

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)

IN THE COURT OF COMMON PLEAS
FIFTEENTH JUDICIAL CIRCUIT

TD Bank, N.A., Successor by merger to)
Carolina First Bank, N.A.,)
)

Plaintiff,)
)

vs.)
)

Sunil V. Lalla and Sharon W. Lalla,)
)

Defendants.)
)

Civil Action No. 2011-CP-22-00342

ORDER APPOINTING RECEIVER

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This matter came before the Court for a hearing in Georgetown, South Carolina, on September 14, 2015, upon the *Motion for Leases, Rents and Appointment of Receiver* (the "Motion") filed by Plaintiff TD Bank, N.A., successor by merger to Carolina First Bank (the "Plaintiff"), in which the Plaintiff seeks the appointment of LandTech Asset Management, LLC as receiver for a property currently owned by Defendants Sunil V. Lalla and Sharon W. Lalla (collectively, the "Lalla Defendants"). The Plaintiff commenced an action for foreclosure in this Court on March 2, 2011. Thomas William McGee, III, Esquire appeared at the hearing on behalf of the Plaintiff. Notice of the hearing was provided to all Defendants.

The property which is the subject of the foreclosure action, and for which the Plaintiff seeks the appointment of a receiver, consists of real property with improvements thereon located at 744 S. Waccamaw Drive, Murrells Inlet, South Carolina (the "Mortgaged Premises").

Upon review of the Motion, loan documents, the applicable law and the arguments made by counsel at the hearing, I find that the Motion is proper and that a receiver should be appointed. The Plaintiff is entitled to receive the rents and income from the Mortgaged

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Premises pending its sale or other final disposition, and is entitled to the appointment of a receiver. It appears that without the appointment of a receiver, the rents and profits of the Mortgaged Premises are likely to be lost or impaired. The Court finds that the proposed receiver, LandTech Asset Management, LLC, is qualified to serve as the Court-appointed receiver to manage the Mortgaged Premises, receive the rents and income and then disburse such monies accordingly.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. LandTech Asset Management, LLC is hereby appointed receiver (hereinafter, "Receiver") of the Mortgaged Premises, subject to the continuing jurisdiction of this Court.

2. The Receiver is authorized and directed to take immediate and exclusive custody, control and possession of the Mortgaged Premises, and all funds and rents related to the Mortgaged Premises. The Receiver shall have no liability for any obligations of the Mortgaged Premises. The Receiver is appointed and is to act solely as receiver in connection with the Mortgaged Premises and in no sense as receiver generally of any Defendant or Defendants. However, the Receiver may enforce or otherwise deal with contractual rights and obligations of the Lalla Defendants that in the Receiver's judgment may affect the Mortgaged Premises.

3. The Receiver is hereby authorized and directed to collect all income and profits derived from the Mortgaged Premises. Currently, the Mortgaged Premises is available for rental and is to be managed by the Receiver. Pursuant to this Order, all tenants of the Mortgaged Premises are hereby directed to pay the rental payments to the Receiver and rentals are only to be made through the Receiver.

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4. From and after the date of this Order and until the receivership estate is dissolved in accordance with the terms hereof or by further order of this Court, the Lalla Defendants are hereby restrained from disposing of, transferring, conveying, using or otherwise encumbering all or any portion of the Mortgaged Premises or any other property related to the Mortgaged Premises, including, but not limited to, books, files, records, statements, accounts, bank accounts, check books, check registers, passbooks and any other relevant written material evidencing or arising from the banking, borrowing or investment relations between the Lalla Defendants and any other person or entity, related to the Mortgaged Premises.

