents and employees.

(b) Galt, on behalf of itself and its predecessors, successors, assigns, parent corporations, subsidiaries, affiliates, past and present officers, directors, managers, employees, partners, members, shareholders, owners, attorneys, representatives and agents, does hereby fully, finally and forever release and discharge Heritage, the Trust, and Gibson, and their respective predecessors, successors, assigns, heirs, executors, parent corporations, subsidiaries, affiliates, past and present officers, directors, managers, employees, partners, members, shareholders, owners, attorneys, representatives and agents, from any and all claims, disputes, demands, actions, causes of action or suits of any kind or nature whatsoever, in law or equity, whether known or unknown, arising out of or related in any way to any acts, events, facts, transactions, or documents which are the subject of the recitals from the beginning of time through the Effective Date of this Agreement, including without limitation, any and all claims or counterclaims that were or could have been asserted in the Lawsuit.

(c) The releases set forth above in paragraphs 6(a) and 6(b) shall not release or otherwise affect any rights and obligations established by or under this Agreement, or the agreements and instruments executed in connection herewith.

7. Covenant Not to Sue. Each Party hereby covenants and agrees that it will not commence, prosecute, authorize, direct, participate or assist in any way in the commencement or prosecution of any action, suit, arbitration, complaint, or other proceeding against the other based on any claims released by it herein.

8. Notices. All notices and communications under this Agreement shall be in writing and shall be given by (a) hand delivery, (b) first class mail (postage prepaid), (c) certified mail, return receipt requested (postage prepaid), or (d) nationally-recognized overnight commercial delivery service (charges prepaid) to the addresses listed in this Agreement. Notice shall be deemed to be effective: (a)

if by hand delivery, upon delivery; (b) if by mail, upon the expiration of five (5) business days from the date first deposited in the United States mail, inclusive of the day deposited; (c) if by certified mail, return receipt requested, upon the expiration of five (5) business days from the date first deposited in the United States mail, inclusive of the day deposited; and (d) if by overnight delivery service, on the date of delivery. A Party may change its address by giving written notice to the other Parties as specified herein. The current notice addresses of the Parties are:

If to Galt:

Galt Valley, LLC
Attn: Jeremiah A. Henderson, III
3540 W. Sahara Avenue #729
Las Vegas, NV 89102

With copy to:

Rosen, Rosen, & Hagood, LLC
Attn: Alice Paylor
134 Meeting Street, Suite 200
P.O. Box 893
Charleston, South Carolina 29402-0893

If to Heritage or Gibson:
Heritage Seven, LLC
Attn: Linda Gibson
133 Horse Trail Rd
St. George, South Carolina 29477

With copy to:
Andrew K. Epting, Jr., LLC
Attn: Andrew K. Epting, Jr.
3 State Street
Charleston, South Carolina 29401

9. No Prior Assignment. Each Party represents and warrants that it has not assigned or transferred or purported to assign or transfer to any person, firm, corporation or other entity any of the claims released by it in this Agreement.

10. Governing Law and Venue. This Agreement shall in all respects be governed, construed, interpreted and enforced in accordance with the laws of the State of South Carolina, without regard to its choice of law principles.

11. No Admission of Liability. In entering into this Agreement, no Party is admitting the sufficiency of any of the claims, counterclaims, assertions,

contentions, evidence, or position of any other Party, nor the sufficiency of any defense to any such claims, counterclaims, assertions, contentions, evidence or position. This Agreement is executed by the Parties for the sole purpose of compromising and settling the claims herein.

12. Entire Agreement. This Agreement and the agreements and instruments executed in connection herewith, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written.

13. Amendments, Modifications. This Agreement may not be amended or modified except by a written instrument signed by the Parties.

14. Severability. In the event that any term or provision of this Agreement is found to be invalid, unenforceable or void, the remaining terms and provisions shall not be affected thereby and shall remain in full force and effect, and the term or provision held to be invalid, unenforceable or void shall be deemed not to be a part of this Agreement.

15. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

16. Authority and No Violation. Each Party represents and warrants to each other Party that (a) it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder, (b) such execution, delivery and performance have been duly and validly authorized by all necessary corporate or other action, (c) such execution, delivery and performance will not violate or breach its charter or bylaws or any agreement to which it is a party or by which it might be bound, and (d) this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

17. Advice of Counsel. The Parties represent and warrant to each other that they have fully read this Agreement, have consulted with their counsel regarding the Agreement, understand its effects, and without coercion or duress, enter into this Agreement freely and voluntarily.

18. Interpretation of Agreement. In the interpretation of this Agreement, there shall be no presumptions made on account of draftsmanship inasmuch as this Agreement has been negotiated, reviewed and approved by all Parties and their counsel.

19. Settlement Documentation/Counterparts. The Parties agree to execute any further documents necessary to effectuate this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all counterparts so executed shall constitute one agreement binding upon all of the Parties hereto, notwithstanding that all of the Parties are not signatories to the

same counterpart. Signatures transmitted by facsimile or by electronic mail shall be deemed originals.

20. Transition of Ownership of Properties. Gibson, the Trust and Heritage agree to assist Galt in the transition of the ownership of the Properties and to provide to Galt all documents and information in their possession concerning the operation of the Charleston and Berkeley Properties and to assist in any way necessary to make a smooth transition of the ownership of the Properties.

21. No other liens on Properties. Gibson, the Trust and Heritage attest that there are no liens on the Properties other than the mortgage liens previously described and a Mechanic's Lien from Access Portable Toilets, Inc., and they further agree that, as of December 1, 2010, should there be any additional liens on the Properties, Gibson, the Trust and Heritage will be responsible for satisfying those liens within thirty (30) days of receipt of notice from Galt.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the day and year written above.

Galt Valley, LLC

By: _____

Name: _____

Title: _____

Heritage Seven, LLC

By: Linda Gibson

Name: _____

Title: MANAGING MEMBER

Paul W. Gibson Family Trust

By: Linda Gibson

Name: _____

Title: MANAGING MEMBER

Linda Gibson
Linda Gibson

TITLE NOT SEARCHED BY ROSEN, ROSEN & HAGOOD, LLC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

GENERAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS that the HERITAGE SEVEN, LLC (hereinafter "Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration to the Grantor in hand paid at and before the sealing and delivery of these presents by GALT VALLEY, LLC (hereinafter "Grantee"), the receipt whereof is hereby acknowledged, has granted, bargained, sold and released to the Grantee, its successors and assigns forever, all right, title, and interest of Grantor in and to all of the property described on Exhibit "A" which is attached hereto, made a part hereof, and incorporated herein by reference.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the Grantee hereinabove named, and its successors and assigns forever.

And the Grantor does hereby bind the Grantor and its successors and assigns to warrant and forever defend all singular and said premises unto the Grantee hereinabove named, and its successors and assigns and against the Grantor and its successors and assigns and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

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WITNESS the Grantor's hand and seal this 3rd day of December, 2010.

IN THE PRESENCE OF:

HERITAGE SEVEN, LLC

Carol Johnson
V. SL. Tom

By: Linda A. Gibson
Linda A. Gibson f/k/a Linda Avinger
Its: Managing Member

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I, Vicki Sheri Towne, Notary Public for South Carolina, do hereby certify that HERITAGE SEVEN, LLC, by Linda A. Gibson, its Managing Member, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 3rd day of December, 2010.

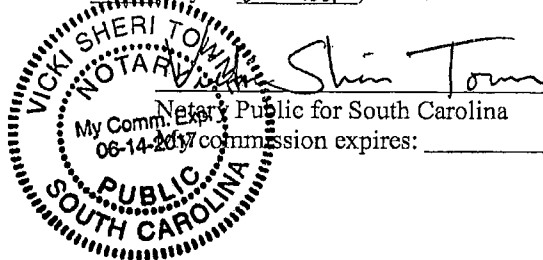


EXHIBIT "A"

ALL that certain piece, parcel or lot of land, lying and being in the State of South Carolina, County of Charleston, containing 3.633 acres, more or less, as shown and designated as Tracts A & B on a plat prepared by Sigma Engineers, Inc. dated April 14, 1971, and recorded in the RMC Office for Charleston County on April 28, 1971, in Plat Book AA at Page 37. Reference is hereby made to the most recent survey for a more complete and accurate metes and bounds description thereof.

SUBJECT TO all restrictions, set back lines, road ways, easements and rights of way, if any, appearing of record on the premises, or on the recorded plat(s) which affect the property hereinabove described.

BEING the same property conveyed to Grantor by deed of ABESPRO, LLC dated November 2, 2007 and recorded November 6, 2007 in Book L-643 at Page 016 in the RMC Office for Charleston County, South Carolina.

TMS No.: 485-03-00-114

Address for Tax Bill: 3540 West Sahara Avenue, # 729
Las Vegas, NV 89102

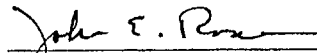
STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

AFFIDAVIT RE DEED RECORDING FEE

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

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by **Heritage Seven, LLC to Galt Valley, LLC** for property known as 2625 Otranto Road, North Charleston, Charleston County, South Carolina, 29406, bearing TMS No. 485-03-00-114 on December 3, 2010.
3. **CHECK ONE** of the following:
 - (a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) **EXEMPT** from the deed recording fee because of exemption No. 13, deed in lieu; if exempt, skip items 4-7 and go to item 8 of this Affidavit.
4. Check one of the following if either 3(a) or 3(b) has been checked:
 - (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of .00
 - (b) The fee is computed on the fair market value of the realty which is \$ _____.
 - (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check ☐ YES or ☐ NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If YES, the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - (a) \$.00 the amount listed in 4 above; LESS
 - (b) \$---- 0.00, the amount listed in 5 above (if none, show 0);
 - (c) \$.00 Subtract 6(b) from 6(a) and place result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as Grantor and Grantee.

I understand that a person required to furnish this Affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


John E. Rosen

SWORN to before me this
3rd day of December, 2010


Notary Public for South Carolina
My Commission Expires: 9-8-2020

TITLE NOT SEARCHED BY ROSEN, ROSEN & HAGOOD, LLC

STATE OF SOUTH CAROLINA)
)
COUNTY OF BERKELEY) GENERAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS that the HERITAGE SEVEN, LLC (hereinafter "Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration to the Grantor in hand paid at and before the sealing and delivery of these presents by GALT VALLEY, LLC (hereinafter "Grantee"), the receipt whereof is hereby acknowledged, has granted, bargained, sold and released to the Grantee, its successors and assigns forever, all right, title, and interest of Grantor in and to all of the property described on Exhibit "A" which is attached hereto, made a part hereof, and incorporated herein by reference.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the Grantee hereinabove named, and its successors and assigns forever.

And the Grantor does hereby bind the Grantor and its successors and assigns to warrant and forever defend all singular and said premises unto the Grantee hereinabove named, and its successors and assigns and against the Grantor and its successors and assigns and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

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WITNESS the Grantor's hand and seal this 3rd day of December, 2010.

IN THE PRESENCE OF:

HERITAGE SEVEN, LLC

Dana Gibson
V. Sheri Towne

By: Linda A. Gibson
Linda A. Gibson f/k/a Linda Avinger

Its: Managing Member

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I, Vicki Sheri Towne, Notary Public for South Carolina, do hereby certify that HERITAGE SEVEN, LLC, by Linda A. Gibson, its Managing Member, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 3rd day of December, 2010.

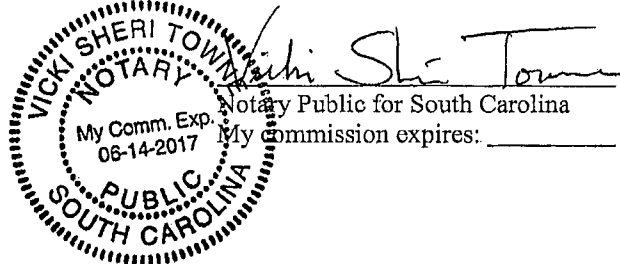


EXHIBIT "A"

ALL that certain piece, parcel or lot of land, situate, lying and being in the County Of Berkeley, South Carolina, and shown and designated as "Residential Property of Linda Ann Gibson TMS # 271-00-01-037 (now TMS # 271-00-01-129, on a "Plat Showing a 100' Right of Way Designated Parcels "A" and "B" and a 50' Right of Way Designated Parcels "C" & "D", Parcels "B" & "D" Being owned by Linda Ann Gibson, Parcels "A" & "C" being owned by the Heirs of Ben Billinger, 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.

SUBJECT TO all restrictions, set back lines, road ways, easements and rights of way, if any, appearing of record on the premises, or on the recorded plat(s) which affect the property hereinabove described.

BEING a portion of the same property conveyed to Grantor by deed of New Mary Ann Baptist Church a/k/a Maryann Baptist Church dated May 24, 1985 and recorded September 12, 1985 in the ROD Office for Berkeley County in Book A-616 at Page 220, and by Deed of W.R. Detyens dated May 15, 1969 and recorded in Book A-261 at Page 40.

TMS No.: 271-00-01-129

Address for Tax Bill: 3540 West Sahara Avenue, # 729
Las Vegas, NV 89102

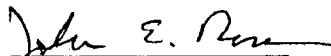
STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

AFFIDAVIT RE DEED RECORDING FEE

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

1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred by **Heritage Seven, LLC to Galt Valley, LLC** for property known as 615 Klister Lane, Charleston, Charleston County, South Carolina, 29492, bearing TMS No. 271-00-01-129 on December 3, 2010:
3. **CHECK ONE** of the following:
 - (a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) **EXEMPT** from the deed recording fee because of exemption No. 13, deed in lieu; if exempt, skip items 4-7 and go to item 8 of this Affidavit.
4. Check one of the following if either 3(a) or 3(b) has been checked:
 - (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of .00
 - (b) The fee is computed on the fair market value of the realty which is \$ _____.
 - (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check ☐ YES or ☐ NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If YES, the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - (a) \$.00 the amount listed in 4 above; LESS
 - (b) \$--- 0.00, the amount listed in 5 above (if none, show 0);
 - (c) \$.00 Subtract 6(b) from 6(a) and place result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as Grantor and Grantee.

I understand that a person required to furnish this Affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


John E. Rosen

SWORN to before me this
3rd day of December, 2010


Notary Public for South Carolina
My Commission Expires: 9-8-2020

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that HERITAGE SEVEN, LLC (hereinafter called the "Grantor"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid, at and before the sealing and delivery of these presents by GALT VALLEY, LLC, the receipt whereof it does hereby acknowledge, has bargained and sold, and by these presents does bargain, sell and deliver to the said GALT VALLEY, LLC, its successors and assigns forever, all of its right, title and interest in the following described property, to wit:

[insert property description] SEE ATTACHED LIST

TO HAVE AN TO HOLD, all and singular, the said goods, chattel, equipment and all other items of personal property to the said GALT VALLEY, LLC, its successors and assigns, to its own use forever.

The Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend all and singular the said personal property unto the GALT VALLEY, LLC, its successors and assigns, against itself and its successors and assigns and any person lawfully claiming through Grantor.

The Grantor does hereby warrant that said personal property is free and clear from all claims, liens and encumbrances by any person claiming through Grantor.



IN WITNESS WHEREOF, the Grantor has hereunto set its Hand and Seal, this 3rd day of December, 2010

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Dana Gibson
Vicki Shum-Tan

HERITAGE SEVEN, LLC

By: Linda A. Gibson
Linda A. Gibson f/k/a Linda Avinger
Its: Managing Member

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

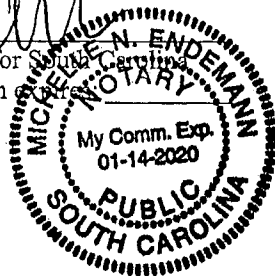
SS

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named HERITAGE SEVEN, LLC, by Linda A. Gibson, its Managing Member, sign, seal, and as its act and deed, deliver the within written instrument, and that (s)he with the other witness witnessed the execution thereof.

Vicki Shum-Tan

Sworn to before me this
3rd day of December, 2010.

Michael N. Endemann
Notary Public for South Carolina
My commission expires



100	200	300
A O, S, R, D	A O, S, R, D	A E N
B S, R, D	B O, S, D, R	B E N
C E, S, D	C E, S, D	C E N
D O, S, R, D	D O, S, R, D	D E N
E O, S, R, D	E O, S, R, D	E E N
F O, S, R, D	F O, S, R, D	F E N
G O, S, R, D	G O, S, R, D	G E N
H E, S, D	H E, S, R, P	H E N

R. 200
Storage

400	500	600
A O, S, R	A O, S, R, D	A E D
B O, S, R, D	B E S D	B E N
C O, S, R, D	C E D	C E N
D E, S, R, D	D O, S, R, D	D E N
E E, S, R, D	E O, S, R, D	E E D
F E, N	F E, S,	F E, S, D, R
G O, S, R, D	G E, S, R, D	G E, R, D
H O, S, R, D	H E, D, S	H E, D

R = Refrigerator
S = stove
D = Dishwasher
E = Empty
N = No Appliances
O = Occupied

STATE OF SOUTH CAROLINA)
COUNTY OF BERKELEY)

Galt Valley, LLC,)

Plaintiff,)

v.)

Linda A. Gibson, formerly known as Linda)
Ann Avinger, Individually and as Trustee of)
the Paul William Gibson Family Trust,)
Heritage Seven, LLC and Access Portable)
Toilets, Inc.,)

Defendants.)

Linda A. Gibson, formerly known as Linda)
Ann Avinger, Individually and as Trustee of)
the Paul William Gibson Family Trust and)
Heritage Seven, LLC,)

Counterclaimants,)

v.)

