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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM LANCASTER COUNTY
Court of Common Pleas

The Honorable R. Knox McMahon

Case No. 11-CP-29-00873

Appellate Case No. 2014-001505

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SC Court of Appeals

Wells Fargo Bank, N.A.,
Successor by merger to Wachovia Bank, N.A., ... Respondent,

v.

Ronald P. Pappas, a/k/a Ronald Peter Pappas, and
Camine Pappas, ... Appellants,

And

Ronald P. Pappas, a/k/a Ronald Peter Pappas, and
Camine Pappas, ... Cross-Plaintiffs,

v.

Wells Fargo Bank, N.A.,
Successor by merger to Wachovia Bank, N.A., and
Cargo Development, LLC,
A North Carolina limited liability Company, ... Cross-Defendants.

RECORD ON APPEAL:
VOLUME I

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STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

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SC Court of Appeals

ORDER

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This matter came before the Court on Motion of Plaintiff, Wells Fargo Bank, N.A., successor by merger to Wachovia Bank, N.A. ("**Wells Fargo**" or "**Plaintiff**"), for summary judgment in its favor as to all pending claims between Wells Fargo and Defendants, Ronald P. Pappas and Camine Pappas ("Defendants"), in this matter. The Court held a hearing on Wells Fargo's Motion on February 18, 2014. S. Sterling Laney, III of the Womble Carlyle law firm appeared on behalf of Wells Fargo. John Martin Foster attended on behalf of Defendants. Amy Purwin Hunt of the Horack Talley law firm appeared on behalf of Third Party Defendant, Craft

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Development, LLC. Based on the arguments of counsel, the pleadings, memoranda and other documents on file with the Court, including but not limited to the Affidavit of John Martin Foster and the transcript of the deposition of Ronald A. Pappas filed prior to the hearing, and the common and statutory laws of the State of South Carolina and the United States of America, the Court grants Wells Fargo's Motion for Summary Judgment.

FACTUAL BACKGROUND

This case arises out of Defendants' purchase of a lot in the Edgewater Subdivision development in Lancaster County ("Edgewater"). In late 2005 and early 2006, Defendants attended a number of "showcase" events put on by the developer of Edgewater, Craft Development, LLC (the "Developer"), to promote Edgewater to potential real estate investors/purchasers.

On March 29, 2006, Defendants executed an "Agreement to Buy and Sell Real Estate" (the "Contract") with the Developer to purchase Lot 311 in Edgewater (the "Property"). The Property was (and remains today) a vacant, unimproved lot. The Contract did not contain an appraisal contingency that required the property to appraise for the purchase price or for any other dollar-amount.Instead, the Contract expressly stated that the Property was sold "as is". The Contract also expressly disclaimed any obligations for future development of the Property or the Edgewater development. in addition, there is no reference in the Contract to Wachovia Bank ("Wachovia," now Wells Fargo),nor was Wachovia a party to the Contract.

During early 2006, Defendants communicated with representatives of both SunTrust Bank and Wachovia regarding financing for their purchase of a lot in Edgewater. Defendants selected Wachovia as their lender and, after executing the Contract, worked with Wachovia to secure financing to help fund their purchase of the Property. In connection with making a loan

for the Property purchase, Wachovia requested and, on May 10, 2006, received an appraisal for the Property (the "2006 Appraisal").

On or about May 30, 2006, Defendants made, executed and delivered to Wachovia a Promissory Note in the principal amount of $206,100.00 (the "Original Note"). To secure the Original Note, Defendants made, executed and delivered to Wachovia a Real Estate Mortgage covering the Property. Defendants did not review the 2006 Appraisal prior to agreeing on the purchase price and signing the Contract to purchase the Property, nor did they review it prior to closing the purchase transaction on May 30, 2006. Defendants used 100% of the proceeds of the Wachovia loan to fund their purchase of the Property. None of those loan funds were used to improve that lot. Defendants thereafter made payments to Wachovia pursuant to the terms and conditions set forth in the Original Note. Defendants made no improvements to the Property after the date of its purchase.

On or about June 1, 2009, the Original Note matured, so Defendants contacted Wachovia to negotiate a new loan to refinance the original loan that they had obtained from Wachovia. On or about July 22, 2009, Defendants executed a Negotiable Promissory Note in the original principal sum of $210,954.69 (the "Refinance Note") payable to Wachovia. This Refinance Note re-financed the 2006 Wachovia loan that was used to purchase the Property. The Refinance Note is secured by a Mortgage made, executed, and delivered by Defendants to Wachovia on July 22, 2009 and recorded on July 23, 2009 in Book 2135 at Page 99 in the Lancaster County Registry (the "Mortgage"), (the Mortgage and Refinance Note shall be collectively referred to as the "Loan Documents" or the "Loan"). Defendants thereafter failed to make payments as required by the terms of the Refinance Note, which by its own terms, constitutes an event of default. Significantly, Defendants do not dispute the authenticity of the Loan Documents.

On June 17, 2011, Wells Fargo, successor by merger to Wachovia, instituted this action to foreclose the Refinance Note and Mortgage. The Defendants answered the Complaint on August 25 and then, on September 29, 2011, filed an Amended Answer and Counterclaims, asserting the following counterclaims: (i) South Carolina Unfair Trade Practices Act violations, S.C. Code Ann. § 39-5-10 et seq.; (ii) RESPA violations, 12 U.S.C. § 2601 et seq.; (iii) Interstate Land Sales Full Disclosure Act violations, 15 U.S.C. §§ 1701-1720; (iv) Fraud; and (v) Negligent Misrepresentation. Wells Fargo replied, denying all of Defendants' counterclaims.

LEGAL STANDARD

Under Rule 56(c), SCRCP, "Summary judgment is appropriate 'if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.'" Russell v. Wachovia Bank, N.A., 353 S.C. 208, 217, 578 S.E.2d 329, 334 (2003). "The evidence, and all reasonable inferences must be viewed in the light most favorable to the non-moving party." Id. However, "when a motion for summary judgment is made and supported as provided by the rule, an adverse party may not rest upon the mere allegations or denials of his pleadings. The adverse party's response, including affidavits or as otherwise provided by the rule, must set forth specific facts showing there is a genuine issue for trial." SSI Medical Services, Inc. v. Cox, 301 S.C. 493, 497, 392 S.E.2d 789, 792 (1990) (quoting Rule 56(e), SCRCP). Furthermore, to survive summary judgment, the party bearing the burden of proof must establish a prima facie case as to each essential element of the claim. Baughman v. Amer. Tel.. & Tel. Co., 306 S.C. 101, 116, 410 S.E.2d 537, 545-46 (1991).

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LEGAL ANALYSIS AND CONCLUSIONS OF LAW

I. Wells Fargo's claim for foreclosure of the Refinance Note and Mortgage.

The Defendants have admitted signing the Refinance Note and the Mortgage, establishing the debt. They have also admitted failing to make payments to Wells Fargo as required by the terms of the Refinance Note, establishing default on the Loan. Upon default, the terms of the Refinance Note permit Wells Fargo to declare all amounts due under the Refinance Note immediately due and payable and institute an action for foreclosure of the Mortgage. "Generally, the party seeking foreclosure has the burden of establishing the existence of the debt and the mortgagor's default on that debt." U.S. Bank Trust Nat. Ass'n v. Bell, 385 S.C. 364, 374-75, 684 S.E.2d 199, 205 (S.C. Ct. App. 2009). As there is no genuine issue of material fact with respect to whether the Defendants executed the Loan Documents, received the proceeds of the loan, and then defaulted on their payment obligations under the Loan Documents, I find that Wells Fargo is entitled to summary judgment on its foreclosure cause of action. Accordingly, Wells Fargo is entitled to foreclose the Mortgage and seek and obtain a deficiency judgment against Defendants, and this Court grants summary judgment in favor of Wells Fargo on its foreclosure complaint. Further, the parties are directed to refer this matter to a Special Referee, pursuant to Rules 33 and 71, SCRCP, to complete the foreclosure proceedings in this matter.

II. Wells Fargo is entitled to summary judgment on Defendants' SCUTPA claims.

Defendants' claim under South Carolina Unfair Trade Practices Act ("SCUTPA") fails because the SCUTPA does not apply to private transactions where there is no evidence of adverse effect on the public interest. The South Carolina Supreme Court has refused to provide a test to determine what constitutes an "impact upon the public interest," but that requirement is most commonly met by demonstrating that acts or practices have the potential for repetition. See Noack Enterprises, Inc. v. Country Corner Interiors of Hilton Head Island, Inc., 290 S.C. 475,

351 S.E.2d 347 (Ct. App. 1986); Global Protection Corp. v. Halbersberg, 332 S.C. 149, 503 S.E.2d 483 (Ct. App. 1998). "The potential for repetition may be shown in two ways: 1) by showing the same kind of actions occurred in the past, thus making it likely they will continue to occur absent deterrence, or 2) by showing the company's procedures create a potential for repetition of the unfair and deceptive acts." Crary v. Diebelli, 329 S.C. 385, 388 (S.C. 1998).

A mere breach of contract cannot constitute a violation of the SCUPTA. See Key Co., Inc. v. Fameco Distr., Inc., 292 SC 524, 357 S.E.2d 476 (Ct. App. 1987). Moreover, "conduct which only affects the parties to the transaction provides no basis for a UTPA claim...." Jefferies v. Phillips, 316 S.C. 523, 527, 451 S.E.2d 21, 23 (Ct. App. 1994). Here, we have nothing more than a dispute between the two parties to a private contract – the Refinance Note and Mortgage – regarding appraisals of the Property. Wells Fargo was not required to provide the Defendants with copies of any appraisals it obtained in connection with the original loan or refinancing, taking this claim outside of the factors outlined in Crary, supra. 12 C.F.R. § 202.14. Accordingly, there is no genuine issue of material fact regarding the appraisals, and the Court grants Wells Fargo summary judgment on the Defendants' claim for violation of the SCUTPA.

III. Defendants' abandonment of its RESPA claims and ILSA claims entitles Wells Fargo to summary judgment on those claims.

The Defendants asserted counterclaims under the Real Estate Settlement Procedures Act ("RESPA") and the Interstate Land Sales Act ("ILSA"). RESPA applies to "federally related mortgage loans" which are defined as a loan "secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of one to four families." 12 U.S.C. § 2602(1)(A). Specifically exempt from RESPA is "Any loan secured by vacant or unimproved property, unless within two years from

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the date of the settlement of the loan, a structure or a manufactured home will be constructed or placed on the real property using the loan proceeds." 24 C.F.R. § 3500.5(b)(4).

ILSA regulates "developers" or subdivisions and limits liability to "developers" and their "agents." 15 U.S.C. § 1709(a). Federal courts have consistently held that a lending institution acting in the ordinary course of its business is not considered a "developer" within the meaning of ILSA. See e.g. Cumberland Cap. Corp v. Harris, 621 F.2d 246, 251 (6th Cir. 1980); Keeneally v. Bank of Nova Scotia, 711 F.Supp.2d 1174, 1191-92 (S.D. Cal 2010) (collecting cases).

At the hearing on this matter, Defendants voluntarily abandoned their claims under RESPA and ILSA. Accordingly, Wells Fargo is entitled to summary judgment on these claims and the Courts grants Wells Fargo summary judgment on the Defendants' RESPA and ILSA claims.

IV. Wells Fargo is entitled to summary judgment on Defendants' fraud and negligent misrepresentation claims.

Wells Fargo is entitled to summary judgment on Defendants' "fraud by misrepresentations" claim and negligent misrepresentation claim, both of which are based on the 2006 Appraisal. Fraud must be pled with specificity. Rule 9(b), SCRCP. To establish fraud, Plaintiff must allege: (1) a representation of fact; (2) its falsity; (3) its materiality; (4) either knowledge of falsity or a reckless disregard of its truth or falsity; (5) intent that the representation should be acted upon; (6) the hearer's ignorance of its falsity; (7) the hearer's reliance on its truth; (8) the hearer's right to rely thereon; and (9) and the hearer's consequent and proximate injury. Schnellmann v. Roettger, 373 S.C. 379, 381, 645 S.E.2d 239, 241 (2007). Failure of the Defendants to prove any element of fraud is fatal to the action. Id.

To establish a claim for negligent misrepresentation, the Defendants must show: (1) Wells Fargo made a false representation to Defendants; (2) Wells Fargo had a pecuniary interest

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in making the false representation; (3) Wells Fargo owed a duty of care to see that it communicated truthful information to Defendants; (4) Wells Fargo breached that duty by failing to exercise due care; (5) the Defendants justifiably relied on the representation; and (6) the Defendants suffered a pecuniary loss as a proximate result of their reliance upon the representation. Carolina Chloride, Inc. v. Richland County, 394 S.C. 154, 164, 714 S.E.2d 869, 873 (2011). The Defendants must also show that any reliance was reasonable. Id. at 164, 714 S.E.2d at 874. Moreover, "there can be no liability for [. . .] matters which [claimant] could ascertain on his own in the exercise of due diligence." West v. Gladney, 341 S.C. 127, 134, 533 S.E.2d 334, 337 (Ct. App. 2000); King v. Oxford, 282 S.C. 307, 312, 318 S.E.2d 125, 128 (Ct. App. 1984) ("Courts do not sit for the purpose of relieving parties who refuse to exercise reasonable diligence or discretion to protect their own interests."). Further, because the "application for credit" made by the Defendants with Wells Fargo was not going to be "secured by a lien on a dwelling" as described above, Wells Fargo was not required to provide the Defendants with copies of any appraisals obtained in connection with the original loan or the refinancing. 12 C.F.R. § 202.14.

Defendants' fraud and negligent misrepresentation claims center on an alleged negligently-conducted appraisal upon which Defendants now contend they relied. However, the Defendants executed the Contract prior to engaging Wells Fargo to finance their purchase of the Property. The Contract stated that the Property was sold "as is" and the Contract did not contain an appraisal contingency. Defendants agreed to the purchase price of the Property before Wells Fargo requested the 2006 Appraisal of the Property. In addition, Defendants admit that they did not see the 2006 Appraisal until 2013, some seven years after the original loan closing and four years after closing the Refinance Loan. Accordingly, Defendants could not have relied on the 2006 Appraisal for any purpose.

In Robertson v. First Union Nat'l Bank, the South Carolina Court of Appeals rejected arguments similar to those of the Defendants herein. Robertson v. First Union Nat'l Bank, 350 S.C. 339, 565 S.E.2d 309 (Ct. App. 2002). In Robertson, the borrowers agreed to purchase commercial property. Id. at 344, 565 S.E.2d at 312. After agreeing to purchase the property, the borrowers approached the bank in order to obtain financing. Id. The bank then ordered an appraisal on the property. Id. The borrowers were not provided a copy of the appraisal until after the purchase agreement has been executed. Id. In rejecting the borrowers' fraud claim, the Court noted that the borrowers' "reliance is glaringly absent" because "the purchase price [. . .] was already agreed upon before [borrowers] approached the bank." Id. at 348, 565 S.E.2d at 314.

Here, as in Robertson, the Defendants agreed to purchase the property before any appraisal was conducted. Just as in Robertson, the Defendants received a copy of the appraisal well after they executed the Contract and the purchase price for the Property was already established. And here, as in Robertson, "reliance is glaringly absent". Id. at 348, 565 S.E.2d at 314. The Defendants bear the burden of proof as to each element of the fraud claim. See Baughman, 306 S.C. at 116, 410 S.E.2d at 545-46. For the reasons discussed above, Defendants cannot meet their burden as to the reliance element. There is simply no genuine issue of material fact as to whether Defendants could rely upon the 2006 Appraisal, or whether the Defendants were entitled to rely on any appraisal obtained by Wells Fargo and, accordingly, the Court grants Wells Fargo summary judgment on these claims.

As an additional sustaining ground, there can be no liability for fraud "on matters which [claimant] could ascertain on his own in the exercise of due diligence." West, 341 S.C. at 134, 533 S.E.2d at 337; see also, King v. Oxford, 282 S.C. 307, 312, 318 S.E.2d 125, 128 (Ct. App. 1984). Stated differently, Wells Fargo cannot be liable to Defendants for the content of its appraisal if Defendants could have, through their own due diligence, independently determined

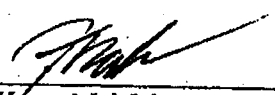
the value of the subject Property before signing the Contract and prior to signing the Refinance Note. Defendants failed to take any steps to independently ascertain the value of the Property at any time prior to the institution of this action. On this ground as well, the Defendants' fraud and negligent misrepresentation claims fail as a matter of law, and Wells Fargo is entitled to summary judgment on both of these claims.

Additionally, the Defendants' fraud claim fails because they have failed to prove the materiality of the alleged negligently conducted appraisal. Because the appraisal did not exist at the time Defendants executed the Contract, the information contained in that appraisal was not, and could not have been, material to the Defendants' decision to purchase the Property or the price they were willing to pay for it. Further, as in Robertson, there is no evidence that the appraisal was negligently performed or that the value of the Property was different from the appraised value. Robertson, 350 S.C. at 348, 565 S.E.2d at 314. Any of these reasons alone entitle Wells Fargo to summary judgment on the Defendants' fraud and negligent misrepresentation claims, and since there are no genuine issues of material fact bearing on these claims, this Court grants Wells Fargo summary judgment on the Defendants' claims for fraud and negligent misrepresentation.

CONCLUSION

For the reasons stated above, the Court (1) grants summary judgment in favor of Wells Fargo on its foreclosure claim, and (2) grants Wells Fargo's Motion for Summary Judgment as to all of Defendants' counterclaims.

IT IS SO ORDERED.



R. Knox McMahon, Judge for the 11th Circuit

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STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

WELLS FARGO BANK, N.A., Successor, by merger to WACHOVIA BANK, N.A.,

Plaintiff,

vs.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

vs.

WELLS FARGO BANK N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants.

IN THE COURT OF COMMON PLEAS
SIXTH JUDICIAL CIRCUIT

C.A. No. 2011-CP-29-873

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SC Court of Appeals

ORDER DENYING DEFENDANTS' AND CROSS-PLAINTIFFS' MOTION TO ALTER OR AMEND JUDGMENT

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This matter is before the Court pursuant to Defendants' and Cross-Plaintiffs' Motion to Alter or Amend Judgment pursuant to Rule 59(a) and (e) SCRCP. A hearing on Plaintiff Wells Fargo's Motion for Summary Judgment was heard in Lancaster County on February 18, 2014. An Order was filed on April 11, 2014, granting summary judgment in favor of Wells Fargo on its foreclosure claims and as to all of Defendants' counterclaims. The Court has reviewed the

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Defendants' and Cross-Plaintiffs' Motion and finds that oral arguments would not assist in this matter and finds that any additional hearing would be redundant and unnecessary.

Therefore, it is **ORDERED** that the Defendants and Cross-Plaintiffs' Motion to Reconsider is **DENIED**, and the prior ruling is reaffirmed in toto.

The Honorable R. Knox McMahon
Presiding Judge
Sixth Judicial Circuit

Lancaster, South Carolina
June 12, 2014

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

Ronald P. Pappas a/k/a Ronald Peter Pappas and Camine Pappas,

Defendant(s).

IN THE COURT OF COMMON PLEAS

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C/A NO: 2011 CP 29 873

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CLERK OF COURT
LANCASTER, SC

COMPLAINT
(Non-Jury)

FORECLOSURE
OF REAL ESTATE
MORTGAGE
(Deficiency Judgment Demanded as to Defendant Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas)

The Plaintiff above named, complaining of the Defendant(s) herein alleges that:

1. Plaintiff, Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A., is a business entity duly authorized to conduct business in the State of South Carolina.

2. Upon information and belief, the Defendants Ronald P. Pappas a/k/a Ronald Peter Pappas and Camine Pappas are residents and citizens of the County of Lancaster, State of South Carolina.

3. The real property hereinafter described, that is the subject of this action, is situated and located in the County of Lancaster, State of South Carolina, and this Court has proper jurisdiction over the subject matter and the parties of this action.

4. Heretofore, on July 22, 2009, Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas (hereinafter "Borrower(s)") made, executed, and delivered to Wachovia Bank, National Association (hereinafter "Lender") a certain Fixed Rate Note in writing (hereinafter "Note"), wherein and whereby Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas promised to pay to Wachovia Bank, National Association, the principal sum of $210,954.69, together with interest at the rate of 5.5% per annum on the unpaid balance; said principal and interest being payable in monthly installments thereafter until the said Note is fully paid.

5. In order to secure the payment of said Note, the said Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas (hereinafter "Mortgagor(s)"), did on the same date, to wit, July 22, 2009, make, execute, and deliver to Wachovia Bank, National Association, its successors and assigns, a certain mortgage (hereinafter "Mortgage") securing the below described real property, including any and all improvements to the property, located in the County and State aforesaid (hereinafter "Property"):

> All that certain piece, parcel or lot of land lying, being and situate in the State of South Carolina, County of Lancaster, being designated as Lot 311 if Edgewater Subdivision, as shown on a plat of property shown in Plat Book 2005 at Page 559 in the Office of the Register of Deeds for Lancaster County, South Carolina, to which plat reference is hereby made for a more particular description.
>
> Derivation: This being the same property conveyed to Ronald P. Pappas by deed from Craft Development, LLC dated May 30, 2006 and recorded July 28, 2006 in Book 346 at Page 342 in the Office of the Register of Deeds of Lancaster County, South Carolina.
>
> Parcel Number: 0127C-0B-016.00
>
> Property Address: Edgewater, Lot 311, Lancaster, SC 29720

6. Said Mortgage was dated July 22, 2009 and recorded on July 23, 2009 in Book 2135 at Page 99, in the Lancaster County Registry.

7. Thereafter the Mortgage and its accompanying Promissory Note were transferred to the Plaintiff herein by assignment and/or corporate merger.

8. The Mortgage evidences and secures the repayment of money advanced by the Lender to, or on behalf of, the Mortgagor(s) and constitutes a valid first lien on the Property.

9. As required by an Administrative Order issued by the South Carolina Supreme Court dated May 22, 2009, the Plaintiff states that this loan is owned or guaranteed by Fannie Mae, or it is owned or guaranteed by FHLMC, or the Servicer has signed an agreement to participate in the Home Affordable Modification Program ("HMP"); however, Plaintiff alleges upon information and belief, that the loan does not qualify for a modification under the above foreclosure prevention program because the subject Property is not the primary residence of

the homeowner (or it is vacant land).

10. Any notice required by the terms of the Mortgage or by State or Federal law has been given to the applicable defendant(s) prior to the commencement of this action.

11. In and by the terms of said Note and the Mortgage securing the same, it is provided, among other things, that on failure to pay any installment of either principal or interest or any portion thereof when due, or if any of the conditions and requirements in the Mortgage securing the same not be complied with, then the whole principal sum and accrued interest shall at the option of the legal holder thereof become at once due and payable without notice, and collectible by foreclosure.

12. In and by the terms of the said Note it is further provided that the maker thereof shall pay all collection costs including reasonable attorneys fees if the said Note be placed in the hands of an attorney for collection after default.

13. The Plaintiff demands a personal or deficiency judgment, and the Plaintiff has the right to seek a deficiency judgment against the maker(s) of its Note, Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas. That in the event that the net amount realized by the Plaintiff upon the sale of the subject property is insufficient to pay in full the total indebtedness of the Plaintiff, including costs of collection, the Plaintiff demands a personal judgment against said Defendant(s) in the amount of such deficiency.

14. The installments of principal and interest falling due from and after January 21, 2011, have not been paid although demand for the payment thereof has been made. The Plaintiff, as holder of the said Note and Mortgage, has and does hereby elect to declare the entire balance of said principal and interest due and payable at once; that there is now due and owing and unpaid upon the said Note and Mortgage the full and just principal sum of $207,077.68, together with interest at the rate of 5.5% per annum, the current/modified rate of interest, from the date of the last payment, together with reasonable attorneys fees for the collection thereof and the costs of this action. Plaintiff may be forced to pay sums for taxes, insurance and costs

for securing the property, which sums, according to the terms of the Mortgage, should be added to the amount of the debt.

15. Upon information and belief, said information having been obtained from the records of Lancaster County, South Carolina, the Defendant(s) below named has/have or may claim to have some interest in or lien upon the Property by virtue of the matters and things herein below alleged, to-wit:

A. None known.

WHEREFORE, Plaintiff prays judgment that:

A. The amount due upon the said Note and Mortgage held by the Plaintiff be ascertained and determined under the direction of this Court, together with attorney's fees and costs of this action.

B. Appoint a Receiver to collect the rents, issue, profits or designated sums from the mortgagor(s), and/or the grantee(s) of the mortgagor(s), and/or tenant(s) occupying or exercising control over the mortgaged premises and hold the same subject to the further order of this Court.

C. Plaintiff's Mortgage be declared a valid first lien and that Plaintiff have judgment of foreclosure for the amount so found to be due and owing thereon, together with any taxes or insurance premiums which may be due or which may be or have been paid by Plaintiff, together with attorney's fees and for the costs of this action.

D. The Property be sold according to law and the practice of this Court, the equity of redemption be barred and that the proceeds of sale be applied as follows:

First, to the costs and expenses of the within action and said sale;

Second, to the payment and discharge of the amount due on Plaintiff's Note and Mortgage, together with attorney's fees as aforesaid; and

Third, the surplus, if any, be distributed according to law;

Fourth, that the Plaintiff be awarded a deficiency judgment against the Defendant(s), Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas, in the event that the proceeds of the sale of the Property are insufficient to pay in full the indebtedness, including costs of collection.

E. For such other and further relief as may be just and proper.

FURTHER, in the event the successful bidder (at the time of this foreclosure sale) is other than the Defendant(s) in possession herein, the Sheriff of Lancaster County will be ordered and directed to eject and remove from the premises the occupants of the property sold, together with all personal property located therein, and put the successful bidder or his assigns in full, quiet and peaceable possession of said Property without delay, and to keep the successful bidder or his assigns in such peaceable possession.

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Dated: 6/17/11
Wilmington, North Carolina

STATE OF SOUTH CAROLINA
COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS
C/A NO. 2011 CP 29 873

Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

Ronald P. Pappas a/k/a Ronald Peter Pappas, and Camine Pappas,

Defendant(s).

CERTIFICATE OF COMPLIANCE WITH SOUTH CAROLINA SUPREME COURT ORDER NO. 2011-05-02-01

(Non-owner occupied property)

The undersigned attorney for the Plaintiff does hereby certify as follows:

1. That this is an action for the foreclosure of real property; and
2. That the Administrative Order of the Supreme Court of South Carolina dated May 2nd, 2011 (2011-05-02-01) does not apply in this case because the real property is not an "owner occupied property/dwelling" as defined in the Order.