5. The Lalla Defendants are further prohibited from placing an "owner block" on the Mortgaged Premises.

6. The Lalla Defendants are hereby ordered and directed to convey and deliver to the Receiver all funds and assets of any kind which have arisen by virtue of income, revenues or other receipts from the Mortgaged Premises including, without limitation, any deposits, income and/or profits of the Mortgaged Premises previously received by the Lalla Defendants and not forwarded to the Plaintiff. The Lalla Defendants are further ordered to produce to the Receiver any and all rental agreements, listing agreements and/or any other documents evidencing or relating to the marketing or rental of the Mortgaged Premises. If there are no written documents regarding the marketing, leasing or renting of the Mortgaged Premises, the Lalla Defendants shall provide the Receiver with a detailed account of all transactions involving the lease or rent of the Mortgaged Premises and any deposits, rent or other consideration received from any third-parties for use of the Mortgaged Premises. The Lalla

Defendants shall deliver all funds and/or documents described in this Paragraph to the Receiver within five (5) days of service of this Order on their counsel of record.

7. The Lalla Defendants, their agents, representatives and employees, are ordered to cooperate with the Receiver and appear at the Mortgaged Premises, at such times as may be required to sign such legal documents as may be necessary and to furnish such records as the Receiver may require. Failure of Lalla Defendants to cooperate with the Receiver or otherwise comply with terms of this order shall make Lalla Defendants liable for contempt of court upon application by the Receiver or his attorneys. The parties are hereby ordered to cooperate with the Receiver at all times during the pendency of this receivership.

8. The Receiver is authorized and directed to make such payments and disbursements from the funds so taken into its custody, control, and possession or thereafter received, and to incur and pay such expenses, as may be necessary or advisable in the ordinary course of business in discharging its duties as Receiver up to \$250.00. Expenses which exceed \$250.00 require express written authorization from the Plaintiff.

9. The Receiver shall be compensated by receiving a base receiver fee of \$475.00/month; per trip cost of \$250.00, to include all travel and per diem expenses; and, if necessary and acceptable to Plaintiff, on an hourly basis for oversight of any major repairs that result from catastrophic events such as fire, flood, or hurricane.

10. Lalla Defendants. The Receiver is hereby authorized, empowered and directed to maintain all policies of insurance or similar contracts affecting the Mortgaged Premises in full force and effect, and if none exists or is insufficient, to insure the Mortgaged Premises for its current fair market value against personal injury, Mortgaged Premises damage and liability claims. The Receiver shall maintain or purchase appropriate Mortgaged Premises insurance for

the Mortgaged Premises, public liability insurance, workmen's compensation insurance, fire and extended coverage insurance, and burglary and theft insurance. The Plaintiff shall be listed as an insured and a loss payee on all such insurance policies. The Receiver shall promptly investigate and provide Plaintiff a full, prompt written report as to all serious and material accidents, claims for damage relating to the ownership, operation and maintenance of the Mortgaged Premises, and any damage or destruction to the Mortgaged Premises and the estimated cost of repair thereof, and shall prepare any and all reports required by any insurance company in connection therewith. All existing insurance coverage purchased by the Lalla Defendants or by any other person, which is now in force for the protection of the Mortgaged Premises, is hereby assigned to the Receiver for the benefit of the Plaintiff.

11. The Receiver shall remit all excess proceeds of collected income and profits of the Mortgaged Premises to the Plaintiff monthly for credit against the outstanding balance of the indebtedness, accompanied by an accounting of all income collected from the Mortgaged Premises, and disbursements made by the Receiver (including any fees and disbursements paid to the Receiver). The funds shall be delivered to the Plaintiff by the last business day of the respective month or a date consented to by the Plaintiff. Any funds received by the Plaintiff from the Receiver pursuant to this paragraph shall be applied first to the costs and expenses of this action, then to any accrued interest, late charges and other applicable costs and fees, and finally to principal. The disbursement to the Plaintiff of any income, profits, and operating revenues collected prior to foreclosure, is ordered pursuant to the rights granted the Plaintiff in the mortgage it holds on the Mortgaged Premises.

12. The Receiver is authorized to open bank accounts in the name of the Receiver, which accounts shall be free from attachments, levies, or rights of setoff by any party other than the Plaintiff to the extent of the Plaintiff's liens and security interests.

13. The Receiver shall have the power to institute, prosecute, compromise, or defend suits or actions of law or in equity relating to the Mortgaged Premises.