Ameris Bank,)

Counterclaim Defendant.)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
Case No. 2010-CP-08-2134

ORDER

This matter comes before me on Motion of the Plaintiff (Galt Valley, LLC) and with the consent of the Defendants, Linda A. Gibson, formerly known as Linda Ann Avinger, Individually and as Trustee of the Paul William Gibson Family Trust, and Heritage Seven, LLC. It appears that the claims against the Defendants on the obligations and notes sued upon by Ameris Bank and assigned to Plaintiff have been settled and that Galt and the Defendants have released each other; and

It further appearing that the Counterclaimants' claims against the Counterclaim Defendant, Ameris Bank, remain as stated by the Defendants in their pleading as filed on July 20, 2010.



Order
Case No.: 2010-CP-08-2134

It is ordered that the claims of the Plaintiff are dismissed with prejudice and that the claims of the Counterclaimant against the Counterclaim Defendant continue.

IT IS SO ORDERED.

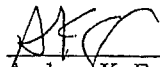
Robert E. Watson
Master-in-Equity

_____, 2010
Moncks Corner, South Carolina

Order
Case No.: 2010-CP-08-2134

WE SO MOVE:

ANDREW K. EPTING, JR., LLC



Andrew K. Epting, Jr.
3 State Street
Charleston, SC 29401
Ph.: 843-377-1871
Fx.: 843-377-1310

GEORGE J. KEFALOS, PA

George J. Kefalos
3 State Street
Charleston, SC 29401
Ph.: 843-722-6612
Fx.: 843-377-1310

Attorneys for Defendants Linda A. Gibson, formerly
Known as Linda Ann Avinger, Individually and as Trustee of the
Paul William Gibson Family Trust and Heritage Seven, LLC

Order
Case No.: 2010-CP-08-2134

I CONSENT:

ROSEN, ROSEN & HAGOOD, LLC

Alice F. Paylor
134 Meeting St., Suite 200
PO Box 893
Charleston, SC 29402
Ph.: 803-404-6900
Fx.: 803-404-6901
Email: apaylor@rrhlawfirm.com

Attorney for Plaintiff Galt Valley, LLC

Order
Case No.: 2010-CP-08-2134

I CONSENT:

McDONALD, McKENZIE, RUBIN, MILLER & LYBRAND, LLP

Ben N. Miller, III
PO Box 58
Columbia, SC 29202
Ph.: 803-252-0500
Email: bmiller@mmrml.com

Attorney for Plaintiff Ameris Bank

Order
Case No.: 2010-CP-08-2134

I CONSENT:

SOWELL GRAY STEPP & LAFFITTE, LLC

Amy L. B. Hill
PO Box 11449
Columbia, SC 29211
Ph.: 803-929-1400
Fx.: 803-929-0300
Email: ahill@sowellgray.com

Attorney for Counterclaim Defendant Ameris Bank

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

Linda A. Gibson, Heritage Seven, LLC,
and Seven Oaks Apartments, LLC,)

Plaintiffs,)

vs.)

Rolando V. Villavicencio, RPV
Investments, LLC, and DPS of
Charleston, Inc., d/b/a RE/MAX
Professional Realty,)

Defendants.)

IN THE COURT OF COMMON PLEAS

CASE NO.: 2008-CP-10-4282

**CONTRACT OF AND
STIPULATION OF SETTLEMENT**

FILED
FEB 17 AM 9:54
JULIE J. ARMSTRONG
CLERK OF COURT

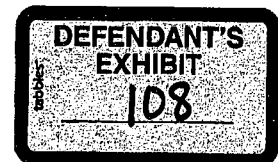
It appearing that the parties have compromised and settled their differences and wish to reduce this agreement to a formal stipulation. The Defendants shall pay the sum of Eight Hundred Fifty Thousand and no/100 (\$850,000.00) Dollars, allocated as follows:

Linda A. Gibson	\$400,000, it being expressly understood that \$200,000 is being allocated to the causes of action for conversion and intentional infliction of emotional distress and the balance to settle the remaining causes of action and damages.

Heritage Seven, LLC	\$449,000

Seven Oaks Apartments, LLC	\$1,000

The Plaintiffs shall execute a full final and complete Release of the defendants above named and their owners, agents, members, employees, insurers, heirs and assigns, with



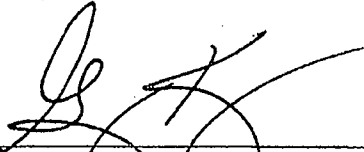
an indemnification provision for any unsatisfied liens, subrogation interests and unpaid medical bills; notwithstanding the aforesaid, the aforesaid plaintiffs release no claims against Ameris Bank or its agents or servants. The Defendants shall provide the Release and Stipulation of Dismissal with prejudice and the settlement check within thirty (30) days of the signing of this agreement.

The Plaintiff shall cause all medical liens and subrogation interests, if any, to be satisfied from the proceeds of the settlement and will indemnify and hold the Defendants harmless from any unsatisfied medical liens or subrogation interests.

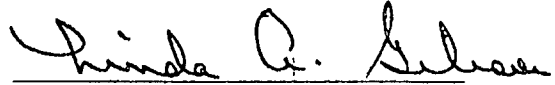
The parties, through their attorneys of record, agree and stipulate that this is the voluntary settlement reached between them and it is ordered that this settlement be entered into the record at this time.

For the separate consideration of \$20.00, the terms of this settlement shall not be disclosed publicly to any print or media source or published in any way by any party, except as may be required by law or required to negotiate a settlement with other un-named entities. The parties, their affiliates, successors, subsidiaries, and successors, and any agents, officers and employees thereof, shall not comment publicly or privately, or make any disparaging communication to or with any non-party concerning the allegations made in the case or defenses asserted, or concerning the underlying facts giving rise to this action, or to the terms of settlement or the reasons for settlement. If inquiry is made by media or other entities of this information, the parties, their affiliates, successors, subsidiaries, and successors, and any agents, officers and employees thereof shall have no comment aside from stating that the parties have resolved their differences entirely and have moved forward in a positive mutually beneficial manner. These terms are specifically bargained for.

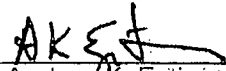
AS OF FEBRUARY 16, 2012:



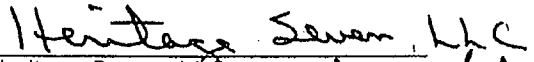
George Kefalos
Attorney for Plaintiffs Linda A. Gibson,
Heritage Seven, LLC, and Seven
Oaks Apartments, LLC



Linda A. Gibson
Plaintiff



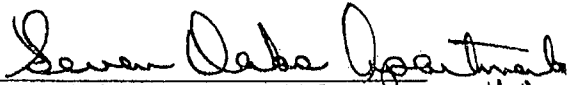
Andrew K. Epting, Jr.
Attorney for Plaintiffs Linda A. Gibson,
Heritage Seven, LLC, and Seven
Oaks Apartments, LLC



Heritage Seven, LLC
Plaintiff



Mike Wilkes
Attorney for Defendants Rolando V.
Villavicencio and RPV Investments,
LLC



Seven Oaks Apartments, LLC
Plaintiff



Ellen Cheeks
Attorney for Defendants Rolando V.
Villavicencio and RPV Investments,
LLC



Rolando V. Villavicencio
Defendant

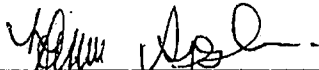


Max G. Mahaffey
Attorney for Defendant DPS of
Charleston, Inc. d/b/a RE/MAX
Professional Realty

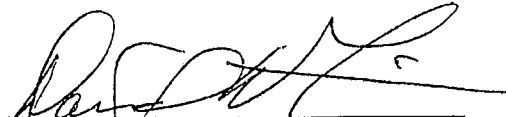


RPV Investments, LLC
Defendant

ROLANDO
VILLAVICENCIO,
MEMBER



CNA INSURANCE
KERIN APPLE



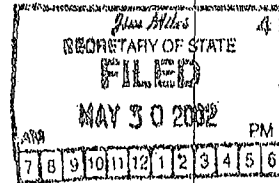
DPS of Charleston, Inc. d/b/a
RE/MAX Professional Realty
Defendant

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

MAY 30 2012

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY



M. L. H. R.
MAKE ONE COPY OF THIS DOCUMENT IN BLACK INK
SECRETARY OF STATE OF SOUTH CAROLINA

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: 3205 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
City

29477
Zip Code

3. The initial agent for service of process of the Limited Liability Company is

Linda Gibson
Name

Linda Gibson
Signature

and the street address in South Carolina for this initial agent for service of process is

133 Horse Trail Road
Street Address

St. George
City

29477
Zip Code

4. The name and address of each organizer is

(A) Linda Gibson
Name

843-563-2984
Telephone Number

133 Horse Trail Road
Street Address

St. George
City

South Carolina
State

29477
Zip Code

(B)

Name

Telephone Number

Street Address

City

State

Zip Code

02-029745CC



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

<u>[Signature]</u>	Date <u>May 22, 2002</u>
_____	Date _____
_____	Date _____
_____	Date _____

FILING INSTRUCTIONS

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

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.

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

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 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

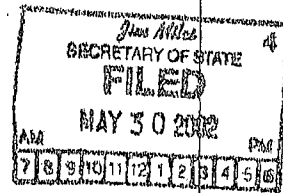
FORM REVISED BY SOUTH CAROLINA
SECRETARY OF STATE, MAY 1999

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

MAY 16 2012

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY



Mark H. [Signature]
SECRETARY OF STATE OF SOUTH CAROLINA

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: 600 Carolina 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
City

29477
Zip Code

3 The initial agent for service of process of the Limited Liability Company is

Linda Gibson
Name

Linda Gibson
Signature

and the street address in South Carolina for this initial agent for service of process is

133 Horse Trail Road
Street Address

St. George
City

29477
Zip Code

4 The name and address of each organizer is

(A) Linda Gibson
Name

843-563-2984
Telephone Number

133 Horse Trail Road
Street Address

St. George
City

South Carolina
State

29477
Zip Code

(B)

Name

Telephone Number

Street Address

City

State

Zip Code

02-029746CC



600 Carolina 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: _____

600 Carolina 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 5/22/02

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.

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LLC-ARTICLES OF ORGANIZATION

FORM REVISED BY SOUTH CAROLINA
SECRETARY OF STATE, MAY 1999

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

051201-0210

Filed: 11/30/2005

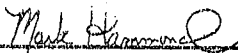
HERITAGE SEVEN LLC

Filing Fee: \$110.00 ORIG

Mark Hammond

South Carolina Secretary of State

MAY 17 2012



SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF ORGANIZATION
FOR A
LIMITED LIABILITY COMPANY

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

1. The name of the limited liability company which complies with Section 33-44-105 of the 1976 South Carolina Code of Laws, as amended is HERITAGE SEVEN LLC

2. The address of the initial designated office of the Limited Liability Company in South Carolina is

133 HORSE TRAIL ROAD

Street Address

SAINT GEORGE SC

City

29477-0000

Zip Code

3. The initial agent for service of process of the Limited Liability Company is

LINDA GIBSON

Name

Electronically filed on SCBOS.

Signature not required.

Signature

and the street address in South Carolina for this initial agent for service of process is

133 HORSE TRAIL ROAD

Street Address

SAINT GEORGE SC

City

29477-0000

Zip Code

4. The name and address of each organizer is

a) LINDA GIBSON

Name

133 HORSE TRAIL ROAD

Street

SAINT GEORGE

City

SC US

State

29477-0000

Zip Code

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



HERITAGE SEVEN LLC

Name of Corporation

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:

7. ☐ Check this box 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:

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

Electronically filed on SCBOS.
Refer to attached signature page.

Date 2005-11-30

Dec 01 05 01:00p Gibson

Nov 30 05 11:23p

Villavicencio Trust

8435632984

843 572 0551

p.2

P.2

Signature Page Attachment to South Carolina Business One Stop (SCBOS)
For
The State of South Carolina Secretary of State

This page must be completed, scanned and submitted as an attachment when filing on SCBOS.
Attach additional pages as needed.

Type of Filing: ARTICLES OF ORGANIZATION (Limited Liability Company)

Name of Limited Liability Company:

HERITAGE SEVEN LLC

Signature of Each Organizer:

LINDA GIBSON

Name

Linda Gibson

Signature

11/30/2005

Date

Name

Signature

Date

Name

Signature

Date

Name

Signature

Date

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

MAY 17 2012

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

AMENDED ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

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

Linda Gibson
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 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

061213-0179 FILED 12/13/2005
HERITAGE SEVEN, LLC

Filing Fee \$110.00 ORIG
Mark Hammond South Carolina Secretary of State

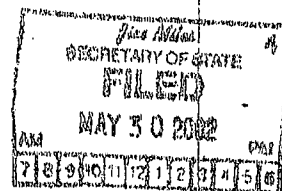


CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

MAY 17 2012

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY



Mark H. O.
SECRETARY OF STATE OF SOUTH CAROLINA

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: 600 Carolina 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

City

29477

Zip Code

3. The initial agent for service of process of the Limited Liability Company is

Linda Gibson

Name

Linda Gibson
Signature

and the street address in South Carolina for this initial agent for service of process is

133 Horse Trail Road

Street Address

St. George

City

29477

Zip Code

4. The name and address of each organizer is

(A) Linda Gibson

Name

843-563-2984

Telephone Number

133 Horse Trail Road

Street Address

St. George

City

South Carolina

State

29477

Zip Code

(B)

Name

Telephone Number

Street Address

City

State

Zip Code

02-029746CC

600 Carolina 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: _____

600 Carolina 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 5/22/02

Date _____
Date _____
Date _____

FILING INSTRUCTIONS

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

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.

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

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 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

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

MAY 16 2012

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

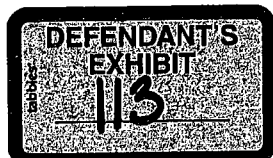
ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

TYPE OR PRINT CLEARLY IN BLACK INK

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

- 1 The name of the limited liability company which complies with Section 33-44-105 of the South Carolina Code of 1976 as amended is Seven Oaks, LLC APARTMENTS 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, SC 29477
City Zip Code
- 3 The initial agent for service of process of the Limited Liability Company is
MYARA, LLC Name H Signature H Manning Unger, Member of Moore & Van Allen, PLLC, Its Manager
and the street address in South Carolina for this initial agent for service of process is
40 Calhoun St, Suite 300
Street Address
Charleston, SC 29401
City Zip Code
- 4 The name and address of each organizer is
 - (a) H Manning Unger, Esq
Name
40 Calhoun St, Suite 300 Charleston
Street Address City
SC 29401
State Zip Code
 - (b)
Name
Street Address City
State Zip Code

(Add additional lines if necessary)
- 5 ☐ Check this box only if the company is to be a term company If so, provide the term specified



080604-0009 FILED 06/03/2008
SEVEN OAKS APARTMENTS LLC

Filing Fee \$110.00 ORIG

Mark Hammond

South Carolina Secretary of State

Seven Oaks, LLC Apartments, LLC
Name of Limited Liability Company

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

(a)

Name	
Street Address	City
State	Zip Code

(b)

Name	
Street Address	City
State	Zip Code

(c)

Name	
Street Address	City
State	Zip Code

(d)

Name	
Street Address	City
State	Zip Code

(Add additional lines if necessary)

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

Seven Oaks, LLC Apartments, LLC
Name of Limited Liability Company

- 8 Unless a delayed effective date is specified, these articles will be effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time.

- 9 Set forth any other provisions not inconsistent with law which the organizers determine to include, including any provisions that are required or are permitted to be set forth in the limited liability company operating agreement.

- 10 Signature of each organizer

[Signature]

Date 6/3/08

(Add Additional lines if necessary)

FILING INSTRUCTIONS

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

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

NOTE

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Form Revised by South Carolina
Secretary of State, January 2000

From: Lanier, Benjamin [Benjamin.Lanier@amerisbank.com]
Sent: Tuesday, October 23, 2007 11:25 AM
To: ROLANDO VILLAVICENCIO
Subject: RE: ameris 102507 response - benjie lanier - 2625 otranto road VERDANA financing

Rolando,
I am so glad that you and Portia will be able to make it Thursday. Several of the executives from Columbia and Georgia will be here Thursday so if Linda can make it to the party with you guys that would be great. I am looking forward to seeing you guys and getting you a commitment.

Have a great day!

From: ROLANDO VILLAVICENCIO [mailto:rolandovillavicencio@msn.com]
Sent: Tuesday, October 23, 2007 8:56 AM
To: Lanier, Benjamin; Portia Villavicencio; AMGRolando-Villavicencio
Subject: ameris 102507 response - benjie lanier - 2625 otranto road VERDANA financing

good morning benjie.

just touching base.

got an invitation from you for thursday evening event.

portia and i have already rsvp'ed.

by the way, is your columbia exec going to be there too.

would like to meet with him/her then.

would it be necessary that you or your execs also meet linda gibson.

let me know so we can make arrangements.

we are anxious to receive your commitment by thursday as you noted.

thanks for your confidence in this project.

this will probably be the first most extensive "green building" apartment project of it's kind in the tri-county area.

glad to know you and ameris will become a part of this program.

meanwhile, just let us know if you need anything else for the thursday outcome.

cordially,

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



AM_00867

Subject: RE: benjie lanier - 2625 otranto road VERDANA financing
Date: Fri, 19 Oct 2007 17:44:05 -0400
From: Benjamin.Lanier@amerisbank.com
To: rolandovillavicencio@msn.com

Rolando,

I talked with my boss Marc Bogan on the deal and he is very interested. I still need to talk to our exec in Columbia who will be in town late next week. We should have you guys a final answer by Thursday. I will keep you posted as things progress. Right now everything looks very positive.

Have a great weekend!