Ronald F. Johnson, Jr., SC Bar #16931
Brian L. Campbell, SC Bar #74521
Suzanne E. Brown, SC Bar #76440
Jason L. Branham, SC Bar #72902
Brock & Scott, PLLC
3800 Fernandina Road Suite 110
Columbia, SC 29210
Phone 803-454-3540 Fax 803-454-3541
Attorneys for Plaintiff

Dated: 6/12/11
Wilmington, North Carolina

B&S No.: 11-11664

NOTICE REQUIRED BY THE FAIR DEBT COLLECTION PRACTICES ACT
15 U.S.C. Section 1601, As Amended

-The amount of the debt as of June 17, 2011, is the principal sum of $207,077.68; with, interest from the date that the last payment was made, advances, late charges, and the costs and disbursements of this action, including attorney's fees.

-The plaintiff named in the attached Summons and Complaint is the creditor to whom the debt is owed.

-The debt is described in the Complaint attached hereto and will be assumed to be valid by the creditor's law firm, unless the debtor, within thirty days after the receipt of this notice, disputes the validity of the debt or some portion thereof.

-If the debtor notifies the creditor's law firm within thirty days of the receipt of this notice that the debt or any portion thereof is disputed, the creditor's law firm will obtain a verification of the debt and a copy of the verification will be mailed to the debtor by the creditor's law firm.

-If the creditor named as plaintiff in the attached Summons and Complaint is not the original creditor, and if the debtor makes a request to the creditor's law firm within thirty days from the receipt of this notice, the name and address of the original creditor will be mailed to the debtor by the creditor's law firm.

-Requests may be made in writing addressed to Brock & Scott, PLLC, 3800 Fernandina Road, Suite 110, Columbia, SC 29210; by telephone at (803) 454-3540; by fax to (803) 454-341; or by email to SCFCLTeam@brockandscott.com.

-This notice should not be construed as a thirty (30) day grace period. Creditor may pursue collection efforts immediately and not wait thirty (30) days.

***** THIS IS AN ATTEMPT TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. IF YOU HAVE BEEN DISCHARGED IN A CHAPTER SEVEN BANKRUPTCY, WE ARE NOT SEEKING PERSONAL LIABILITY AGAINST YOU, BUT ARE PURSUING THE RIGHTS AGAINST THE PROPERTY AS PROVIDED IN THE SECURITY AGREEMENTS*****

B&S No.: 11-11664

NOTICE REGARDING MILITARY SERVICE

If you are currently or have within the last nine (9) months been in the military service AND joined after signing the mortgage (aka Deed of Trust or Security Deed) that is now in foreclosure, please notify this office immediately.

You may be entitled to some protections under the Servicemembers Civil Relief Act. When contacting this office as to your military service, you must provide us with positive proof as to your military status.

B&S No.: 11-11664

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

Ronald P. Pappas a/k/a Ronald Peter Pappas and Camine Pappas,

Defendant(s).

IN THE COURT OF COMMON PLEAS

FILED
OFFICE OF CLERK
OF COURT

C/A NO.: 2011 CP 29 873

2011 JUN 20 A 11:46

CLERK OF COURT
LANCASTER, SC

LIS PENDENS

2011 LP 29 327

NOTICE IS HEREBY GIVEN THAT an action has been or will be commenced in this Court upon complaint of the above-named Plaintiff against the above-named Defendant(s) for the foreclosure of a certain mortgage of real estate given by Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas to Wachovia Bank, National Association dated July 22, 2009 and recorded on July 23, 2009 in Book 2135 at Page 99, in the Lancaster County Registry, hereinafter Mortgage. Thereafter the Mortgage and its accompanying Promissory Note were transferred to the Plaintiff herein by assignment and/or corporate merger.

The premises covered and affected by the said Mortgage and by the foreclosure thereof were, at the time of the making thereof and at the time of the filing of this notice, more particularly described in the said Mortgage and are more commonly described as:

All that certain piece, parcel or lot of land lying, being and situate in the State of South Carolina, County of Lancaster, being designated as Lot 311 if Edgewater Subdivision, as shown on a plat of property shown in Plat Book 2005 at Page 559 in the Office of the Register of Deeds for Lancaster County, South Carolina, to which plat reference is hereby made for a more particular description.

Derivation: This being the same property conveyed to Ronald P. Pappas by deed from Craft Development, LLC dated May 30, 2006 and recorded July 28, 2006 in Book 346 at Page 342 in the Office of the Register of Deeds of Lancaster County, South Carolina.

B&S No.: 11-11664

TMS No. 0127C-0B-016.00

Property Address: Edgewater, Lot 311, Lancaster, SC 29720

Ronald F. Johnson, Jr, SC Bar #16931
Mark A. Pearson, SC Bar #15926
Brian L. Campbell, SC Bar #74521
Suzanne E. Brown, SC Bar#76440
Jason L. Branham, SC Bar #72902
Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, SC 29210
Phone 888-726-9953 Fax 866-676-7658
Attorneys for Plaintiff

Dated: 4 / 17 / 11
Wilmington, North Carolina

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

Ronald P. Pappas a/k/a Ronald Peter Pappas, and Camine Pappas,

Defendant(s).

IN THE COURT OF COMMON PLEAS

FILED
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C/A NO. 2011 CP 29 873

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CLERK OF COURT
LANCASTER, SC

SUMMONS AND NOTICES

(Non-Jury)

FORECLOSURE
OF REAL ESTATE
MORTGAGE

TO THE DEFENDANT(S) ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to appear and defend by answering the Complaint in this action, a copy of which is hereby served upon you, and to serve a copy of your Answer on the subscribers at their offices, 3800 Fernandina Road, Suite 110, Columbia, SC 29210, within thirty (30) days after the service hereof, exclusive of the day of such service; except that the United States of America, if named, shall have sixty (60) days to answer after the service hereof, exclusive of the day of such service; and if you fail to do so, judgment by default will be rendered against you for the relief demanded in the complaint.

TO MINOR(S) OVER FOURTEEN YEARS OF AGE, AND/OR TO MINOR(S) UNDER FOURTEEN YEARS OF AGE AND THE PERSON WITH WHOM THE MINOR(S) RESIDES, AND/OR TO PERSONS UNDER SOME LEGAL DISABILITY:

YOU ARE FURTHER SUMMONED AND NOTIFIED to apply for the appointment of a guardian ad litem within thirty (30) days after the service of this Summons and Notice upon you. If you fail to do so, application for such appointment will be made by Attorney for Plaintiff.

YOU WILL ALSO TAKE NOTICE that Plaintiff will move for an Order of Reference or the Court may issue a general Order of Reference of this action to a Master-in-Equity/Special Referee, pursuant to Rule 53, of the South Carolina Rules of Civil Procedure.

YOU WILL ALSO TAKE NOTICE that under the provisions of South Carolina Code 29-3-100, effective June 16, 1993, any collateral assignment of rents contained in the attached mortgage is perfected and Attorney for Plaintiff hereby gives notice that all rents shall be payable directly to it by delivery to its undersigned attorneys from the date of default. In the alternative, Plaintiff will move

B&S No.: 11-11664

before a judge of this Circuit on the 10th day after service hereof, or as soon thereafter as counsel may be heard, for an Order enforcing the assignment of rents, if any, and compelling payment of all rents covered by such assignment directly to the Plaintiff, which motion is to be based upon the original note and mortgage and the Complaint attached hereto.

Ronald F. Johnson, Jr, SC Bar #16931
Mark A. Pearson, SC Bar #15926
Brian L. Campbell, SC Bar #74521
Suzanne E. Brown, SC Bar#76440
Jason L. Branham, SC Bar #72902
Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, SC 29210
Phone 888-726-9953 Fax 866-676-7658
Attorneys for Plaintiff

Dated: 6 / 17 / 11
Wilmington, North Carolina

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

Ronald P. Pappas a/k/a Ronald Peter Pappas and Camine Pappas,

Defendant(s).

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LANCASTER, S.C.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2011 CP 29 873

CERTIFICATE OF EXEMPTION/WITHDRAWAL FROM ARBITRATION AND MEDIATION

(Deficiency Judgment Demanded as to Defendant Ronald P. Pappas (a/k/a Ronald Peter Pappas) and Camine Pappas)

I CERTIFY THAT THIS ACTION IS EXEMPT FROM ARBITRATION AND MEDIATION BECAUSE:

____ This is a special proceeding or action seeking extraordinary relief such as mandamus, habeas, corpus or prohibition;
____ This action is appellate in nature;
____ This is a post-conviction relief matter;
____ This is a contempt of court proceeding;
____ This is forfeiture proceeding brought by the State; or,
__X__ This is a mortgage or HOA lien foreclosure action.

Date: June 17, 2011

Ronald F. Johnson, Jr, SC Bar #16931
Mark A. Pearson, SC Bar #15926
Brian L. Campbell, SC Bar #74521
Suzanne E. Brown, SC Bar#76440
Jason L. Branham, SC Bar #72902
Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, SC 29210
Phone 888-726-9953 Fax 866-676-7658
Attorneys for Plaintiff

Dated: 6 / 17 / 11

Wilmington, North Carolina

NOTE: Motion must be presented to the court, a hearing held, and a finding made, for exemption or withdrawal from arbitration for "strong and compelling reason" sought pursuant to Rule 1(d), Rules of Circuit Court Arbitration.

B&S No.: 11-11664

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A., Plaintiff

vs.

Ronald P. Pappas a/k/a Ronald Peter Pappas, et al., Defendant(s)

CIVIL ACTION COVERSHEET

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2011-CP-29-873

2011 JUN 20 A 11:46

Submitted By:
Ronald F. Johnson, Jr., SC Bar # 16931
Brian L. Campbell, SC Bar #74521
Mark A. Pearson, SC Bar #15926
Suzanne E. Brown, SC Bar #76440
Jason L. Branham, SC Bar #72902

Address: Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, SC 29210
Attorneys for Plaintiff
Telephone #: 888-726-9953
Fax #: 888-207-9353
Other:
Email: SCFCLTeam@brockandscott.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (*Check all that apply*)

***If Action is Judgment/Settlement do not complete*

☐ **JURY TRIAL** demanded in complaint. ☒ **NON-JURY TRIAL** demanded in complaint.
☐ This case is subject to **ARBITRATION** pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is subject to **MEDIATION** pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☒ This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (*Check One Box Below*)

Contracts	Torts - Professional Malpractice	Torts – Personal Injury	Real Property
☐ Constructions (100)	☐ Dental Malpractice (200)	☐ Assault/Slander/Libel (300)	☐ Claim & Delivery (400)
☐ Debt Collection (110)	☐ Legal Malpractice (210)	☐ Conversion (310)	☐ Condemnation (410)
☐ Employment (120)	☐ Medical Malpractice (220)	☐ Motor Vehicle Accident (320)	☒ Foreclosure (420)
☐ General (130)		☐ Premises Liability (330)	☐ Mechanic's Lien (430)
☐ Breach of Contract (140)	Previous Notice of Intent Case #	☐ Products Liability (340)	☐ Partition (440)
☐ Other (199)	20____-CP-____-	☐ Personal Injury (350)	☐ Possession (450)
_____	☐ Notice/ File Med Mal (230)	☐ Wrongful Death (360)	☐ Building Code Violation (460)
-	☐ Other (299)	☐ Other (399)	☐ Other (499)

Inmate Petitions	Judgments/Settlements	Administrative Law/Relief	Appeals
☐ PCR (500)	☐ Death Settlement (700)	☐ Reinstate Driver's License (800)	☐ Arbitration (900)
☐ Mandamus (520)	☐ Foreign Judgment (710)	☐ Judicial Review (810)	☐ Magistrate-Civil (910)
	☐ Magistrate's Judgment (720)	☐ Relief (820)	☐ Magistrate-Criminal (920)
☐ Habeas Corpus (530)	☐ Minor Settlement (730)	☐ Permanent Injunction (830)	☐ Municipal (930)
☐ Other (599)	☐ Transcript Judgment (740)	☐ Forfeiture-Petition (840)	☐ Probate Court (940)
	☐ Lis Pendens (750)	☐ Forfeiture—Consent Order (850)	☐ SCDOT (950)
	☐ Transfer of Structured Settlement Payment Rights Application (760)	☐ Other (899)	☐ Worker's Comp (960)
	☐ Other (799)		☐ Zoning Board (970)
			☐ Public Service Commission (990)
			☐ Employment Security Comm (991)

Special/Complex /Other	
☐ Environmental (600)	☐ Pharmaceuticals (630)
☐ Automobile Arb. (610)	☐ Unfair Trade Practices (640)
☐ Medical (620)	☐ Out-of State Depositions (650)
	☐ Motion to Quash Subpoena in an Out-of-County Action (660)
☐ Other (699)	☐ Sexual Predator (510)

☐ Other (999)

Submitting Party Signature: _____ **Date:** 6/17/11

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

FOR MANDATED ADR COUNTIES ONLY

Allendale, Anderson, Beaufort, Clarendon, Colleton, Florence, Greenville, Hampton, Horry, Jasper, Lexington, Pickens (Family Court Only), Richland, Sumter, Union, Williamsburg and York

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

You are required to take the following action(s):

1. The parties shall select a neutral and file a "Proof of ADR" form on or by the 210th day of the filing of this action. If the parties have not selected a neutral within 210 days, the Clerk of Court shall then appoint a primary and secondary mediator from the current roster on a rotating basis from among those mediators agreeing to accept cases in the county in which the action has been filed.

2. The initial ADR conference must be held within 300 days after the filing of the action.

3. Pre-suit medical malpractice mediations required by S.C. Code § 15-79-125 shall be held not later than 120 days after all defendants are served with the "Notice of Intent to File Suit" or as the court directs. (Medical malpractice mediation is mandatory statewide.)

4. Cases are exempt from ADR only upon the following grounds:

   a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;

   b. Requests for temporary relief;

   c. Appeals

   d. Post Conviction relief matters;

   e. Contempt of Court proceedings;

   f. Forfeiture proceedings brought by governmental entities;

   g. Mortgage foreclosures; and

   h. Cases that have been previously subjected to an ADR conference, unless otherwise required by Rule 3 or by statute.

5. In cases not subject to ADR, the Chief Judge for Administrative Purposes, upon the motion of the court or of any party, may order a case to mediation.

6. Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference has been concluded.

Please Note: You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.

STATE OF SOUTH CAR( )NA] IN THE COUR)F COMMON PLEAS

COUNTY OF LANCASTER] SIXTH JUDICIAL CIRCUIT

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CLERK OF COURT
LANCASTER, SC

WELLS FARGO BANK, N.A.,
s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

RONALD P. PAPPAS,
a/k/a Ronald Peter Pappas,
CARMINE PAPPAS,

Defendants.

ANSWER

C. A. No. 11-CP-46-0873

Come now the Defendants RONALD P. PAPPAS, also known as Ronald Peter Pappas, and CARMINE PAPPAS (hereafter, unless other indicated, "the Defendants"), and for their Answer herein would allege as follows:

FOR A FIRST DEFENSE:

1. Each and every allegation of the Plaintiff's Complaint not admitted, denied or explained herein is denied and strict proof demanded therefor.

2. Defendants admit that they are the owners of the real property which is the subject of this action; the residence of the individual Defendants; the location of the subject real property; and that they are collectively the executing parties on the Notes and Mortgage attached as exhibits to the Complaint herein.

3. As to the remaining allegations of the Complaint herein as to:

corporate identity of any parties,

the terms and validity of the mortgage and notes sought to be foreclosed herein,

the existence of any breach on the part of the Defendants,

the expenditure of monies by the Plaintiff in order to preserve its rights,

the rights of Plaintiff as to recovery of any monies expended or the liability of the Defendants for such monies,

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the existence and priority of recorded liens senior and/or junior to that of the said Defendants, or any other matter alleged or referenced in the Complaint herein, or the said Defendants' participation in the Home Affordable Modification Program (HMP),

the said Defendants:

admit all matters herein which are of public record, and

allege that they are without sufficient information, knowledge or belief as to the remaining factual allegations to respond and therefore denies the same and demands strict proof thereof.

John Martin Foster
Attorney for Defendants

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, South Carolina 29730

Post Office Box 106
Rock Hill, South Carolina 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

Rock Hill, South Carolina

August 25, 2011

STATE OF SOUTH CARO NA] IN THE COURT F COMMON PLEAS

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OF COURT

COUNTY OF LANCASTER] SIXTH JUDICIAL CIRCUIT

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CLERK OF COURT
LANCASTER, SC

WELLS FARGO BANK, N.A.,
s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

RONALD P. PAPPAS,
a/k/a Ronald Peter Pappas,
CARMINE PAPPAS,

Defendants.

CERTIFICATE OF SERVICE

C. A. No. 11-CP-46-0873

The undersigned certifies that he has served the Answer of Defendants dated August 25, 2011, on the following counsel or persons of record:

Jason Branham
Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, S.C. 29210

by causing one (1) copy of the same to be deposited in the United States mail, postage prepaid, on the date set out below, addressed to counsel or opposing party's respective last known address(es) as set out above, or, if no address in known, by leaving the same with the Clerk of Court, as indicated above, pursuant to Rule 5(b)(1), S.C.R.C.P.; or

by personally delivering one (1) copy of the same to the said attorney(s) of record at his, her or their office at the address(es) above, on the date set out below.

John Martin Foster
Attorney for Defendants

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, South Carolina 29730

Post Office Box 106
Rock Hill, South Carolina 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

August 25, 2011

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA]	IN THE COURT OF COMMON PLEAS
]	
COUNTY OF LANCASTER]	SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A.,]	
s/b/m to Wachovia Bank, N.A.,]	
]	AMENDED ANSWER
Plaintiff,]	
vs.]	COUNTERCLAIMS AND CROSS-CLAIM
]	
RONALD P. PAPPAS,]	
a/k/a Ronald Peter Pappas, and]	
CAMINE PAPPAS,]	
]	
Defendants.]	
]	
RONALD P. PAPPAS,]	
a/k/a Ronald Peter Pappas, and]	JURY TRIAL REQUESTED
CAMINE PAPPAS,]	
]	
Cross-Plaintiffs.]	
vs.]	
]	C. A. No. 11-CP-29-0873
WELLS FARGO BANK, N.A., and]	
CRAFT DEVELOPMENT, LLC,]	
a North Carolina limited liability company,]	
]	
Cross-Defendants.]	

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CLERK OF COURT
LANCASTER, SC

Come now the Defendants RONALD P. PAPPAS, also known as Ronald Peter Pappas, and CAMINE PAPPAS (hereafter, unless other indicated, "the Defendants"), and for their Answer, Counterclaims and Cross-Claim herein would allege as follows:

FACTUAL BACKGROUND:

1. Each and every allegation of the Plaintiff's Complaint not admitted, denied or explained herein is denied and strict proof demanded therefor.

2. The Defendants/Cross-Plaintiffs are residents of Lancaster County, South Carolina.

3. The Plaintiff/Cross-Defendant WELLS FARGO BANK, N.A., as successor to Wachovia Bank, N.A., (hereafter also "WELLS FARGO") is a banking corporation authorized to do business in the State of South Carolina.

4. The Cross-Defendant CRAFT DEVELOPMENT, LLC (hereafter also "CRAFT" and "CRAFT DEVELOPMENT") is a North Carolina limited liability company authorized to do business in the State of South Carolina, and having Blackwell, Trimall, LLC located at 201 West Dunlap Street, Lancaster, South Carolina 29720 as its Registered Agent.

5. On knowledge and information, both Cross-Defendants WELLS FARGO and CRAFT DEVLOPMENT, respectively, are developer within the definition set forth in 15 U.S.C. §1701(4), and Edgewater Subdivision, of which the subject real property sought to be foreclosed is a part, is a subdivision within the definition set forth in 15 U.S.C. §1701(3).

FOR A FIRST DEFENSE:

6. Each and every allegation of the Plaintiff's Complaint not admitted, denied or explained herein is denied and strict proof demanded therefor.

7. Defendants admit that they are the owners of the real property which is the subject of this action; the residence of the individual Defendants; the location of the subject real property; and that they are collectively the executing parties on the Notes and Mortgage attached as exhibits to the Complaint herein.

8. As to the remaining allegations of the Complaint herein as to:

corporate identity of any parties,

the terms and validity of the mortgage and notes sought to be foreclosed herein,

the existence of any breach on the part of the Defendants,

the expenditure of monies by the Plaintiff in order to preserve its rights,

the rights of Plaintiff as to recovery of any monies expended or the liability of the Defendants for such monies,

the existence and priority of recorded liens senior and/or junior to that of the said Defendants, or any other matter alleged or referenced in the Complaint herein, or

the said Defendants' participation in the Home Affordable Modification Program (HMP),

the said Defendants:

admit all matters herein which are of public record, and

allege that they are without sufficient information, knowledge or belief as to the remaining factual allegations to respond and therefore denies the same and demands strict proof thereof.

FOR A SECOND DEFENSE AND COUNTERCLAIM:

9. All of the allegations herein and consistent with this Motion are restated by this reference, as fully as if set out herein.

10. This Second Defense and Counterclaim is brought against Plaintiff for actual and statutory treble damages based on the Plaintiff's violation of Title 39, Chapter 5 of the South Carolina Code of Laws (hereafter the Unfair Trade Practices Act or "UTPA"), in the negligent presale inspection of the subject real property which is the subject of this action.

11. On knowledge and information, the actions of the Plaintiff, by and through its agents, servants, and employees, have an impact, either direct or indirect, upon the public interest as defined by S. C. Code § 39-5-10(b) (West) and by the holding of the South Carolina Court of Appeals in *Noack Enterprises, Inc.* v. *Country Corner Interiors*, 290 S.C. 475, 351 S.E.2d 347 (Ct.App. 1986).

12. On knowledge and information, the actions and words of the Plaintiff and its agents, servants and employees show a pattern of behavior by the Plaintiff consistent with a deliberate pattern of such actions both in the past and planned in the future.

13. On knowledge and information, the actions of the Plaintiff have the potential for repetition within the meaning of *Noack* and of the Supreme Court of Washington cited in that case, *Anhold* v. *Daniels*, 94 Wash.2d 40, 614 P.2d 184 (1980).

14. On knowledge and information, the actions of the Plaintiff as set out herein constitute an unfair or deceptive method, act or practice in the conduct of a trade or commerce as defined by S. C. Code § 39-5-20 (West).

15. On knowledge and information, the Real Estate Appraiser used by the Plaintiff in connection with the Defendant's purchase of the subject real property in May, 2006 was licensed by the State of South Carolina or possessed a license recognized by the SC Real Estate Appraisers Board.

16. On knowledge and information, the possession of a Real Estate Appraiser's license by, or recognized by, the SC Real Estate Appraisers Board imposes on the appraiser so used a duty of reasonable care to the Defendants as purchasers to use that knowledge, skill and care that is generally used in similar appraisals and circumstances by appraisers in South Carolina and in states having similar appraisal standards, which duty the said appraiser so used by the Plaintiff breached in one or more of the ways set out or referenced herein, any one of which was a departure from the accepted standard of care for real estate appraisers.

17. On knowledge and information, the actions of the Plaintiff entitle the Defendants to damages in the amount of three times the actual damages sustained by reason of the Plaintiff's unfair or deceptive methods, acts or practices, as defined by S. C. Code § 39-5-140(a) (West).

18. On knowledge and information, the actions of the Plaintiff entitle the Defendants to an award of reasonable attorney's fees and costs under the provisions of S. C. Code § 39-5-140(a) (West).

19. In the course of the transaction the Plaintiff has committed or engaged in one or more of the following unfair and/or deceptive acts or practices in violation of Title 39, Chapter 5:

a. knowingly misrepresenting the value of the subject real estate in the appraisal furnished to the Defendants;

b. negligently appraising the value of the subject real property when the Defendants' reliance thereon and resulting injury (which are alleged hereby) was reasonably foreseeable;

c. using methods of appraisal that included, but did not disclose the existence of an "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in that the owner and developer had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparables to state what was an undisclosed prospective value;

d. failing to supply the Defendants with a copy of the Real Estate Appraisal; and

e. failing to supply the Defendants with a copy of the Real Estate Appraisal after their request therefor.

FOR A THIRD DEFENSE, SET-OFF OR COUNTERCLAIM:

20. All of the allegations herein and consistent with this Motion are restated by this reference, as fully as if set out herein.

21. This Third Defense, Set-off or Counterclaim is brought against Plaintiff for violation of the Real Estate Settlement and Procedures Act ("RESPA"), 12 U.S.C. § 2601 *et seq.* and on the law of contracts.

22. On knowledge and information, both the original mortgage loan transaction between Plaintiff and the Defendants in May, 2006 and the refinance in 2009 were "federally related mortgage loans" as that term is defined in RESPA, 12 U.S.C. § 2602(1).

23. On knowledge and information, the Plaintiff's funding and origination of these transactions were "settlement services" as that term is defined in RESPA, 12 U.S.C. § 2601(3).

24. On knowledge and information, as part both transactions, the Defendants paid the Plaintiff fees for obtaining two respective real estate appraisals, the cost of which increased their mortgage payments without providing them with any real economic benefit. Copies of the respective HUD closing statements are attached hereto and incorporated herein.

25. On knowledge and information, 12 U.S.C. § 2605(e) permits a buyer or borrower to obtain information about the servicing of their mortgage account by providing a written inquiry to the servicer.

26. The Defendants provided both oral and written inquiries to the Plaintiff, as their servicer under RESPA, with requests to obtain and review the real estate appraisals for which they were charged at closing.

27. On knowledge and information, the said written inquiry to the Plaintiff contained all information required under 12 U.S.C. § 2605(e)(1)(B) and Reg. X, 24 C.F.R. § 3500.21(e)(2).

28. The Plaintiff as servicer under RESPA has never responded to the qualified written request of the Defendants, in violation of 12 U.S.C. § 2605(e)(2), nor to their oral requests.

29. On knowledge and information, the Plaintiff's violation of RESPA entitle the Defendants to an award of their actual damages and/or for a set-off thereof, and for their attorney's fees, as per 12 U.S.C. § 2605(f)(1) and (3).

30. On knowledge and information, the Plaintiff's violation of its contractual duty under the Mortgage Loan contract and the Mortgage Refinancing contract entitle the Defendants to an award of their actual damages.

FOR A FOURTH DEFENSE, COUNTERCLAIM AND CROSS-CLAIM:

31. All of the allegations herein and consistent with this Motion are restated by this reference, as fully as if set out herein.

32. This Fourth Defense, Counterclaim and Cross-Claim is brought against Plaintiff and Cross-Defendant CRAFT DEVELOPMENT to enforce their rescission of the mortgage loan and for breach of contract due to Plaintiff's misrepresentations set out and referenced herein. This action arises under the Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 1720.