14. The Receiver is authorized to engage and employ and dismiss others (without Court approval), including but not limited to agents, managers, employees, servants, attorneys, and accountants as may in its judgment be advisable or necessary in the management, control, protection, or liquidation of the Mortgaged Premises and, subject to available funds from the Mortgaged Premises and the Plaintiff as provided herein, make such payments and disbursements to such persons or entities, including the Receiver, as may be necessary or proper for the maintenance, control, protection and liquidation of the Mortgaged Premises.

15. All persons, funds, corporations, associations and all other parties are hereby enjoined and restrained from commencing, maintaining, or otherwise prosecuting any action at law or in equity against the Receiver without prior leave of this Court.

16. All existing licenses relating to the operation of the Mortgaged Premises issued in the name of the Lalla Defendants are hereby assigned to the Receiver.

17. The Receiver is authorized and empowered to obtain the assistance of the Sheriff's Department of the counties of this State in performing those duties and responsibilities enumerated herein.

18. The Receiver shall have the authority to market, lease, rent or otherwise seek compensation for the Property in the ordinary course of business, at such rates and on such

terms as are customary in the business, provided that Plaintiff approves each such rental or lease agreement.

19. The Receiver may apply, without notice to any party, to this Court for further and other instructions and for such further power as may be necessary or appropriate to enable the Receiver to properly carry out the terms of this Order and to fulfill its duties as Receiver.

20. The Receiver is further ordered and authorized to maintain the Mortgaged Premises and to otherwise protect the Mortgaged Premises effectively in accordance with the terms of this Order.

21. The powers herein granted to the Receiver shall be in addition to, and not in lieu of, all powers vested in Receiver by applicable law or rule of the Court. The Receiver will be responsible only to the Court for the performance of its duties as Receiver, and neither the Plaintiff nor any Defendant shall delay, hinder or obstruct the Receiver in the performance of its duties. The Receiver is authorized to enjoin or restrain any action by lessors, creditors or parties with which the Lalla Defendants held contracts from repossessing properties, instituting actions or otherwise interfering with the operation of the Mortgaged Premises.

22. The Receiver shall file reports with the Court only upon request of the Court or a party to this action and shall serve without a bond.

23. Except for acts of gross negligence or intentional misconduct, the Receiver and any persons or entities employed or engaged by it (collectively with the Receiver, the "Receiver Parties") shall not be liable for any claims, liabilities, losses or damages ("Exempt Claims") incurred by or claimed by the Defendants or any other person or entity by reason of any act performed or omitted to be performed by the Receiver Parties in connection with the discharge of the duties and responsibilities of the Receiver Parties in this matter. The Receiver

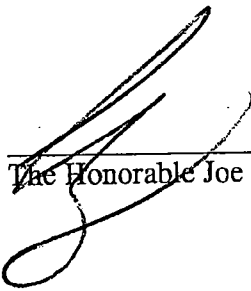


Parties shall be entitled to use funds from the Mortgaged Premises, and the Plaintiff as provided herein, to pay for any liabilities and/or defense costs, including attorneys' fees, incurred by any of the Receiver Parties, related to Exempt Claims.

24. The Receiver's duties and responsibilities provided by this Order shall become effective immediately upon the execution of same, and shall cease upon the earlier of (i) the execution of a Master-in-Equity's Deed conveying the Mortgaged Premises; (ii) the day that the Court orders that the Receivership be terminated; (iii) the day on which the Mortgaged Premises is sold with the consent of the Plaintiff; or (iv) a date agreed upon by the Parties in the event that the Parties resolve the foreclosure action. In the event of subparagraph (iv), the Receiver's duties may and shall extend past the existence of the foreclosure case.

25. Jurisdiction over the Receiver and the Mortgaged Premises shall remain with the Court for the issuance of such further orders and further proceedings as are deemed just and proper.

AND IT IS SO ORDERED.



The Honorable Joe M. Crosby

Georgetown, South Carolina

3 November, 2015.