From: ROLANDO VILLAVICENCIO [mailto:rolandovillavicencio@msn.com]
Sent: Friday, October 19, 2007 11:58 AM
To: Lanier, Benjamin; Portia Vilavicencio; AMGRolando Villavicencio
Subject: benjie lanier - 2625 otranto road VERDANA financing

benjie, thank you so much for your promptness and immediate action.

If you can call us before end of business day today just to get us updated, that would be great.

thanks again.

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: 2625 otranto road VERDANA financing
Date: Fri, 19 Oct 2007 09:51:23 -0400
From: Benjamin.Lanier@amerisbank.com
To: rolandovillavicencio@msn.com

Rolando,

We appreciate the referral. I will start the process of presenting this loan this morning and hopefully have you guys an answer by early next week. I'll keep you posted as the process progresses. Thanks and let me know if you have any questions in the mean time.

Benjie

From: ROLANDO VILLAVICENCIO [mailto:rolandovillavicencio@msn.com]
Sent: Friday, October 19, 2007 9:16 AM
To: Lanier, Benjamin; AMGRolando Villavicencio; Portia Vilavicencio
Subject: 2625 otranto road VERDANA financing

good morning benjie.

coincidentally, at around 4 pm yesterday, we got a call from ben brazell of first reliance.

regrettably, he is not able to submit the package this friday to loan committee as he promised.

AM_00868

it appears he did not get to review our package as he said he would.

it also appears he has a lot more important stuff on his plate at the moment than our loan.

as you know, we no longer have time to waste.

we should have closed this project months ago.

anyway, with the above, let this be our official request for ameris bank to proceed with processing for above loan.

you had mentioned you may be able to provide to us a commitment letter by early next week.

we anticipate this to be the positive outcome we have been longing for from you.

should you have any questions, please feel free to contact me.

otherwise, it was great meeting with you again.

by the way, congratulations again on your recent wedding.

cordially,

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

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~~signed~~ signed copy

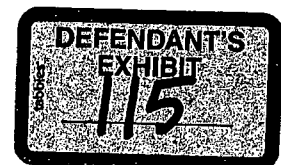
MORTGAGE LOAN SALE AGREEMENT

Between

GALT VALLEY, LLC

and

AMERIS BANK



MORTGAGE LOAN SALE AGREEMENT

THIS AGREEMENT is entered into as of July 14, 2010, by and between GALT VALLEY, LLC, an Nevada limited liability company ("Purchaser"), and Ameris Bank, a Georgia banking corporation ("Seller").

WITNESSETH:

WHEREAS, Seller is the sole owner and holder of the Mortgage Loans, as defined in this Agreement, and wishes to sell such Mortgage Loans; and

WHEREAS, Seller has full right and authority to sell, assign and transfer the Mortgage Loans

WHEREAS, Purchaser wishes to purchase such Mortgage Loans;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, Seller and Purchaser agree as follows:

ARTICLE I

Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

"Agreement" means this Mortgage Loan Sale Agreement, including all Exhibits and Schedules hereto.

"Allonges" mean the Allonges to be delivered to Purchaser as provided in this Agreement in the form attached hereto as Exhibit A.

"Assignments of Mortgage" means the Assignments of Mortgage relating to loans secured by real property in Florida and South Carolina to be delivered to Purchaser as provided in this Agreement in the form attached hereto as Exhibit B.

"Assignment of Loan Documents" mean the Assignment of Loan Documents in the form attached hereto as Exhibit F.

"Borrower" means any promisor under any given Mortgage Note which is not an accommodation party.

"Business Day" means any day, other than a Saturday, a Sunday, a federal holiday or any day on which Seller generally, or the specific office thereof

responsible for the administration of this Agreement, is not generally open for business.

"Certification and Receipts" mean the Certification and Receipts to be delivered to Purchaser as provided in this Agreement in the form attached hereto as Exhibit C.

"Claim" means any claim, demand or legal proceeding.

"Closing" means the delivery of the Closing Documents, the sale of the Mortgage Loans and the payment of the Mortgage Loan Purchase Price pursuant to Article V.

"Closing Date" means no later than July 15, 2010.

"Closing Documents" means all documents that under the terms of this Agreement are required to be delivered by Seller or Purchaser at the Closing.

"Deposit" means Fifty Thousand Dollars (\$5,000.00), and shall be due to Escrow Agent within two (2) business days of the execution of this Agreement.

"Escrow Agent" means Rogers Towers PA, or another agent agreed upon by Purchaser and Seller insured or secured by a national title insurance company with credit ratings of A or better.

"Inspection Period" means three (3) business days from the date of execution of this Agreement, as further described in Section 2.4, for Purchaser to conduct due diligence.

"Mortgages" mean the Mortgages executed by the person named as Mortgagor relating to the Mortgage Loans described in Exhibit D.

"Mortgage Files" mean Seller's legal files for the respective Mortgage Loans, which consist of:

- (a) The original Mortgage Notes evidencing the respective Mortgage Loan;
- (b) the original Mortgages or true and correct copies thereof, and the original or a true and correct copy of each document or instrument constituting a part thereof, in each case with evidence of recording indicated thereon;
- (c) originals or true and correct copies of all assumption, modification and substitution agreements in those instances where the terms or provisions of the Mortgages or Mortgage

Notes have been modified or the Mortgages or Mortgage Notes have been assumed; and

- (d) originals or true and correct copies of all guaranties;
- (e) originals or true and correct copies the Lender's title insurance policies issued in connection with origination of the related Mortgage Loans and any endorsements thereto.

"Mortgage Loans" means the loans payable to Seller and evidenced by the Mortgage Notes, secured by the Mortgages, together with all of Seller's lien on or interest in and to any of the Borrower's property held by Seller, all collateral and any guarantees obtained in connection with the Mortgage Loans.

"Mortgage Loan Purchase Price" means the sum of the Unpaid Principal Balance for each Mortgage Loan multiplied by the Purchase Percentage.

"Mortgage Notes" mean the original executed Notes, executed by the Borrower, as listed in Exhibit E.

"Mortgaged Property" means the property securing the Mortgage Notes, as described in the Mortgages.

"Mortgagor" means any party who is a signatory to a Mortgage as owner of real property to convey the property or create a lien on the property to secure a Mortgage Note or a guaranty of a Mortgage Note or otherwise provide security for a loan evidenced by a Mortgage Note.

"Purchase Percentage" means the to be negotiated percentage of the Unpaid Principal Balance that Buyer shall pay for a particular Mortgage Loan according to the following charts:

Borrower	UPB	% of UPB	BID
Jeannine Balanky	\$ 151,890.00	39.50%	\$ 60,000.00
Heritage Seven LLC	\$ 2,796,467.00	34.51%	\$ 975,000.00
Welcome to the Big Leagues	\$ 487,063.00	35.89%	\$ 175,000.00

"Surviving Provisions - Closing" means the following terms, conditions and provisions of this Agreement:

1. As to Seller, delivery provisions of Section 2.2,

2. As to Purchaser, Purchaser's responsibilities as provided in Section 2.3(c),
3. As to Purchaser, the Indemnification provisions in Section 2.4
4. As to Seller, the representations and warranties of the Seller in Section 3.1 and Section 3.2 (a) (i), (ii), (v), (vi) and (vii),
5. As to Purchaser, the representations, warranties and covenants of Purchaser in Article IV
6. As to Purchaser, the provisions of Section 5.1
7. As to Seller, the provisions of Section 5.2
8. As to Purchaser, the provisions of Section 5.3
9. As to Purchaser, the provisions of Section 5.4
10. The Notice provisions of Article VIII
11. The Miscellaneous Provisions of Article IX
12. The Indemnification provisions of Article X

"Surviving Provisions - Termination" means the following terms, conditions and provisions of this Agreement:

1. As to Purchaser, the Indemnification provisions in Section 2.4
2. As to Purchaser, the representations, warranties and covenants of Purchaser in Article IV (a), (b) and (d)
3. As to Purchaser, the provisions of Section 5.1
4. The Notice provisions of Article VIII
5. The Miscellaneous Provisions of Article IX
6. The Indemnification provisions of Article X

"Unpaid Principal Balance" means the current amount of principal of each Mortgage Note that remains unpaid and outstanding. Unpaid Principal Balance may be referred to as "UPB".

ARTICLE II

Sale and Purchase of the Mortgage Loans

Section 2.1 Agreement to Sell and Purchase Mortgage Loans. Seller agrees to sell, and Purchaser agrees to purchase, the Mortgage Loans, without recourse or warranty, for the Mortgage Loan Purchase Price, pursuant to the terms of this Agreement. The Mortgage Loans are in default and Seller makes no representation regarding any implied waivers, releases or similar defenses regarding the Mortgage Loans nor does Seller make any representations as to assessments or real property taxes. Purchaser agrees

that, except as expressly contained in this Agreement, no representations by or on behalf of Seller have been made to Purchaser as to the condition of the Mortgaged Properties, any restrictions related to the rehabilitation of the Mortgaged Properties, the applicability of or compliance with any governmental requirements, including but not limited to environmental requirements, pertaining to the Mortgaged Properties, or the suitability of the Mortgaged Properties for any purpose whatsoever. Purchaser represents to Seller that Purchaser has made its own independent investigation of the Mortgaged Properties.

Section 2.2 Delivery of the Mortgage Files. No later than thirty (30) days after the sale of the Mortgage Loans to Purchaser, Seller will deliver to Purchaser the Mortgage Files with respect to the Mortgage Loans to be conveyed to Purchaser. Conveyance of the Mortgage Files to Purchaser is deemed to occur at the earlier of (i) delivery of the Mortgage Files to Purchaser or (ii) such time as Seller has received payment of the Mortgage Loan Purchase Price in accordance with Article V. From and after such conveyance of the Mortgage Files to Purchaser, Seller has no responsibility or risk of loss or damage with respect to such Mortgage Files.

Section 2.3 Conveyance of the Mortgage Loans.

- (a) On the Closing Date, provided all representations and warranties of Seller and Purchaser under this Agreement are true and correct, against payment of the Mortgage Loan Purchase Price pursuant to Article V, Seller sells, transfers, assigns, sets over and conveys to Purchaser, without recourse, warranty, or representation except as expressly set forth in Article III of this Agreement, its right, title and interest in and to the Mortgage Loans.
- (b) No later than the first business day following the receipt of the Mortgage Loan Purchase Price pursuant to Article V, Seller will deliver to the Escrow Agent an original, executed Certification and Receipt, the original Mortgage Notes (or a lost note affidavit), accompanied by original, executed Allonges, and the Assignments of Mortgage (in recordable form).
- (c) Purchaser is solely responsible for recording the Assignments of Mortgage at Purchaser's sole cost and expense, including, without limitation, all transfer taxes, recording fees and costs, fees for title policy endorsements and continuations and other similar charges.
- (d) Each of Seller and Purchaser will pay and be solely responsible for its own costs, including attorneys' fees, associated with the execution, delivery and performance of this Agreement.

- (e) Seller shall indemnify and hold harmless Purchaser for any lien attaching to a property subject to a Mortgage transferred under this Agreement relating to condominium assessments (including without limitation any late fees, costs or attorney fees accruing prior to the Closing Date) or public or private assessments and ad valorem taxes not paid by the Seller at Closing; provided, however, Purchaser shall be responsible for and Seller has no obligation to pay public or private assessments (other than condominium assessments) and ad valorem taxes not due and payable as of the Closing.
- (f) Seller hereby covenants to cooperate reasonably with the Purchaser in connection with Purchaser's enforcement of any of the loan documents sold in this Agreement, including without limitation, by executing such affidavits and other documents reasonably approved by Seller as may be required to enforce the loan documents or defend any lender liability claims or other counterclaims asserted by the borrowers or other defendants

Section 2.4. Inspections. Purchaser shall have three (3) business days following the execution of this Agreement (the "Inspection Period"), to perform its due diligence review of the Loan Documents and the Properties at Purchaser's sole cost and expense. Purchaser shall have the right to physically inspect the Properties during the Inspection Period; provided, however, notwithstanding anything to the contrary contained herein, Purchaser expressly acknowledges and agrees: (a) that Seller is not in possession of the Properties, (b) that neither Purchaser nor its principals, affiliates, agents, employees or contractors may contact any Borrowers and or their guarantors without the express prior written consent of Seller, which may be withheld in Seller's sole discretion, and (c) that all inspections of any of the Properties shall be subject to receipt by Seller in advance of the Inspection of an authorization and/or waiver by the applicable Borrower to inspect same. Promptly upon Seller's written request, Purchaser shall provide Seller with a copy of the results of any tests and inspections made by Purchaser, its agents or employees. Purchaser shall and does hereby indemnify and hold harmless Seller from and against any claim, loss, damage, or obligation arising out of or incurred in connection with the exercise of the rights of Purchaser under this Paragraph (and such indemnity obligation shall survive any termination of this Agreement without the Closing contemplated hereby having occurred).

Section 2.5 Termination during Inspection Period. If Purchaser determines, in its sole discretion and prior to the expiration of the Inspection Period, that the Loan Documents or the Property are unacceptable for Purchaser's purposes, Purchaser shall have the right to terminate this Agreement by giving written notice of termination to the Escrow Agent and Seller, in which event the Deposit shall be disbursed to Purchaser by the

Escrow Agent, and the Parties shall have no further rights or obligations under this Agreement, except the Surviving Provisions - Termination.

Section 2.6 Other Mortgage Loan Sale Agreements. Purchaser and Seller agree that Seller may continue to market the Mortgage Loans prior to the Closing, and that Seller may enter into other Mortgage Loan Sale Agreements with other potential Mortgage Loan purchasers. Seller is not obligated to sell the Mortgage Loans to Purchaser until the Closing occurs. If Purchaser is ready to close the Mortgage Loan purchase, but Seller does not sell the Mortgage Loan to Purchaser, the Deposit shall be disbursed to Purchaser by the Escrow Agent, and the Parties shall have no further rights or obligations under this Agreement, except the Surviving Provisions - Termination. . Purchaser agrees that such refund reimburses it in full for its administrative, opportunity and other costs in connection with this transaction.

ARTICLE III

Representations and Warranties of Seller

Section 3.1 Representations and Warranties of Seller. Seller hereby represents and warrants that:

- (a) Seller has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby, including, but not limited to, the power and authority to sell, assign and transfer the Mortgage Loans in accordance with this Agreement;
- (b) There is no action, suit or proceeding pending against Seller in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the ability of Seller to carry out the transactions contemplated by this Agreement; and
- (c) The Mortgage Loans are whole loans and not a participation in a loan.

Section 3.2 Representations and Warranties as to the Mortgage Loans.

- (a) Seller hereby represents and warrants that, except as disclosed herein:
 - (i) Seller is the sole owner and holder of the Mortgage Loans;

- (ii) Seller has full right and authority to sell, assign and transfer the Mortgage Loans;
 - (iii) Upon delivery of the Mortgage Notes to Purchaser, duly endorsed to Purchaser, and payment by Purchaser to Seller of the consideration therefore, Purchaser has all rights of Seller under (A) the Mortgages securing the Mortgage Notes, (B) any guaranties of the Mortgage Notes, and (C) Seller's Lender's title insurance policy issued on the date of the origination of the related Mortgage Loans and any endorsements thereto;
 - (iv) Seller has previously delivered to Purchaser a complete, accurate copy of the Mortgage Files and the following additional documents:
 - (A) a complete, accurate, copies of the appraisals upon which the original loans were based; and
 - (B) complete, accurate copies of all demand letters, default letters, modification letters, waiver letters, and forbearance agreements, if any, relating to the Mortgage Loans.
 - (v) Seller has delivered to Purchaser complete, accurate copies of all written agreements between Seller and the Borrower relating to the Mortgage Loans that would prevent or delay the exercise of any remedies in the respective Mortgage Notes and Mortgages;
 - (vi) The Mortgage Notes are in default; and
 - (vii) Seller represents that the loan information set forth in Exhibit E is accurate.
- (b) Seller makes no representations or warranties regarding the legal enforceability of default interest, late charges or other loan charges or the enforceability of any specific provision of the Mortgage Notes, Mortgages or any other loan documents; and
- (c) Except as represented and warranted herein, Seller makes no other representations or warranties expressed or implied at law.

ARTICLE IV

Representations, Warranties and Covenants of Purchaser

Purchaser hereby represents, warrants and agrees that:

- (a) Purchaser is duly and legally authorized to execute, deliver and perform this Agreement, it has complied with all laws, rules, regulations and charter provisions to which it may be subject, and the undersigned representative is authorized to act on behalf of Purchaser and to bind Purchaser to the terms of this Agreement;
- (b) Purchaser is a sophisticated investor. Purchaser is purchasing the Mortgage Loans for its own account in respect of a commercial transaction made in the ordinary course of business and not with a view to or in connection with any subdivision, resale, or distribution thereof. Purchaser is engaged in the business of entering into commercial transactions (including transactions of the nature contemplated herein), can bear the economic risk related to the purchase of the Mortgage Loans, and has had access to all information deemed necessary by it in making its decision whether or not to purchase the Mortgage Loans.
- (c) Purchaser's bid with respect to the Mortgage Loans and its decision to purchase the Mortgage Loans is based upon its independent evaluation of the Mortgage Loans, the documents evidencing the Mortgage Loans, and the Mortgaged Properties. In entering into this Agreement, Purchaser has not relied upon any oral or written information (other than the representations and warranties of Seller contained herein) provided by Seller. Purchaser acknowledges that no employee or representative of Seller has been authorized to make, and that Purchaser has not relied upon, any statements or representations other than those specifically contained in this Agreement;
- (d) Purchaser agrees that it will not institute any legal action in the name of Seller nor will Purchaser intentionally or unintentionally, through misrepresentation or nondisclosure, mislead any person as to, or conceal from any person, the identity of Purchaser of the Mortgage Loans; and
- (e) PURCHASER UNDERSTANDS THAT THE SALE OF THE MORTGAGE LOANS ARE BEING MADE ON AN "AS IS, WHERE IS AND WITH ALL FAULTS" BASIS, AND PURCHASER EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, SELLER MAKES AND HAS MADE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW AND

SPECIFICALLY DISCLAIMS ANY SUCH WARRANTY AND REPRESENTATION, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF OWNERSHIP, EXISTENCE, QUALITY, QUANTITY, VALUE, CONDITION, HABITABILITY, MERCHANTABILITY, OR FITNESS OF THE BORROWER, THE PROPERTY, OTHER COLLATERAL, AND/OR THE LOAN DOCUMENTS FOR ANY PARTICULAR PURPOSE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CONSUMMATION OF THE TRANSACTIONS HEREIN PROVIDED.