33. In or about May, 2006, the Cross-Plaintiffs, without having been furnished a property report as required by 15 U.S.C. §1703(a), signed an agreement for a deed with Cross-Defendant, CRAFT DEVELOPMENT, for Lot 311 of the Edgewater Subdivision, as shown at Plat Book 2005 at Page 559 in the Office of the Clerk of Court for Lancaster County, South Carolina, that is, the real property which is the subject of this foreclosure action.

34. The Cross Defendant CRAFT DEVELOPMENT is a developer within the definition set forth in 15 U.S.C. §1701(4), and Edgewater Subdivision is a subdivision within the definition set forth in 15 U.S.C. §1701(3).

35. The Cross Defendant WELLS FARGO is a developer within the definition set forth in 15 U.S.C. §1701(4) in that ,

36. On or after January 28, 2011, a printed property report or information pursuant thereto was furnished to the Defendants. A copy of those documents is attached hereto and incorporated herein.

37. As of the date of this Complaint, the Defendants had paid to CRAFT DEVELOPMENT, in accordance with the Agreement to Purchase, the full sum of Two-Hundred Twenty-Nine Thousand and no/100 ($ 229,000.00) Dollars, financing the sum of Two-Hundred Six Thousand and no/100 ($ 206,000.00) Dollars through the Plaintiff. To the Plaintiff, as the financing bank, to CRAFT

DEVELOPMENT as a down-payment and to the Edgewater Homeowners Association, the Defendants had paid or repaid approximately One-Hundred Twenty-Five and no/100 ($125,000.00) Dollars on these transactions.

38. Upon learning of the failure and misrepresentations of CRAFT DEVELOPMENT as the seller of the subject real property, as to its failure to comply with the above-cited Federal Statutes, as to its funding of the amenities which were to be part of the subdivision, and its violation of the HUD requirements as to the development of the subdivision of which the subject real property is part, the Defendants gave notice of their rescission of the purchase contract. A copy of that notice is attached hereto and incorporated herein.

39. Upon being advised of the legal effect of the Plaintiff's violations of RESPA and of the South Carolina UTPA, and upon being advised of the legal effect of CRAFT DEVELOPMENT's violations of the Interstate Land Development Act cited above, and of RESPA and of the South Carolina UTPA, and based upon the material nature of the representations made (or which were allegedly made) by the Plaintiff's agent, servant or employee supplying the real estate appraisal, the Defendants gave oral and written notice of their rescission of the sale and of the mortgage loan agreement.

40. On knowledge and information, the Defendants have completed all actions requested of them by H.U.D. and CRAFT DEVELOPMENT to evidence and effect the said rescission.

41. The Plaintiff has, to date, refused to cancel the sale and mortgage loan contract and return the money paid by or on behalf of the Defendants for the subject real property and on their mortgage loan.

42. On knowledge and information, the said failure and refusal of CRAFT DEVELOPMENT constitute a violation of 15 U.S.C. 1703(a).

43. On knowledge and information, the said failure and refusal of CRAFT DEVELOPMENT entitle the Defendants to a rescission of the said Agreement of sale, pursuant to 15 U.S.C. §1703(c) and to a refund of all sums paid to CRAFT DEVELOPMENT thereunder.

44. On knowledge and information, the said failure and refusal of CRAFT DEVELOPMENT entitle the Defendants to a refund of all sums paid to CRAFT DEVELOPMENT under their agreement, and to an award of interest, court costs, a reasonable amount for attorney's fees, independent appraisers' fees,, and travel to and from the property, pursuant to 15 U.S.C. §§1703(c) and 1709(c).

FOR A FIFTH DEFENSE AND COUNTERCLAIM:

45. All of the allegations herein and consistent with this Motion are restated by this reference, as fully as if set out herein.

46. This Fifth Defense and Counterclaim is brought against Plaintiff for fraud by misrepresentations and concealments of material fact.

47. On knowledge and information, the actions referenced herein constitute misrepresentations or concealment by the Plaintiff of the following facts:

a. that the value of the subject real estate was not that of the appraisal furnished to the Defendants;

b. that the value of the subject real property had been negligently appraised when the Defendants' reliance thereon and resulting injury (which are alleged hereby) was reasonably foreseeable;

c. that the methods of appraisal used for the subject real property included, but did not disclose, the existence of an "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in that the owner and developer had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparables to state what was an undisclosed prospective value; and

d. that the Defendants would be supplied with a copy of the said Real Estate Appraisal.

48. The facts referenced in the paragraphs above were material facts.

49. On knowledge and information, the Plaintiff made the misrepresentations and/or concealments of material facts set out and referenced herein with full knowledge of their falsity or with reckless disregard of the truth.

50. The misrepresentations and/or concealments of material fact set out and referenced herein was committed by the Plaintiff willfully, wantonly and with reckless disregard of the rights of the Defendants.

51. On knowledge and information, the Plaintiff intended that the Defendants rely upon the misrepresentations and/or concealments of material fact set out and referenced herein.

52. The Defendants did rely on the misrepresentations and/or concealments of material fact of the Plaintiff set out and referenced herein.

53. On knowledge and information, the Defendants had a right to rely on the truth of the said misrepresentations and/or concealments or material fact in that the premises and the actions of the Plaintiff were under the Plaintiff's control and the Plaintiff could reasonably be expected to know their truth and validity.

54. The Defendants have suffered damages as a proximate result of such misrepresentations, and/or concealments of material fact as are set out and referenced herein.

FOR A SIXTH DEFENSE AND COUNTERCLAIM:

55. All matters, set out elsewhere in this Complaint and consistent herewith, are realleged hereby as fully as if set out herein.

56. This Sixth Defense and Counterclaim is brought against Plaintiff for negligent misrepresentations and concealments of material fact.

57. On knowledge and information, the actions referenced herein constitute misrepresentations by the Plaintiff of the following facts:

a. that the value of the subject real estate were that of the appraisal furnished to the Defendants;

b. that the value of the subject real property had been properly appraised when the Defendants' reliance thereon and resulting injury (which are alleged hereby) was reasonably foreseeable;

c. that the methods of appraisal used for the subject real property included, and/or disclosed, the existence of an "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in that the owner and developer had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparables to state what was an undisclosed prospective value; and

d. that the Defendants would be supplied with a copy of the said Real Estate Appraisal.

58. The actions of the Plaintiff referenced herein constitute concealment or omission by the said Plaintiff of the following facts:

a. that the value of the subject real estate was not that of the appraisal furnished to the Defendants;

b. that the value of the subject real property had been negligently appraised when the Defendants' reliance thereon and resulting injury (which are alleged hereby) was reasonably foreseeable;

c. that the methods of appraisal used for the subject real property did not include, and/or disclose, the existence of an "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in that the owner and developer had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparables to state what was an undisclosed prospective value; and

d. that the Defendants would be supplied with a copy of the said Real Estate Appraisal.

59. The said representations and/or concealments of material fact were false.

60. The Defendants were ignorant of the falsity of the Plaintiff's representations and/or concealments of material fact referenced above.

61. The Plaintiff had a pecuniary interest in making the representations and or concealing the material facts referenced above.

62. The Plaintiff had a duty of care to see that they communicated truthful information to the Defendants.

63. The Plaintiff breached its duty of care by failing to exercise due care in its said actions and communications.

64. The Defendants justifiably relied on the above representations and concealments of the Plaintiff, in that the premises and the actions of the Plaintiff were under the Plaintiff's control and the said Plaintiff could reasonably be expected to know their truth.

65. The Defendants have suffered the pecuniary losses set out or referenced above as the proximate result of their reliance upon the representations and/or concealments of material fact by the Plaintiff referenced above.

WHEREFORE the said Defendants RONALD P. PAPPAS and CAMINE PAPPAS pray:

AS TO THE PLAINTIFF'S ACTION FOR FORECLOSURE HEREIN:

A. That this Court inquire into and determine all matters set out in the Complaint herein, including, but not limited to, all questions relating to the seniority of recorded liens on the subject real property, and

B. That the orders of the Court herein accord the said Defendant all protections normally accorded to persons in the position of the said Defendant.

AS TO THE SECOND DEFENSE AND COUNTERCLAIM (UTPA):

C. Award the Defendants three times their actual damages sustained pursuant to S.C. Code Ann. § 39-5-140(a) (West) against the Plaintiff;

D. Award the Defendants exemplary and punitive damages against the Plaintiff, by reason of the Plaintiff's willful, wanton and malicious actions and inaction as referenced herein;

E. Award the Defendants their reasonable attorney's fees and costs pursuant to S.C. Code Ann. § 39-5-140(a) (West), to be paid by the Plaintiff;

AS TO THE THIRD DEFENSE, SET-OFF OR COUNTERCLAIM (RESPA):

F. Allow the Defendants their actual damages and their attorney's fees, as per 12 U.S.C. § 2605(f)(1) and (3), against the Plaintiff;

AS TO THE FOURTH DEFENSE (RESCISSION UNDER ILSFDA):

G. Declare the rescission of the Defendants' Agreement of Sale with Cross-Defendant CRAFT-DEVELOPMENT and their Mortgage loan contract with the Plaintiff;

H. Award the Defendants their actual damages against the Plaintiff;

I. Award the Defendants a refund of all sums paid to CRAFT DEVELOPMENT under their agreement, and to an award of interest, court costs, a reasonable amount for attorney's fees, independent appraisers' fees,, and travel to and from the property, pursuant to 15 U.S.C. §§1703(c) and 1709(c).

AS TO THE FIFTH DEFENSE AND COUNTERCLAIM (FRAUD):

J. Award the Defendants their actual damages sustained by reason of the Plaintiff's fraudulent actions and concealments as referenced herein;

K. Award the Defendants exemplary and punitive damages against the Plaintiff, by reason of the Plaintiff's willful, wanton and malicious actions and inaction as referenced herein;

AS TO THE SIXTH DEFENSE AND COUNTERCLAIM (NEGLIGENT MISREPRESENTATION):

L. Award the Defendants their actual damages sustained by reason of the Plaintiff's negligent misrepresentations and concealments as referenced herein;

M. Award the Defendants exemplary and punitive damages against the Plaintiff, by reason of the Plaintiff's willful, wanton and malicious actions and inaction as referenced herein;

AS TO ALL DEFENSES, COUNTERCLAIMS AND CROSSCLAIMS:

N. Include a prayer for any other relief to the Defendants which may be authorized under other causes of action; and

O. Award or allow the Defendants such other and further relief as this Court may deem just and proper.

John Martin Foster
Attorney for Defendants PAPPAS

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, South Carolina 29730

Post Office Box 106
Rock Hill, South Carolina 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

Rock Hill, South Carolina

September 26, 2011

OMB NO. 2502-0265

A.	B. TYPE OF LOAN				
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	1. ☐ FHA	2. ☐ FmHA	3. ☒ CONV. UNINS.	4. ☐ VA	5. ☐ CONV. INS.
SETTLEMENT STATEMENT	6. FILE NUMBER: 06-0636-P		7. LOAN NUMBER:		
	8. MORTGAGE INS CASE NUMBER:				

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

1.0 3/98 (06-0636-P.PFD/06-0636-P/9)

D. NAME AND ADDRESS OF BORROWER:	E. NAME AND ADDRESS OF SELLER:	F. NAME AND ADDRESS OF LENDER:
Ronald P. Pappas 18332 NE 101st Court Redmond, WA 98052	Craft Development, LLC 2649 Brekonridge Centre Drive Monroe, NC 28110	Wachovia Bank, N.A. PO Box 50010 Roanoke, VA 24022

G. PROPERTY LOCATION:	H. SETTLEMENT AGENT: 57-1062039	I. SETTLEMENT DATE:
Lot 311 Edgewater Subdivision Lancaster, SC 29720 Lancaster County, South Carolina Lot 311 Edgewater Subdivision PORTION OF 0127-00-001.00	Constitution Law Associates PLACE OF SETTLEMENT 1452 Constitution Boulevard Rock Hill, SC 29732	May 30, 2006

J. SUMMARY OF BORROWER'S TRANSACTION

100. GROSS AMOUNT DUE FROM BORROWER:		
101. Contract Sales Price		229,000.00
102. Personal Property		
103. Settlement Charges to Borrower (Line 1400)		1,941.50
104.		
105.		
Adjustments For Items Paid By Seller in advance		
106. City/Town Taxes	to	
107. County Taxes	to	
108. Assessments	to	
109.		
110.		
111.		
112.		
120. GROSS AMOUNT DUE FROM BORROWER		230,941.50
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		
201. Deposit or earnest money		22,900.00
202. Principal Amount of New Loan(s)		206,100.00
203. Existing loan(s) taken subject to		
204.		
205.		
206.		
207.		
208.		
209.		
Adjustments For Items Unpaid By Seller		
210. City/Town Taxes	to	
211. County Taxes	01/01/06 to 05/31/06	636.16
212. Assessments	01/01/06 to 05/31/06	219.79
213.		
214.		
215.		
216.		
217.		
218.		
219.		
220. TOTAL PAID BY/FOR BORROWER		229,855.95
300. CASH AT SETTLEMENT FROM/TO BORROWER:		
301. Gross Amount Due From Borrower (Line 120)		230,941.50
302. Less Amount Paid By/For Borrower (Line 220)		(229,855.95)
303. CASH (X FROM) (TO) BORROWER		1,085.55

K. SUMMARY OF SELLER'S TRANSACTION

400. GROSS AMOUNT DUE TO SELLER:		
401. Contract Sales Price		229,000.00
402. Personal Property		
403.		
404.		
405.		
Adjustments For Items Paid By Seller In advance		
406. City/Town Taxes	to	
407. County Taxes	to	
408. Assessments	to	
409.		
410.		
411.		
412.		
420. GROSS AMOUNT DUE TO SELLER		229,000.00
500. REDUCTIONS IN AMOUNT DUE TO SELLER:		
501. Excess Deposit (See Instructions)		
502. Settlement Charges to Seller (Line 1400)		124,395.30
503. Existing loan(s) taken subject to		
504. Payoff First Mortgage to Wachovia/504 Bond Payoff		30,000.00
505. Payoff Second Mortgage		
506.		
507. (Deposit disb. as proceeds)		
508.		
509.		
Adjustments For Items Unpaid By Seller		
510. City/Town Taxes	to	
511. County Taxes	01/01/06 to 05/31/06	636.16
512. Assessments	01/01/06 to 05/31/06	219.79
513.		
514.		
515.		
516.		
517. Marketing Fee to Craft Development, LLC		
518. Marketing Fee to Waterpointe Realty, LLC		
519.		
520. TOTAL REDUCTION AMOUNT DUE SELLER		155,251.25
600. CASH AT SETTLEMENT TO/FROM SELLER:		
601. Gross Amount Due To Seller (Line 420)		229,000.00
602. Less Reductions Due Seller (Line 520)		(155,251.25)
603. CASH (X TO) (FROM) SELLER		73,748.75

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

I HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. I FURTHER CERTIFY THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

Borrower Ronald P. Pappas

Ronald P. Pappas

Corinne Pappas

Seller Craft Development, LLC

BY: _____
Agent

TO THE BEST OF MY KNOWLEDGE, THE HUD-1 SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS A TRUE AND ACCURATE ACCOUNT OF THE FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

Constitution Law Associates
Settlement Agent

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE: TITLE 18 U.S. CODE SECTION 1001 & SECTION 1010.

L. SETTLEMENT CHARGES

		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price	$ @ %		
Division of Commission (line 700) as Follows:			
701. $	to		
702. $	to		
703. Commission Paid at Settlement			
704.	to		
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee 0.0000 %	to		
802. Loan Discount %	to		
803. Appraisal Fee	to Wachovia	250.00	
804. Credit Report	to		
805. Lender's Inspection Fee	to		
806. Mortgage Ins. App. Fee	to		
807. Assumption Fee	to		
808.			
809.			
810.			
811.			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest From 05/30/06 to 06/01/06 @ $ /day (2 days %)			
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for 1.0 years to			
904.			
905.			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance	months @ $ per month		
1002. Mortgage Insurance	months @ $ per month		
1003. City/Town Taxes	months @ $ per month		
1004. County Taxes	months @ $ per month		
1005. Assessments	months @ $ per month		
1006.	months @ $ per month		
1007.	months @ $ per month		
1008. Aggregate Adjustment	months @ $ per month		
1100. TITLE CHARGES			
1101. Settlement or Closing Fee	to Constitution Law Associates	500.00	
1102. Abstract or Title Search	to Constitution Law Associates		
1103. Doc Prep Fee	to Constitution Law Associates	50.00	
1104. Recording, Updating & Acctng	to Constitution Law Associates	75.00	
1105. Document Preparation	to Constitutional Law Associates POA, etc, if applies		
1106. Courier Fee	to Constitution Law Associates @ $30 each		
1107. Title Binder/Opinion	to Catawba Regional Title Services, Inc.	100.00	
(includes above item numbers:	)		
1108. Title Insurance	to Lawyers Title Insurance Corporation	675.90	
(includes above item numbers:	)		
1109. Lender's Coverage	$ 206,100.00 75.00		
1110. Owner's Coverage	$ 229,000.00 600.90		
1111.			
1112.			
1113.			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording Fees: Deed $	; Mortgage $; Releases $		
1202. City/County Tax/Stamps: Revenue Stamps	; Revenue Stamps		847.30
1203. State Tax/Stamps: Deed	847.30; Mortgage		
1204.	Lancaster County Clerk of Court		
1205.			
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey	to		
1302. Pest Inspection	to		36,661.06
1303. Lot Portion	to Craft Development, LLC		64,853.19
1304. Lot Portion	to Waterpointe Realty, LLC		22,033.75
1305. See addit'l disb. exhibit	to	290.60	
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)		1,941.50	124,395.30

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Constitution Law Associates, Settlement Agent

Certified to be a true copy.

OMB NO. 2502-0265

A.	B. TYPE OF LOAN:	
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	1. ☐ FHA 2. ☐ FmHA 3. ☒ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS.	
SETTLEMENT STATEMENT	6. FILE NUMBER: PAPPAS,RONALD.09.JO	7. LOAN NUMBER: 0914000080
	8. MORTGAGE INS CASE NUMBER:	

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

1.0 3/98 (PAPPAS,RONALD.09.JO.PFD/PAPPAS,RONALD.09.JO/15)

D. NAME AND ADDRESS OF BORROWER:	E. NAME AND ADDRESS OF SELLER:	F. NAME AND ADDRESS OF LENDER:
RONALD P. PAPPAS and CAMINE PAPPAS 17315 Yachtsman Court Lancaster, SC 29720		WACHOVIA BANK, NA 12301 Vance Davis Drive Charlotte, NC 28269

G. PROPERTY LOCATION:	H. SETTLEMENT AGENT: 56-1923596	I. SETTLEMENT DATE:
17315 Yachtsman Court Lancaster, SC 29720 Lancaster County, South Carolina Lot 311 Edgewater	McMillan & Terry, P.A. PLACE OF SETTLEMENT 6101 Carnegie Boulevard, Suite 310 Charlotte, NC 28209	July 22, 2009

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		**400. GROSS AMOUNT DUE TO SELLER:**	
101. Contract Sales Price		401. Contract Sales Price	
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	1,028.75	403.	
104. Payoff First Mortgage to Wachovia Bank/32410100024	209,925.94	404.	
105. Payoff Second Mortgage		405.	
Adjustments For Items Paid By Seller in advance		*Adjustments For Items Paid By Seller in advance*	
106. City/town Taxes to		406. City/town Taxes to	
107. County Taxes to		407. County Taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	210,954.69	*420. GROSS AMOUNT DUE TO SELLER*	
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		**500. REDUCTIONS IN AMOUNT DUE TO SELLER:**	
201. Deposit or earnest money		501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)	210,954.69	502. Settlement Charges to Seller (Line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first Mortgage	
205.		505. Payoff of second Mortgage	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller		*Adjustments For Items Unpaid By Seller*	
210. City/town Taxes to		510. City/town Taxes to	
211. County Taxes to		511. County Taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER	210,954.69	*520. TOTAL REDUCTION AMOUNT DUE SELLER*	
300. CASH AT SETTLEMENT FROM/TO BORROWER:		**600. CASH AT SETTLEMENT TO/FROM SELLER:**	
301. Gross Amount Due From Borrower (Line 120)	210,954.69	601. Gross Amount Due To Seller (Line 420)	
302. Less Amount Paid By/For Borrower (Line 220)	(210,954.69)	602. Less Reductions Due Seller (Line 520)	( )
303. CASH (FROM) (TO) BORROWER	0.00	*603. CASH (TO) (FROM) SELLER*	0.00

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

I HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. I FURTHER CERTIF THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

Borrower Seller

RONALD P. PAPPAS

CAMINE PAPPAS

TO THE BEST OF MY KNOWLEDGE, THE HUD-1 SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS A TRUE AND ACCURATE ACCOUNT OF TH FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

McMillan & Terry, P.A.
Settlement Agent

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L. SETTLEMENT CHARGES

		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price	$ @ %		
Division of Commission (line 700) as Follows:			
701. $ to			
702. $ to			
703. Commission Paid at Settlement			
704. to			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee %	to		
802. Loan Discount %	to		
803. Appraisal Fee	to WACHOVIA BANK, NA	75.00	
804. Credit Report	to		
805. Lender Title Search Fee	to WSS	90.00	
806. Lender Recording Fee	to WACHOVIA BANK, NA	20.00	
807. Document Preparation	to		
808. Courier / Express Mail			
809. Flood Certification Fee			
810. Application Fee			
811. Commitment Fee			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest From 07/22/09 to 08/01/09 @ $ /day (10 days %)			
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for 1.0 years to			
904.			
905.			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance	months @ $ per month		
1002. Mortgage Insurance	months @ $ per month		
1003. City/town Taxes	months @ $ per month		
1004. County Taxes	months @ $ per month		
1005. Assessments	months @ $ per month		
1006.	months @ $ per month		
1007.	months @ $ per month		
1008. AGGREGATE ADJ CREDIT	months @ $ per month		
1100. TITLE CHARGES			
1101. Settlement or Closing Fee	to		
1102. Abstract or Title Search	to Bentwood Title Services	147.75	
1103. Title Examination	to		
1104. Title Insurance Binder	to		
1105. Document Preparation	to		
1106. Document Retrieval	to McMillan & Terry, P.A.	35.00	
1107. Attorney's Fees	to McMillan & Terry, P.A.	450.00	
(includes above item numbers:)			
1108. Title Insurance	to NONE PER LENDER		
(includes above item numbers:)			
1109. Lender's Coverage	$		
1110. Owner's Coverage	$		
1111. Copying/faxing/file storage	to McMillan & Terry, P.A.	45.00	
1112. Shipping & Handling Charge	to FedEx/McMillan & Terry, PA	50.00	
1113. CANCEL DEED OF TRUST	to McMillan & Terry, P.A.	25.00	
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording Fees: Deed $	; Mortgage $ 26.00; Releases $	26.00	
1202. City/County Tax/Stamps: Deed	; Mortgage		
1203. State Tax/Stamps: Revenue Stamps	; Mortgage		
1204.			
1205. Record & Update	to McMillan & Terry, P.A.	65.00	
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey	to		
1302. Pest Inspection	to		
1303.			
1304.			
1305.			
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)		1,028.75	

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

McMillan & Terry, P.A.
Settlement Agent

PLEASE RETAIN A COPY OF THIS DOCUMENT FOR TAX PURPOSES. THERE WILL BE AN ADDITIONAL FEE FOR ANY SETTLEMENT STATEMENTS REQUESTED MORE THAN 90 DAYS AFTER CLOSING.

March 19. 2011

Wells Fargo Bank, N. A.
P.O. Box 4233
Portland, Oregon 97208-4233

Wells Fargo Servicing Center
Home Equity Payment Processing
MAC B6955-01B
P.O. Box 31557
Billings, MT 59107-1557

Re: Loan Number 68037451550001
Ronald and Camine Pappas

To Whom It May Concern:

Enclosed is information pertaining to the above-mentioned loan and property relative to a violation and settlement action involving HUD and the original developer and seller of the property/community. Please review this in its entirety as it affects the current relationship between you and us.

As you can see in the document from the settlement administrator and HUD, the developer/seller of the property violated HUD requirements to provide pertinent information relative to the property and the offering to sell the property. HUD required the developer to disclose this information to all 321 of the buyers in the community in an agreement with the developer in 2008. The developer did not. In December 2010, we received the enclosed information from the settlement administrator and only then did we learn about the violations and the agreements with HUD of 2008 and 2010.

In this transaction, we relied on the Wachovia's/Wells endorsement and due diligence to support the values of this community by their participation as a preferred lender in this community and their support of the developer's program. Wachovia/Wells chose the appraiser and additionally provided special first year financing to entice buyers to close these loans

We requested a copy of the appraisal before and at the closing. We were told that the loan was supported by the appraisal. Your loan officer, and the closing agent also told us, that the appraisal would be forwarded to us after closing. It was not. Not providing this at or before closing is a violation of RESPA.

Wells Fargo Bank, N. A.
P.O. Box 4233
Portland, Oregon 97208-4233

Wells Fargo Servicing Center
Home Equity Payment Processing
MAC B6955-01B
P.O. Box 31557
Billings, MT 59107-1557

By circumstance we have recently been able to review some of the appraisals from some of the other transactions in this community, most of which were Wachovia/Wells providers. Some of the comparables were from properties as much as 40 miles away. These are not supporting comparables.

In recent telephone conversations with some of your solutions team members as a result of letters received by us from you and calls initiated by us, we outlined this issue and were promised that we would receive a return phone call to discuss the matter. No one has called to discuss the matter. The only calls that we have received are calls to demand payment, or calls that leave "empty" voice messages. Our phone records can verify these calls.

We are demanding a resolution of this issue. We are firm in our belief that not only did Wachovia/Wells violate several lending law requirements, but also did not appropriately follow stipulated lending guidelines and requirements.

Please contact us in writing at your earliest opportunity. Our mailing address is P.O. Box 79354, Charlotte, NC 28271.

Ronald P. Pappas

Cc: Gerald Mc Naught, esq.