ARTICLE V

Certain Obligations of Purchaser

Section 5.1 Collection Practices. Purchaser will not violate any laws relating to unfair credit collection practices in connection with the Mortgage Loan(s). Purchaser hereby agrees to indemnify Seller and to hold it harmless from and against any and all claims, demands, losses, damages, penalties, fines, forfeitures, judgments, legal fees and any other costs, fees, and expenses incurred by Seller as a result of (1) a breach by Purchaser of the aforesaid warranty or (2) any claim, demand, or assertion that, after the Closing Date, Seller was in any way involved in or had in any way authorized any unlawful collection practices in connection with the Mortgage Loan(s) transferred to Purchaser pursuant to this Agreement. Purchaser agrees to notify Seller within two (2) Business Days of notice or knowledge of any such claim or demand.

Section 5.2 Reporting to or for the Internal Revenue Service. Purchaser agrees to submit all Internal Revenue Service Forms and Information Returns for the Mortgage Loan(s) for the period during which it owns the Mortgage Loan(s).

Section 5.3 Purchaser's Duties Regarding Litigation.

5.3.1 If the Mortgage Loans are the subject of pending litigation (the "Pending Litigation") on the Closing Date (including bankruptcy, arbitration and other alternate dispute resolution proceedings), Purchaser shall provide the attorney representing Seller, within five (5) days after Closing, the name of the attorney selected by Purchaser to represent Purchaser's interests in the litigation. Purchaser shall within ten (10) days after Closing notify the clerk of the court, all counsel of record and all arbitrators and mediators, as applicable, that ownership of the Mortgage Loan(s) was transferred from Seller to Purchaser. Purchaser shall have its attorney file appropriate pleadings with the court within twenty (20) days after the Closing substituting Purchaser's attorney for Seller's attorney and also removing Seller as a party to the litigation (except to the extent claims have been made against Seller separately and not as lender relating to

the Mortgage Loans) and substituting Purchaser as the real party in interest; provided, however, that Seller in its sole discretion may retain counsel to represent it relating to any continuing interest in any Pending Litigation. Seller may proceed unilaterally to have such matter dismissed, either with or without prejudice, in the event such substitution is not effected as prescribed by this Section 5.3.1. Purchaser shall assume any and all obligations and liabilities of Seller as set forth in any order of court issued in the Pending Litigation. In the case of any litigation with respect to the Mortgage Loan served on Seller after the Closing Date (including bankruptcy, arbitration and other alternate dispute resolution proceedings) (the "Future Litigation Service"), (i) Seller shall promptly notify Purchaser of any Future Litigation Service, and (ii) Purchaser shall within the time set for initial response to the Future Litigation Service, notify the clerk of the court, all counsel of record and all arbitrators and mediators, as applicable, that ownership of the Mortgage Loans have been transferred from Seller to Purchaser. Purchaser agrees to have its attorney file appropriate pleadings with the court within the time set for initial response to the Future Litigation Service, removing Seller as a party to the litigation (except to the extent claims have been made against Seller individually and not as owner of the Mortgaged Properties) and substituting Purchaser as the real party in interest.

5.3.2 Purchaser shall not litigate or prosecute any claim in the name of Seller, and Purchaser shall not intentionally or unintentionally, through misdisclosure or nondisclosure, mislead or conceal its identity or its ownership of the Mortgage Loan(s).

5.3.3 Seller in its sole discretion may terminate this Agreement if, following the date hereof but prior to the Closing Date, any of the Mortgage Loans become the subject of litigation between any debtor and Seller. In the event of such termination, the Deposit shall be returned to Purchaser, and this Agreement shall be of no further force and effect, except for the Surviving Provisions-Termination. Nothing contained herein shall be construed to obligate Seller to repurchase any of the Mortgage Loans in the event any litigation is commenced with respect to the Mortgage Loan(s) after the Closing Date.

Section 5.4 Purchaser's Duties Regarding Loan(s) in Bankruptcy. In accordance with Bankruptcy Rule 3001(e), the Purchaser shall take all actions necessary to timely file (i) proofs of claims in pending bankruptcy cases involving any Mortgage Loan(s) purchased for which the Seller has not already filed a proof of claim, and (ii) evidence of the terms of the purchase of such Mortgage Loan(s), both of the same to be filed with the appropriate bankruptcy court in cases in which the Seller has filed proofs of claims. Nothing contained in this Section shall relieve the Purchaser of its obligations set forth in Section 5.3 above.

ARTICLE VI

Closing

Purchaser must pay the Mortgage Loan Purchase Price to the Escrow Agent for the benefit of the Seller on the Closing Date no later than 11:00 a.m. Pacific Time. The Escrow Agent shall pay to Seller or its designee, by wire transfer in immediately available funds to the account specified by Seller, the Mortgage Loan Purchase Price upon its receipt from the Seller of the documents specified for delivery in section 2.3(b) hereof. The Escrow Agent may accept and rely solely on a certification from Seller that the documents delivered to it are the documents specified for delivery in section 2.3(b) hereof. Such documents shall not be recorded or released to the Purchaser until after Escrow Agent confirms the Seller's receipt of the wired funds, and the Seller shall promptly provide written confirmation of such receipt of wired funds when so received. Delivery of the Closing Documents required to be delivered by Seller will be made against delivery of the Mortgage Loan Purchase Price and the Closing Documents required to be delivered by Purchaser. The Closing will, at Seller's option, be either by telephone, confirmed by letter or wire, or conducted in person at the office of the Escrow Agent.

ARTICLE VII

Servicing of the Mortgage Loans

The Mortgage Loans are sold and conveyed to Purchaser on a servicing-released basis. All rights, obligations, liabilities and responsibilities with respect to the servicing of the Mortgage Loans pass to Purchaser on the Closing Date and Seller will be discharged from all liability therefore.

ARTICLE VIII

Notices

Unless otherwise provided for herein, all notices and other communications required or permitted hereunder must be in writing and will be deemed to have been duly given (a) on the 3rd following Business Day, if sent by registered or certified mail (return receipt requested), (b) when delivered, if delivered personally or by facsimile, or (c) on the following Business Day, if sent by overnight mail or overnight courier, in each case to the parties at the following addresses (or at such other addresses as are specified by like notice):
If to Purchaser:

Galt Valley, LLC
3073 W. Tompkins Ave.
Las Vegas, NV 89103

Attention: Greg Boree

If to Seller:

Ameris Bank
8705 Perimeter Park Blvd., Suite 4
Jacksonville, FL 32216
Attn: Robert W. Mullins

With a copy to:

William L. Thompson, Jr., P.A.
1590 Island Lane, Suite 26
Fleming Island, FL 32003

ARTICLE IX

Miscellaneous Provisions

Section 9.1 Severability. Each part of this Agreement is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts hereof will be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

Section 9.2 Headings. The headings of the Articles and Sections contained in this Agreement are inserted for convenience only and do not affect the meaning or interpretation of this Agreement or any provision hereof.

Section 9.3 Construction. Unless the context otherwise requires, singular nouns and pronouns, when used herein, are deemed to include the plural of such noun or pronoun and pronouns of one gender are deemed to include the equivalent pronoun of the other gender.

Section 9.4 Assignment. This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including the Exhibits hereto, are binding upon, and inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and assigns. Notwithstanding anything to the contrary in this Agreement,

Section 9.5 Prior Understandings. This Agreement supersedes any and all prior discussions and agreements between Seller and Purchaser with respect to the purchase of the Mortgage Loans and other matters contained herein, and this Agreement contains the sole and entire understanding between the parties hereto with respect to the transactions contemplated herein.

Section 9.6 Integrated Agreement. This Agreement and all Exhibits hereto constitute the final complete expression of the intent and understanding of Purchaser and Seller. This Agreement may not be altered or modified except by a subsequent writing, signed by Purchaser and Seller.

Section 9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which constitutes one and the same instrument, and either party hereto may execute this Agreement by signing any such counterpart.

Section 9.8 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Florida, without giving effect to its choice of law doctrine.

Section 9.9 Survival. The Survival Provisions – Closing shall survive the consummation of the transaction contemplated by this Agreement and continue to be fully enforceable after such consummation. The Survival Provisions – Termination shall survive the termination of this Agreement as provided in this Agreement and continue to be fully enforceable after such termination.

Section 9.10 No Broker Seller and Purchaser each represent and warrant to the other that it has not dealt with any person that may be entitled to any commission or compensation in connection with the sale of the Mortgage Loans by Seller to Purchaser.

Section 9.11 Confidentiality. Purchaser agrees and acknowledges that a material inducement to Seller to enter into this Agreement is Purchaser's covenant and agreement to maintain complete and permanent confidentiality regarding this Agreement and all matters pertaining hereto except as may be required by a court of competent jurisdiction or permitted by the written consent of Seller. Seller and Purchaser have entered into a separate Confidentiality Agreement dated June 4, 2010, which continues in effect and applies to this Agreement and the Mortgage Loans, notwithstanding any other provisions in this Agreement.

Section 9.12 Litigation Costs. In the event that suit be brought to enforce the provisions of this Agreement or any remedy granted under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees,

including attorneys' fees upon appeal, in bankruptcy and in any other proceeding, and to all costs incurred..

Section 9.13 Controlling Agreement. PURCHASER AGREES TO ACCEPT THE MORTGAGE LOANS IN THEIR PRESENT CONDITION AND ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATIONS, WARRANTIES, OR COVENANTS OF ANY KIND OR CHARACTER WHATSOEVER WITH RESPECT TO THE MORTGAGE LOANS, WHETHER EXPRESS OR IMPLIED, EXCEPT AS SET FORTH IN THIS AGREEMENT. FURTHERMORE, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE AND DOES NOT MAKE, AND PURCHASER HEREBY DISCLAIMS THE EXISTENCE OF OR RELIANCE UPON, ANY IMPLIED WARRANTY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, MARKETABILITY, OR FITNESS FOR A PARTICULAR USE. PURCHASER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL CLAIMS AGAINST SELLER ARISING IN CONNECTION WITH THE MORTGAGE LOANS AND PURCHASER AGREES TO LOOK SOLELY TO THE BORROWER OF THE MORTGAGE NOTES AND MORTGAGED REAL PROPERTY REGARDING ANY CLAIMS ARISING IN CONNECTION WITH THE MORTGAGE LOANS.

Section 9.14. Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

Section 9.15. Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

ARTICLE X

Indemnification

Section 10.1 Indemnification and Payment Of Damages. Seller and Purchaser ("Indemnifying Party") shall indemnify and hold harmless Purchaser and Seller, respectively, and their successors, assigns, lawyers, accountants and other advisors (collectively, the "Indemnified Persons") for, and will pay to the Indemnified Persons the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim (collectively, "Damages"), arising, directly or indirectly, from or in connection with:

- (a) any breach of any effective or surviving representation or warranty made by the Indemnifying Party in this Agreement;
- (b) any breach or failure to perform fully any effective or surviving covenant or obligation of the Indemnifying Party in this Agreement; and
- (c) any claim, payment, loss, liability or damage arising from or in connection with any effective or surviving indemnification by the Indemnifying Party in this Agreement, including expenses, costs and attorney fees (for advice, defense or other related representation).

Section 10.2 Third Party Claims. If any claim referred to in Section 10.1 is asserted or proceeding referred to in Section 10.1 is brought against an Indemnified Party and the Indemnified Party gives notice to the Indemnifying Party of the claim or the commencement of such proceeding, and further if Indemnifying Party provides reasonable assurance to the Indemnified Party of its financial capacity to defend such claim or proceeding and provide indemnification with respect to such claim or proceeding, Indemnifying Party will be entitled to participate in the payment or settlement of such claim or such proceeding and, to the extent that it wishes (unless the Indemnifying Party is also a party to such Proceeding and the Indemnified Party determines in good faith that joint representation would be inappropriate), to assume the defense of such claim or proceeding with counsel satisfactory to the Indemnified Party and, after notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such claim or proceeding, the Indemnifying Party will not, as long as it diligently conducts such defense, be liable to the Indemnified Party under Section 10.1 for any fees of other counsel or any other expenses with respect to the defense of such claim or proceeding, in each case subsequently incurred by the Indemnified Party in connection with the defense of such claim or proceeding, other than reasonable costs of investigation. If The Indemnifying Party assumes the defense of a claim or proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims and the proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims or proceeding may be effected by the Indemnifying Party without the

Indemnified Party's consent unless the sole relief provided is monetary damages that are paid in full by the Indemnifying Party; and (iii) the Indemnifying Party will have no liability with respect to any compromise or settlement of such claim or proceeding effected without its consent. If notice is given to the Indemnifying Party of any claim or the commencement of any proceeding and the Indemnifying Party does not, within ten days after notice is given, give notice to the Indemnified Party of its election to assume the defense of such claim or proceeding, or if the Indemnifying Party fails to provide reasonable assurances as provided in this Section 10.2, the Indemnifying Party will be bound by any settlement of the claim, any determination made in such proceeding or any other compromise or settlement effected by the Indemnified Party.

Notwithstanding the foregoing, if an Indemnified Party determines in good faith that there is a reasonable probability that a claim or proceeding may adversely affect it or him other than as a result of monetary damages for which it or him would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such claim or proceeding, but the Indemnifying Party will not be bound by any settlement or determination of in proceeding so defended, or any other compromise or settlement effected, without its consent (which may not be unreasonably withheld).

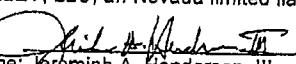
The Indemnifying Party hereby consents to the non-exclusive jurisdiction of any court in which a proceeding is brought against any Indemnified Person for purposes of any claim that an Indemnified Person may have under this Agreement with respect to such proceeding or the matters alleged therein, and agree that process may be served on The Indemnifying Party with respect to such a claim anywhere in the world.

Section 10.3 Procedure for Indemnification--Other Claims.

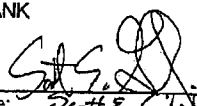
A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the Indemnifying Party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

GALT VALLEY, LLC, an Nevada limited liability company

By: 
Name: Jeremiah A. Henderson, III
Title: Managing Member *Manager*

AMERIS BANK

By: 

Name: Scott E. Gilpin

Title: Vice President

- Exhibit A: Form of Allonges
- Exhibit B: Assignment of Existing Mortgage
- Exhibit C: Form of Certification and Receipt
- Exhibit D: Description of Mortgages
- Exhibit E: Description of Mortgage Notes
- Exhibit F: Assignment of Loan Documents

**EXHIBIT A
FORM OF ALLONGE**

FOR VALUE RECEIVED, the undersigned, the original or successor payee under that Promissory Note dated _____, in the original amount of \$_____, and payable to the order of _____ (the "Note"), made by _____, in favor of _____, to which this endorsement is affixed, absolutely assigns, transfers, endorses, negotiates, and sets over to and makes payable to the order of GALT VALLEY, LLC, an Nevada limited liability company ("Purchaser"), the Note, without recourse, representation or warranty of any kind, except as set forth in that certain Mortgage Loan Purchase Agreement, dated as of _____, 2010 (the "Purchase Agreement"), by and between Purchaser and _____, as seller. This assignment includes the Note, all interest, principal, and other sums due or to become due under the Note, and all other rights of any nature accrued or to accrue under the Note.

Dated: _____, 2010

By: _____
Name:
Title:

EXHIBIT B

PREPARED BY AND AFTER
RECORDING, RETURN TO:

ASSIGNMENT OF EXISTING MORTGAGE

THIS ASSIGNMENT OF EXISTING MORTGAGE (this "Assignment") made this ____ day of May, 2010, by AMERIS BANK, a Georgia banking corporation ("Assignor"), whose address is _____, in favor of GALT VALLEY, LLC, an Nevada limited liability company which address is _____.

NOW THEREFORE, Assignor, the owner and holder of the instruments hereinafter described, in consideration of Ten and No/100ths Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee, receipt of which is hereby acknowledged, does hereby irrevocably, absolutely, and unconditionally assign, sell, transfer, pledge and convey unto the said Assignee all of the Assignor's right, title and interest in and to the following documents:

1. Mortgage _____ made by _____, in favor of _____, dated _____, and recorded in Official Records Book _____, page _____, of the current public records of _____ County, Florida.
2. List other documents

THIS ASSIGNMENT OF EXISTING MORTGAGE is made without recourse, representations or warranties, except that Assignor represents and warrants that it is the owner and holder of the instruments being assigned; that it has full right, title and authority to transfer same; and that it has not assigned, sold or encumbered all or any part thereof.

IN WITNESS WHEREOF, Assignor has executed this Instrument as of this ____ day of _____, 20____.

AMERIS BANK
a Georgia banking corporation

By: _____
Name: _____
Title: _____

(all signatures must be acknowledged)

EXHIBIT C

FORM OF CERTIFICATION AND RECEIPT

The undersigned, _____, hereby certifies to GALT VALLEY, LLC, an Nevada limited liability company ("Customer") that attached hereto is a true and correct copy of that Promissory Note dated _____, in the original amount of \$ _____ made by _____ and payable to the order of _____ (the "Note"). The undersigned also certifies that it has in its possession the original of the Note and is holding the same as evidence of a loan to Customer.