EG 554676464 US

EXPRESS MAIL
UNITED STATES POSTAL SERVICE®

Customer Copy
Label 11-B, March 2004

Post Office To Addressee

DELIVERY (POSTAL USE ONLY)

Delivery Attempt Mo. Day	Time	☐ AM ☐ PM	Employee Signature
Delivery Attempt Mo. Day	Time	☐ AM ☐ PM	Employee Signature
Delivery Date Mo. Day	Time	☐ AM ☐ PM	Employee Signature

ORIGIN (POSTAL SERVICE USE ONLY)

PO ZIP Code: 28027	Day of Delivery: ☒ Next ☐ 2nd ☐ 2nd Del. Day	Postage: $ 18.30
Date Accepted: Mo. 03 Day 24 Year 11	Scheduled Date of Delivery: Month 03 Day 24	Return Receipt Fee: $
Time Accepted: 11:26 ☐ AM ☐ PM	Scheduled Time of Delivery: ☒ Noon ☐ 3 PM	COD Fee: $ / Insurance Fee: $
Flat Rate ☐ or Weight: lbs. 9 ozs. 4	Military: ☐ 2nd Day ☐ 3rd Day	Total Postage & Fees: $ 18.30
	Int'l Alpha Country Code	Acceptance Emp. Initials: AX

CUSTOMER USE ONLY

PAYMENT BY ACCOUNT
Express Mail Corporate Acct. No.

Federal Agency Acct. No. or Postal Service Acct. No.

☐ **WAIVER OF SIGNATURE** *(Domestic Mail Only)*
Additional merchandise insurance is void if customer requests waiver of signature. I wish delivery to be made without obtaining signature of addressee or addressee's agent (if delivery employee judges that article can be left in secure location) and I authorize that delivery employee's signature constitutes valid proof of delivery.

☐ **NO DELIVERY** ☐ Weekend ☐ Holiday

Mailer Signature

FROM: (PLEASE PRINT) PHONE (704) 942 7788

RONALD F. PAPPAS
P.O. Box 79354
CHARLOTTE, NC 28271

TO: (PLEASE PRINT) PHONE (

WELLS FARGO SERVICING CENTER
HOME EQUITY PAYMENT PROCESSING
MAC B6955-01B
P.O. BOX 31557
BILLINGS, MT

ZIP + 4 (U.S. ADDRESSES ONLY. DO NOT USE FOR FOREIGN POSTAL CODES.)

5 9 1 0 7 + 1 5 5 7

FOR INTERNATIONAL DESTINATIONS, WRITE COUNTRY NAME BELOW.

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Visit **www.usps.com**
Call 1-800-222-1811

EMS

UNITED STATES POSTAL SERVICE®

Track & Confirm

Search Results

Label/Receipt Number: **EG55 4676 464U S**
Guaranteed Delivery Date/Time: **March 24, 2011, 12:00 PM**
Class: **Express Mail®**
Status: **Delivered**

Your item was delivered at 9:39 am on March 24, 2011 in BILLINGS, MT 59102. The item was signed for by P STRUCK.

Track & Confirm
Enter Label/Receipt Number.
Go >

Detailed Results:

- **Delivered, March 24, 2011, 9:39 am, BILLINGS, MT 59102**
- **Arrival at Post Office, March 24, 2011, 8:49 am, BILLINGS, MT 59101**
- **Processed through Sort Facility, March 23, 2011, 3:11 pm, SEATTLE, WA 98168**
- **Acceptance, March 23, 2011, 11:26 am, ISSAQUAH, WA 98027**

Notification Options

Track & Confirm by email
Get current event information or updates for your item sent to you or others by email. Go >

Proof of Delivery
Verify who signed for your item by email, fax, or mail. Go >

ISSAQUAH POST OFFICE
ISSAQUAH, Washington
980279998
5476210231-0098
03/23/2011 (425)837-8795 11:30:46 AM

Sales Receipt

Product Description	Sale Unit Qty	Unit Price	Final Price
BILLINGS MT 59107 Zone-5 Express Mail PO-Add Flat Rate Env 9.40 oz. Label #:EG554676464US Thu 03/24/11 12:00 PM - Guaranteed Delivery Signature Requested			$18.30
Issue PVI:			$18.30
PORTLAND OR 97208 Zone-2 Express Mail PO-Add Flat Rate Env 9.20 oz. Label #:EG554676478US Thu 03/24/11 12:00 PM - Guaranteed Delivery Signature Requested			$18.30
Issue PVI:			$18.30
Total:			$36.60

Paid by:
Debit Card $36.60
Account #: XXXXXXXXXXXX6707
Approval #: 123808
Transaction #: 293
23903510675
Receipt#: 000310

Order stamps at USPS.com/shop or call 1-800-Stamp24. Go to USPS.com/clicknship to print shipping labels with postage. For other information call 1-800-ASK-USPS.

****
****

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Bill#:1000201683934
Clerk:06

All sales final on stamps and postage
Refunds for guaranteed services only
Thank you for your business

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Go to:
https://postalexperience.com/Pos

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POSTAL EXPERIENCE

YOUR OPINION COUNTS

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[redacted] EG554676464US

REMOVE TO
EXPOSE ADHESIVE

PEEL FROM
THIS CORNER

[redacted] EG554676478US

REMOVE TO
EXPOSE ADHESIVE

PEEL FROM
THIS CORNER

EG 554676478 US

EXPRESS MAIL

UNITED STATES POSTAL SERVICE®

Customer Copy
Label 11-B, March 2004

Post C ...eTo Addressee

ORIGIN (POSTAL SERVICE USE ONLY)

PO ZIP Code: 98027	Day of Delivery: ☒ Next ☐ 2nd ☐ 2nd Del. Day	Postage: $ 18.20
Date Accepted: Mo. 03 Day 23 Year 11	Scheduled Date of Delivery: Month 03 Day 24	Return Receipt Fee: $
Time Accepted: 11:20 ☒ AM ☐ PM	Scheduled Time of Delivery: ☒ Noon ☐ 3 PM	COD Fee: $ / Insurance Fee: $
Flat Rate ☐ or Weight: lbs. 9 ozs.	Military: ☐ 2nd Day ☐ 3rd Day	Total Postage & Fees: $ 18.20
	Int'l Alpha Country Code	Acceptance Emp. Initials: AE

DELIVERY (POSTAL USE ONLY)

Delivery Attempt Mo. Day	Time ☐ AM ☐ PM	Employee Signature
Delivery Attempt Mo. Day	Time ☐ AM ☐ PM	Employee Signature
Delivery Date Mo. Day	Time ☐ AM ☐ PM	Employee Signature

CUSTOMER USE ONLY

PAYMENT BY ACCOUNT
Express Mail Corporate Acct. No.

Federal Agency Acct. No. or Postal Service Acct. No.

☐ **WAIVER OF SIGNATURE** *(Domestic Mail Only)*
Additional merchandise insurance is void if customer requests waiver of signature. I wish delivery to be made without obtaining signature of addressee or addressee's agent (if delivery employee judges that article can be left in secure location) and I authorize that delivery employee's signature constitutes valid proof of delivery.

☐ **NO DELIVERY** ☐ Weekend ☐ Holiday

Mailer Signature

FROM: (PLEASE PRINT) PHONE (704) 942 7788

RONALD P. DAPPAS
P.O. Box 79354
CHARLOTTE, NC 28271

TO: (PLEASE PRINT) PHONE (

WELLS FARGO BANK, N.A.
P.O. Box 4233
PORTLAND, OREGON

ZIP + 4 (U.S. ADDRESSES ONLY. DO NOT USE FOR FOREIGN POSTAL CODES.)

9 7 2 0 8 + 4 2 3 3

FOR INTERNATIONAL DESTINATIONS, WRITE COUNTRY NAME BELOW.

FOR PICKUP OR TRACKING
Visit **www.usps.com**
Call **1-800-222-1811**

EMS

UNITED STATES POSTAL SERVICE®

Track & Confirm

Search Results

Label/Receipt Number: **EG55 4676 478U S**
Guaranteed Delivery Date/Time: **March 24, 2011, 12:00 PM**
Class: **Express Mail®**
Status: **Delivered**

Your item was delivered at 5:01 am on March 24, 2011 in PORTLAND, OR 97208 to WELLSFARGO BEAV EXP . The item was signed for by G HEFLIN.

Track & Confirm
Enter Label/Receipt Number.
Go >

Detailed Results:

- **Delivered, March 24, 2011, 5:01 am, PORTLAND, OR 97208**
- **Notice Left (No Authorized Recipient Available), March 24, 2011, 2:36 am, PORTLAND, OR 97208**
- **Arrival at Post Office, March 24, 2011, 2:36 am, PORTLAND, OR 97208**
- **Processed through Sort Facility, March 23, 2011, 11:49 pm, PORTLAND, OR 97238**
- **Processed through Sort Facility, March 23, 2011, 3:11 pm, SEATTLE, WA 98168**
- **Acceptance, March 23, 2011, 11:28 am, ISSAQUAH, WA 98027**

Notification Options

Track & Confirm by email
Get current event information or updates for your item sent to you or others by email. Go >

Proof of Delivery
Verify who signed for your item by email, fax, or mail. Go >

EDGEWATER SETTLEMENT ADMINISTRATOR
309 POST OFFICE DRIVE
INDIAN TRAIL, NC 28079
(704)684-0031

January 28, 2011

Property Owner

Re: Edgewater Lot Purchase

Dear Property Owner:

Prior to signing the contract for the purchase of your lot in Edgewater Subdivision from Craft Development, LLC ("Craft"), you were given a substantial amount of information about Edgewater, but you were not provided with a Property Report. A Property Report is required to be given to prospective purchasers before they sign a contract to purchase a lot if the lot is required to be registered with the United States Department of Housing and Urban Development ("HUD") pursuant to the provisions of the Interstate Land Sales Full Disclosure Act ("ILSA"). There are a number of exemptions from ILSA's registration requirements. Edgewater Sales, which handled the marketing of Edgewater for Craft, was under the impression that the lot you purchased was exempt from registration under ILSA and therefore did not provide you with the Property Report at the time you signed the contract.

After a number of lots were sold, Edgewater Sales was informed by their current legal counsel that, in fact, Edgewater was subject to the provisions of ILSA, that a registration with HUD should have occurred, and that a Property Report should have been provided to you prior to the signing of the contract to purchase your lot. Therefore, there was an unintentional violation of ILSA by Craft's agent, Edgewater Sales.

As a result of this unintentional violation of ILSA, HUD has required, pursuant to the terms of a Modified Settlement Agreement entered into between Craft and HUD, that you are to be provided with a copy of the HUD Property Report, and notification and details of the right to rescind your purchase contract, both of which are attached.

Sincerely,

Edgewater Settlement Administrator

Lot _____

DAVIS, FRAWLEY, ANDERSON, MCCAULEY, AYER, FISHER & SMITH, LLC
ATTORNEYS AND COUNSELORS AT LAW

Legal Services Engagement and Fee Agreement

Client Information	
Name(s)	
Street Address	
City ST ZIP Code	
Home & Work Phone	
E-Mail Address	
Edgewater Information	
Lot Number	
Date received Edgewater Settlement Administrator's Letter	

Legal Services and Fees

The undersigned Client enters into this engagement and fee agreement with the law firm of *Davis, Frawley, Anderson, McCauley, Ayer, Fisher & Smith, LLC* of 140 East Main Street, Lexington, SC ("Counsel").

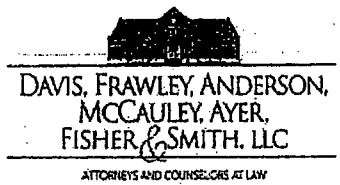
SCOPE: Counsel agrees to perform legal services for the Client with regard to efforts to rescind the Client's purchase of the referenced Lot – involving the Settlement Agreement between Craft Development, LLC ("Craft"), and the Department of Housing and Urban Development ("HUD"). The scope does not include the prosecution of the Client's claims in Bankruptcy Court, but such representation must be undertaken, if at all, by separate fee agreement.

FEES & COSTS: Client agrees to pay for the performance of such legal services, and to pay for all costs & expenses incurred in connection therewith in a modified contingency fee arrangement described as follows and further in a letter to client dated February 8, 2011 (incorporated herein).

(1) Client agrees to pay, for Client's portion of the **"Group" fees**, to be invoiced by Counsel approximately monthly, for work benefiting the "Group", including costs and hourly rate fees as follows: Associates ($150.00); Partners ($250.00); Paralegals ($85.00). "Group" fees include those services of a general or common nature to most or all of the "Group" of clients represented by Counsel in these matters. Client agrees to pay Counsel for Client's pro rata portion of the Group cost. Group cost include, but are not limited to, charges for serving and filing papers, courier or messenger services, recording and certifying documents, depositions, transcripts, investigations, long-distance telephone calls, copying materials, travel expenses, postage and expert witnesses. Client understands Client is responsible for his/her/their pro rata portion of the Group cost even if there is no recovery.

(2) Client agrees to pay Counsel an **"Individual" fee** amounting to a contingency fee of 15% of the gross amount obtained from Craft in the rescinding of the Client's purchase of Client's Lot, plus reimbursement to Counsel for costs associated with Client's individual costs. Counsel's services which are focused on Client's individual Lot and individual factual situation (as opposed to the common "Group" issues) will not be included in "Group" fees set forth above. Client agrees to pay counsel for Client's individual cost. Client's individual cost include, but are not limited to, charges for serving papers, courier or messenger services, recording and certifying documents, depositions, transcripts, investigations, long-distance telephone calls, copying materials, travel expenses, postage and expert witnesses. Client understands Client is responsible for his/her/their individual cost even if there is no recovery. If a lawsuit is filed at the trial court level, then our firm's contingency fee for individual work will increase to 25% of the individual Client's gross recovery.

Lot _____



Client acknowledges that Counsel has made no promises or guarantees regarding the outcome of these matters.

Counsel reserves the right to withdraw from this matter if Client fails to honor this Agreement. Notification of withdrawal shall be made in writing to Client. In the event of such withdrawal, Client agrees to promptly pay Counsel for all services rendered by Counsel and all other fees, charges, and expenses incurred by Counsel prior to the date of such withdrawal. If in the event Counsel withdraws from representation, Client agrees to sign a Consent Order acknowledging same, to be submitted to a Court of competent jurisdiction relieving counsel from further representation in this or any related matter.

Client reserves the right to terminate the representation for cause if Counsel fails to honor this Agreement. Notification of the termination shall be made in writing to Counsel. In the event of such termination by the Client, Client agrees to pay Counsel fees for services due and reimburse Counsel for all other fees, charges, and expenses incurred prior to the date of such termination.

Counsel agrees to use best efforts in representing Client in this matter; however, Client acknowledges that Counsel has given no assurances regarding the outcome of this matter.

Agreement and Signature	
By submitting this application, I affirm my agreement to engage Counsel for legal representation and to comply with the terms of the fee agreement. Further if signing for an entity, I affirm that specific authorization from the entity has been obtained, a copy of which I will provide upon request of Counsel.	
Name (printed)	
Signature	
Date	

Name (printed)	
Signature	
Date	

Name (printed)	
Signature	
Date	

DAVIS, FRAWLEY, ANDERSON, MCCAULEY, AYER, FISHER & SMITH, LLC

ATTORNEYS AND COUNSELORS AT LAW

ELECTION OF OPTIONS

I/We_____, owner(s)

(Print name of each owner)

of Lot Number_____, in Edgewater Subdivision understand that the Settlement Agreement between the Department of Housing and Urban Development ("HUD") and Craft Development, LLC ("Craft Development") as executed August 9, 2008 provides all owners with the option to rescind the purchase contract entered into with Craft Development and indicate their desires to counsel below:

Elect to Rescind	☐
Elect NOT to Rescind	☐

Owners that have chosen "Elect to Rescind" indicate their desires to counsel below regarding membership in the Home Owners Association:

Opting out of the Home Owners Association	☐
NOT opting out of the Home Owners Association	☐

_____

(Signature 1) Date

_____

(Signature 2) Date

PLEASE RETURN NO LATER THAN FEBRUARY 11, 2011

MODIFIED SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into by the Department of Housing and Urban Development ("HUD") and Craft Development, L.L.C. ("Craft Development"), a North Carolina limited liability company. Craft Development and HUD shall be collectively referred to in this Agreement as the "Parties."

WHEREAS Craft Development is the developer of the Edgewater subdivision located in Lancaster, South Carolina; and

WHEREAS the Parties entered into a settlement agreement on August 4, 2008, to settle alleged violations of the Interstate Land Sales Full Disclosure Act ("Act"), 15 U.S.C. §§ 1701 *et seq.*, and its implementing regulations at 24 C.F.R. § 1710 *et seq.* related to the development of the Edgewater subdivision; and

WHEREAS the Parties now agree to amend the August 4, 2008, settlement agreement.

NOW THEREFORE in consideration of the mutually negotiated promises, covenants, and obligations in this Agreement, the Parties reach an amended settlement as stated below:

1. The "Effective Date" of this Agreement means the date on which it has been signed by HUD.

2. Within 30 days of the Effective Date of this Agreement, Craft Development will provide HUD Property Reports to all purchasers who bought lots in the Edgewater subdivision without the benefit of a HUD Property Report. This clause only applies to purchasers who bought from the developer and who are still the owners of the lots.

3. Craft Development will prepare a notification letter that will be approved by HUD that will at a minimum inform purchasers of their option to rescind their purchase contracts, set forth the manner in which rescission will be offered, and the steps necessary to elect rescission as reflected in this settlement agreement.

4. Within thirty (30) days of the Effective Date, Craft Development will send the notification letter to all purchasers who bought lots in the Edgewater subdivision without the benefit of a HUD Property Report. Purchasers will be given thirty (30) days from the time the notification letter is mailed to the purchasers' last known address to make an election and to inform Craft Development of whether they intend to rescind their purchase contracts or keep their lots.

5. Craft Development will have eighty (80) days from the date the notification letters are mailed to purchasers to determine the economic feasibility of repurchasing the lots. Craft Development will provide HUD within ten (10) days of the completion of the economic feasibility study: 1) Number of purchasers requesting rescission; 2) A financial statement showing assets and liabilities; 3) Anticipated revenues; and 4) A justification for the results reached. Purchasers must be notified within 21 days of the completion of the economic feasibility study of the results as they pertain to their request.

6. If a purchaser elects to rescind his or her purchase contract and Craft Development determines that it is economically feasible to return the entire price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, Craft Development will do so within thirty (30) days of the completion of the economic feasibility assessment.

7. If a purchaser elects to rescind his or her purchase contract and Craft Development determines that it is not economically feasible to immediately provide the purchaser with a refund, the purchaser will be given immediate notice to inform Craft Development in writing within fourteen (14) days of which of the following options he or she elects to utilize:

    a. Craft Development will market the lot at the original purchase price. The lot will be placed for sale for at least three hundred sixty-five (365) days. Upon resale of the lot, the entire resale price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, will be remitted to the purchaser. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted from the refunded amount except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker; or

    b. Craft Development will market the lot at a price stipulated or agreed upon by the purchaser. The lot will be placed for sale for up to three hundred sixty-five (365) days. If upon resale of the lot, the resale price is less than the original purchase price minus any previously paid funds held in escrow for prepaid interest or previously paid financing incentives paid at closing by Craft Development, then the purchaser will receive the entire resale purchase price and the previously paid interest and incentives will not be deducted from the amount the purchaser receives. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker.

    If the lot does not sell after 365 days on the market, Craft Development will buy back the lot upon delivery by the owner of a general warranty deed conveying clear title. Craft Development will execute a purchase money promissory note to the purchaser in the amount of the original purchase price, less any case payment from Craft Development escrowed for prepaid interest or financing incentives paid at closing by Craft Development. The note will provide that it will be paid in full within twenty-four (24) months from its dates and will be secured by a first lien purchase money mortgage.

8. Craft Development will endeavor to sell lots at a ratio of 3:2 with three (3) rescinded lots being sold for each two (2) inventory lots; provided, however, that Craft may deviate from the required ratio in the event that, because of the ratio requirement, Craft would not be able to accept an offer to purchase an inventory lot. Craft Development agrees not to direct prospective buyers to inventory lots as opposed to rescinded lots.

9. Craft Development agrees that neither it nor any of its affiliates will be permitted to purchase a rescinded lot for less than the price the purchaser originally paid for the lot less any cash payment made by Craft Development for prepaid interest or financing incentives paid at closing by Craft Development.

10. Purchasers who elect to rescind their purchase contracts, may elect to stay in Edgewater's homeowners association and use the amenities at the Edgewater subdivision until they receive full payment from Craft Development, provided the purchaser remains in good financial standing with Edgewater' s homeowners association. Purchasers who elect to rescind may also elect to withdraw, at no charge, from the homeowners association and stop using subdivision amenities.

11. Craft Development will provide HUD with quarterly reports on the state of its progress until full payment to rescinding purchasers has been accomplished.

12. Craft Development agrees hereafter to fully comply with all provisions of the Act and its implementing regulations.

13. This Agreement is the complete agreement between the Parties as to the matters addressed herein. This Agreement may not be amended except by written consent of the Parties.

14. Each of the Parties shall bear its own attorney's fees and costs, including the preparation and performance of this Agreement.

15. This Agreement applies to and binds Craft Development and its predecessors, successors, directors, officers, employees, representatives, and assigns.

16. The Parties agree and stipulate that this Agreement is freely and voluntarily entered into without any duress or compulsion whatsoever. No provision of this Agreement shall be construed against any of the Parties solely for having drafted such provision of this Agreement.

17. By this Agreement, the Parties do not waive, compromise, or release any claims or causes of action against any other person or entity not expressly released by this Agreement.

18. Failure by any party to enforce any provision of this Agreement shall not be construed as a waiver by any such party of any provision of this Agreement, nor in any way affect the validity of this Agreement or any part thereof.

19. Should Craft Development or their agents fail to comply with the terms set out above, or should any of their representations prove to be false or incomplete in any material manner, HUD may take appropriate enforcement action, and/or refer the matter to other governmental authorities for further action.

20. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitutes the same agreement.

21. Each person who signs this Agreement in a representative capacity warrants that his or her execution of this Agreement is duly authorized, executed and delivered by and for the entity for which he or she signs.

Craft Development, LLC

By: _____ 10-27-10
Signature Date

David Cuthbertson member/Manager
Name printed Title

U.S. Department of Housing and Urban Development

By: _____ DEC 22 2010
David H. Stevens Date
Assistant Secretary for Housing-Federal

HTPL: 441281 v2

EXHIBIT A

HUD APPROVED PROPERTY REPORT

EXHIBIT "A"

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this subdivision. It is not prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement you may cancel the contract or agreement any time within two years from the date of signing.

Name of Subdivision: Edgewater
Name of Developer: Craft Development, LLC
Date of This Report: 3/24/08

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In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer.

RISKS OF BUYING LAND

(1) The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

(2) Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

(3) Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

(4) Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

(5) In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

WARNINGS

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFICE WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This Report covers 848 lots located in Lancaster County, South Carolina. See Page 22 for a listing of these lots. It is estimated that this subdivision will eventually contain 3,561 lots.

The developer of this subdivision is:

CRAFT DEVELOPMENT, LLC
2649 BREKONRIDGE CENTRE DR.
MONROE, NC 28110

Phone: 704-238-9520

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use and enjoy the property. A contract to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract And Delivery of Deed

An Agreement to Buy and Sell Real Estate will be executed between the Buyer and Developer. This Agreement will not contain provisions for a purchase money, installment or credit sale. This Agreement will provide that a warranty deed will be delivered to the Buyer at the Closing on the Closing Date. This Agreement will further provide that the Closing will occur and the deed be delivered to the Buyer not later than one hundred eighty (180) days after the Buyer signs the Agreement.

Type of Deed

A General Warranty Deed will be used to convey title to the lots in the subdivision.

ENCUMBRANCES, MORTGAGES AND LIENS

In General

There is currently a mortgage in favor of Paragon Commercial Bank on 141 Lots in Edgewater Phase 1. The lots used as collateral for this loan are as follows: 199, 200, 222, 233, 254, 255, 265, 266, 267, 268, 287, 292, 293, 294, 334, 337, 338, 344, 384, 398, 399, 400, 401, 402, 403, 404, 405, 406, 424, 425, 440, 441, 442, 443, 444, 446, 447, 448, 449, 450, 452, 454, 455, 456, 457, 458, 459, 460, 461, 463, 464, 466, 469, 470, 471, 472, 473, 477, 490, 491, 531, 533, 534, 535, 536, 537, 538, 539, 540, 541, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 576, 577, 578, 579, 580, 581, 591, 592, 593, 594, 595, 596, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642 and 643.

There are currently mortgages on vacant land that will eventually be developed into recreational facilities for the community. These mortgages are not secured by lots within the subdivision. The payment and term on all mortgages are is current.

Release Provisions

The mortgage on the 141 lots in Edgewater Phase 1 has provisions for the release of the141 lots upon the Developer's sale of each lot to a lot purchaser. At the time of sale the

Developer is to pay the lender a release fee in exchange for the sold lot being released from the mortgage. The release provisions for the 141 lots in Edgewater Phase 1 have not been recorded. Therefore, they may not be honored by subsequent holders of the mortgage. If they are not honored, you may not be able to obtain clear title to a lot covered by this mortgage until we have paid the mortgage in full, even if you have paid the full purchase price of the lot. If we should default on the mortgage prior to obtaining a release of your lot, you may lose your lot and all monies paid. The release provisions in the mortgage on the 141 lots in Edgewater Phase 1 may be exercised only by us. Therefore, if we default on the mortgage before obtaining a release of your lot, you may lose your lot and any money you have paid for it.

The mortgages on vacant land that will eventually be developed into recreational facilities for the subdivision do not contain any provisions for the release of individual lots because lots are not part of the collateral used in securing the mortgages

RECORDING THE CONTRACT AND DEED

Method Or Purpose Of Recording

The Agreement to Buy and Sell Real Estate will not be recorded in the Lancaster County Public Registry because it will not protect the Buyer from claims on the land.

A General Warranty Deed will be recorded in the Lancaster County Public Registry by the closing attorney once the buyer has provided the closing attorney with the funds necessary to pay the developer in full for the purchase of the lot. The recording of this document will transfer the title to the buyer and prevent the seller from placing future liens against the property.

UNLESS YOUR DEED IS RECORDED YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

Title Insurance

The purchaser should obtain an attorney's opinion of title or a title insurance policy which will describe the rights of ownership which are being acquired in the lot. The Developer recommends that the buyer have an appropriate professional interpret the opinion or policy.

PAYMENTS

Escrow

The purchasers' deposits are to be placed in an escrow or similar account, with Blackwell, Trimnal, LLC located at 201 W. Dunlap Street, Lancaster, SC 29720. This is an attorney's escrow account, which is regulated by the laws of South Carolina and fully protects the purchaser by allowing a purchaser to receive a return of all money paid in the event of the developer's failure to convey title or the developer's default on any obligation which would otherwise result in the purchaser's loss of that money.

You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayments

There are no prepayments related to these sales. All monies are due at the time of the lot sale.

Default

On Purchaser's failure to comply with the terms of this Contract within the stipulated time, and after receipt of notice of Purchaser's default with a five (5) day right to cure, Seller may either: (a) because of the difficulty in ascertaining actual resulting damages, retain the Earnest Money deposit as liquidated and agreed damages; or (b) seek specific performance of the Contract; or (c) sue for damages.

Under Federal law you may cancel your contract or agreement of sale any time within two years from the date of signing.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive Covenants have been recorded against the land in this subdivision. These Restrictions require the purchaser to have their building plans approved by an Architectural Control Committee prior to building on his/her lot. Certain requirements must be followed in order to receive approval from the Architectural Control Committee. These requirements include, but are not limited to, square footage, house elevations, exterior materials, exterior color, roof types, window type, door type, porch dimensions, balcony an deck materials, building heights, garage door and garage panel type, landscaping criteria, fencing type, mechanical equipment and antenna type, accessory building location and material type, driveway construction material, and exterior lighting type.

A complete copy of these restrictions is available upon request.

Easements

Easements are located thorough the subdivision for general utilities and road right of ways. Lots located on the Fishing Creek Reservoir have a fifty foot (50') undisturbed buffer. Some lots may contain wetlands.

The majority of general utility easements, road right of ways, buffers and wetlands are located outside the building area and would not affect the purchaser's building or lot use plan. Lots that have these conditions located in the building area are as follows: 29, 30, 32 through 41, 47 through 54, 90 through 111, 346, 349, 350, 352-358, 375-389, 79-89, 194, 195, 199-210, 213-223, 303, 304, 306-323, 258-264, 268-271, 273-288, 294-296, 392, 393, 398-402, 441-451, 455-459, 462-472, 475-478, 596-602, 606-610, 612-628, 632-645, 760-761, 764-765, 773-774, 776-778, 786-787, 791-793, 803-804, 840-841, 864-847, 849-850, 924-925, 940-942, 957-958, 963-966, 980-981, 984. The existence of these conditions within the building area could cause a purchaser to be unable to utilize the entire building space on the lot.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

Plats for the existing lots covered within this report are recorded in Lancaster County Register of Deeds in the following locations: Plat Book 2006, Page 593; Plat Book 2006, Page 247; Plat Book 2004, Page 600; Plat Book 2004, Page 601; Plat Book 2005, Page 512; Plat Book 2005, Page 408; Plat Book 2005, Page 513; Plat Book 2006, Page 246; Plat Book 2006, Page 593; Plat Book 2007, Page 265; Plat Book 2007, Page 470 and Plat Book 2007, Page 689; Plat Book 2007, Page 477, Plat Book 2007, Page 1209 and Plat Book 2008, Page 160.

Zoning

This property is zoned for residential purposes and the current use conforms to the zoning requirements and restrictive covenants. The zoning and development of this property is dictated by Catawba District Development Ordinance #356.

Surveying

Each lot has been surveyed and the four corners of the lot have been marked for identification.

Permits

The purchaser must obtain a building permit from Lancaster County. The building permit will only be issued if an approval letter from the Architectural Control Committee is attached to the application.

Environment

An environmental impact study that would consider the effect of the subdivision on the environment has not been prepared. However, a protected species habitat assessment was performed and found that there would be no adverse effects on the habitat within and surrounding the subdivision.

ROADS

ACCESS TO THE SUBDIVISION

Access to the Edgewater Community is provided by a two lane asphalt paved public road and an approximately 1 mile section of asphalt paved private road. The public road has a minimum pavement width of approximately 20 feet and the private road has a minimum width of approximately 18 feet.

The public roads are being maintained by Lancaster County. At present the approximately 1 mile section of private road runs through another owner's property, but there is a 100' wide right of way that has been dedicated to Lancaster County upon completion of the planned future road. There will be no cost to lot purchasers for any cost associated with the maintenance of these access roads.

ACCESS WITHIN THE SUBDIVISION

Access within the subdivision is provided through rights of way dedicated to the public. The road construction in these rights of way is the responsibility of the developer. Financial Assurance of the road completion in Phase I is provided under the Edgewater Improvement District Series 2003 A & Series 2003 B bonds, which is to be repaid by the developer and lot purchaser. A total of $1,709,171.20 of the bond money was budgeted specifically for the roads accessing the Phase I lots. Financial Assurance of the road completion is Phase 2 is provided under the Edgewater Improvement District Series 2007 A & Series 2007 B bonds, which is to be repaid by the developer and lot purchaser. A total of $2,038,777.00 of the bond money was budgeted specifically for the roads accessing the Phase 2 lots. As lots are sold the Developer pays off the short term B Bond and the remaining long term A Bond stays with the lot and may be paid off at any time by the purchaser or be paid yearly as an assessment along with the yearly Real Estate Tax Bill. The Developer's contribution amounts to approximately 50% of the total bond assessment (A Bond assessment + B Bond Assessment). The amount of the remaining A Bond Assessment depends on what category of lot the purchaser owns. The total yearly A Bond assessments range from approximately $450.00 per year for the Cottage Interior Lots to approximately $5500.00 per year for the Estate Lake Front Lots. Included in those figures are interest and principal payments. As time passes the amount of the assessments is reduced, because the amount is based on the remaining balance. The total amount of the A Bonds was approximately $16,229,000, so approximately 24.4% of the assessment would be paid toward the road construction. On all lots that are not sold, the Developer is responsible for the payment of the A Bond and the B Bond Assessments.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT AND THERE ARE NO OTHER FINANCIAL ARRANGEMENTS TO ASSURE COMPLETION OF THE ROADS.

The interior roads will contain 2 lanes. The following chart outlines the current status and projected completion date of these roads.

Roads

Phase	Present Surface	Finished Surface	Estimated Final Surface Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Completion Date (mo/yr)
1A-1	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-2	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-3	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-6	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-7	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-8	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-9	ASPLALT	ASPHALT	N/A	100%	COMPLETED
1B-1	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1B-2	GRAVEL	ASPHALT	8/06	100%	COMPLETED
2-1	DIRT	ASPHALT	5/08	0%	9/08
3-1	DIRT	ASPHALT	11/08	0%	12/08

The developer is responsible for road maintenance on all completed roads until such time they are taken over by Lancaster County. The purchaser will not incur costs for the maintenance of these roads before or after they are taken over by the County. All completed roads will allow full access to lots year round.

Nearby Communities

	City of Lancaster (County Seat)	Town of Great Falls	Town of Irwin
Population	8,177	2,109	1,343
Distance Over Paved Roads	7 miles	8 miles	4 miles
Distance Over Unpaved Roads	0 miles	0 miles	0 miles
Total	7 miles	8 miles	4 miles

UTILITIES

WATER

Water to each lot will be supplied through a central system overseen by Lancaster County Water and Sewer Authority, P.O. Box 1009, Lancaster, SC 29721.

The water mains have been extended in front of or adjacent to all of the lots in the Phases below, as indicated.

Water

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	N/A	100%	SERVICE AVAILABLE NOW
1A-7	N/A	100%	SERVICE AVAILABLE NOW
1A-8	N/A	100%	SERVICE AVAILABLE NOW
1A-9	N/A	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	11/07	0%	7/08

3-1	4/08	0%	1/09

Lancaster County Water and Sewer Authority built a 750,000 gallon water storage tower which was paid for as part of the Edgewater Improvement District Series A and Series B Bonds to supply water to the total Edgewater Project. There is capacity, presently, for the entire project now and in the future, which will ultimately consist of 3561 residential units.

The Lancaster County Water and Sewer Authority draw its water from the Catawba River and it is treated in the City of Lancaster. The water is continuously tested for purity and chemical content. The water presently meets all standards for a public water supply.

The water lines are owned by The Lancaster County Water and Sewer Authority, which plans ahead for future expansion and applies for the various required permits, as needed, ahead of schedule.

Some of the offsite costs and all of the onsite costs of materials and the installation the water lines to and in the Edgewater Project were included in the Edgewater Improvement District Series 2003A and 2003B Bonds and Series 2007A and 2007B Bonds. A pro-rata portion of that cost is to be paid as a special tax assessment, the amount is determined by the category of the lot by each lot purchaser on a yearly basis along with their yearly real estate tax bill, until the tax assessment is paid off. Craft Development also pays a tax assessment on each lot that it owns, just the same as the lot purchasers.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE WATER SYSTEM.

The Lancaster County Water and Sewer Authority, at present, charges a $1075.00 availability fee and a $268.47 meter & MXU fee to every individual new service account in the county, when the new service is requested. The MXU fee is for a radio controlled devise that allow meter readers to read to read the water meters from their vehicles. The fee is paid by the Purchaser at the time that they request a water meter. The water meter and the MXU unit are not considered a tax or an assessment. They are simply a requirement of the Water Utility Dept. to have water service. Connection to public water is not voluntary. It is required.

The developer is to construct the remaining water lines and turn it over in phases to Lancaster County when completed and tested.

SEWER

Sewage disposal will be handled through a central system overseen by Lancaster County Water and Sewer Authority. All sewage will be treated at the City of Lancaster's Wastewater Treatment Plant. The developer is responsible for the construction of the system. The sewer mains are installed in front of or adjacent to all of the lots in the Phases below, as indicated

Sewer

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	8/06	100%	SERVICE AVAILABLE NOW
1A-7	N/A	100%	SERVICE AVAILABLE NOW
1A-8	N/A	100%	SERVICE AVAILABLE NOW
1A-9	N/A	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	12/07	0%	7/08
3-1	4/08	0%	1/09

Construction of the sewer lines, along with sewer taps, in front, rear or adjacent to each lot in all phases are complete, except for phase 2-1 and 3-1. As soon as the water line construction is completed and tested and the electric lines are completed by Duke Energy

Carolinas, LLC sewer will be available lots shown on recorded plat 2-1 and 3-1. Sewer to all lots in phase 2-1 should be available by 7-08 and phase 3-1 by 1-09.

Some of the offsite costs and all of the onsite costs of materials and installation of the sewer lines and sewer pump stations to and in the Edgewater Project were included in the Edgewater Improvement District Series 2003A and 2003B Bonds and the Edgewater Improvement District Series 2007A and 2007B Bonds and a pro-rata portion of that cost is to be paid as a special tax assessment, the amount is determined by the category of the lot. Owners of each lot will pay this assessement on a yearly basis, along with their yearly real estate tax bill until the assessment is paid off. Craft Development also pays tax assessment of each lot that they own, just the same as a lot purchaser. The Lancaster County Water and Sewer Authority charges a $1350.00 availability fee and a $20.00 inspection fee to every individual new service account in the county, when they request service. Connection to the public sewer is not voluntary. It is required.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE THE COMPLETION OF THE CENTRAL SYSTEM; THEREFORE THERE IS NO ASSURANCE THAT IT WILL BE COMPLETED.

The sewer lines and pump stations are owned by The Lancaster County Water and Sewer Authority, which plans ahead for future expansion and applies for the various required permits, when needed, ahead of schedule.

ELECTRICITY

Electricity will be provided by Duke Energy Carolinas LLC, 667 Lancaster By Pass, Lancaster, S.C. 29270.

The primary electrical service lines have been extended in front of the lots or adjacent to the lots in the Phases below, as indicated.

Electric Service

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	N/A	100%	SERVICE AVAILABLE NOW

1A-7	N/A	100%	SERVICE AVAILABLE NOW
1A-8	N/A	100%	SERVICE AVAILABLE NOW
1A-9	N/A	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	5/08	0	7/08
3-1	12/08	0%	1/09

The extension of primary electricity to each lot is being done at no cost to the lot purchasers.

TELEPHONE

The service will be provided by Comporium Communications. Service lines have been extended in front of or adjacent to all lots as follows:

Telephone

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	8/06	100%	SERVICE AVAILABLE NOW

1A-7	8/06	100%	SERVICE AVAILABLE NOW
1A-8	8/06	100%	SERVICE AVAILABLE NOW
1A-9	8/06	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	5/08	0%	7/08
3-1	12/08	0%	1/09

There will no cost to lot purchasers for the extension of service lines to the front or adjacent to all of the lots noted in the previous paragraph.

FUEL OR OTHER ENERGY SOURCE

Natural Gas will be provided by Lancaster County Natural Gas, 1010 Kershaw Camden Hwy, Lancaster, SC. Mains have been extended in front of or adjacent to all lots as shown in the following table:

Gas

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	8-06	100%	SERVICE AVAILABLE NOW

1A-7	2/07	100%	SERVICE AVAILABLE NOW
1A-8	2/07	100%	SERVICE AVAILABLE NOW
1A-9	2/07	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	5/08	0%	7/08
3-1	12/08	0%	1/09

There is no cost to the lot purchaser for the installation of the gas main. Connection fees, at present, if the line does not have to be extended more than 175 feet, are $100.00, which is the normal fee that is charged for any other customer in the county.

FINANCIAL INFORMATION

A copy of our audited financial statements for the period ending December 31, 2006 is available from us upon request. Please note that these statements contain information for Craft Homes USA, LLC, Craft Development, LLC and Craft Holdings, LLC. Neither company is a parent company. Craft Development, LLC, Craft Homes USA, LLC and Craft Holdings, LLC are separate limited liability companies that are affiliates because they are owned 100% by the same individual and therefore have combined financials.

LOCAL SERVICES

FIRE PROTECTION

Fire protection is available to the subdivision year round.

POLICE PROTECTION

Police protection is available to the subdivision year round.

SCHOOLS

Elementary, junior high and senior high schools are available to residents of the subdivision. School bus transportation is available from within the subdivision.

HOSPITAL

The nearest hospital is Springs Memorial Hospital which is located in Lancaster, SC, approximately 8 miles from the subdivision. Ambulance Service is available.

PHYSICIANS AND DENTISTS

The nearest physician and dentist office is located in Great Falls, SC which is 7 miles from the subdivision.

SHOPPING FACILITIES

The nearest shopping facility is located in Great Falls, SC which is 7 miles from the subdivision.

MAIL SERVICE

Mail service is available to the subdivision.

PUBLIC TRANSPORTATION

Lancaster County does not provide public transportation. Public transportation is not available from the subdivision to nearby towns. The nearest public transportation is located 93 miles from Edgewater Subdivision in Florence, South Carolina and is provided by Pee Dee Regional Transportation Authority, 313 Stadium Road, Florence, SC 29503.

RECREATIONAL FACILITIES

RECREATIONAL FACILITIES TO BE COVERED

Facility	Percent of Construction now Complete	Estimated Date of Start of Construction	Estimated Date Available for Use	Financial Assurance of Completion	Buyers Annual Cost or Assessments
1. *Golf Course* 1A. *Cabana, Athletic Club, Tennis Courts, Pro Shop*	10% 0%	9-06 6-08	11-08 11-08	There is no financial assurance this will be completed.	No annual cost or assessments will be charged to Buyers unless they desire to join the Club. The club will be semiprivate.
2. *Marina Complex Boat Slips*	0%	6-09	6-10	There is no financial assurance this will be completed	The marina will be open to the general public and will run as a for profit enterprise. No cost or assessments to Buyers unless they desire to use the marina and will be a for profit venture.
3. Phase 1B-1 Clubhouse Pool/ Water Slide	0% 0%	1-08 6-08	9-08 5-09	There is no financial assurance this will be completed	Maintenance after construction to be paid for thru Phase 1B neighborhood's HOA Dues.
4. Phase 1A Pool and Cabana	0%	2-08	5-09	There is no financial assurance this will be completed	Maintenance after construction is to be paid for thru Phase 1B neighborhood's HOA Dues.
5.. *Paved walking Trails* Unpaved Nature Trails & Timber *Bridges over sensitive areas.*	0%	12-06	6-08	There is no financial assurance this will be completed	Maintenance after construction of the unpaved nature trails is to be paid for thru Edgewater Master HOA Dues. Maintenance of the paved trails and the timber bridges will be paid for by developer.
6. Entry Gate House	0%	1-08	6-08	There is no financial assurance this will be completed	Maintenance and Guard Salary to be paid for by the Master Homeowners Association.

** Note: These facilities are not a part of the area covered in this property report, but will be a part of the overall project.*

Constructing The Facilities

The facilities will be constructed by the developer and or assigns. None of the cost of construction of any of the above mentioned recreational facilities will be the responsibility of the buyers of the lots.

Maintaining The Facilities

The cost of maintenance and operation of facilities 2-5 will be the responsibility of the sub-association with the phases these facilities are located with the exception of the paved walkways and timber bridges, which will be maintained by the developer and or assigns.

Transfer Of The Facilities

The title facility number 2 through 4, mentioned in the chart above, will be deeded from the developer, fee simple, free and clear of encumbrances, to the respective sub-association within the phase the facility is located. This will take place as soon as the construction of each facility is completed. The Developer feels that the proposed transfer will not have an adverse affect on the sub-associations.

Permits

The building permits for buildings, pools, tennis courts, the fishing dock and the walking trails have not been obtained at this time, therefore there is no assurance that the lot owners will be able to use the facilities noted in the chart above until the permits have been obtained and the projects have been completed.

Who May Use The Facilities

The individual neighborhood sub-associations will set the policy of who will be allowed to use each facility. The developer will urge the associations to only allow the facilities to be available to the lot owners and their families and guests, but the sub-associations will make the final decision.

The paved walkways and the timber bridges owned by the developer and/or assigns will be included in walking trail system of Edgewater and will be open to all residents of Edgewater and guests and to the general public. The golf course and marina will be open to the general public and their use of the facilities may limit the use by lot owners.

SUBDIVISION CHARACTERISTICS AND CLIMATE

GENERAL TOPOGRAPHY

The general topography of the area is rolling to hilly with a few steep slopes. Upon completion of the entire development, approximately 35 % of the development will be open space, lakes, golf course or right-of -way.

SOME LOTS IN THIS SUBDIVISION HAVE A SLOPE OF 20%, OR MORE. THIS MAY AFFECT THE TYPE AND COST OF CONSTRUCTION.

Lots which contain a slope of 20% or more are as follows: 73-89, 131, 187, 189-203, 206, 208, 210-212, 214-221, 223-224, 226-227, 229-233, 239-242, 255-260, 264, 269-271, 237-274, 279-282, 286-289, 293, 296, 300, 314-315, 319-320, 350-353, 366, 369-371, 373-377, 400-401, 451-452, 455, 460, 466, 477-478, 634-635, 642, 754-779, 787-788, 791-794, 946-954, 957-962, 968-969 and 1050-1053.

Corrective action can include filling, basements, crawl spaces, piles, or retaining walls.

WATER COVERAGE

All lots adjacent to the base flood fringe are subject to a portion of the lot being covered by water. Lots adjacent to the flood fringe will be covered by water potentially after a 100 yr storm frequency event or greater.

All building foundations and appurtenances should be built to an elevation above the 100 year flood elevation as per local regulations. The cost of building the foundation and appurtenances will vary with the house type and size.

DRAINAGE AND FILL

There are no lots in the subdivision that would require to be drained prior to being used for residential purposes. Lots located below the flood protection elevation, as dictated by the local agency, are subject to being filled. The purchaser is responsible for providing adequate fill. The cost for fill will vary depending on the amount of fill needed.

FLOOD PLAIN

A portion of the subdivision is located adjacent to or within the FEMA regulated floodways of the Catawba River or Bear Skin Creek. All lots adjacent to the base flood fringe may be affected by the flood plain. Flood insurance can be obtained on these properties and may be necessary for financing improvements on the lot, depending on the lender's requirements. The cost of flood insurance will vary with the amount of insurance needed. It is estimated that this insurance will run from $650 annually to $7,500 annually depending on the location and amount of insurance needed.

FLOODING AND SOIL EROSION

The developer currently has an erosion control plan for public infrastructure construction in Phases 1-A, 1-B, 2-1 and 3-1. The plan has been approved by the permitting agencies. The erosion control measures will be removed as upstream areas denuded for public infrastructure are stabilized, which should be the end of April, 2009. The developer is obligated to comply with this plan, however there is no financial assurance that this will be completed.

All individual lot owners are to provide erosion control measures for their respective lots as required by the local agencies.

NUISANCES

There are no nuisances which affect the subdivision.

HAZARDS

There are no existing or possible future hazards that the developer is aware of.

CLIMATE

The average temperature ranges from 88 high to 67 low in the summer months and 57 high to 37 low in the winter months. The average annual rainfall is forty-eight (48) inches and the average annual snowfall is one (1) inch.

OCCUPANCY

As of the date of submission there is one (1) home occupied on a full or part-time basis.

ADDITIONAL INFORMATION

PROPERTY OWNER'S ASSOCIATION

A master property owners' association has been formed by the developer and is currently operating. The name of the association is Edgewater Homeowner's Association, Inc.

The developer currently has control of the Association. The developer's control will terminate on the first to occur of the following: 2 years after seventy-five percent (75%) of the acreage in the Master Plan has been conveyed to persons other than the developer or the developer's affiliate and seventy-five percent (75%) of the number of residential units have been permitted by applicable zoning and certificates of occupancy have been issued, or November 16, 2026, or when, in its discretion, the developer so determines.

Membership in the association is mandatory. Currently all buyers are required to pay a Two Hundred Fifty Dollar ($250.00) capital contribution fee as well as the prorated amount of the One Hundred Eighty Dollar ($180.00) annual assessment at the time of closing on the lot. This assessment will be billed to each lot owner at the end of each year following their closing. If the board finds it necessary, the annual assessment fee can increase or decrease in order to cover necessary costs the association is responsible for paying. The monies collected from assessments will be used by the association to pay for items such as, but not limited to, maintaining the common areas, maintaining the road medians, payment of property taxes on common area and payment of insurance on common area.

There currently are no special assessments paid by lot owners. If the board finds it necessary, the Board may assess a special assessment not to exceed Three Hundred Dollars ($300.00) annually to cover items that are not included in the budget.

The Association is responsible for the maintenance and operation of common areas, maintaining insurance on common areas, being sure all owners are complying with the Covenants, Conditions and Restrictions on the property and enforcing such restrictions and acting as the Architectural Review Board. Currently the association is operating at a profit due to the developer maintaining all landscaping.

There will be sub-associations formed for each phase of the development. These sub-associations will be responsible for the maintenance and insurance on the amenities and common areas located within their individual phase. Currently the lots in phases B-1 and B-2 are within a sub-association named The Cottages at Edgewater. This sub-association is assessed $65 monthly for the maintenance of the yards, garbage pick-up, basic cable television and management fees. Once the amenities are in place more sub-associations will be is formed within Edgewater Subdivision and each will be assessed an additional annual assessment fee, which will vary depending on the amenities and common area in that neighborhood. We anticipate the sub-association fees to be in the range of One Hundred Dollars ($100.00) to One Hundred Fifty Dollars ($150.00) per month.

TAXES

Lancaster County taxes are due and payable in December of each year. At the time a lot is sold the taxes will be prorated between the purchaser and the developer. If the taxes are prorated in the purchaser's favor, the annual taxes are to be paid by the purchaser and sent directly to Lancaster County. If the taxes are prorated in the developer's favor, the annual taxes are to be paid by the developer and sent directly to Lancaster County. Should we not forward the

tax funds to the proper authorities, a tax lien may be placed against your lot. In either case, taxes will be the sole responsibility of the purchaser for the year following the purchase of a lot. The current annual taxes on an unimproved lot are between $900.00 and $5,500.00 depending on the lot size and location.

This subdivision is encompassed within a special improvement district. There is an infrastructure construction bond that was issued by Lancaster County, S.C. to fund the cost of materials and installation of all public roads, public storm drainage, public water, public sewer lines and sewer pump stations that service all lots in Phases 1A-1, 1A-2, 1A-3, 1A-4, 1A-5, 1A-6, 1A-7, 1A-8, 1A-9, 1B1, 1B-2, 2-1 and 3-1. A portion of this assessment is paid by the developer at closing. The remaining portion is prorated at the time of closing on the sale of each lot in the same manner as the taxes. The assessment will be billed to the purchaser of a lot each year as a tax assessment. The assessments range from $300.00 to $2,000.00 depending on the lot type.

VIOLATIONS AND LITIGATION

No violations and/or litigation against the developer or any of their principals, officers, directors, or an entity in which any of them hold a 10% or more financial interest have occurred.

RESALE OR EXCHANGE PROGRAM

The restrictive covenants on the property prohibit a lot owner, other than the developer, to post "For Sale" signs on their lot. We have no program to assist you in the sale of your lot. We do not have any provisions to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

The developer is in compliance with title VIII of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, religion, sex or national origin in any of the following general areas: Lot marketing and advertising, rendering of lot services, and in requiring terms and conditions on lot sales and leases.