Date: _____, 2010

By: _____
Name: _____
Title: _____

EXHIBIT D
DESCRIPTION OF MORTGAGES

Bank Loan Number:
Borrower's Name:
Mortgagor (if different):
State and County of Property:
Type of Property/Use:

**EXHIBIT E
MORTGAGE NOTES**

Bank Loan Number:
Borrower's Name:
Original Principal Balance: \$
Current Outstanding Principal Balance \$ as of , 2010
Note Interest Rate: %
Guarantors:
Collateral:

EXHIBIT F
ASSIGNMENT OF LOAN DOCUMENTS

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, _____ ("Assignor"), does hereby sell, transfer and assign to GALT VALLEY, LLC, an Nevada limited liability company ("Assignee"), without recourse, representation or warranty, whether express or implied, all of Assignor's right, title and interest in and to the documents, instruments and agreements listed on Exhibit "A", attached hereto and incorporated herein by this reference, (collectively, the "Loan Documents"), in accordance with and subject to the terms of that certain Mortgage Loan Sale Agreement between Assignor and Assignee of even date herewith ("Loan Sale Agreement"). It is the intention of Assignor to transfer and assign to Assignee all of the right, title and interest, benefits and obligations and duties held by Assignor in, to and under the Loan Documents and the loan evidenced thereby. The assignment made by Assignor hereby is "AS-IS", "WHERE IS" and WITHOUT ANY WARRANTIES EXPRESS OR IMPLIED, except as expressly set forth in the Loan Sale Agreement. All such terms and conditions of the Loan Sale Agreement are incorporated herein by this reference as if set forth in full.

IN CONNECTION THEREWITH, Assignee hereby accepts the foregoing assignment and hereby assumes all of the duties, obligations and liabilities of Assignor under and with respect to the loan as evidenced by the Loan Documents.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment of Loan Documents to be effective as of the date set forth below.

Date: As of _____, 2010

ASSIGNOR:

By: _____
Name: _____
Title: _____

ASSIGNEE:

GALT VALLEY, LLC, an Nevada limited liability company

By: _____
Name: _____
Title: ~~Managing Member~~ *Manager*

EXHIBIT "A"
LOAN DOCUMENTS

- 1) All other instruments and agreements executed in connection with any of the foregoing in or under which _____ has any right, title or interest.

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

Subject: Heritage Seven
Date: Tue, 23 Oct 2007 14:47:51 -0400
From: Benjamin.Lanier@amerisbank.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, 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;

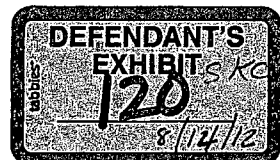
2. 109-111 s. hwy 52: - owned by heritage seven llc, which was originally 600 carolina blvd llc, which is also similar to 3205 palm blvd llc - this is included in supporting document as attached;

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.

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.

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

<<http://www.amerisbank.com/>>

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to which they are addressed. It is not an offer or acceptance, and it is not intended to be all or part of an agreement. If you are not the intended recipient or the person responsible for delivering the e-mail to the intended recipient, be advised that you have received this e-mail in error and that any review, use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately by return e-mail and delete this e-mail from your system. The sender does not accept liability for any damage caused by any virus transmitted by this e-mail or any errors or omissions in the contents of this message which arise as a result of e-mail transmission.

--Forwarded Message Attachment--
Subject: Linda Gibson PFS
Date: Tue, 23 Oct 2007 14:46:08 -0400
From:

Benjamin.Lanier@amerisbank.com

To:

Benjamin.Lanier@amerisbank.com

Climb to the top of the charts! Play Star
Shuffle: the word scramble challenge with star power. Play Now!

<http://club.live.com/star_shuffle.aspx?icid=starshuffle_wlmailtextlink_oct>

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to which they are addressed. It is not an offer or acceptance, and it is not intended to be all or part of an agreement. If you are not the intended recipient or the person responsible for delivering the e-mail to the intended recipient, be advised that you have received this e-mail in error and that any review, use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately by return e-mail and delete this e-mail from your system. The sender does not accept liability for any damage caused by any virus transmitted by this e-mail or any errors or omissions in the contents of this message which arise as a result of e-mail transmission.

Windows Live Hotmail and Microsoft Office Outlook - together at last. Get it now!
<<http://office.microsoft.com/en-us/outlook/HA102225181033.aspx?pid=CL100626971033>>

Help yourself to FREE treats served up daily at the Messenger Café. Stop by today!
<http://www.cafemessenger.com/info/info_sweetstuff2.html?ocid=TXT_TAGLM_OctWltagline>

Help yourself to FREE treats served up daily at the Messenger Café. Stop by today!
<http://www.cafemessenger.com/info/info_sweetstuff2.html?ocid=TXT_TAGLM_OctWltagline>

Linda Ann Avinger Gibson

Personal Financial Statement September 30, 2007

Assets:

Personal Assets:

Primary - 133 Horse Trail Rd - 10 Acres w/ 6 Horse Barn)	\$ 500,000
Appraisal Value as of 061207	
Supplemental - 171 Quarter Horse Rd - 78 Acres	1,380,000
Cross Fencing, Running Track, 14 Stall Barn	
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

Real Estate Assets:**Values**

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

Total Real Estate Assets:**\$52,685,800**

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	<u>58,725</u>

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

VERDANA

2625 Otranto Road
North Charleston, South Carolina 29406

Presented By

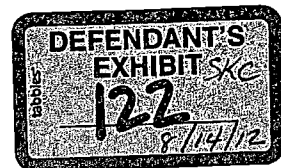
ROLANDO V. VILLAVICENCIO

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		

PLAINTIFF EX 28



6 Rental Buildings	\$59,328.00	G&S Home Remodeling
Office/Clubhouse Roofing	\$10,118.00	G&S Home Remodeling
Patching Hotmix Asphalt, Overlay after Patching, Prep and GemSeal, Re-Striping	\$15,100.00*	BGI Parking Lot Maintenance 843-797-5554
4000 square yards overlay @ parking, 1 1/2" type 1 hotmix Replace 3 existing speed bumps, stripe, 100' sidewalk	\$37,990.00	Howell & Simmons 843-747-3000
Owens Corning 30-Year Oakridge Shingles Hip & Ridge, Ridge Vent, Primary Flashing Labor, Nails, Sealant - Roof Decking Sheet @ \$50 per sheet not included; 15-lb felt	\$54,446.00	All American Roofing 843-552-4994 Brian Thibes
Tucker Roofing 30 Yr Architectural Shingle	\$50,560.00*	Kenny Tucker
Custom Manufactured Awnings & Frame Sunbrella Acrylic Canvass Covers Stapled to Frames 5 Year Warranty with Bonded Polyester Coats Thread	\$7,654.53	Awesome Awnings 843-767-1344
2" Drain Lines for Stackable Washer/Dryer Installation	\$21,600	Roto Rooter 843-552-5575
Super Size Stackable Washer/Dryer @ approx \$850 each	\$40,800	Estimate
GE Electric Range, Top Freezer Refrigerator, Dishwasher Badger 5 Disposal, Hood Vent	\$79,760.00	Lowes Companies
514' Dogear Picket 6' Privacy Fence	\$10,280	Charleston Yardworks 843-364-3289
Wood Privacy Fence & Aluminum Front Fence Clearing & ground prep \$2,750.00 Wood Fence 510' dog ear \$6,630.00 Wood Privacy @ front of 1 & 6 \$455.00 Aluminum Fence at front entrance \$1,650.00	\$11,485.00*	Great Dane Fence Thomas 843-697-0800
15' x 30' / 305 Sqft Concrete Pool	\$42,000.00	Blue Haven Pools
30" Glass Top Range (\$477), 21 QF Top Freezer (\$468) Dishwasher (\$219), OTR Micro/Hood (\$276)	\$69,120.00*	Wholesale Appliance Center 843-556-0917
8' x 7' Steel Storage/Garage Door	\$888.00	Precision Door Service

		803-359-9642
3.5 Kilowatt 20 Kyocera Solar Panels	\$33,250	SC Solar Inc. 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 4 gallons per minute at 200 amps; 95% efficiency rating 10 yr warranty; solid copper heat exchanger; flow sensor; Electronic flow switch; endless hot water supply; Weighs less than 25 lbs; no temp/pressure release valve @ \$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
38 gallon 6 yr electric lowboy water heater #140425 @ \$199 ea	\$9,552	Lowes
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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	\$99,120.00	Myers Heating & A/C
13 Seer RUUD 1.5 Ton A/C System @ \$2,360 x 6 units	\$14,160.00	Myers Heating & A/C
13 Seer RUUD @ \$1,300 per unit x 48	\$62,400*	Prestige Heating & Air
Unit Doors 36" 6 Panel #21683 @ \$138.03 tax ea	\$6,625.44*	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 Non-Toxic Paint	\$1,908.00*	Lowes
12x12 Sahara Beige Ceramic Tile #188333 @ 459sqft x \$358.02	\$17,184.96*	Lowes
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		

VERDANA

2625 Otranto Road
North Charleston, South Carolina 29406

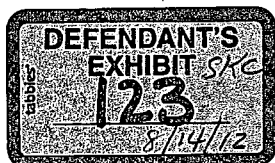
Presented By

ROLANDO V. VILLAVICENCIO

RE/MAX Professional Realty
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North Charleston, South Carolina 29406

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-1212-



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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, 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, including 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 reference 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 believe 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 guideline, and should not be construed as final and/or in contractual form.

VERDANA

(Formerly Northwood Garden Apartments)

48 UNIT APARTMENT PURCHASE & RENOVATION

2625 Otranto Road
North Charleston, South Carolina
29406

TOTALS

Purchase Price:

\$2,800,000

Cash Needed To Renovate (48 Units Total):

Improvements - Estimates: \$ 440,000

Upgrades - Estimates: \$ 212,000

Capital Reserves - Proposed: \$ 48,000

TOTAL RENOVATION - Estimates: \$ 700,000

Cost Per Unit @ Acquisition: \$ 58,333 \$2,800,000

Cost Per Unit After Renovation: \$ 72,916 \$3,500,000

Renovation Allowance Per Unit: \$ 14,584 \$ 700,032

VALUATION PROJECTIONS

Projected Price Per Unit After Renovation - Estimated:	\$ 89,225	\$4,282,800
Less: Total Cost Per Unit @ Renovation:	\$ 72,916	\$3,499,968
Gross Equity Per Unit - Estimated:	\$ 16,309	\$ 782,832
Allowance Expenses @ 10% - Estimated:	\$ 1,630	\$ 78,240
Net Equity - Estimated:	\$ 14,679	\$ 704,592
TOTAL PROJECT EQUITY @ 48 UNITS:		\$ 704,592

From: ROLANDO VILLAVICENCIO (rolandovillavicencio@msn.com)
To: bart knapp; The Verdi Company; Triton Group; AMGRolando Villavicencio
Date: Wednesday, November 14, 2007 10:41:00 AM
Subject: VERDANA - info as requested; paint price proposal; others

good morning to all.

bart, here is the info:

Heritage Seven, LLC
Linda A. Gibson, Member
c/o Rolando V. Villavicencio
RE/MAX Professional Realty
9209 University Boulevard
North Charleston, South Carolina 29406

i am also sending painting proposal for your consideration.

you are welcome to call wilfredo directly to see how else he can improve his services.

wilfredo is our personal professional painter and he is exceptional as far as we are concerned.

wilfredo's number is 843-270-2545.

also, can you email me your contract so i can make my recommendations, suggestions, etc. directly on to it.

also, i am attaching our renovation specifications and cost estimates that i have worked so hard to do for a year now.

this is our guideline of what VERDANA needs and wants done.

please reference to it in great detail, and continually, because it is as comprehensive as it can get.

any diversions/discussions, while critical and very important, are mainly for improvement/savings /economics/aesthetics/functionality/safety/benefits/codes purposes.

again, please refer to our guideline so we all know exactly where we are headed on this.

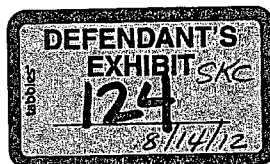
in our meetings, we have not discussed fencing of the rear of the buildings, driveway, walkway, pavement, landscaping, design of 2 columns at front of each buildings, shutters, mailboxes and others.

is this because it is too early in the game or should we consider these details now?

anyway, we talked about having a 40' container sit at the open space at the former pool area.

i believe this will end up being an eye sore and therefore would prefer;

V 768



1. a 20' instead of a 40' - even 2 x 20' side by side, would be better for easier access;
2. purpose is to store, **temporarily**, old and usable items such as refs, stoves, dishwashers, air handlers, compressors, water heaters, vents, garbage disposals, etc.;
3. although a safety and security issue, it may best be placed out of sight, at green space behind building 4 - plus, it is near the office and work area;
4. just in case this becomes a more permanent situation, then it can sit back there quietly;
5. plus, the contents may be of no real value;
6. we can start with 1 x 20' and go from there;
7. would like this to sit on top of a platform, to raise it up a little to prevent water from sipping in, and to prevent from sinking in;
8. can we have light to run in it?
9. your thoughts on this please.

otherwise, bart, still need the docs to start the rebate and process the tax credit.

will wait for your contract so i can respond as quickly as you can send same.

also, please include mike in the email loop - better yet, send me his email so i can include him in all our correspondence.

bart, hope your wife is doing well.

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: mlester75@gmail.com; david@theverdicompany.com; markvanhaelst@gmail.com;

V 769

rolandovillavicencio@msn.com

Subject:

Date: Wed, 14 Nov 2007 09:45:07 -0500

Rolando,

Could you please forward the address for Heritage 7 LLC and the partners names to me. I would also request a copy of the owner's designation of you as the representative for Addendum B. Please send as a word document since I can not make changes to PDF.

Thanks,

Bart

Climb to the top of the charts! Play Star Shuffle: the word scramble challenge with star power. Play Now!

Peek-a-boo FREE Tricks & Treats for You! Get 'em!

V 770

Renaissance Painting, LLC
Proposal to Paint 2625 Otranto Road
Northwoods Apartments

October 5, 2007

Interior Painting

1. Spray paint all ceilings with 1 coat flat white ceiling paint.
2. Sand and Spray all walls with one coat flat paint.
3. Souff sand, spot prime, and caulk all trim as required, then spray all trim with 1 coat semi-gloss or gloss white (owner's discretion)
4. Paint two columns outside with 1 coat exterior latex.

Price to do the above work is \$450.00 per apartment, \$800.00 for hallway.

No repairs are included in this estimate. Customer to cover the cost of all materials: Paint, caulking, sandpaper, painter's putty, tape, plastic and/or paper. If proposal is accepted, payment of 40% is due to schedule job, with balance due upon completion of work.

Proposal submitted by: Wilfredo Garcia Ruiz Date: 5/10/07
Wilfredo Garcia Ruiz - Renaissance Painting, LLC

Accepted by: _____ Date: _____

Proposal may be withdrawn if not accepted within 14 days

V 771

VERDANA

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North Charleston, South Carolina 29406

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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

6 Rental Buildings	\$59,328.00	G&S Home Remodeling
Office/Clubhouse Roofing	\$10,118.00	G&S Home Remodeling
Patching Hotmix Asphalt, Overlay after Patching, Prep and GemSeal, Re-Striping	\$15,100.00*	BGI Parking Lot Maintenance 843-797-5554
4000 square yards overlay @ parking, 1 1/2" type 1 hotmix Replace 3 existing speed bumps, stripe, 100' sidewalk	\$37,990.00	Howell & Simmons 843-747-3000
Owens Corning 30-Year Oakridge Shingles Hip & Ridge, Ridge Vent, Primary Flashing Labor, Nails, Sealant - Roof Decking Sheet @ \$50 per sheet not included; 15-lb felt	\$54,446.00	All American Roofing 843-552-4994 Brian Thibes
Tucker Roofing 30 Yr Architectural Shingle	\$50,560.00*	Kenny Tucker
Custom Manufactured Awnings & Frame Umbrella Acrylic Canvass Covers Stapled to Frames 1 Year Warranty with Bonded Polyester Coats Thread	\$7,654.53	Awesome Awnings 843-767-1344
2" Drain Lines for Stackable Washer/Dryer Installation	\$21,600	Roto Rooter 843-552-5575
Super Size Stackable Washer/Dryer @ approx \$850 each	\$40,800	Estimate
GE Electric Range, Top Freezer Refrigerator, Dishwasher Badger 5 Disposal, Hood Vent	\$79,760.00	Lowes Companies
514' Dogear Picket 6' Privacy Fence	\$10,280	Charleston Yardworks 843-364-3289
Wood Privacy Fence & Aluminum Front Fence Clearing & ground prep \$2,750.00 Wood Fence 510' dog ear \$6,630.00 Wood Privacy @ front of 1 & 6 \$455.00 Aluminum Fence at front entrance \$1,650.00	\$11,485.00*	Great Dane Fence Thomas 843-697-0800
15' x 30' / 305 Sqft Concrete Pool	\$42,000.00	Blue Haven Pools
30" Glass Top Range (\$477), 21 QF Top Freezer (\$468) Dishwasher (\$219), OTR Micro/Hood (\$276)	\$69,120.00*	Wholesale Appliance Center 843-556-0917
17" Fridge Ref 30"/Flattop Range 30"/MW 30'/Dishwasher		

V 773

Energy Star rated Fridgidaire Brand @ \$1,291/unit	\$61,968.00	Lowes David Chandler
3' x 7' Steel Storage/Garage Door	\$888.00	Precision Door Service 803-359-9642
3.5 Kilowatt 20 Kyocera Solar Panels	\$33,250	SC Solar Inc. 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 4 gallons per minute at 200 amps; 95% efficiency rating 10 yr warranty; solid copper heat exchanger; flow sensor; Electronic flow switch; endless hot water supply; Weighs less than 25 lbs; no temp/pressure release valve @ \$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 1/4" # 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 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

V 774

DB Sink with Faucet & Strainer @ \$88 ea x 48	\$4,224.00*	Lowes
JBC 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	\$99,120.00	Myers Heating & A/C
3 Seer RUUD 1.5 Ton A/C System @ \$2,360 x 6 units	\$14,160.00	\$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 Demo units, recover refrigerants, split system heat pumps 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	\$44,840	Goose Creek Heating/Air
13 Seer 2.0 Ton @ \$1,965.00 ea x 24	\$47,160	\$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 20 Minute fire rating with 90 minute pressure rate	\$24,960	Lowes
Interior/Hallway Doors/Hardware/Stopppers @ 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 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, as 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, including 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 reference 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 believe 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, as a guideline, and should not be construed as final and/or in contractual form.