LISTING OF LOTS

Listings of lots included in this Statement of Record are as follows:

Lot Number	Acreage	Plat
EW-0013-	0.503	EW-PH1A-MAP6
EW-0014-	0.527	EW-PH1A-MAP6
EW-0015-	0.379	EW-PH1A-MAP6
EW-0016-	0.372	EW-PH1A-MAP1
EW-0017-	0.394	EW-PH1A-MAP1
EW-0018-	0.422	EW-PH1A-MAP1
EW-0019-	0.432	EW-PH1A-MAP1
EW-0020-	0.491	EW-PH1A-MAP1

EW-0021-	0.374	EW-PH1A-MAP1
EW-0022-	0.374	EW-PH1A-MAP1
EW-0023-	0.374	EW-PH1A-MAP1
EW-0024-	0.374	EW-PH1A-MAP1
EW-0025-	0.374	EW-PH1A-MAP1
EW-0026-	0.373	EW-PH1A-MAP1
EW-0027-	0.37	EW-PH1A-MAP1
EW-0028-	0.368	EW-PH1A-MAP1
EW-0029-	0.369	EW-PH1A-MAP1
EW-0030-	0.399	EW-PH1A-MAP1
EW-0031-	0.413	EW-PH1A-MAP1
EW-0032-	0.444	EW-PH1A-MAP1
EW-0033-	0.485	EW-PH1A-MAP1
EW-0034-	0.626	EW-PH1A-MAP1
EW-0035-	0.546	EW-PH1A-MAP1
EW-0036-	0.513	EW-PH1A-MAP1
EW-0037-	0.672	EW-PH1A-MAP1
EW-0038-	0.798	EW-PH1A-MAP1
EW-0039-	0.694	EW-PH1A-MAP1
EW-0040-	0.75	EW-PH1A-MAP1
EW-0041-	0.667	EW-PH1A-MAP1
EW-0042-	0.832	EW-PH1A-MAP1
EW-0043-	0.412	EW-PH1A-MAP1
EW-0044-	0.367	EW-PH1A-MAP1
EW-0045-	0.367	EW-PH1A-MAP1
EW-0046-	0.367	EW-PH1A-MAP1
EW-0047-	0.378	EW-PH1A-MAP1
EW-0048-	0.451	EW-PH1A-MAP1
EW-0049-	0.364	EW-PH1A-MAP1
EW-0050-	0.361	EW-PH1A-MAP1
EW-0051-	0.407	EW-PH1A-MAP1
EW-0052-	0.99	EW-PH1A-MAP1
EW-0053-	1.088	EW-PH1A-MAP1
EW-0054-	0.726	EW-PH1A-MAP1
EW-0055-	0.494	EW-PH1A-MAP1
EW-0056-	0.53	EW-PH1A-MAP1
EW-0057-	0.784	EW-PH1A-MAP1
EW-0058-	1.156	EW-PH1A-MAP1
EW-0059-	0.558	EW-PH1A-MAP1
EW-0060-	0.301	EW-PH1A-MAP1
EW-0061-	0.301	EW-PH1A-MAP1

EW-0062-	0.301	EW-PH1A-MAP1
EW-0063-	0.301	EW-PH1A-MAP1
EW-0064-	0.301	EW-PH1A-MAP1
EW-0065-	0.334	EW-PH1A-MAP1
EW-0066-	0.447	EW-PH1A-MAP2
EW-0067-	0.483	EW-PH1A-MAP2
EW-0068-	0.485	EW-PH1A-MAP2
EW-0069-	0.373	EW-PH1A-MAP2
EW-0070-	0.37	EW-PH1A-MAP2
EW-0071-	0.368	EW-PH1A-MAP6
EW-0072-	0.367	EW-PH1A-MAP6
EW-0073-	0.367	EW-PH1A-MAP6
EW-0074-	0.362	EW-PH1A-MAP6
EW-0075-	0.347	EW-PH1A-MAP6
EW-0076-	0.384	EW-PH1A-MAP6
EW-0077-	0.343	EW-PH1A-MAP6
EW-0078-	0.355	EW-PH1A-MAP6
EW-0079-	0.363	EW-PH1A-MAP6
EW-0080-	0.364	EW-PH1A-MAP6
EW-0081-	0.364	EW-PH1A-MAP6
EW-0082-	0.365	EW-PH1A-MAP6
EW-0083-	0.365	EW-PH1A-MAP6
EW-0084-	0.367	EW-PH1A-MAP6
EW-0085-	0.374	EW-PH1A-MAP6
EW-0086-	0.374	EW-PH1A-MAP6
EW-0087-	0.451	EW-PH1A-MAP6
EW-0088-	0.474	EW-PH1A-MAP6
EW-0089-	0.482	EW-PH1A-MAP6
EW-0090-	0.639	EW-PH1A-MAP2
EW-0091-	0.582	EW-PH1A-MAP2
EW-0092-	0.632	EW-PH1A-MAP2
EW-0093-	0.707	EW-PH1A-MAP2
EW-0094-	0.608	EW-PH1A-MAP2
EW-0095-	0.564	EW-PH1A-MAP2
EW-0096-	0.586	EW-PH1A-MAP2
EW-0097-	0.592	EW-PH1A-MAP2
EW-0098-	0.592	EW-PH1A-MAP2
EW-0099-	0.588	EW-PH1A-MAP2
EW-0100-	0.687	EW-PH1A-MAP2
EW-0101-	0.629	EW-PH1A-MAP2
EW-0102-	0.596	EW-PH1A-MAP2

EW-0103-	0.624	EW-PH1A-MAP2
EW-0104-	0.652	EW-PH1A-MAP2
EW-0105-	0.603	EW-PH1A-MAP2
EW-0106-	0.61	EW-PH1A-MAP2
EW-0107-	0.718	EW-PH1A-MAP2
EW-0108-	0.943	EW-PH1A-MAP2
EW-0109-	0.882	EW-PH1A-MAP2
EW-0110-	0.683	EW-PH1A-MAP2
EW-0111-	0.555	EW-PH1A-MAP2
EW-0112-	0.517	EW-PH1A-MAP2
EW-0113-	0.407	EW-PH1A-MAP2
EW-0114-	0.419	EW-PH1A-MAP2
EW-0115-	0.453	EW-PH1A-MAP2
EW-0116-	0.487	EW-PH1A-MAP2
EW-0117-	0.506	EW-PH1A-MAP2
EW-0118-	0.512	EW-PH1A-MAP2
EW-0119-	0.503	EW-PH1A-MAP2
EW-0120-	0.477	EW-PH1A-MAP2
EW-0121-	0.443	EW-PH1A-MAP2
EW-0122-	0.424	EW-PH1A-MAP2
EW-0123-	0.404	EW-PH1A-MAP2
EW-0124-	0.412	EW-PH1A-MAP2
EW-0125-	0.423	EW-PH1A-MAP2
EW-0126-	0.367	EW-PH1A-MAP2
EW-0127-	0.367	EW-PH1A-MAP2
EW-0128-	0.367	EW-PH1A-MAP2
EW-0129-	0.367	EW-PH1A-MAP2
EW-0130-	0.367	EW-PH1A-MAP2
EW-0131-	0.363	EW-PH1A-MAP2
EW-0132-	0.363	EW-PH1A-MAP2
EW-0133-	0.364	EW-PH1A-MAP2
EW-0134-	0.352	EW-PH1A-MAP6
EW-0135-	0.368	EW-PH1A-MAP6
EW-0136-	0.407	EW-PH1A-MAP6
EW-0137-	0.359	EW-PH1A-MAP6
EW-0138-	0.363	EW-PH1A-MAP6
EW-0139-	0.371	EW-PH1A-MAP6
EW-0140-	0.384	EW-PH1A-MAP6
EW-0141-	0.403	EW-PH1A-MAP6
EW-0142-	0.36	EW-PH1A-MAP6
EW-0143-	0.363	EW-PH1A-MAP6

EW-0144-	0.371	EW-PH1A-MAP6
EW-0145-	0.384	EW-PH1A-MAP6
EW-0146-	0.403	EW-PH1A-MAP6
EW-0147-	0.36	EW-PH1A-MAP6
EW-0148-	0.363	EW-PH1A-MAP6
EW-0149-	0.368	EW-PH1A-MAP6
EW-0150-	0.356	EW-PH1A-MAP6
EW-0151-	0.371	EW-PH1A-MAP6
EW-0152-	0.334	EW-PH1A-MAP6
EW-0153-	0.368	EW-PH1A-MAP6
EW-0154-	0.482	EW-PH1A-MAP6
EW-0155-	0.566	EW-PH1A-MAP6
EW-0156-	0.438	EW-PH1A-MAP6
EW-0157-	0.427	EW-PH1A-MAP6
EW-0158-	0.432	EW-PH1A-MAP6
EW-0159-	0.456	EW-PH1A-MAP6
EW-0160-	0	EW-PH1A-MAP6
EW-0161-	0.426	EW-PH1A-MAP6
EW-0162-	0.43	EW-PH1A-MAP6
EW-0163-	0.416	EW-PH1A-MAP6
EW-0164-	0.699	EW-PH1A-MAP6
EW-0165-	0.753	EW-PH1A-MAP6
EW-0166-	0.39	EW-PH1A-MAP6
EW-0167-	0.367	EW-PH1A-MAP6
EW-0168-	0.367	EW-PH1A-MAP6
EW-0169-	0.381	EW-PH1A-MAP6
EW-0170-	0.415	EW-PH1A-MAP6
EW-0171-	0.46	EW-PH1A-MAP6
EW-0172-	0.618	EW-PH1A-MAP6
EW-0173-	0.364	EW-PH1A-MAP6
EW-0174-	0.367	EW-PH1A-MAP6
EW-0175-	0.367	EW-PH1A-MAP6
EW-0176-	0.367	EW-PH1A-MAP6
EW-0177-	0.367	EW-PH1A-MAP6
EW-0178-	0.354	EW-PH1A-MAP6
EW-0179-	0.367	EW-PH1A-MAP6
EW-0180-	0.367	EW-PH1A-MAP6
EW-0181-	0.367	EW-PH1A-MAP6
EW-0182-	0.367	EW-PH1A-MAP6
EW-0183-	0.367	EW-PH1A-MAP6
EW-0184-	0.367	EW-PH1A-MAP6

EW-0185-	0.449	EW-PH1A-MAP6
EW-0186-	0.348	EW-PH1A-MAP7
EW-0187-	0.439	EW-PH1A-MAP7
EW-0188-	0.342	EW-PH1A-MAP7
EW-0189-	0.33	EW-PH1A-MAP7
EW-0190-	0.319	EW-PH1A-MAP7
EW-0191-	0.319	EW-PH1A-MAP7
EW-0192-	0.264	EW-PH1A-MAP7
EW-0193-	0.289	EW-PH1A-MAP7
EW-0194-	0.315	EW-PH1A-MAP7
EW-0195-	0	EW-PH1A-MAP7
EW-0196-	0.323	EW-PH1A-MAP7
EW-0197-	0.334	EW-PH1A-MAP7
EW-0198-	0.498	EW-PH1A-MAP7
EW-0199-	0.491	EW-PH1A-MAP7
EW-0200-	0.544	EW-PH1A-MAP7
EW-0201-	0.529	EW-PH1A-MAP7
EW-0202-	0.509	EW-PH1A-MAP7
EW-0203-	0.604	EW-PH1A-MAP7
EW-0204-	0.672	EW-PH1A-MAP7
EW-0205-	0.774	EW-PH1A-MAP7
EW-0206-	0.82	EW-PH1A-MAP7
EW-0207-	0.889	EW-PH1A-MAP7
EW-0208-	0.77	EW-PH1A-MAP7
EW-0209-	0.966	EW-PH1A-MAP7
EW-0210-	0.725	EW-PH1A-MAP7
EW-0211-	0.437	EW-PH1A-MAP7
EW-0212-	0.415	EW-PH1A-MAP8
EW-0213-	0.393	EW-PH1A-MAP8
EW-0214-	0.473	EW-PH1A-MAP8
EW-0215-	0.627	EW-PH1A-MAP8
EW-0216-	0.534	EW-PH1A-MAP8
EW-0217-	0.472	EW-PH1A-MAP8
EW-0218-	0.488	EW-PH1A-MAP8
EW-0219-	0.596	EW-PH1A-MAP8
EW-0220-	0.49	EW-PH1A-MAP8
EW-0221-	0.475	EW-PH1A-MAP8
EW-0222-	0.367	EW-PH1A-MAP8
EW-0223-	0.387	EW-PH1A-MAP8
EW-0224-	0.367	EW-PH1A-MAP8
EW-0225-	0.367	EW-PH1A-MAP8

EW-0226-	0.367	EW-PH1A-MAP8
EW-0227-	0.367	EW-PH1A-MAP8
EW-0228-	0.469	EW-PH1A-MAP8
EW-0229-	0.369	EW-PH1A-MAP8
EW-0230-	0.37	EW-PH1A-MAP8
EW-0231-	0.37	EW-PH1A-MAP8
EW-0232-	0.371	EW-PH1A-MAP8
EW-0233-	0.371	EW-PH1A-MAP8
EW-0234-	0.362	EW-PH1A-MAP8
EW-0235-	0.36	EW-PH1A-MAP8
EW-0236-	0.36	EW-PH1A-MAP8
EW-0237-	0.36	EW-PH1A-MAP8
EW-0238-	0.323	EW-PH1A-MAP8
EW-0239-	0.367	EW-PH1A-MAP8
EW-0240-	0.367	EW-PH1A-MAP8
EW-0241-	0.367	EW-PH1A-MAP8
EW-0242-	0.363	EW-PH1A-MAP7
EW-0243-	0.358	EW-PH1A-MAP7
EW-0244-	0.366	EW-PH1A-MAP7
EW-0245-	0.367	EW-PH1A-MAP7
EW-0246-	0.387	EW-PH1A-MAP7
EW-0247-	0.367	EW-PH1A-MAP7
EW-0248-	0.425	EW-PH1A-MAP7
EW-0249-	0.399	EW-PH1A-MAP7
EW-0250-	0.367	EW-PH1A-MAP7
EW-0251-	0.367	EW-PH1A-MAP7
EW-0252-	0.367	EW-PH1A-MAP7
EW-0253-	0.481	EW-PH1A-MAP7
EW-0254-	0.42	EW-PH1A-MAP9
EW-0255-	0.384	EW-PH1A-MAP9
EW-0256-	0.406	EW-PH1A-MAP9
EW-0257-	0.417	EW-PH1A-MAP9
EW-0258-	0.426	EW-PH1A-MAP9
EW-0259-	0.414	EW-PH1A-MAP9
EW-0260-	0.701	EW-PH1A-MAP9
EW-0261-	0.597	EW-PH1A-MAP9
EW-0262-	0.721	EW-PH1A-MAP9
EW-0263-	1.098	EW-PH1A-MAP9
EW-0264-	0.603	EW-PH1A-MAP9
EW-0265-	0.47	EW-PH1A-MAP9
EW-0266-	0.465	EW-PH1A-MAP9

EW-0267-	0.469	EW-PH1A-MAP9
EW-0268-	0.484	EW-PH1A-MAP9
EW-0269-	0.991	EW-PH1A-MAP9
EW-0270-	0.868	EW-PH1A-MAP9
EW-0271-	0.727	EW-PH1A-MAP9
EW-0272-	0.442	EW-PH1A-MAP9
EW-0273-	0.544	EW-PH1A-MAP9
EW-0274-	0.625	EW-PH1A-MAP9
EW-0275-	0.836	EW-PH1A-MAP9
EW-0276-	0.952	EW-PH1A-MAP9
EW-0277-	0.66	EW-PH1A-MAP9
EW-0278-	0.562	EW-PH1A-MAP9
EW-0279-	0.487	EW-PH1A-MAP9
EW-0280-	0.491	EW-PH1A-MAP9
EW-0281-	0.525	EW-PH1A-MAP9
EW-0282-	0.495	EW-PH1A-MAP9
EW-0283-	0.482	EW-PH1A-MAP9
EW-0284-	0.68	EW-PH1A-MAP9
EW-0285-	0.636	EW-PH1A-MAP9
EW-0286-	0.489	EW-PH1A-MAP9
EW-0287-	0.381	EW-PH1A-MAP9
EW-0288-	0.514	EW-PH1A-MAP9
EW-0289-	0.392	EW-PH1A-MAP9
EW-0290-	0.367	EW-PH1A-MAP9
EW-0291-	0.383	EW-PH1A-MAP9
EW-0292-	0.43	EW-PH1A-MAP9
EW-0293-	0.471	EW-PH1A-MAP9
EW-0294-	0.491	EW-PH1A-MAP9
EW-0295-	0.599	EW-PH1A-MAP9
EW-0296-	0.571	EW-PH1A-MAP9
EW-0297-	0.49	EW-PH1A-MAP9
EW-0298-	0.432	EW-PH1A-MAP9
EW-0299-	0.465	EW-PH1A-MAP8
EW-0300-	0.367	EW-PH1A-MAP8
EW-0301-	0.367	EW-PH1A-MAP8
EW-0302-	0.367	EW-PH1A-MAP8
EW-0303-	0.367	EW-PH1A-MAP8
EW-0304-	0.367	EW-PH1A-MAP8
EW-0305-	0.383	EW-PH1A-MAP8
EW-0306-	0.481	EW-PH1A-MAP8
EW-0307-	0.442	EW-PH1A-MAP8

EW-0308-	0.57	EW-PH1A-MAP8
EW-0309-	0.837	EW-PH1A-MAP8
EW-0310-	0.563	EW-PH1A-MAP8
EW-0311-	0.576	EW-PH1A-MAP8
EW-0312-	0.416	EW-PH1A-MAP8
EW-0313-	0.602	EW-PH1A-MAP8
EW-0314-	0.453	EW-PH1A-MAP8
EW-0315-	0.414	EW-PH1A-MAP8
EW-0316-	0.398	EW-PH1A-MAP8
EW-0317-	0.38	EW-PH1A-MAP8
EW-0318-	0	EW-PH1A-MAP8
EW-0319-	0.403	EW-PH1A-MAP8
EW-0320-	0.362	EW-PH1A-MAP8
EW-0321-	0.367	EW-PH1A-MAP8
EW-0322-	0.371	EW-PH1A-MAP8
EW-0323-	0.375	EW-PH1A-MAP8
EW-0324-	0.409	EW-PH1A-MAP8
EW-0325-	0.476	EW-PH1A-MAP8
EW-0326-	0.459	EW-PH1A-MAP8
EW-0327-	0.466	EW-PH1A-MAP8
EW-0328-	0.367	EW-PH1A-MAP8
EW-0329-	0.367	EW-PH1A-MAP8
EW-0330-	0.367	EW-PH1A-MAP8
EW-0331-	0.367	EW-PH1A-MAP8
EW-0332-	0.367	EW-PH1A-MAP8
EW-0333-	0.367	EW-PH1A-MAP8
EW-0334-	0.379	EW-PH1A-MAP8
EW-0335-	0.396	EW-PH1A-MAP8
EW-0336-	0.396	EW-PH1A-MAP8
EW-0337-	0.379	EW-PH1A-MAP8
EW-0338-	0.367	EW-PH1A-MAP8
EW-0339-	0.367	EW-PH1A-MAP8
EW-0340-	0.367	EW-PH1A-MAP8
EW-0341-	0.367	EW-PH1A-MAP8
EW-0342-	0.367	EW-PH1A-MAP8
EW-0343-	0.367	EW-PH1A-MAP8
EW-0344-	0.367	EW-PH1A-MAP8
EW-0345-	0.39	EW-PH1A-MAP8
EW-0346-	0.395	EW-PH1A-MAP3
EW-0347-	0.361	EW-PH1A-MAP3
EW-0348-	0.358	EW-PH1A-MAP3

EW-0349-	0.409	EW-PH1A-MAP3
EW-0350-	0.375	EW-PH1A-MAP3
EW-0351-	0.393	EW-PH1A-MAP3
EW-0352-	0.391	EW-PH1A-MAP3
EW-0353-	0.39	EW-PH1A-MAP3
EW-0354-	0.374	EW-PH1A-MAP3
EW-0355-	0.557	EW-PH1A-MAP3
EW-0356-	0.515	EW-PH1A-MAP3
EW-0357-	0.526	EW-PH1A-MAP3
EW-0358-	0.503	EW-PH1A-MAP3
EW-0359-	0.303	EW-PH1A-MAP3
EW-0360-	0.3	EW-PH1A-MAP3
EW-0361-	0.295	EW-PH1A-MAP3
EW-0362-	0.297	EW-PH1A-MAP3
EW-0363-	0.305	EW-PH1A-MAP3
EW-0364-	0.325	EW-PH1A-MAP3
EW-0365-	0.551	EW-PH1A-MAP3
EW-0366-	0.459	EW-PH1A-MAP3
EW-0367-	0.375	EW-PH1A-MAP3
EW-0368-	0.442	EW-PH1A-MAP3
EW-0369-	0.625	EW-PH1A-MAP3
EW-0370-	0.725	EW-PH1A-MAP3
EW-0371-	0.501	EW-PH1A-MAP3
EW-0372-	0.748	EW-PH1A-MAP3
EW-0373-	0.512	EW-PH1A-MAP3
EW-0374-	0.551	EW-PH1A-MAP3
EW-0375-	0.733	EW-PH1A-MAP3
EW-0376-	0.816	EW-PH1A-MAP3
EW-0377-	0.734	EW-PH1A-MAP3
EW-0378-	0.925	EW-PH1A-MAP3
EW-0379-	0.667	EW-PH1A-MAP3
EW-0380-	0.384	EW-PH1A-MAP3
EW-0381-	0.398	EW-PH1A-MAP3
EW-0382-	0.394	EW-PH1A-MAP3
EW-0383-	0.457	EW-PH1A-MAP3
EW-0384-	0.545	EW-PH1A-MAP9
EW-0389-	0.087	EW-PH1B-MAP1
EW-0390-	0.084	EW-PH1B-MAP1
EW-0391-	0.084	EW-PH1B-MAP1
EW-0392-	0.084	EW-PH1B-MAP1
EW-0393-	0.084	EW-PH1B-MAP1

EW-0394-	0.084	EW-PH1B-MAP1
EW-0395-	0.084	EW-PH1B-MAP1
EW-0396-	0.092	EW-PH1B-MAP1
EW-0397-	0.125	EW-PH1B-MAP1
EW-0398-	0.099	EW-PH1B-MAP1
EW-0399-	0.135	EW-PH1B-MAP1
EW-0400-	0.159	EW-PH1B-MAP1
EW-0401-	0.149	EW-PH1B-MAP1
EW-0402-	0.156	EW-PH1B-MAP1
EW-0403-	0.152	EW-PH1B-MAP1
EW-0404-	0.191	EW-PH1B-MAP1
EW-0405-	0.203	EW-PH1B-MAP1
EW-0406-	0.264	EW-PH1B-MAP1
EW-0407-	0.339	EW-PH1B-MAP1
EW-0408-	0.191	EW-PH1B-MAP1
EW-0409-	0.119	EW-PH1B-MAP1
EW-0410-	0.115	EW-PH1B-MAP1
EW-0411-	0.11	EW-PH1B-MAP1
EW-0412-	0.105	EW-PH1B-MAP1
EW-0413-	0.1	EW-PH1B-MAP1
EW-0414-	0.096	EW-PH1B-MAP1
EW-0415-	0.091	EW-PH1B-MAP1
EW-0416-	0.087	EW-PH1B-MAP1
EW-0417-	0.09	EW-PH1B-MAP1
EW-0418-	0.088	EW-PH1B-MAP1
EW-0419-	0.088	EW-PH1B-MAP1
EW-0420-	0.088	EW-PH1B-MAP1
EW-0421-	0.088	EW-PH1B-MAP1
EW-0422-	0.088	EW-PH1B-MAP1
EW-0423-	0.088	EW-PH1B-MAP1
EW-0424-	0.104	EW-PH1B-MAP1
EW-0425-	0.104	EW-PH1B-MAP1
EW-0426-	0.088	EW-PH1B-MAP1
EW-0427-	0.088	EW-PH1B-MAP1
EW-0428-	0.088	EW-PH1B-MAP1
EW-0429-	0.088	EW-PH1B-MAP1
EW-0430-	0.088	EW-PH1B-MAP1
EW-0431-	0.088	EW-PH1B-MAP1
EW-0432-	0.09	EW-PH1B-MAP1
EW-0433-	0.101	EW-PH1B-MAP1
EW-0434-	0.097	EW-PH1B-MAP1

EW-0435-	0.101	EW-PH1B-MAP1
EW-0436-	0.104	EW-PH1B-MAP1
EW-0437-	0.108	EW-PH1B-MAP1
EW-0438-	0.111	EW-PH1B-MAP1
EW-0439-	0.115	EW-PH1B-MAP1
EW-0440-	0.115	EW-PH1B-MAP1
EW-0441-	0.149	EW-PH1B-MAP1
EW-0442-	0.201	EW-PH1B-MAP1
EW-0443-	0.179	EW-PH1B-MAP1
EW-0444-	0.14	EW-PH1B-MAP1
EW-0445-	0.131	EW-PH1B-MAP1
EW-0446-	0.229	EW-PH1B-MAP1
EW-0447-	0.211	EW-PH1B-MAP1
EW-0448-	0.289	EW-PH1B-MAP1
EW-0449-	0.2	EW-PH1B-MAP1
EW-0450-	0.141	EW-PH1B-MAP1
EW-0451-	0.168	EW-PH1B-MAP1
EW-0452-	0.207	EW-PH1B-MAP1
EW-0453-	0.476	EW-PH1B-MAP1
EW-0454-	0.386	EW-PH1B-MAP1
EW-0455-	0.271	EW-PH1B-MAP1
EW-0456-	0.125	EW-PH1B-MAP1
EW-0457-	0.124	EW-PH1B-MAP1
EW-0458-	0.136	EW-PH1B-MAP1
EW-0459-	0.355	EW-PH1B-MAP1
EW-0460-	0.393	EW-PH1B-MAP1
EW-0461-	0.443	EW-PH1B-MAP1
EW-0462-	0.12	EW-PH1B-MAP1
EW-0463-	0.1	EW-PH1B-MAP1
EW-0464-	0.102	EW-PH1B-MAP1
EW-0465-	0.107	EW-PH1B-MAP1
EW-0466-	0.112	EW-PH1B-MAP1
EW-0467-	0.164	EW-PH1B-MAP1
EW-0468-	0.214	EW-PH1B-MAP1
EW-0469-	0	EW-PH1B-MAP1
EW-0470-	0.268	EW-PH1B-MAP1
EW-0471-	0.182	EW-PH1B-MAP1
EW-0472-	0.157	EW-PH1B-MAP1
EW-0473-	0.115	EW-PH1B-MAP1
EW-0474-	0.144	EW-PH1B-MAP1
EW-0475-	0.129	EW-PH1B-MAP1

EW-0476-	0.161	EW-PH1B-MAP1
EW-0477-	0.491	EW-PH1B-MAP1
EW-0478-	0.518	EW-PH1B-MAP1
EW-0479-	0.149	EW-PH1B-MAP1
EW-0480-	0.118	EW-PH1B-MAP1
EW-0481-	0.137	EW-PH1B-MAP1
EW-0482-	0.09	EW-PH1B-MAP1
EW-0483-	0.083	EW-PH1B-MAP1
EW-0484-	0.083	EW-PH1B-MAP1
EW-0485-	0.083	EW-PH1B-MAP1
EW-0486-	0.083	EW-PH1B-MAP1
EW-0487-	0.083	EW-PH1B-MAP1
EW-0488-	0.083	EW-PH1B-MAP1
EW-0489-	0.083	EW-PH1B-MAP1
EW-0490-	0.082	EW-PH1B-MAP1
EW-0491-	0.082	EW-PH1B-MAP1
EW-0492-	0.083	EW-PH1B-MAP1
EW-0493-	0.083	EW-PH1B-MAP1
EW-0494-	0.083	EW-PH1B-MAP1
EW-0495-	0.083	EW-PH1B-MAP1
EW-0496-	0.083	EW-PH1B-MAP1
EW-0497-	0.083	EW-PH1B-MAP1
EW-0498-	0.083	EW-PH1B-MAP1
EW-0499-	0.09	EW-PH1B-MAP1
EW-0500-	0.081	EW-PH1B-MAP1
EW-0501-	0.083	EW-PH1B-MAP1
EW-0502-	0.083	EW-PH1B-MAP1
EW-0503-	0.083	EW-PH1B-MAP1
EW-0504-	0.083	EW-PH1B-MAP1
EW-0505-	0.083	EW-PH1B-MAP1
EW-0506-	0.083	EW-PH1B-MAP1
EW-0507-	0.09	EW-PH1B-MAP1
EW-0508-	0.097	EW-PH1B-MAP1
EW-0509-	0.101	EW-PH1B-MAP1
EW-0510-	0.083	EW-PH1B-MAP1
EW-0511-	0.083	EW-PH1B-MAP1
EW-0512-	0.083	EW-PH1B-MAP1
EW-0513-	0.083	EW-PH1B-MAP1
EW-0514-	0.083	EW-PH1B-MAP1
EW-0515-	0.083	EW-PH1B-MAP1
EW-0516-	0.083	EW-PH1B-MAP1

EW-0517-	0.083	EW-PH1B-MAP1
EW-0518-	0.083	EW-PH1B-MAP1
EW-0519-	0.083	EW-PH1B-MAP1
EW-0520-	0.081	EW-PH1B-MAP1
EW-0521-	0.09	EW-PH1B-MAP1
EW-0522-	0.083	EW-PH1B-MAP1
EW-0523-	0.083	EW-PH1B-MAP1
EW-0524-	0.083	EW-PH1B-MAP1
EW-0525-	0.083	EW-PH1B-MAP1
EW-0526-	0.083	EW-PH1B-MAP1
EW-0527-	0.083	EW-PH1B-MAP1
EW-0528-	0.083	EW-PH1B-MAP1
EW-0529-	0.093	EW-PH1B-MAP1
EW-0530-	0.114	EW-PH1B-MAP1
EW-0531-	0.109	EW-PH1B-MAP1
EW-0532-	0.112	EW-PH1B-MAP1
EW-0533-	0.09	EW-PH1B-MAP1
EW-0534-	0.083	EW-PH1B-MAP1
EW-0535-	0.083	EW-PH1B-MAP1
EW-0536-	0.083	EW-PH1B-MAP1
EW-0537-	0.083	EW-PH1B-MAP1
EW-0538-	0.083	EW-PH1B-MAP1
EW-0539-	0.083	EW-PH1B-MAP1
EW-0540-	0.103	EW-PH1B-MAP1
EW-0541-	0.129	EW-PH1B-MAP1
EW-0542-	0.169	EW-PH1B-MAP1
EW-0543-	0.124	EW-PH1B-MAP1
EW-0544-	0.1	EW-PH1B-MAP1
EW-0545-	0.083	EW-PH1B-MAP1
EW-0546-	0.083	EW-PH1B-MAP1
EW-0547-	0.083	EW-PH1B-MAP1
EW-0548-	0.104	EW-PH1B-MAP1
EW-0549-	0.13	EW-PH1B-MAP1
EW-0550-	0.195	EW-PH1B-MAP1
EW-0551-	0.179	EW-PH1B-MAP1
EW-0552-	0.109	EW-PH1B-MAP1
EW-0553-	0.09	EW-PH1B-MAP1
EW-0554-	0.083	EW-PH1B-MAP1
EW-0555-	0.09	EW-PH1B-MAP1
EW-0556-	0.095	EW-PH1B-MAP1
EW-0557-	0.083	EW-PH1B-MAP1

EW-0558-	0.083	EW-PH1B-MAP1
EW-0559-	0.083	EW-PH1B-MAP1
EW-0560-	0.083	EW-PH1B-MAP1
EW-0561-	0.083	EW-PH1B-MAP1
EW-0562-	0.083	EW-PH1B-MAP1
EW-0563-	0.083	EW-PH1B-MAP1
EW-0564-	0.08	EW-PH1B-MAP1
EW-0565-	0.095	EW-PH1B-MAP1
EW-0566-	0.083	EW-PH1B-MAP1
EW-0567-	0.083	EW-PH1B-MAP1
EW-0568-	0.083	EW-PH1B-MAP1
EW-0569-	0.083	EW-PH1B-MAP1
EW-0570-	0.083	EW-PH1B-MAP1
EW-0571-	0.083	EW-PH1B-MAP1
EW-0572-	0.083	EW-PH1B-MAP1
EW-0573-	0.083	EW-PH1B-MAP1
EW-0574-	0.083	EW-PH1B-MAP1
EW-0575-	0.1	EW-PH1B-MAP1
EW-0576-	0.099	EW-PH1B-MAP1
EW-0577-	0.092	EW-PH1B-MAP1
EW-0578-	0.117	EW-PH1B-MAP1
EW-0579-	0.109	EW-PH1B-MAP1
EW-0580-	0.096	EW-PH1B-MAP1
EW-0581-	0.096	EW-PH1B-MAP1
EW-0582-	0.096	EW-PH1B-MAP1
EW-0583-	0.096	EW-PH1B-MAP1
EW-0584-	0.096	EW-PH1B-MAP1
EW-0585-	0.096	EW-PH1B-MAP1
EW-0586-	0.091	EW-PH1B-MAP1
EW-0587-	0.081	EW-PH1B-MAP1
EW-0588-	0.081	EW-PH1B-MAP1
EW-0589-	0.081	EW-PH1B-MAP1
EW-0590-	0.088	EW-PH1B-MAP1
EW-0591-	0.09	EW-PH1B-MAP2
EW-0592-	0.083	EW-PH1B-MAP2
EW-0593-	0.098	EW-PH1B-MAP2
EW-0594-	0.096	EW-PH1B-MAP2
EW-0595-	0.088	EW-PH1B-MAP2
EW-0596-	0.133	EW-PH1B-MAP2
EW-0597-	0.173	EW-PH1B-MAP2
EW-0598-	0.188	EW-PH1B-MAP2

EW-0599-	0.282	EW-PH1B-MAP2
EW-0600-	0.164	EW-PH1B-MAP2
EW-0601-	0.091	EW-PH1B-MAP2
EW-0602-	0.094	EW-PH1B-MAP2
EW-0603-	0.113	EW-PH1B-MAP2
EW-0604-	0.095	EW-PH1B-MAP2
EW-0605-	0.088	EW-PH1B-MAP2
EW-0606-	0.264	EW-PH1B-MAP2
EW-0607-	0.228	EW-PH1B-MAP2
EW-0608-	0.283	EW-PH1B-MAP2
EW-0609-	0.371	EW-PH1B-MAP2
EW-0610-	0.413	EW-PH1B-MAP2
EW-0611-	0.126	EW-PH1B-MAP2
EW-0612-	0.182	EW-PH1B-MAP2
EW-0613-	0.184	EW-PH1B-MAP2
EW-0614-	0.182	EW-PH1B-MAP2
EW-0615-	0.176	EW-PH1B-MAP2
EW-0616-	0.191	EW-PH1B-MAP2
EW-0617-	0.233	EW-PH1B-MAP2
EW-0618-	0.201	EW-PH1B-MAP2
EW-0619-	0.207	EW-PH1B-MAP2
EW-0620-	0.183	EW-PH1B-MAP2
EW-0621-	0.309	EW-PH1B-MAP2
EW-0622-	0.158	EW-PH1B-MAP2
EW-0623-	0.157	EW-PH1B-MAP2
EW-0624-	0.161	EW-PH1B-MAP2
EW-0625-	0.223	EW-PH1B-MAP2
EW-0626-	0.227	EW-PH1B-MAP2
EW-0627-	0.191	EW-PH1B-MAP2
EW-0628-	0.155	EW-PH1B-MAP2
EW-0629-	0.109	EW-PH1B-MAP2
EW-0630-	0.101	EW-PH1B-MAP2
EW-0631-	0.118	EW-PH1B-MAP2
EW-0632-	0.415	EW-PH1B-MAP2
EW-0633-	0.393	EW-PH1B-MAP2
EW-0634-	0.351	EW-PH1B-MAP2
EW-0635-	0.261	EW-PH1B-MAP2
EW-0636-	0.263	EW-PH1B-MAP2
EW-0637-	0.28	EW-PH1B-MAP2
EW-0638-	0.199	EW-PH1B-MAP2
EW-0639-	0.227	EW-PH1B-MAP2

EW-0640-	0.243	EW-PH1B-MAP2
EW-0641-	0.266	EW-PH1B-MAP2
EW-0642-	0.282	EW-PH1B-MAP2
EW-0643-	0.297	EW-PH1B-MAP2
EW-0644-	0.274	EW-PH1B-MAP2
EW-0645-	0.274	EW-PH1B-MAP2
EW-0911	0.193	EW-PH2 -MAP1
EW-0912	0.193	EW-PH2 -MAP1
EW-0913	0.193	EW-PH2 -MAP1
EW-0914	0.193	EW-PH2 -MAP1
EW-0915	0.193	EW-PH2 -MAP1
EW-0916	0.193	EW-PH2 -MAP1
EW-0917	0.193	EW-PH2 -MAP1
EW-0918	0.193	EW-PH2 -MAP1
EW-0919	0.193	EW-PH2 -MAP1
EW-0920	0.193	EW-PH2 -MAP1
EW-0921	0.193	EW-PH2 -MAP1
EW-0922	0.199	EW-PH2 -MAP1
EW-0923	0.186	EW-PH2 -MAP1
EW-0924	0.196	EW-PH2 -MAP1
EW-0925	0.194	EW-PH2 -MAP1
EW-0926	0.167	EW-PH2 -MAP1
EW-0927	0.165	EW-PH2 -MAP1
EW-0928	0.177	EW-PH2 -MAP1
EW-0929	0.21	EW-PH2 -MAP1
EW-0930	0.21	EW-PH2 -MAP1
EW-0931	0.21	EW-PH2 -MAP1
EW-0932	0.245	EW-PH2 -MAP1
EW-0933	0.224	EW-PH2 -MAP1
EW-0934	0.207	EW-PH2 -MAP1
EW-0935	0.207	EW-PH2 -MAP1
EW-0936	0.207	EW-PH2 -MAP1
EW-0937	0.207	EW-PH2 -MAP1
EW-0938	0.207	EW-PH2 -MAP1
EW-0939	0.188	EW-PH2 -MAP1
EW-0940	0.309	EW-PH2 -MAP1
EW-0941	0.317	EW-PH2 -MAP1
EW-0942	0.317	EW-PH2 -MAP1
EW-0943	0.265	EW-PH2 -MAP1
EW-0944	0.206	EW-PH2 -MAP1
EW-0945	0.165	EW-PH2 -MAP1

EW-0946	0.165	EW-PH2 -MAP1
EW-0947	0.165	EW-PH2 -MAP1
EW-0948	0.165	EW-PH2 -MAP1
EW-0949	0.185	EW-PH2 -MAP1
EW-0950	0.214	EW-PH2 -MAP1
EW-0951	0.172	EW-PH2 -MAP1
EW-0952	0.165	EW-PH2 -MAP1
EW-0953	0.165	EW-PH2 -MAP1
EW-0954	0.189	EW-PH2 -MAP1
EW-0955	0.275	EW-PH2 -MAP1
EW-0956	0.234	EW-PH2 -MAP1
EW-0957	0.307	EW-PH2 -MAP1
EW-0958	0.257	EW-PH2 -MAP1
EW-0959	0.257	EW-PH2 -MAP1
EW-0960	0.257	EW-PH2 -MAP1
EW-0961	0.31	EW-PH2 -MAP1
EW-0962	0.312	EW-PH2 -MAP1
EW-0963	0.312	EW-PH2 -MAP1
EW-0964	0.283	EW-PH2 -MAP1
EW-0965	0.257	EW-PH2 -MAP1
EW-0966	0.257	EW-PH2 -MAP1
EW-0967	0.519	EW-PH2 -MAP1
EW-0968	0.312	EW-PH2 -MAP1
EW-0969	0.286	EW-PH2 -MAP1
EW-0970	0.22	EW-PH2 -MAP1
EW-0971	0.228	EW-PH2 -MAP1
EW-0972	0.248	EW-PH2 -MAP1
EW-0973	0.236	EW-PH2 -MAP1
EW-0974	0.381	EW-PH2 -MAP1
EW-0979	0.23	EW-PH2 -MAP1
EW-0980	0.233	EW-PH2 -MAP1
EW-0981	0.236	EW-PH2 -MAP1
EW-0982	0.369	EW-PH2 -MAP1
EW-0983	0.231	EW-PH2 -MAP1
EW-0984	0.233	EW-PH2 -MAP1
EW-0985	0.233	EW-PH2 -MAP1
EW-0986	0.302	EW-PH2 -MAP1
EW-0987	0.317	EW-PH2 -MAP1
EW-0988	0.225	EW-PH2 -MAP1
EW-0989	0.225	EW-PH2 -MAP1
EW-0990	0.225	EW-PH2 -MAP1

EW-0991	0.225	EW-PH2 -MAP1
EW-0992	0.224	EW-PH2 -MAP1
EW-0993	0.241	EW-PH2 -MAP1
EW-0994	0.225	EW-PH2 -MAP1
EW-0995	0.225	EW-PH2 -MAP1
EW-0996	0.222	EW-PH2 -MAP1
EW-0997	0.178	EW-PH2 -MAP1
EW-0754	0.602	EW-PH03-MAP01
EW-0755	0.552	EW-PH03-MAP01
EW-0756	0.501	EW-PH03-MAP01
EW-0757	0.473	EW-PH03-MAP01
EW-0758	0.594	EW-PH03-MAP01
EW-0759	0.589	EW-PH03-MAP01
EW-0760	0.692	EW-PH03-MAP01
EW-0761	0.687	EW-PH03-MAP01
EW-0762	0.639	EW-PH03-MAP01
EW-0763	0.611	EW-PH03-MAP01
EW-0764	0.551	EW-PH03-MAP01
EW-0765	0.421	EW-PH03-MAP01
EW-0766	0.451	EW-PH03-MAP01
EW-0767	0.458	EW-PH03-MAP01
EW-0768	0.435	EW-PH03-MAP01
EW-0769	0.345	EW-PH03-MAP01
EW-0770	0.396	EW-PH03-MAP01
EW-0771	0.506	EW-PH03-MAP01
EW-0772	0.381	EW-PH03-MAP01
EW-0773	0.392	EW-PH03-MAP01
EW-0774	0.426	EW-PH03-MAP01
EW-0775	0.681	EW-PH03-MAP01
EW-0776	0.945	EW-PH03-MAP01
EW-0777	0.402	EW-PH03-MAP01
EW-0778	0.3	EW-PH03-MAP01
EW-0779	0.199	EW-PH03-MAP01
EW-0780	0.219	EW-PH03-MAP01
EW-0781	0.246	EW-PH03-MAP01
EW-0782	0.227	EW-PH03-MAP01
EW-0783	0.242	EW-PH03-MAP01
EW-0784	0.344	EW-PH03-MAP01
EW-0785	0.336	EW-PH03-MAP01
EW-0786	0.473	EW-PH03-MAP01
EW-0787	0.323	EW-PH03-MAP01

EW-0788	0.329	EW-PH03-MAP01
EW-0789	0.442	EW-PH03-MAP01
EW-0790	0.398	EW-PH03-MAP01
EW-0791	0.507	EW-PH03-MAP01
EW-0792	0.476	EW-PH03-MAP01
EW-0793	0.406	EW-PH03-MAP01
EW-0794	0.467	EW-PH03-MAP01
EW-0795	0.47	EW-PH03-MAP01
EW-0796	0.485	EW-PH03-MAP01
EW-0797	0.598	EW-PH03-MAP01
EW-0798	0.476	EW-PH03-MAP01
EW-0799	0.478	EW-PH03-MAP01
EW-0800	0.465	EW-PH03-MAP01
EW-0801	0.844	EW-PH03-MAP01
EW-0802	1.568	EW-PH03-MAP01
EW-0803	0.625	EW-PH03-MAP01
EW-0804	0.252	EW-PH03-MAP01
EW-0805	0.27	EW-PH03-MAP01
EW-0806	0.31	EW-PH03-MAP01
EW-0807	0.301	EW-PH03-MAP01
EW-0808	0.271	EW-PH03-MAP01
EW-0809	0.269	EW-PH03-MAP01
EW-0810	0.267	EW-PH03-MAP01
EW-0811	0.238	EW-PH03-MAP01
EW-0812	0.225	EW-PH03-MAP01
EW-0813	0.254	EW-PH03-MAP01
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EW-0815	0.225	EW-PH03-MAP01
EW-0816	0.225	EW-PH03-MAP01
EW-0817	0.225	EW-PH03-MAP01
EW-0818	0.225	EW-PH03-MAP01
EW-0819	0.225	EW-PH03-MAP01
EW-0820	0.225	EW-PH03-MAP01
EW-0821	0.225	EW-PH03-MAP01
EW-0822	0.225	EW-PH03-MAP01
EW-0823	0.256	EW-PH03-MAP01
EW-0824	0.234	EW-PH03-MAP01
EW-0825	0.234	EW-PH03-MAP01
EW-0826	0.233	EW-PH03-MAP01
EW-0827	0.266	EW-PH03-MAP01
EW-0828	0.291	EW-PH03-MAP01

EW-0829	0.284	EW-PH03-MAP01
EW-0830	0.257	EW-PH03-MAP01
EW-0831	0.238	EW-PH03-MAP01
EW-0832	0.225	EW-PH03-MAP01
EW-0833	0.225	EW-PH03-MAP01
EW-0834	0.279	EW-PH03-MAP01
EW-0835	0.237	EW-PH03-MAP01
EW-0836	0.225	EW-PH03-MAP01
EW-0837	0.225	EW-PH03-MAP01
EW-0838	0.225	EW-PH03-MAP01
EW-0839	0.225	EW-PH03-MAP01
EW-0840	0.342	EW-PH03-MAP01
EW-0841	0.225	EW-PH03-MAP01
EW-0842	0.225	EW-PH03-MAP01
EW-0843	0.225	EW-PH03-MAP01
EW-0844	0.225	EW-PH03-MAP01
EW-0845	0.245	EW-PH03-MAP01
EW-0846	0.237	EW-PH03-MAP01
EW-0847	0.228	EW-PH03-MAP01
EW-0848	0.201	EW-PH03-MAP01
EW-0849	0.201	EW-PH03-MAP01
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EW-0851	0.201	EW-PH03-MAP01
EW-0852	0.201	EW-PH03-MAP01
EW-0853	0.201	EW-PH03-MAP01
EW-0854	0.201	EW-PH03-MAP01
EW-0855	0.263	EW-PH03-MAP01
EW-0856	0.275	EW-PH03-MAP01
EW-0857	0.225	EW-PH03-MAP01
EW-0858	0.225	EW-PH03-MAP01
EW-0859	0.225	EW-PH03-MAP01
EW-0860	0.225	EW-PH03-MAP01
EW-0861	0.225	EW-PH03-MAP01
EW-0862	0.253	EW-PH03-MAP01
EW-0863	0.225	EW-PH03-MAP01
EW-0864	0.225	EW-PH03-MAP01
EW-0865	0.225	EW-PH03-MAP01
EW-0866	0.225	EW-PH03-MAP01
EW-0867	0.271	EW-PH03-MAP01
EW-0868	0.34	EW-PH03-MAP01
EW-0869	0.434	EW-PH03-MAP01

EW-0870	0.262	EW-PH03-MAP01
EW-0871	0.225	EW-PH03-MAP01
EW-0872	0.225	EW-PH03-MAP01
EW-0873	0.225	EW-PH03-MAP01
EW-0874	0.225	EW-PH03-MAP01
EW-0875	0.241	EW-PH03-MAP01
EW-0876	0.236	EW-PH03-MAP01
EW-0877	0.445	EW-PH03-MAP01
EW-0878	0.292	EW-PH03-MAP01
EW-0879	0.253	EW-PH03-MAP01
EW-0880	0.262	EW-PH03-MAP01
EW-0881	0.343	EW-PH03-MAP01
EW-0882	0.448	EW-PH03-MAP01
EW-0883	0.367	EW-PH03-MAP01
EW-0884	0.481	EW-PH03-MAP01
EW-0885	0.365	EW-PH03-MAP01
EW-1050	0.661	EW-PH03-MAP01
EW-1051	0.643	EW-PH03-MAP01
EW-1052	0.817	EW-PH03-MAP01
EW-1053	0.698	EW-PH03-MAP01

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

In addition to the purchase price of your lot, there are other expenditures which must be made.

Listed below are the major costs. There may be other fees for use of the recreational facilities. All costs are subject to change.

Sales Price

Cash Price of lot..... $.....

Finance Charge..... $ 0.00

Total..... $.....

Estimated one-time charges:

1. Water connection fee/installation or private well..... $ 0.00

2. Sewer connection fee/installation of private on-site sewer system..... $ 0.00

3. Construction costs to extend electric and/or telephone services..... $ 0.00

4. Other:
   - Sewer Availability & Inspection Fee..... $ 1,370.00
   - Water Availability & Meter Fee..... $ 1,343.47
   - Natural Gas Connection Fee..... $ 100.00

Total of estimated sales price and one-time charges..... $ 2,813.47

Estimated monthly/annual charges, exclusive of utility use fees:

1. Taxes--Average unimproved lot after sale to purchaser..... $.....

2. Dues and assessments (Master Association/annual)..... $ 180.00

3. Dues and assessments (Individual Association/annual)..... $.....

4. Bond Assessment..... $.....

The information contained in this Property Report is an accurate description of our subdivision and development plans.

_____

Signature of Senior Executive Officer

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE

Purchaser Receipt

Important: Read Carefully

Name of subdivision: EDGEWATER

OILSR Number: 31891 Date of Report: 3/24/08

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received By: .....

Date: .....

Street Address: .....

City: ..... State: ..... Zip Code: .....

If any representations are made to you which are contrary to those in this Report, please notify the: Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

Agent Certification

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot:..... Block: ..... Section: .....

Name of salesperson: .....

Signature: .....

Date:.....

Purchase Cancellation

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

Name of subdivision: EDGEWATER

Date of contract.....

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature ..... Date .....

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE

Purchaser Receipt

Important: Read Carefully

Name of subdivision: EDGEWATER

OILSR Number: 31891 Date of Report: 3/24/08

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

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Street Address: .....

City: ..... State: ..... Zip Code: .....

If any representations are made to you which are contrary to those in this Report, please notify the: Office of Interstate Land Sales Registration
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Lot:..... Block: ..... Section: .....

Name of salesperson: .....

Signature: .....

Date:.....

Purchase Cancellation

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

Name of subdivision: EDGEWATER

Date of contract.....

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature ..... Date .....

EXHIBIT B

HUD APPROVED RESCISSION PROCESS

Within thirty (30) days of the date of this letter you must notify Craft's Edgewater Settlement Administrator in writing via certified mail if you would like to rescind your purchase contract.

Within eighty (80) days from the date of this letter Craft Development, LLC ("Craft") will determine the economic feasibility of repurchasing lots based on the number of lot owners that request rescission.

You will be notified by Craft in writing within twenty-one (21) days of its completion of the results of the economic feasibility study as they pertain to your request for rescission.

If Craft determines that it is economically feasible to repurchase your lot and return the entire lot purchase price to you, less any previously paid cash payment Craft escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft , Craft will coordinate the transfer of the property with you. This transfer will occur within thirty (30) days of the completion of the economic feasibility study. This option will require you to execute a General Warranty Deed transferring the property back to Craft as well as pay any outstanding taxes, homeowner's association assessments and loans on the property at the time of the transfer to insure Craft will take fee simple title to the property free and clear of liens or other encumbrances.

If Craft determines that it is NOT economically feasible to repurchase your lot, you will be given immediate notice of such determination and be required to inform Craft, in writing, within fourteen (14) days of which of the following options you elect to utilize:

a. Craft Development will market the lot at the original purchase price. The lot will be placed for sale for at least three hundred sixty-five (365) days. Upon resale of the lot, the entire resale price, less any previously paid cash payment Craft escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft will be remitted to you, the original purchaser. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted from the refunded amount except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker; or

b. Craft will market the lot at a price stipulated or agreed upon by you, the original purchaser. The lot will be placed for sale for up to three hundred sixty-five (365) days. If upon resale of the lot, the resale price is less than the original purchase price minus any previously paid funds held in escrow for prepaid interest or previously paid financing incentives paid at closing by Craft, then you will

receive the entire resale purchase price and the previously paid interest and incentives will not be deducted from the amount you receive. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker.

If the lot does not sell after three hundred sixty-five (365) days on the market, Craft will buy back the lot upon delivery by the owner of a general warranty deed conveying clear title. This will require all taxes, homeowner's association assessments and loans on the property to be paid in full prior to the delivery of the deed to insure Craft will take title to the property free and clear of liens or other encumbrances. Craft will execute a purchase money promissory note to you in the amount of the original purchase price, less any cash payment from Craft escrowed for prepaid interest or financing incentives paid at closing by Craft . The note will provide that it will be paid in full within twenty-four (24) months from its date and will be secured by a first lien purchase money mortgage.

Purchasers who elect to rescind their purchase contracts, may elect to stay in Edgewater's homeowners association and use the amenities at the Edgewater subdivision until they receive full payment from Craft, provided the purchaser remains in good financial standing with Edgewater' s homeowners association. Purchasers who elect to rescind may also elect to withdraw, at no charge, from the homeowners association and stop using subdivision amenities.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into by the Department of Housing and Urban Development ("HUD") and Craft Development, L.L.C. ("Craft Development"), a North Carolina limited liability company. Craft Development and HUD shall be collectively referred to in this Agreement as the "Parties."

WHEREAS the Secretary of HUD ("Secretary") is authorized to enforce the Interstate Land Sales Full Disclosure Act ("Act"), 15 U.S.C. §§ 1701 *et seq.*, and its implementing regulations at 24 C.F.R. § 1710 *et seq.*; and

WHEREAS the Act prohibits any developer or agent from directly or indirectly making use of any means or instruments of transportation or communication in interstate commerce or the mails to sell or lease any non-exempt lot in any subdivision unless a Statement of Record with respect to such lot is in effect in accordance with 15 U.S.C. § 1707 is furnished to the purchaser in advance of the signing of any contract or agreement for sale or lease by the purchaser or lessee; and

WHEREAS the Secretary is authorized by 15 U.S.C. § 1714(b) to investigate any facts, conditions, practices, or matters deemed necessary to determine if there has been or is about to be a violation of the Act or of any rule or regulation prescribed pursuant thereto; and

WHEREAS Craft Development is engaged in the business of developing subdivisions; and

WHEREAS Craft Development is the developer of the Edgewater subdivision ("Edgewater") in Lancaster, South Carolina; and

WHEREAS HUD has determined that:

(a) Edgewater is comprised of 848 lots,

(b) Craft Development sold a total of 321 lots in Edgewater without having first filed a statement of record with HUD and providing purchasers with property reports, and

(c) Craft Development did not qualify for an exemption from the Act; and

WHEREAS Craft Development has represented that upon learning that it was subject to the Act's registration and disclosure requirements, it notified HUD of its sales in violation of the Act and, as of January 2007, voluntarily suspended its sales of lots in Edgewater; and

WHEREAS Craft Development thereafter submitted a statement of record for Edgewater, which HUD declared effective on March 30, 2007; and

WHEREAS Craft Development cooperated fully with HUD in this matter; and

WHEREAS the Parties agree that this Agreement constitutes the settlement of the disputed claims between the Parties; and

WHEREAS this Agreement does not constitute an admission of wrongdoing, liability or legal fault on the part of Craft Development for any conduct underlying this Agreement, nor shall it be construed as an admission that any person or entity acted wrongfully; and

WHEREAS the Parties desire to avoid formal proceedings and any further expense, as well as to finally resolve this matter under the terms and conditions set forth below; and

WHEREAS the terms of this Agreement are an appropriate disposition of this case and are in the public interest.