V 776

STATE OF SOUTH CAROLINA

COUNTY OF BERKELEY

LINDA A. GIBSON, formerly known as
LINDA ANN AVIGNER, individually
and as Trustee of the Paul William Gibson
Family Trust, and HERITAGE SEVEN,
LLC,

Plaintiffs,

vs.

AMERIS BANK,

Counterclaim Defendant.

) IN THE COURT OF COMMON PLEAS

) IN THE NINTH JUDICIAL CIRCUIT

) C.A. No. 2010-CP-08-2134

) DEFENDANT'S BRIEF ON DAMAGES

FILED
2010 OCT -3 AM 11:06
CLERK OF COURT
BERKELEY COUNTY, SC

As set forth in the proposed order submitted by Ameris Bank, the evidence before the Court establishes that Ameris Bank is not liable to Plaintiffs for the harm alleged. Nonetheless, Ameris Bank submits the following brief on damages for the Court to consider when evaluating the request for damages that is expected to be made by Plaintiffs in their proposed order.

I. Measure of Damages

Plaintiffs have asserted three causes of action: negligent misrepresentation, breach of fiduciary duty, and aiding and abetting breach of fiduciary duty. Each of these causes of action sounds in tort. In a tort case "[a]ctual damages are such as will compensate the party for injuries suffered or losses sustained." *Mellen v. Lane*, 377 S.C. 261, 287, 659 S.E.2d 236, 250 (Ct. App. 2008) (citing *Laird v. Nattonwide Ins. Co.*, 243 S.C. 388, 396, 134 S.E.2d 206, 210 (1964)). "Actual damages are awarded to a litigant in compensation for his actual loss or injury." *Id.* "They are such damages as will simply make good or replace the loss caused by the wrong or injury." *Id.* "The goal is to restore the injured party, as nearly as possible through the payment of money, to the same position he was in before the wrongful injury occurred." *Id.* (citing *Clark v.*

Cantrell, 339 S.C. 369, 378, 529 S.E.2d 528, 533 (2000)). "The basic measure of actual damages is the amount needed to compensate the plaintiff for the losses proximately caused by the defendant's wrong so that the plaintiff will be in the same position he would have been in if there had been no wrongful injury." *Id.* (citing *Rogers v. Florence Printing Co.*, 233 S.C. 567, 578, 106 S.E.2d 258, 264 (1958); *Hutchinson v. Town of Summerville*, 66 S.C. 442, 448, 45 S.E. 8, 10 (1903)).

In the event the Court finds that Plaintiffs are entitled to recover damages in this case, the measure of damages would be the amount that would put Plaintiffs in the same position they would have been in had there been no wrongful injury. Assuming that the harm occurred upon the purchase of the apartment complex and the closing of the loan, the goal of a damages recovery in this case would be to put Plaintiffs in the position they were in prior to the transaction.

II. Plaintiffs' Alleged Damages

Plaintiffs have alleged damages flowing from several different sources, including attorneys' fees, that are not recoverable in this case as a matter of law. Accordingly, even if the Court were to find Ameris Bank liable for the harm alleged in this case, Plaintiffs are not entitled to recover damages for the items identified below, excluding the value of the cell tower lot on Klister Lane.

A. 3205 Palm Boulevard

Plaintiffs introduced evidence that Linda Gibson made a \$700,000 down payment to purchase the apartment complex. [Tr. 78:21-79:1; 84:15-19.] Gibson testified that she refinanced a beach house in order to obtain the money. [Tr. 84:15-19.] The record reflects that the beach house was not owned by Gibson but was instead owned by an entity named 3205 Palm

Boulevard, LLC. [Def.'s Ex. 10; Tr. 191:20-192:10.] Although Gibson had a 50% interest in the LLC, the proceeds of the refinance belonged to the LLC. [Tr. 191:14-192:18.] The record further reflects that after the refinance, the proceeds were placed in a checking account in the name of 3205 Palm Boulevard, LLC. [Def.'s Ex. 17; Tr. 193:15-194:14.] Gibson testified that she used the money to make the down payment on the apartment complex. [Tr. 194:15-19.] Gibson further testified that she did not borrow the money from 3205 Palm Boulevard, LLC, nor did she execute a promissory note in favor of the LLC. [Tr. 194:20-23.]

To put Plaintiffs in the position they would have been in had they never purchased the apartment complex, it would be logical to conclude that Plaintiffs should get the down payment back. But Plaintiffs did not make the \$700,000 down payment. 3205 Palm Boulevard LLC did, and that entity is not a party to this lawsuit. South Carolina law clearly provides that "[a] limited liability company is a legal entity distinct from its members." S.C. Code Ann. § 33-44-201. A member of an LLC may not bring an individual action for a wrong committed to the LLC or its members. *See, e.g., Wasko v. Farley*, 947 A.2d 978 (Conn. Ct. App. 2008). *See also* S.C. Code Ann. § 33-44-1101, *et seq.* (setting forth the procedure by which a member of a limited liability company may bring a derivative action on behalf of the entity). Because the \$700,000 belonged to the LLC and not to Plaintiffs, and because the LLC is not a party to this case, Plaintiffs are not entitled to recover the \$700,000 down payment.

Plaintiffs also introduced evidence of damages sustained in connection with the beach house located at 3205 Palm Boulevard. For example, Plaintiffs introduced evidence concerning the interest paid on the mortgage taken out on the beach house in the refinance to obtain the \$700,000. [Pl. Ex. 4.] Plaintiffs introduced evidence that the beach house ended up in foreclosure [Tr. 82:23-83:5], and that pursuant to a forbearance agreement reached with First

Citizens Bank, Gibson agreed to be personally obligated to repay First Citizens \$450,000. [Pl. Ex. 2; Tr. 83:7-22.] Gibson testified about the interest she paid on the \$450,000 obligation. [Pl. Ex. 3; Tr. 84:3-11.] Plaintiffs also introduced evidence concerning attorneys' fees incurred in negotiating with First Citizens. [Pl. Ex. 5; Tr. 85:21-86:2.]

As explained above, these damages are not recoverable because they represent harm to the LLC and not to Plaintiffs, and the LLC is not a party to this action. Nevertheless, these damages would not be recoverable even if they were incurred by Plaintiffs. The refinance of 3205 Palm Boulevard is a transaction wholly unrelated to the transaction in this lawsuit. In order to make this loan, Ameris required a \$700,000 down payment. Gibson chose to refinance the beach house owned by a limited liability company in which she had an interest in order to satisfy this equity requirement. Ameris Bank is not responsible for the decision.

B. Cell Tower Lot

Plaintiffs pledged a piece of property located on Klister Lane as additional collateral for the purchase of the apartment complex. [Def.'s Exs. 26, 33; Tr. 89:17-25.] Gibson testified that after Ameris sold the loans to Galt Valley, she deeded the Klister Lane property to Galt Valley in connection with the settlement of the foreclosure action. [Def.'s Ex. 107; Tr. 90:1-5.] Plaintiffs' expert witness Tommy Hartnett testified as to the value of the Klister Lane property. [Pl.'s Ex. 40; Tr. 247:25-248:5.] According to Hartnett, the appraisal performed by C.S. McCall & Co., LLC, dated March 8, 2010, which valued the Klister Lane property at \$355,000 was proper. [Tr. 247:25-248:3.] This is the best evidence in the record concerning the value of the property. Hartnett testified: "I found Mr. McCall's appraisal of the tower to be properly done and his conclusions based on the information within that report properly reached. So I concurred in his value of \$355,000." *Id.* The C.S. McCall appraisal is the only probative evidence before the

Court concerning the value of the Klister Lane property. Although Plaintiffs introduced evidence that Galt Valley sold the Klister Lane property in or around April of 2011 for \$510,000 [Pl.'s Ex. 10; Tr. 255:17-256:9], the amount that the property sold for in 2011 is not probative of its value in 2007. As Hartnett conceded, there is no information in the record about the parties to the 2011 transaction, the circumstances under which the sale occurred, or whether the transaction was a fair market value transaction. [Tr. 257:23-259:5.]

Finally, although Plaintiffs introduced evidence concerning lost rental income on the Klister Lane property, C.S. McCall used an income approach in appraising the property, which takes rental income into account. [Tr. 259:6-20.] Accordingly, if anything, Plaintiffs would be entitled to the value as stated in the C.S. McCall appraisal. If the Court finds that Ameris is liable to Plaintiffs, Plaintiffs' damages would not exceed **\$355,000**, which is the best evidence of the value of the Klister Lane property.

C. Personal Funds Contributed by Gibson

Gibson testified that during the course of the apartment renovation project, she put \$75,000 of her own money into the project. [Tr. 94:16-25.] But Plaintiffs did not introduce bank records or cancelled checks to support Gibson's claim. Given the lack of evidence, the Court cannot conclude how much money Gibson contributed to the project, and certainly should not award damages based on her assertion alone.

In any event, to recover the \$75,000 against Ameris, Plaintiffs would have to show that Gibson contributed this money prior to or at the time the loan was made. Instead, Gibson testified that she used her own money when the renovations were not going well and she was struggling to satisfy her outstanding debts. [Tr. 94:16-25.] There is no evidence in the record that Ameris guaranteed to Plaintiffs that the \$700,000 construction loan would be sufficient to

complete the renovations or that Gibson would not have to use any of her own money to complete the project.

Accordingly, even if the Court finds Ameris is liable to Plaintiffs, the personal funds Gibson claims she put into the project are not recoverable as damages in this case.

D. Attorneys' Fees

Plaintiffs introduced a variety of evidence regarding attorneys' fees they allegedly incurred since 2008. [Pl.'s Exs. 5, 9, 11, 13, 15, 26; Tr. 85:13-88:1; 95:17-100:18; 101:7-102:2; 102:12-13:16; 104:4-16.] These fees fall into two separate categories: (1) attorneys' fees incurred in this case and (2) attorneys' fees incurred in other litigation. Neither is recoverable.

1. This Case

It is well settled in South Carolina that "[a]ttorney's fees are not recoverable unless authorized by contract or statute." *Historic Charleston Holdings, LLC v. Mallon*, 381 S.C. 417, 436, 673 S.E.2d 448, 458 (2009). "Under the 'American Rule,' the parties to a lawsuit generally bear the responsibility of paying their own attorneys' fees." *Layman v. State*, 376 S.C. 434, 451, 658 S.E.2d 320, 329 (2008) (citing *Pennsylvania v. Del. Valley Citizens' Council for Clean Air*, 478 U.S. 546, 561 (1986)).

Plaintiffs seek to recover \$566,000 in attorneys' fees paid or owed pursuant to an agreement entered into between Plaintiffs and their attorneys in this case. [Tr. 95:17-100:18; Pl.'s Ex. 9.] According to the agreement, Plaintiffs hired the attorneys for representation "in the defense of and pursuit of a counterclaim in a foreclosure action brought by Ameris Bank presently pending in Berkeley County, South Carolina, Case No. 2010-CP-08-2134," which is the present case. [Pl.'s Ex. 9.] Having introduced no evidence of any contract or statute that

would entitle them to recover their attorneys' fees in this case, Plaintiffs may not recover the \$566,000 fee.

2. Other Cases

Plaintiffs also seek to recover attorneys' fees allegedly incurred in the case against Plaintiffs' property manager, Rolando Villavicencio, as well as fees incurred in defending a foreclosure action filed against 3205 Palm Boulevard, LLC.

Under South Carolina law, a plaintiff may under limited circumstances recover attorneys' fees when the defendant's wrongful conduct has forced the plaintiff to protect her interests by bringing or defending an action against a third person. *See, e.g., Town of Winnsboro v. Wiedeman-Singleton, Inc.*, 307 S.C. 128, 129, 414 S.E.2d 118, 119 (1992). Although some states consider such recovery to be an exception to the American Rule, South Carolina employs an equitable indemnity analysis in considering whether a plaintiff may recover attorneys' fees when a defendant's tortious conduct forces the plaintiff into separate litigation with a third party. *Id.*

To begin, the evidence in the record does not support a finding that Ameris' conduct forced Plaintiffs to protect their interests by bringing or defending an action against a third party. There is no evidence that, but for Ameris' conduct, Plaintiffs would not have sued Rolando. Instead, the evidence shows that Plaintiffs sued Rolando nearly two years before counterclaiming against Ameris Bank, and asserted the counterclaims only after Ameris filed the action for foreclosure. Additionally, with respect to the foreclosure action filed against 3205 Palm Boulevard LLC, the evidence reflects that Gibson, with Rolando's advice, chose to refinance the beach house, and did so without any input from Ameris. Gibson also decided on her own not to use her substantial assets to satisfy the obligation owed to First Citizens Bank. There is no

evidence that Ameris' conduct forced the property to go into foreclosure or caused Plaintiffs to have to defend the foreclosure action.

Moreover, under an equitable indemnity analysis, a plaintiff's ability to recover damages from a tortfeasor incurred as a result of the defendant's actions "is subject to the proviso that no personal negligence of [the plaintiff's] own has joined in causing the injury." *First General Services of Charleston, Inc. v. Miller*, 314 S.C. 439, 442, 445 S.E.2d 446, 448 (1994); *Stuck v. Pioneer Logging Mach., Inc.*, 279 S.C. 22, 24, 301 S.E.2d 552, 553 (1983). As explained in one case:

Equitable indemnity cases involve a fact pattern in which the first party is at fault, but the second party is not. If the second party is also at fault, he comes to court without equity and has no right to indemnity. The most important requirement for the finding of equitable indemnity is that the party seeking to be indemnified is adjudged without fault and the indemnifying party is the one at fault.

Vermeer Carolina's, Inc. v. Wood/Chuck Chipper Corp., 336 S.C. 53, 63, 518 S.E.2d 301, 307 (Ct. App. 1999) (citations omitted).

Here, the evidence in record shows that Plaintiffs' own conduct contributed to Plaintiffs' alleged injury. Plaintiffs agreed to purchase the apartment complex for \$2.8 million without negotiating the price or conducting any due diligence. [Tr. 181:24-182:15; 185:12-18.] Gibson testified that she did not read any of the loan documents or contracts that she signed. [Tr. 299:12-15.] She relied on someone (Rolando) to prepare the budget and manage the project who had no prior experience with a project of this size. [Ct. Ex. 10, Villavicencio Dep. 102:13-103:14.] She did not complete the renovations and in the end made the decision not to repay the notes she guaranteed, despite having the financial assets to do so. [Tr. 234:19-235:16.]

Because Plaintiffs are at fault for the harm alleged, they are not entitled to recover damages under an equitable theory of recovery. Accordingly, Plaintiffs are not entitled to the attorneys' fees incurred in other cases.

E. Conclusion

To put Plaintiffs in the position they were in prior to the alleged wrongful conduct, the Court should not award Plaintiffs any more than **\$355,000**, which represents the value of the Klister Lane property. This is the only measure of damages that is supported by the evidence, that is tied to Plaintiffs, and that could possibly be supported by the law. None of the other alleged damages are recoverable against Ameris. Additionally, Ameris is entitled to a set-off for the amount of proceeds Plaintiffs received in the case against Rolando as explained below. After the set-off, Plaintiffs are not entitled to recover any money damages in this case.

III. Additional Considerations

A. Set-Off

As discussed above, Plaintiffs are at best entitled to an award of \$355,000 in damages, which is the value of the cell tower lot on Klister Lane. But the Court must also consider the money Plaintiffs received in the litigation against Rolando regarding the same facts and the same injury.

In July 2008, Plaintiffs sued Rolando V. Villavicencio, RPV Investments, LLC, and Re/Max Professional Realty. [Def.'s Ex. 60.] In August 2010, Plaintiffs amended their Complaint to assert causes of action for negligent misrepresentation and breach of fiduciary duty, among others. [Def.'s Ex. 65.] In response to written discovery served in this case and in the case against Rolando, Plaintiffs listed the exact same injuries. *Compare* Def.'s Ex. 62 and Plaintiff's Supplemental Answers to Defendant's Interrogatories, attached hereto as **Exhibit A**.

By agreement dated February 16, 2012, Plaintiffs settled their claims against Rolando et al. for the sum of \$850,000. [Pl.'s Ex. 16.]

South Carolina law provides that “[w]hen a release or a covenant not to sue or not to enforce judgment is given in good faith to one of two or more persons liable in tort for the same injury . . . it reduces the claim against the other to the extent of any amount stipulated by the release or the covenant, or in the amount of the consideration paid for it, whichever is the greater.” S.C. Code Ann. § 15-38-50 (2005).

The rationale for providing credit to a nonsettling defendant is to prevent a double recovery to the plaintiff. *Truesdale v. South Carolina Highway Dep’t*, 264 S.C. 221, 235, 213 S.E.2d 740, 747 (1975) (internal citation omitted), *overruled on other grounds*, *McCall by Andrews v. Batson*, 285 S.C. 243, 329 S.E.2d 741 (1985)). “When the settlement is for the same injury, the nonsettling defendant’s right to a setoff arises by operation of law.” *Smith v. Widener*, 397 S.C. 468, 472, 724 S.E.2d 188, 190 (2012) (citing *Ellis v. Oliver*, 335 S.C. 106, 112, 515 S.E.2d 268, 271-72 (Ct. App. 1999)). The statute requires a setoff when the claims against the joint tortfeasors arose out of the same factual scenario. *Ellis v. Oliver*, 335 S.C. 106, 112, 515 S.E.2d 268, 272 (Ct. App. 1999). “Under this circumstance, [s]ection 15-38-50 grants the court no discretion . . . in applying a set-off.” *Smith*, 397 S.C. at 472, 724 S.E.2d at 190 (internal quotation marks omitted).

Here, Ameris is entitled to a set-off in the amount of \$850,000. Plaintiffs allege that both Rolando and Ameris negligently misrepresented to Gibson that the apartment complex was a suitable investment for her and that both Rolando’s and Ameris’ actions throughout the course of the renovation project caused Plaintiffs’ harm. The injury for which Plaintiffs seek to recover damages against Ameris is identical to the injury for which Plaintiffs recovered \$850,000 against

Rolando. [Def. Ex. 65.] To deny a set-off would result in a windfall to Plaintiffs, in direct contradiction to S.C. Code Ann. § 15-38-50.

Because the amount of the set-off exceeds the amount of damages to which Plaintiffs would be entitled to recover if Ameris were liable, Plaintiffs are not entitled to any damages in this case.

B. Comparative Fault

If the Court finds that Ameris is liable to Plaintiffs and Plaintiffs have suffered damages as a result of Ameris' conduct, the Court should reduce any recovery available to Plaintiffs by the amount of Plaintiffs' own comparative fault in causing the harm alleged. Gibson testified that she did no due diligence prior to purchasing the apartment complex. [Tr. 181:24-182:15; 185:12-18.] She did not read any of the loan documents or contracts prior to executing them. [Tr. 299:12-15.] She also testified that, despite having substantial personal assets with which to satisfy her outstanding obligations, she allowed the loans on the apartment complex and on the beach house to go into default. [Tr. 234:19-235:16.] Accordingly, the Court should find that Plaintiffs have contributed to any damages they have suffered. Plaintiffs' comparative negligence exceeds any negligence of Ameris and prevents any recovery against Ameris. In the event the Court finds that Plaintiffs' negligence does not exceed any fault on the part of Ameris, the Court should find that Plaintiffs' own negligence reduces any recovery to which Plaintiffs are otherwise entitled.

C. Punitive Damages

Plaintiffs also seek to recover punitive damages. As an initial matter, Plaintiffs are not entitled to an award of punitive damages because they are not entitled to an award of actual

damages. Even if Plaintiffs were entitled to actual damages, there is no evidence in the record to support a finding that Plaintiffs are entitled to recover punitive damages.

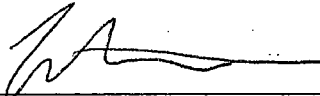
Punitive damages are intended to “deter the wrongdoer and others from committing like offenses in the future.” *Laird v. Nationwide Ins. Co.*, 243 S.C. 388, 393, 134 S.E.2d 206, 210 (1964) (quoting *Bowers v. Charleston W.C. Ry. Co.*, 210 S.C. 367, 378, 42 S.E.2d 705, 709 (1947)). Punitive damages are allowed only when a defendant’s conduct is so shocking that punishment is justified. *McGee v. Bruce Hosp. Sys.*, 344 S.C. 466, 545 S.E.2d 286 (2001); *Clark v. Cantrell*, 339 S.C. 369, 529 S.E.2d 528 (2000). Stated differently, punitive damages are allowed when a defendant has acted in a “reckless, willful, or wanton” manner. *Clark*, 339 S.C. at 379, 529 S.E.2d at 534. A defendant acts willfully or with reckless indifference to the rights of others when the defendant acts in disregard of a high and excessive degree of danger about which he or she knows or which would be apparent to a reasonable person in his or her condition. *Carter v. R.L. Jordan Oil Co.*, 301 S.C. 84, 86, 390 S.E.2d 367, 368 (Ct. App. 1990). Usually there must be a present consciousness of wrongdoing to justify the assessment of punitive damages against the wrongdoer. *Martin v. Martin*, 262 S.C. 168, 174, 203 S.E.2d 385, 387 (1974).

In this case, there is no evidence in the record to support an award of punitive damages. Plaintiffs offered no evidence that Ameris acted in a reckless, willful, or wanton manner, and there is no evidence that Ameris engaged in any conduct that is so shocking that it justifies punishment. Plaintiffs’ claim for punitive damages must be denied.

IV. Conclusion

In the event the Court finds that Ameris is liable to Plaintiffs, the evidence before the Court establishes that Plaintiffs have suffered no recoverable damages. Accordingly, judgment should be entered in favor of Ameris.

SOWELL GRAY STEPP & LAFFITTE, LLC

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Attorneys for Ameris Bank

Columbia, South Carolina
September 28, 2012

STATE OF SOUTH CAROLINA
COUNTY OF BERKELEY

LINDA A. GIBSON, FORMERLY
KNOWN AS LINDA ANN AVINGER,
INDIVIDUALLY AND AS TRUSTEE
OF THE PAUL WILLIAM GIBSON
FAMILY TRUST AND HERITAGE
SEVEN, LLC,

Plaintiffs,

Vs.

AMERIS BANK,

Defendant.

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT

Case No.: 2010-CP-08-2134

**PLAINTIFF'S SUPPLEMENTAL
ANSWERS TO DEFENDANT'S
INTERROGATORIES**

TO: ROBERT STEPP AND WILLIAM JORDAN, ATTORNEYS FOR AMERIS BANK

6. 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.

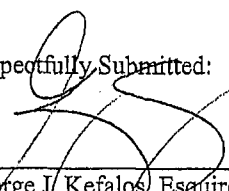
Plaintiff purchased the Otranto apartments with a loan from Ameris Bank. Plaintiff secured the loan with a first mortgage on the apartments as well as a mortgage on a track of land located on Klister Lane, Berkeley County. The Klister Lane property was valued at approximately \$338,000 and was free and 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:

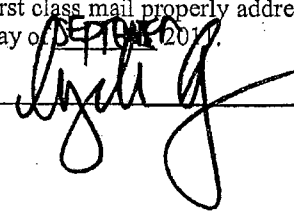

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On this 27 day of Sept 2011
Charleston, SC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served on all counsel of record via e-mail, facsimile, or first class mail properly addressed, with sufficient postage affixed thereto this 27 day of SEPTEMBER 2011.



IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
Case No. 2010-CP-08-2134

PLAINTIFFS' MEMORANDUM ON DAMAGES

V.

Defendant.

I. Measure of Damages

II. Plaintiffs' Damages

1

total \$1,517,445.00.¹

A. 3205 Palm Boulevard

Ameris concedes that Ms. Gibson is entitled to a return of the down payment she made to purchase the apartment complex. Ameris states, "To put Plaintiffs in the position they would have been in had they never purchased the apartment complex, it would be logical to conclude Plaintiffs should get the down payment back." Ameris' Brief on Damages pg 3. However, Ameris argues that because Ms. Gibson borrowed the \$700,000.00 down payment through her LLC, 3205 Palm Boulevard, LLC, she is not entitled to a return of the down payment, rather the LLC would be entitled to a return of the down payment. Ameris' attempt at avoiding liability for the \$700,000.00 down payment, damages it concedes Ms. Gibson should be entitled to in order to return her to the position she was in before her purchase of the apartment complex, is misplaced. That 3205 Palm Boulevard, Ms. Gibson's LLC, signed the note and mortgage to borrow the down payment for the apartment complex is of no consequence as Ms. Gibson personally guaranteed the debt and repaid the debt. Ms. Gibson is also personally responsible for paying the interest on the deficiency and has paid monthly interest at 3% in the amount of \$1,125.00 per month since January of 2011 through September 30, 2012, totaling \$23,625.00. (Plaintiff's Trial Exhibit 3).

B. Cell Tower Lot

Ameris concedes Ms. Gibson is entitled to recover "the value of the cell tower lot on Klister Lane." See Ameris' Brief on Damages pg 2. Ms. Gibson and Ameris agree the value of Klister Lane property is \$355,000.00 as reported in the appraisal performed by C.S. McCall &

¹ At trial Ms. Gibson presented evidence of her actual damages totaling \$1,613,053.26. However, Ms. Gibson concedes that the \$95,608.26 in interest paid on the down payment was paid by her LLC, 32 Palm Boulevard LLC and that the LLC and not Ms. Gibson personally would be entitled to a repayment of these sums. For a more complete explanation, please see Paragraph II.A. titled 3205 Palm Boulevard.

Co., LLC dated March 8, 2010. See Ameris' Brief on Damages pg 4.

C. Personal Funds Contributed by Gibson

Ms. Gibson testified that during the course of the apartment renovation, she injected \$75,000.00 of her own money into the project in an effort to avoid the collapse of the project. Ameris argues Ms. Gibson is not entitled to a return of these funds because "there is no evidence in the record that Ameris guaranteed to Plaintiffs that the \$700,000 construction loan would be sufficient to complete the renovations or that Gibson would not have to use any of her own money to complete the project." Ameris brief on damages pg 6. This is inconsistent as Karl Zerbst represented to Ms. Gibson that the cash flow from the apartments would satisfy the debt, both the down payment and the purchase and construction loan with Ameris, and that these representations resulted in the closing of the loan. This Court, in its preliminary holding stated it this way:

Before Gibson signed any loan documents with Ameris, she questioned Zerbst about whether it was a suitable investment for her (124), about the loan debt, rents, etc (220-224). Zerbst told Gibson that based on the loan package (that he structured) the cash flow from the apartments would be able to satisfy the second mortgage, as well as, cover the debt she had on the apartments.(317-318). Based on these and other representations by Zerbst Gibson moved forward with the purchase and loan.

December 19, 2012 memo from The Honorable Robert E. Watson, emphasis added.

Ameris further advances that Ms. Gibson's testimony regarding the amount of personal funds she advanced standing alone is insufficient. It is sufficient, but Ms. Gibson also entered into evidence tax forms 8825 (Plaintiff's Exhibit 8), which show all rental income collected by Ms. Gibson as well as the sums she injected into the property.

D. Attorneys' Fees

Ameris argues that Ms. Gibson is not entitled to a recovery of her attorneys fees incurred in negotiating a reduction of the deficiency sought against her by Ameris' successor Galt Valley

with regard to the apartment complex and the deficiency sought by First Citizen's with regard to 3205 Palm Boulevard, the collateral for the down payment of the apartment complex. However, most of this sum is not so much an issue of attorney's fees as it is the cost of mitigation. It is well settled that aggrieved Parties have a duty to mitigate their damages. *Chastain v. Owens Carolina, Inc.*, 310 S.C. 417, 420, 426 S.E.2d 834, 835 (Ct. App. 1993). Reasonable expenses incurred in a good faith attempt to do so are recoverable even if the effort to mitigate damages fails. *Brandon & Tibbs v. George Kevorkian Accountancy Corp.*, 226 Cal.App.3d 442 (1990).

Ameris' successor Galt Valley sought a \$3,000,000.00 deficiency judgment against Ms. Gibson. As a result of the efforts of her attorneys, Ms. Gibson was able to avoid the entire deficiency. However, this \$3,000,000.00 savings cost Ms. Gibson \$566,666.00 in attorney's fees. 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 Klister Lane properties were valued together at \$1,300,000.00. This value resulted in a savings of approximately \$1,700,000.00 million on which Ms. Gibson paid attorneys' fees in the amount of \$566,666.00. Plaintiff also paid \$20,000.00 to attorney Lawrence Richter to represent her regarding the Otranto Apartments, bringing her total loss related to the apartments to \$661,666.00. But for the cost of litigation (attorney's fees) Ms. Gibson's damage claim against Ameris would have been approximately \$3 million.

Ms. Gibson further paid attorneys' fees and costs in the amount of \$37,354.00 on account of the defense and settlement of the First Citizens obligations (\$13,750.00 to Andrew K. Epting, \$10,190.22 to George J. Kefalos, \$10,895.00 to Robert Papa, \$277.50 to Paul Tecklenburg, and CPA fees in the amount of \$2,142.44). Ms. Gibson's attorneys, with the aid of a CPA, were able

to negotiate a \$200,000.00 reduction from First Citizen's of the deficiency judgment against her.

Ameris further argues that the attorneys' fees Ms. Gibson incurred in pursuing her lawsuit against Rolando Villavicencio are not recoverable and engages in a comparative fault/equitable indemnity analysis. This issue is dealt with in the following paragraph titled, "Set-Off".

III. Other Considerations

A. Set-Off

Ameris argues it is entitled to a set-off of the \$850,000.00 settlement reached in the suit against Rolando Villavicencio and his companies as the "injury for which Plaintiffs seek to recover damages against Ameris is identical to the injury for which Plaintiffs recovered \$850,000 against Rolando." Ameris' Brief on Damages pg 10. Ameris' mistake is the parties in the two suits, and the damages sought are not the same. The plaintiffs in the case against Rolando Villavicencio included Linda A. Gibson, Heritage Seven, LLC and Seven Oaks Apartments, LLC. The plaintiffs in the present case are Linda Gibson, individually and as trustee of the Paul William Gibson Family Trust, and Heritage Seven, LLC.

\$450,000.00 of the settlement proceeds were paid to Heritage Seven, LLC and Seven Oaks Apartments, LLC. Seven Oaks Apartments, LLC is not a plaintiff in the suit against Ameris. The only damages sought and proved in this case are for injuries sustained by Linda Gibson, individually, so a recovery by Heritage Seven, LLC or Seven Oaks Apartments, LLC cannot serve to set off Ms. Gibson's losses.

\$200,000.00 was paid to Ms. Gibson on her conversion and outrage claims; claims for which Ameris was not sued. Further, these damages were never claim from Ameris (e.g. Rolando's embezzled substantial funds from Ms. Gibson on projects unrelated to the apartment

complex).

Ameris is entitled to a setoff of \$200,000.00, reduced by her mitigation cost, \$70,000.00.²

B. Comparative Fault

Ameris claims that Ms. Gibson's alleged negligence in failing to do her own due diligence and review all of the loan documents prior to executing them bars her recovery.

Comparative fault is not applicable in breach of fiduciary duty cases. In *Scott v. Dime Savings Bank of New York, FSB*, 886 F. Supp. 1073 (S.D.N.Y. 1995), the court denied the use of comparative fault where the plaintiff was allegedly pressured by the defendant bank into taking a large loan and investing the money through a brokerage which split its commission fees with the bank. The court reasoned that comparative fault was allowed only in negligence cases, and cited authority regarding contributory fault's traditional inapplicability in intentional torts cases and the public policy concern with letting intentional wrongdoers shift the blame to the victim. Likewise, in *Conway v. Icahn & Co.*, 16 F.3d 504 (2d Cir. 1994), the Second Circuit (applying New York law) did not allow a comparative fault reduction for breach of fiduciary duty damages, indicating that, "[a] full award for breach of fiduciary duty could not be reduced for contributory negligence." *Id.* at 511; *see also Solutia Inc. v. FMC Corp.*, 456 F. Supp. 2d 429, 452 (S.D.N.Y. 2006) (discussing the different cases which have allowed or denied comparative fault in breach of fiduciary duty cases, and ultimately rejecting the defense).

Ms. Gibson relied on professionals, including Rolando Villavicencio, Benji Lanier, and Karl Zerbst in making decisions relating to the property, and this Court found Ms. Gibson's reliance was reasonable. As reasonable reliance is an element of negligent misrepresentation, comparative fault cannot apply.

² Plaintiffs' proposed order did not address the issue of set-off as, until a judgment in favor of Plaintiffs was entered, the issue would not be ripe. Plaintiffs are happy to amend the proposed order to include a section on set-off if the Court desires.

Further, Ameris attempt to funnel Ms. Gibson to Larry Richter in order to control her decision making and obtain more collateral is intentional, and conduct that is intentional is not comparable. *Berberich v. Jack*, 392 S.C. 278, 294, 709 S.E.2d 607, 615 (2011) (Conduct that is not comparable includes intentional torts as well as any other conduct intended to cause injury or damage).

C. Proximate Cause

In the proposed order Ameris submitted to this Court, Ameris argued that Ms. Gibson cannot establish that the representations Mr. Zerbst's made to induce Ms. Gibson to close the loan proximately caused Ms. Gibson's damages as Ms. Gibson was obligated to purchase the apartments before the representations were made because Ms. Gibson had already signed a contract to purchase the apartments. Plaintiffs take this opportunity to respond to Ameris' argument regarding proximate cause.

It is true that in early 2007, Mr. Villavicencio brought Mr. Zerbst a document that Ms. Gibson signed regarding the purchase of the Otranto apartments for \$2.8 million, but this document was illusory and not an enforceable contract.³ Ms. Gibson testified that she did not view the "contract" as a binding commitment on her part. Rather, it was a document she signed so that Mr. Villavicencio could try to put a deal together for her. Indeed, the \$2.8 million "contract" was unenforceable as it lacked consideration and essential terms. (See Plaintiff's Exhibit 19). While it was contingent on obtaining financing, it was silent on financing terms. The contract did not specify how much Ms. Gibson proposed to put down on the purchase, how

³ This illusory contract is evidence of Ameris' bad faith. Mr. Zerbst testified that he knew Rolando was accustomed to getting Linda involved in "deals" that she did not understand. A banker of Mr. Zerbst's experience would have known that the contract was unenforceable and this should have raised a red flag for Mr. Zerbst. Essentially, Ameris is giving Ms. Gibson the money to purchase apartments that she has not agreed to buy. Put another way, Ms. Gibson comes to the bank and says "I don't have to buy these apartments, what should I do?" And Ameris says, "this is a good deal, (undisputed) we'll loan you the money to buy them (undisputed) and this is how you should structure the purchase" (undisputed).

much she expected to finance and the financing terms. Further, according to the “contract” the remedies for the default of the buyer included forfeiture of the buyer’s earnest money – but no earnest money was ever paid or required. (See Plaintiff’s Exhibit 19, ¶ 32). As the “contract” was unenforceable and did not obligate Ms. Gibson, Ameris’ argument fails.

It was not until Ms. Gibson sought advice from Mr. Zerbst and Mr. Zerbst assured her that she had no reason for concern as the purchase was structured in a way that the projected rents would cover the debt service that Ms. Gibson decided to go through with the deal.

D. Punitive Damages

Ameris argues there is no evidence that Ameris acted in a reckless, willful, or wanton manner and that Ameris’ conduct does not justify an award of punitive damages. However, the evidence presented at trial and the findings of this court support an award of punitive damages. This case does not involve the isolated conduct of a few individuals rather; this case is about Ameris’ culture, policy, and upper management or lack thereof.

The factors set forth in *Gamble v. Stevenson*, 305 S.C. 104, 406 S.E.2d 350 (S.C. 1991) are discussed at length in Ms. Gibson’s proposed order, but are summarized here.

1. DEGREE OF CULPABILITY

This was not an arms-length transaction. Ms. Gibson has no business background or sophistication, a fact not disputed by any witness to appear before the Court. She did not understand the financing, did not know the difference between recourse and non-recourse, and had never run or managed construction or low income housing. Ameris knew Mr. Villavicencio had total control and influence over Ms. Gibson, usually not even consulting with Ms. Gibson. Ameris knew that Mr. Villavicencio was taking advantage of Ms. Gibson and abusing his fiduciary relationship, and Ameris, serving its interest, aided Mr. Villavicencio in damaging Ms.

Gibson.

In this case, the fact that Ameris hides behind mountains of documents, disclaimers, and appraisals is what makes what happened so egregious. Mr. Lanier, Mr. Zerbst, Mr. Bogan, and Mr. Snipes are sophisticated in finance and banking. On this record, Ameris could not believe this property was worth near what was paid or that 100% financing is good for a widow with no business skills. Mr. Southard explained the values, at the time of the sale to Ms. Gibson, in a way I found compelling. Banks should not be allowed to insulate themselves through artifice and to allow them to do so here is to countenance conduct that is all too familiar in the most recent banking crisis.

2. DURATION

Ameris moved Ms. Gibson over with them in the fall of 2007, and as late as November of 2009 it was attempting to solve their problem through a surrogate, hoping to gain influence over Ms. Gibson's decision to turn over additional collateral to Ameris.

3. DEFENDANT'S AWARENESS

The Defendant was not only aware of what was occurring; the Defendant was the choreographer.

4. PAST CONDUCT

Mr. Zerbst and Ameris reached an accord in October, 2007. What was not resolved was how to "get around" the non-compete. Ultimately, a Murrell's Inlet office was used, yet Mr. Zerbst worked out of the Charleston office during the time of his non-compete. (Deposition of Lanier, Court Exhibit 7, pg 216). Ameris' upper management and culture induced this causative events leading to Ms. Gibson's loss.

5. **DETERRENCE**

Ameris' conduct is similar in character and quality to the conduct witnessed in the market generally over the past five years. It is excessive; it is not reasonably related to the pursuit of sound and stable business practice. It champions greed.

6. **HARM RESULTING**

Ms. Gibson nearly lost everything and testified except for her faith she would have taken her own life.

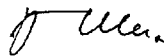
7. **ABILITY TO PAY**

Ameris does business in South Carolina, Georgia, Florida, and Alabama. Dr. Oliver Wood's report, which is uncontroverted, shows Ameris is a bank with \$3,000,000.00 in assets. Its stockholder equity is \$273,407.00. Its net cash flow is \$460,538.00 per week. Based on the Court's findings regarding Ameris' conduct, Ms. Gibson submits twelve (12) weeks of Ameris' net cash flow is an appropriate punitive award.

8. **OTHER FACTORS**

Ameris' effort to steer Ms. Gibson to the Richter Law Firm in order to influence her decision making corrupts the role of counsel. This conduct was invidious and meant to benefit Ameris alone.

Respectfully Submitted:



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ATTORNEYS FOR PLAINTIFFS

On this 7th day of February 2013
Charleston, SC.

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BERKELEY	)	IN THE NINTH JUDICIAL CIRCUIT
	)	
LINDA A. GIBSON, formerly known as	)	C.A. No. 2010-CP-08-2134
LINDA ANN AVIGNER, individually	)	
and as Trustee of the Paul William Gibson	)	
Family Trust, and HERITAGE SEVEN,	)	
LLC,	)	
	)	
	)	DEFENDANT'S REPLY BRIEF
Plaintiffs,	)	CONCERNING DAMAGES
	)	
vs.	)	
	)	
AMERIS BANK,	)	
	)	
Counterclaim Defendant.	)	

2013 FEB 27 PM 2:25
 MARY F. BROWN
 CLERK OF COURT
 BERKELEY COUNTY, SC

FILED

INTRODUCTION

Plaintiffs' proposed calculation of damages is not supported by the law or the record in this case. Plaintiffs are asking the Court to award damages: (a) that were incurred by a non-party; (b) that are undocumented and otherwise not supported by the evidence; (c) that include attorneys' fees not provided by statute or contract; and (d) that do not reflect the required setoff for other recoveries by Plaintiffs. The Court should decline to award such damages and should decline to adopt the methodology set forth in Plaintiffs' Memorandum on Damages. The proper methodology for calculating damages in this case has been fully set forth in Defendant's Brief on Damages, filed on October 3, 2012. The following reply brief is intended solely to address the points raised in Plaintiffs' Memorandum on Damages, and to reinforce the well established law on this topic. As explained more fully below, Plaintiffs are not entitled to recover any damages in this case because any award must be setoff by the \$850,000 that Plaintiffs recovered in other litigation regarding these same facts, and Plaintiffs have failed to prove damages here exceeding this amount.

ARGUMENT

1. 3205 Palm Boulevard

Plaintiffs seek to recover the \$700,000 down payment made to purchase the apartment complex. But Plaintiffs did not make the down payment. According to the record in this case the down payment was made by 3205 Palm Boulevard, LLC, which is not a plaintiff in this case. Plaintiffs cannot recover a loss that they did not incur and that was incurred by a non-party. Plaintiffs argue that they are entitled to recover the down payment made by 3205 Palm Boulevard, LLC because Ms. Gibson guaranteed the debt the LLC incurred when it borrowed money to finance the down payment. Ms. Gibson's guarantee of the debt is irrelevant. There is no evidence in the record that Ameris instructed Ms. Gibson to borrow the money to make the down payment or to personally guarantee a loan on a beach house owned by another entity. The evidence in this case is that Ms. Gibson made the decision, upon the advice of Rolando Villavicencio, to use the beach house owned by 3205 Palm Boulevard, LLC to finance the purchase of the apartment complex. [Tr. 189:10 – 191:1; 195:15 – 196:1] As the record makes clear, Ms. Gibson had the option of making the down payment without incurring any additional debt, but elected to do otherwise. She thereby put the assets of 3205 Palm Boulevard, LLC at risk. For that reason and because 3205 Palm Boulevard, LLC is not a plaintiff in this action, the \$700,000 down payment is not recoverable as damages.

2. Ms. Gibson's Personal Funds

Plaintiffs contend that they are entitled to recover \$75,000 for money that Ms. Gibson personally put into the project. But Plaintiffs introduced no evidence to support this assertion. Plaintiffs did not present any documentary evidence to support a finding that Ms. Gibson personally put any money at all into this project. Plaintiffs point to Plaintiffs' Trial Exhibit 8 as

support for the sums that Ms. Gibson allegedly put into the property. But Exhibit 8 consists of the Rental Real Estate Income and Expense tax forms for Heritage Seven, LLC for the years 2007 through 2010. Although those forms show Heritage Seven, LLC's income and expenses for the apartment complex project, they do not in any way corroborate Ms. Gibson's assertion that she personally put \$75,000 into the project. There is no line item or description showing that the money was contributed by Ms. Gibson personally.

Because there is no evidence in the record to support a finding that Ms. Gibson personally contributed \$75,000 into the apartment complex project, the Court should not award those damages to Plaintiffs.

3. Attorneys' Fees

Plaintiffs seek to recover attorneys' fees they have incurred in this case and in other related litigation. Such fees are not recoverable as a matter of law.

Under South Carolina law, "[a]ttorney's fees are not recoverable unless authorized by contract or statute." *Historic Charleston Holding, LLC v. Mallon*, 381 S.C. 417, 436, 673 S.E.2d 448, 458 (2009). Plaintiffs have not—and cannot—produce any contract or statute that entitles them to recover attorneys' fees in this case. Plaintiffs contend that the attorneys' fees incurred by Plaintiffs are costs incurred in mitigation of damages. But Plaintiffs do not cite any authority for the proposition that a party may recover attorneys' fees incurred in a lawsuit when it did so in mitigation of its damages, because no such authority exists. The well established law in this State is that attorneys' fees are not recoverable absent a contract or statute authorizing recovery. The Court should decline to award Plaintiffs \$566,000 in fees as a part of the damages in this case.

Plaintiffs also contend that they are entitled to recover attorneys' fees associated with other litigation. South Carolina employs an equitable indemnity analysis in considering whether

a plaintiff may recover attorneys' fees when a defendant's tortious conduct forces the plaintiff into separate litigation with a third party. *Town of Winnsboro v. Wiedeman-Singleton, Inc.*, 307 S.C. 128, 129, 414 S.E.2d 118, 119 (1992). Here, there is no evidence that Ameris' conduct forced Plaintiffs to sue Rolando Villavicencio and other parties. Plaintiffs chose to sue Rolando and did so nearly *two years before* ever asserting any misconduct on the part of Ameris. Similarly, Plaintiffs have failed to establish that it was Ameris' conduct that forced Ms. Gibson into litigation with First Citizens Bank over the beach house owned by 3205 Palm Boulevard, LLC. That litigation was a result of the manner in which Ms. Gibson chose to finance the transaction, and was a result of her decision to do what she did in this case, which is to stop making payments on the note.

Also, South Carolina law provides that, under an equitable indemnity analysis, a plaintiff cannot recover from a tortfeasor if the plaintiff's own negligence has joined in causing the injury. *First Gen. Servs. of Charleston, Inc. v. Miller*, 314 S.C. 439, 442, 445 S.E.2d 446, 448 (1994). As set forth in Ameris' initial brief on damages, there is substantial evidence that Plaintiffs' own conduct contributed to Plaintiffs' alleged injury in this case. Plaintiffs' own conduct bars relief under an equitable indemnification analysis.

Because Plaintiffs have not cited any contract or statute entitling them to recover attorneys' fees, the request for fees should be denied.

4. Setoff

A defendant's right to setoff is well established in South Carolina and applies in this case. "When a release . . . is given in good faith to one of two or more persons liable in tort for the same injury . . . it reduces the claim against the other to the extent of any amount stipulated by the release or the covenant, or in the amount of the consideration paid for it, whichever is the

greater.” S.C. Code Ann. § 15-38-50 (2005). “When the settlement is for the same injury, the nonsettling defendant’s right to a setoff arises by operation of law.” *Smith v. Widener*, 397 S.C. 468, 472, 724 S.E.2d 188, 190 (2012) (citations omitted). The statute requires a setoff when the claims against the joint tortfeasors arose out of the same factual scenario. *Ellis v. Oliver*, 335 S.C. 106, 112, 515 S.E.2d 268, 272 (Ct. App. 1999).

Here, Plaintiffs are attempting to recover twice for the same injury. Plaintiffs brought two separate lawsuits against two different sets of defendants regarding the same set of facts and the same injury. When Plaintiffs’ real estate project failed, Ms. Gibson and Heritage Seven, LLC sued Rolando Villavicencio (and other defendants) and later counterclaimed against Ameris in the foreclosure. In both lawsuits, Ms. Gibson and Heritage Seven LLC seek to recover damages for the exact same injuries arising out of the same facts. *Compare* Def.’s Ex. 62 *with* Plaintiff’s Supplemental Answers to Defendant’s Interrogatories, attached to Ameris’ initial damages brief. Because the actions arose out of the same factual scenario, the law requires a setoff. Any damages award entered against Ameris must be setoff by the \$850,000 Plaintiffs received in the other litigation. Plaintiffs contend that the damages recovered against Rolando Villavicencio should be allocated to certain parties and the damages to be recovered against Ameris should be allocated to others. But that is not how the law of setoff works. How the proceeds resulting from litigation are allocated does not matter. No plaintiff or plaintiffs are entitled to double and triple recoveries for the same injury.

Plaintiffs’ contention that the Court should ignore the fact that they have already recovered \$850,000 in litigation concerning this same apartment complex should be rejected. The law of setoff requires the Court to setoff any damages award entered against Ameris by the \$850,000 Plaintiffs have already recovered.

5. Comparative Fault

According to the evidence presented at trial, Plaintiffs' own conduct contributed to the harm alleged. Ms. Gibson admitted that she did not conduct any due diligence before purchasing the property. Ms. Gibson admitted that she failed to read any of the loan documents or construction contracts she signed. Ms. Gibson admitted that she allowed the loans to go into default despite having substantial assets from which to satisfy the outstanding obligations. Because Ms. Gibson's conduct contributed to the harm alleged, Ameris is entitled to a reduction in the damages award based on Plaintiffs' own fault.

Rather than point to evidence in the record showing that Ms. Gibson was not at fault, Plaintiffs make a legal argument that comparative fault is not a defense to a cause of action for breach of fiduciary duty. But Plaintiffs do not cite any South Carolina authority for this proposition. Instead, Plaintiffs cite two cases applying New York law. But a closer examination of New York law shows that even courts in New York are unsettled on this issue, as at least one court has indicated to the contrary. *See Coty v. Steigerwald*, 262 A.D2d 946, 946 (N.Y. App. Div. 1999) (acknowledging that "comparative fault principles may be applied to a cause of action for breach of fiduciary duty" and citing New York cases in support).

Even if comparative fault principles do not apply to breach of fiduciary duty claims, they do apply to negligence claims. Plaintiffs have asserted a negligent misrepresentation claim, and there is no basis for the Court to find that comparative negligence principles do not apply to that claim. Plaintiffs' own conduct in this case cannot be ignored. Plaintiffs' conduct contributed to the harm alleged and the damages award in this case, if any, should reflect that.

6. Punitive Damages

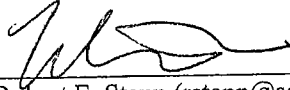
There is no evidence in the record to support an award of punitive damages. "Evidence of simple negligence alone will not support an award of punitive damages." *Carter v. R.L. Jordan Oil Co., Inc.*, 301 S.C. 84, 85, 390 S.E.2d 367, 368 (Ct. App. 1990). Instead, a plaintiff must present evidence that "the defendant's conduct was wilful, wanton, or in reckless disregard of the plaintiff's rights." *Id.* (quoting *Cohen v. Allendale Coca-Cola Bottling Co.*, 291 S.C. 35, 351 S.E.2d 897 (Ct.App.1986)). "Conduct is wilful, wanton, or reckless when it is committed with a deliberate intention under such circumstances that a person of ordinary prudence would be conscious of it as an invasion of another's rights." *Id.* "It is the present consciousness of wrongdoing that justifies the assessment of punitive damages against the tortfeasor." *Id.*

Here, there is no evidence in the record to support an award of punitive damages. Plaintiffs did not present any evidence that Ameris' conduct was done with a deliberate intention to invade another's rights. This case involved a multi-million dollar loan transaction between an LLC and a bank. Plaintiffs did not present any evidence that the transaction was conducted any differently than any other commercial loan transaction. An award of punitive damages is not only unsupported by the evidence, but would violate the due process clauses of the Fifth and Fourteenth Amendments of the United States Constitution and the corresponding provisions of the Constitution of this State.

CONCLUSION

The only proper measure of damage in this case would be Plaintiffs' loss of the value of the Klister Lane property, which Plaintiffs argue is \$355,000. But when Plaintiffs' recovery of \$850,000 is taken into account, the value of the Klister Lane property is more than offset by Plaintiffs' previous recoveries. As a result, Plaintiffs have suffered no recoverable damages.

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Columbia, South Carolina
February 25, 2013

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM BERKELEY COUNTY
Court of Common Pleas

Robert E. Watson, Master-in-Equity

Appellate Case No.: 2014-001487

Linda A. 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.

CERTIFICATE OF COUNSEL

As required by Rule 210(g), SCACR, the undersigned certifies that the Record on Appeal contains all material proposed to be included by the parties and not any other material.

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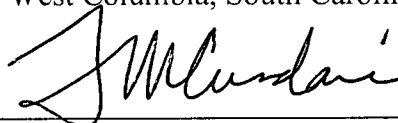
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PROOF OF SERVICE

I certify that I have caused the Record on Appeal to be served on Respondents by hand delivery on April 3, 2015, addressed to their attorney of record, Desa Ballard, Law Offices of Desa Ballard, 226 State Street, West Columbia, South Carolina 29169.



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April 3, 2015

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