NOW THEREFORE in consideration of the mutually negotiated promises, covenants, and obligations in this Agreement, the Parties reach a final settlement as stated below:

1. The "Effective Date" of this Agreement means the date on which it has been signed by HUD.

2. Based on Craft Development's compliance with this Agreement, HUD will terminate its investigation into the business practices of Craft Development that gave rise to this investigation and agree to take no further enforcement action under the Act with respect to Craft Development's conduct described herein, unless such practices recur.

3 If Craft Development fails to comply with the terms and conditions of this Agreement, HUD may take appropriate enforcement action and refer the matter to other government authorities for additional action.

4. Within sixty (60) business days of the Effective Date, Craft Development will send a notification letter ("Notification Letter") to each eligible purchaser, for whom the sale of lots does not meet an exemption under 15 U.S.C. § 1702 or 24 C.F.R. § 1710.14 ("Eligible Purchaser"). The Notification Letter will specify that Craft Development violated the Act's registration and disclosure requirements and that Craft Development is required under the Act to offer the purchaser the option of rescinding the contract for his or her lot purchase(s).

5. Each Eligible Purchaser will have twenty-one (21) days after his or her receipt of the Notification Letter to rescind his or her contract(s) with Craft Development.

6. Within thirty (30) business days of the Effective Date of this Agreement, Craft Development will remit twenty-four thousand dollars ($24,000) payable to the U.S. Treasury and delivered to counsel for HUD.

7. Craft Development hereby waives, releases, and remits any and all claims, directly or indirectly, against HUD or any of its employees, agents or representatives with respect to HUD's investigation and this Agreement.

8 Craft Development agrees hereafter to fully comply with all provisions of the Act and its implementing regulations.

9. This Agreement is the complete agreement between the Parties as to the matters addressed herein. This Agreement may not be amended except by written consent of the Parties.

10. Each of the Parties shall bear its own attorney's fees and costs, including the preparation and performance of this Agreement.

This Agreement applies to and binds Craft Development and its predecessors, successors, directors, officers, employees, representatives, and assigns.

12 The Parties agree and stipulate that this Agreement is freely and voluntarily entered into without any duress or compulsion whatsoever. No provision of this Agreement shall be construed against any of the Parties solely for having drafted such provision of this Agreement.

13. By this Agreement, the Parties do not waive, compromise, or release any claims or causes of action against any other person or entity not expressly released by this Agreement.

14. Failure by any party to enforce any provision of this Agreement shall not be construed as a waiver by any such party of any provision of this Agreement, nor in any way affect the validity of this Agreement or any part thereof.

16. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitutes the same agreement.

7. Each person who signs this Agreement in a representative capacity warrants that his or her execution of this Agreement is duly authorized, executed and delivered by and for the entity for which he or she signs.

Craft Development, L.L.C.

By: _____ 5/12/08
Signature Date

David Cuthbertson Manager
Name printed Title

U.S. Department of Housing and Urban Development

By: _____ 8/4/08
Brian D. Montgomery Date
Assistant Secretary for Housing –
Federal Housing Commissioner

James Randall Davis
Patrick J. Frawley
Jeff M. Anderson
John J. McCauley °
Carey M. Ayer †
John F. Fisher
Judith Callison Fisher
Lisa Lee Smith †
Ryan M. Wingard
A. Jewitte Dooley

°American Board of Trial Advocates
†Certified Circuit Court Mediator



DAVIS, FRAWLEY, ANDERSON, MCCAULEY, AYER, FISHER & SMITH, LLC

ATTORNEYS AND COUNSELORS AT LAW

Ryan@oldcourthouse.com

Of Counsel
Robert K. Bouknight
George S. Nicholson, Jr.

Francis C. Jones
(1919 - 1968)

Hubert E. Long
(1921 - 2000)

Since 1961

February 8, 2011

Mr. & Mrs. Ronald Pappas
P. O. Box 79354
Charlotte, NC 28271

Re: Edgewater Settlement Administrator Package

Dear Mr. & Mrs. Pappas:

I am writing you in regard to a letter and package you received from the Edgewater Settlement Administrator. In that package you were notified of Craft Development, LLC's violation of the Interstate Land Sales Act ("ILSA") and its "Settlement" with the Department of Housing and Urban Development ("HUD").

The Settlement Agreement posted on HUD's website conflicts in some respects with the Administrator's Letter and the process reflected in Exhibit B of the Administrator's package. Our firm contacted HUD and obtained a copy of a "Modified Settlement Agreement", which is enclosed with this letter for your further review and information.

If you are receiving this letter from this firm, you have made some inquiry to our firm about legal services in this matter. Many of you have asked important questions regarding the possible remedies described in the Administrator's letter. Our firm is willing to engage in your representation on this matter as described in this letter and in the enclosed "Legal Services Engagement and Fee Agreement". However, before our firm can represent you, we need a written fee agreement to be sure you understand the scope of our representation and the fee agreement terms.

At this point, we do not know whether Craft, assuming you choose to rescind, has the assets to repurchase your property, nor do we know how long this process may take. By the very terms of Exhibit B of the package, the process to rescind may take up to three (3) years to materialize.

A lot of time will need to be spent on this matter until everyone's lot is repurchased, if that is the ultimate outcome. Much of the time we spend will benefit everyone as a group; however, we will need to spend time on each individual file as well. In the past, our firm has worked on other issues involving Edgewater on a collective basis. This allowed everyone to share the benefits of legal representation, but they only paid for a small portion of the total bill.

Our firm's proposed representation in this matter consists of a two part modified contingency fee for work on your personal situation, with a shared hourly rate based fee for work on group or common issues. In other words, after each similarly situated Client signs our "Legal Services Engagement and Fee Agreement", work we do that benefits the group will be split equally among all members of our group of Clients. This will keep everyone's cost as low as possible and reduce duplicate billing. The "Group" fees will be based upon hourly rates, plus costs and will be billed monthly. In addition to the hourly work for the group, our firm will work on everyone's individual claim based on a contingency fee plus cost. Our firm's modified contingency fee will be 15% of the amount each lot owner recovers from Craft. We believe this fee arrangement will be the most efficient for each individual and for the group because any work that we do that benefits the group will be split among everyone while any individual work will be based on a contingency fee, which means if the owner does not collect, then no additional money is owed for our representation on the individual matters.

Enclosed please find our firm's "Legal Services Engagement and Fee Agreement" and a form to use to document to our firm your decision concerning the election of whether you wish to rescind your purchase of a Lot in Edgewater based on the process set forth in the Administrator's Letter and Package and HUD's Modified Settlement Agreement. If you choose to hire our firm, please elect your remedy and sign each form and then return the signed forms to me as soon as possible. Once we receive your signed fee agreement and form electing your remedy, we will notify Edgewater's Settlement Administrator of your election.

This is a time sensitive matter, so please send the forms back to me by February 16, 2011. Also, if you choose to not hire our firm, please note that the Administrator's Letter and HUD's Modified Settlement Agreement gives you thirty (30) days from the date on the letter (January 28, 2011 – according the Letters we have seen at this time) to notify Edgewater's Settlement Administrator of your election.

Additionally, when our firm represents a group such as this, a potential for conflicts of interest may arise. One such conflict could be a situation where Craft may repurchase or settle with one lot owner before another lot owner. Furthermore, when our firm represents a group of clients in common representation, everyone needs to know some of the advantages of group representation as well as the risks. Our firm has worked on different issues involving Edgewater for almost 2 years, so we are familiar with the Development. Also, when we represent a group like this another benefit is shared legal cost for work that benefits the group as well as a reduced contingency fee based on the volume of work. If each Client has separate legal representation then they may incur additional cost associated with their representation that cannot be split among a group. One risk of common group representation is that the attorney client privilege is common to the group and does <u>not</u> attach between counsel and an individual client to the exclusion of other clients with common representation. Information obtained that is material to the representation of the group will be disclosed within the group. If any clients in our group become adverse to any other clients in our group, our firm could be required to cease representation of all clients in the group and information obtained during the common representation would not be privileged. By your decision to join our group of clients, you are agreeing to waive any potential conflicts of interest with other clients in our group and you

accept the limitations upon the attorney client privilege that result from common representation. Our firm will disclose any other potential conflicts of interest as they may arise.

If you have any questions regarding anything in this letter or any enclosure, please let me know. Also, on Friday, February 11, 2011 we are having two meetings in our office at 140 East Main Street, Lexington, SC: the first meeting will be at 1:00 p.m. for anyone who has been a part of our group of clients prior to January 28, 2011; the second meeting will be at 3:00 p.m. for those who have expressed interest in joining our group of clients on or after January 28, 2011.

Sincerely,

Ryan M. Wingard

RMW/crm
Enclosures

ACKNOWLEDGEMENTS AND WAIVER:

I acknowledge that I have read this letter and I am informed understand the potential for conflicts of interest and the impact upon the "attorney client privilege." I acknowledge and approve that the Davis Law Firm will represent multiple clients in this matter and I hereby waive any potential claim for conflict of interest related to the Davis Law Firm's representation of multiple clients.

_____
Edgewater Property Owner

_____
Print Name

_____
Date

_____
Edgewater Property Owner

_____
Print Name

_____
Date

_____
Lot Number(s)

Ronald P. Pappas



P.O. Box 79354
Charlotte, North Carolina 28271
Phone: 704-942-7788
Fax: 704-749-9987
Email: rpappas@earthlink.net

February 23, 2011

Edgewater Settlement Administrator
309 Post Office Drive
Indian Trail, NC 28079
Via USPS – Certified Mail – Return Receipt 7010 2780 0001 5062 5589

Re: Notification to Rescind Edgewater Property Purchase Contract
Lot 311 Edgewater, Ronald P. Pappas
Lancaster, South Carolina

Edgewater Settlement Administrator,

In response to your letter dated January 28, 2011, regarding the HUD approved rescission of contract process, please consider this letter as official notification that I hereby advise the Edgewater Settlement Administrator that I wish to rescind my purchase contract with Craft Development, LLC (Craft) for Lot 311 at Edgewater, dated March 29, 2006.

Additionally, I hereby elect to withdraw, at no charge, from the Edgewater Master Association and the Lake Pointe at Edgewater Homeowners Association.

Sincerely,

Ronald P. Pappas

Cc: Gerald Mc Naught, esq.

Organization

STATE OF SOUTH CAROLINA	IN THE COURT OF COMMON PLEAS
COUNTY OF LANCASTER	SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A., Plaintiff, vs. RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS, Defendants.	VERIFICATION
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS, Cross-Plaintiffs. vs. WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, a North Carolina limited liability company, Cross-Defendants.	C. A. No. 11-CP-46-0873

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says that he is the named Defendant RONALD P. PAPPAS, also known as Ronald Peter Pappas in the foregoing civil action; that he has read the allegations of the preceding Answer, Counterclaims and Crossclaim; and that the allegations of the said pleading are true of his own knowledge, except for those matters alleged therein on knowledge and information, and as to those, he believes them to be true.

Ronald P. Pappas

RONALD P. PAPPAS

SWORN TO and subscribed before me
this day of September 26, 2010.

NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission expires: 07/21/2015

STATE OF SOUTH CAROLINA COUNTY OF LANCASTER	IN THE COURT OF COMMON PLEAS SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A., Plaintiff, vs. RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CAMINE PAPPAS, Defendants.	CERTIFICATE OF SERVICE
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS, Cross-Plaintiffs. vs. WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, a North Carolina limited liability company, Cross-Defendants.	C. A. No. 11-CP-46-0873

The undersigned certifies that he has served the Answer, Counterclaims and Cross-Claim of Defendants dated September 29, 2011, on the following counsel or persons of record:

Jason Branham
Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, S.C. 29210

by causing one (1) copy of the same to be deposited in the United States mail, postage prepaid, on the date set out below, addressed to counsel or opposing party's respective last known address(es) as set out above, or, if no address in known, by leaving the same with the Clerk of Court, as indicated above, pursuant to Rule 5(b)(1), S.C.R.C.P.; or

by personally delivering one (1) copy of the same to the said attorney(s) of record at his, her or their office at the address(es) above, on the date set out below.

John Martin Foster
Attorney for Defendants
Post Office Box 106
Rock Hill, South Carolina 29731-6106
803 324-8100
jmfoster@comporium.net

September 29, 2011

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA]
COUNTY OF LANCASTER]

IN THE COURT OF COMMON PLEAS
SIXTH JUDICIAL CIRCUIT

WELLS FARGO BANK, N.A.,
s/b/m to Wachovia Bank, N.A.,

Plaintiff,

vs.

RONALD P. PAPPAS,
a/k/a Ronald Peter Pappas,
CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS,
a/k/a Ronald Peter Pappas, and
CAMINE PAPPAS,

Cross-Plaintiffs.

vs.

WELLS FARGO BANK, N.A., and
CRAFT DEVELOPMENT, LLC,
a North Carolina limited liability company,

Cross-Defendants.

AMENDED
CERTIFICATE OF SERVICE

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LANCASTER, SC

C. A. No. 11-CP-46-0873
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The undersigned certifies that he has served the Answer, Counterclaims and Cross-Claim of Defendants dated October 3, 2011, on the following counsel or persons of record:

Jason Branham
Brock & Scott, PLLC
3800 Fernandina Road, Suite 110
Columbia, S.C. 29210

by causing one (1) copy of the same to be deposited in the United States mail, postage prepaid, on the date set out below, addressed to counsel or opposing party's respective last known address(es) as set out above, or, if no address in known, by leaving the same with the Clerk of Court, as indicated above, pursuant to Rule 5(b)(1), S.C.R.C.P.; or

by personally delivering one (1) copy of the same to the said attorney(s) of record at his, her or their office at the address(es) above, on the date set out below.

John Martin Foster
Attorney for Defendants
Post Office Box 106
Rock Hill, South Carolina 29731-6106
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September 29. 2011

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

WELLS FARGO BANK, N.A., Successor by Merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, a North Carolina limited liability company,

Cross-Defendants.

IN THE COURT OF COMMON PLEAS

C.A. NO. 2011-CP-29-873

PLAINTIFF WELLS FARGO'S AMENDED REPLY TO DEFENDANT PAPPAS' AMENDED ANSWER COUNTERCLAIMS AND CROSS-CLAIM

Plaintiff Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A. ("Wells Fargo"), by and through the undersigned counsel, and for an Amended Reply to Defendants Ronald P. Pappas and Camine Pappas' (collectively, the "Borrowers") Amended Answer, Counterclaim and Cross-Claim (the "Counterclaim"), states as follows:

FOR A FIRST DEFENSE

(Failure to State Facts Sufficient to Constitute a Cause of Action)

The Counterclaim fails to state facts sufficient to constitute a cause of action upon which relief can be granted, and should be dismissed pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure.

FOR A SECOND DEFENSE

(General Denial)

Wells Fargo denies all allegations not hereinafter specifically admitted. As to the correspondingly numbered Paragraphs to the Counterclaim, Wells Fargo responds as follows:

AS TO THE DEFENDANTS' FACTUAL BACKGROUND

1. No response is required as to Paragraph 1 of the Counterclaim. To the extent a response is required, denied.

2. Wells Fargo admits the allegations contained in Paragraph 2.

3. Wells Fargo admits the allegations contained in Paragraph 3.

4. Paragraph 4 makes no allegations against Wells Fargo, thus no response is required. To the extent a response is required, denied.

5. Wells Fargo specifically denies that it is a "developer" as defined under 15 U.S.C. §1701(4) and demands strict proof thereof.

AS TO THE DEFENDANTS' FIRST DEFENSE

6-8. Paragraphs 6-8 of Defendants' Counterclaims consist of the Defendants' Defenses to the Complaint and therefore require no response from Wells Fargo. To the extent that Wells Fargo is required to respond to the allegations contained in Paragraphs 6-8, those allegations are denied and the allegations of the Complaint are re-alleged as if set forth fully herein.

AS TO THE DEFENDANTS' SECOND DEFENSE AND COUNTERCLAIM

9. As to Paragraph 9 of the Counterclaim, Wells Fargo incorporates herein by reference its responses to Paragraphs 1 through 8 of the Counterclaim as if fully restated herein.

10. The allegations of Paragraph 10 of the Defendants' Counterclaim state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

11. Wells Fargo denies the allegations contained in Paragraph 11.

12. Wells Fargo denies the allegations contained in Paragraph 12.

13. Wells Fargo denies the allegations contained in Paragraph 13.

14. Wells Fargo denies the allegations contained in Paragraph 14.

15. Responding to the allegations of Paragraph 15, Wells Fargo admits only that the appraiser used in connection with the Defendants purchase of the subject real property was licensed by the State of South Carolina. Wells Fargo denies the remaining allegations of Paragraph 15.

16. The allegations of Paragraph 16 of the Defendants' Counterclaim state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

17. The allegations of Paragraph 17 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

18. The allegations of Paragraph 18 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

19. Wells Fargo denies the allegations contained in Paragraph 19 and specifically listed in subparts a-e.

AS TO THE DEFENDANTS' THIRD DEFENSE, SET-OFF OR COUNTERCLAIM

20. As to Paragraph 20 of the Counterclaim, Wells Fargo incorporates herein by reference its responses to Paragraphs 1 through 19 of the Counterclaim as if fully restated herein.

21. The allegations of Paragraph 21 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

22. The allegations of Paragraph 22 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

23. The allegations of Paragraph 23 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

24. Responding to the allegations of Paragraph 24, Wells Fargo admits only that the Defendants paid a fee for appraisal associated with the loan which is the subject of this foreclosure. Wells Fargo denies the remaining allegations of Paragraph 24.

25. The allegations of Paragraph 25 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same and demands strict proof thereof.

26. Wells Fargo denies the allegations contained in Paragraph 26 and demands strict proof thereof.

27. Answering the allegations of Paragraph 27 of the Defendants' Counterclaim, Wells Fargo lacks knowledge sufficient to form on opinion or belief as to the sufficiency of any alleged "written inquiry" and therefore denies the same. To the extent a response is required, Wells Fargo denies that 12 U.S.C. §2605(e) applies to the loan which is the subject of this foreclosure and therefore, denies that the alleged written inquiry was sufficient under 12 U.S.C. §2605(e)(1)(B) or Reg. X, 24 C.F.R. §3500.21(e)(2).

28. In response to the allegations contained in Paragraph 28, Wells Fargo lacks knowledge sufficient to form on opinion or belief as to Wells Fargo's response to the alleged written inquiry and therefore denies the same. To the extent a response is required, Wells Fargo denies that 12 U.S.C. §2605(e) applies to the loan which is the subject of this foreclosure and therefore, denies that the alleged written inquiry was required under 12 U.S.C. §2605(e)(1)(B) or Reg. X, 24 C.F.R. §3500.21(e)(2).

29. The allegations of Paragraph 29 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

30. Wells Fargo denies the allegations contained in Paragraph 30.

AS TO THE DEFENDANTS' FOURTH DEFENSE, COUNTERCLAIM AND CROSS-CLAIM

31. As to Paragraph 31 of the Counterclaim, Wells Fargo incorporates herein by reference its responses to Paragraphs 1 through 30 of the Counterclaim as if fully restated herein.

32. The allegations of Paragraph 32 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

33. Paragraph 33 makes no allegations against Wells Fargo, thus no response is required. To the extent a response is required, denied.

34. The allegations of Paragraph 34 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

35. Wells Fargo denies the allegations contained in Paragraph 35.

36. Paragraph 36 makes no allegations against Wells Fargo, thus no response is required. To the extent a response is required, denied.

37. Responding to the allegations of Paragraph 37, Wells Fargo admits only Defendants applied for financing with Wells Fargo's predecessor Wachovia Bank, N.A., which was approved and the funds were utilized in purchasing the real property which is the subject of this foreclosure. Wells Fargo denies the remaining allegations of Paragraph 37.

38. Paragraph 38 makes no allegations against Wells Fargo, thus no response is required. To the extent a response is required, denied.

39. Wells Fargo denies the allegations contained in Paragraph 39.

40. Answering the allegations of Paragraph 40 of the Counterclaim, Wells Fargo lacks knowledge sufficient to form on opinion or belief, and therefore denies the same.

41. Responding to the allegations of Paragraph 41, Wells Fargo denies that it has any obligation to cancel its mortgage loan as a result of the Defendants' agreement with Craft Development, LLC.

42. The allegations of Paragraph 42 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

43. The allegations of Paragraph 43 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

44. The allegations of Paragraph 44 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

AS TO THE DEFENDANTS' FIFTH DEFENSE, COUNTERCLAIM AND CROSS-CLAIM

45. As to Paragraph 45 of the Counterclaim, Wells Fargo incorporates herein by reference its responses to Paragraphs 1 through 44 of the Counterclaim as if fully restated herein.

46. The allegations of Paragraph 46 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

47. Wells Fargo denies the allegations contained in Paragraph 47.

48. The allegations of Paragraph 48 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

49. Wells Fargo denies the allegations contained in Paragraph 49.

50. Wells Fargo denies the allegations contained in Paragraph 50.

51. Wells Fargo denies the allegations contained in Paragraph 51.

52. Answering the allegations of Paragraph 52 of the Counterclaim, Wells Fargo lacks knowledge sufficient to form on opinion or belief, and therefore denies the same.

53. Wells Fargo denies the allegations contained in Paragraph 53.

54. Wells Fargo denies the allegations contained in Paragraph 54.

AS TO THE DEFENDANTS' FIFTH DEFENSE, COUNTERCLAIM AND CROSS-CLAIM

55. As to Paragraph 55 of the Counterclaim, Wells Fargo incorporates herein by reference its responses to Paragraphs 1 through 54 of the Counterclaim as if fully restated herein.

56. The allegations of Paragraph 56 of the Defendants' Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Wells Fargo denies the same.

57. Wells Fargo denies the allegations contained in Paragraph 57 and specifically listed in subparts a-d.

58. Wells Fargo denies the allegations contained in Paragraph 58 and specifically listed in subparts a-d.

59. Wells Fargo denies the allegations contained in Paragraph 59.

60. Wells Fargo denies the allegations contained in Paragraph 60.

61. Wells Fargo denies the allegations contained in Paragraph 61.

62. In response to the allegations contained in Paragraph 62, Wells Fargo admits so much which alleges that it has a duty to communicate truthfully. The remaining allegations contained in Paragraph 62 are denied.

63. Wells Fargo denies the allegations contained in Paragraph 63.

64. Wells Fargo denies the allegations contained in Paragraph 64.

65. Answering the allegations of Paragraph 65 of the Counterclaim, Wells Fargo lacks knowledge sufficient to form on opinion or belief, and therefore denies the same.

AS TO THE PRAYER FOR RELIEF

Wells Fargo denies that the Defendants are entitled to any of the relief prayed for in Paragraphs A through O on pages 11-13 of the Counterclaim.

FOR A THIRD DEFENSE
(*Waiver*)

Wells Fargo states that the Defendants have waived their claims against Wells Fargo through their conduct.

FOR A FOURTH DEFENSE
(*Assumption of the Risk*)

The Defendants' claims against Wells Fargo are barred because the Defendants knew and understood the cost, risk, and potential rewards of purchasing the property and therefore assumed the risk associated with purchasing the property.

FOR A FIFTH DEFENSE
(*Compliance with Applicable Law*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that any actions taken and/or procedures followed by Wells Fargo concerning the Defendants were reasonable, done in good faith and authorized by contract or law, and therefore the Defendants are precluded from recovering against Wells Fargo.

FOR A SIXTH DEFENSE
(*Good Faith*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo has at all times acted in good faith and in compliance with any laws and contracts.

FOR A SEVENTH DEFENSE
(*Prior Breach*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that some or all of the Defendants' claims are barred by the Defendants' prior breach of the parties' contract.

FOR AN EIGHTH DEFENSE
(*Regulated Industry*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that it operates within a regulated industry and therefore, is exempt from liability under the South Carolina Unfair Trade Practices Act.

FOR A NINTH DEFENSE
(*Public Interest Not Affected*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that the acts alleged by Defendants in their Counterclaim, which are expressly denied, to not affect the public interest but are essentially private in nature, and therefore the South Carolina Unfair Trade Practices Act is inapplicable.

FOR A TENTH DEFENSE
(*Failure to Perform*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that the Defendants failed to perform under the Promissory Note and Mortgage, and therefore, Defendants' claims must be dismissed.

FOR AN ELEVENTH DEFENSE
(*Compliance with the Note and Mortgage*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that it performed all of its obligations under any alleged loan contract and/or in procuring any alleged loan contract. Wells Fargo pleads the terms and conditions of any alleged loan contract as a complete defense and bar to this action.

FOR A TWELFTH DEFENSE
(*Bona Fide Error*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that if and to the extent any of its purported acts or omissions violated federal or state laws, which is expressly denied, such acts were unintentional and resulted from bona fide

error notwithstanding the maintenance of procedures reasonably adopted to avoid any such error. Accordingly, Wells Fargo is not liable to Defendants for any such purported acts or omissions.

FOR A THIRTEENTH DEFENSE
(*Consent*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that Defendants' claims are barred, in whole or in part, by the doctrine of consent.

FOR A FOURTEENTH DEFENSE
(*Constructive Trust*)

Further answering the Counterclaim and without waiving any other defenses, if and to the extent Wells Fargo's claims are barred by the doctrine of unclean hands, which is expressly denied, Wells Fargo is entitled to a constructive trust for all amounts owed on the Note and Mortgage.

FOR A FIFTEENTH DEFENSE
(*Unclean Hands*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that the Defendants' claims against Wells Fargo are barred because of the Defendants' own conduct and/or the equitable doctrine of unclean hands.

FOR A SIXTEENTH DEFENSE
(*Laches*)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that the Defendants' claims against Wells Fargo are barred, in whole or in part, under the doctrine of laches.

FOR A SEVENTEENTH DEFENSE
(Waiver and/or Estoppel)

Further answering the Counterclaim and without waiving any other defense, Wells Fargo states that the Defendants' claims against Wells Fargo are barred in whole or in part, under the doctrines of waiver and/or estoppel.

FOR AN EIGHTEENTH DEFENSE
(Offset)

Further answering the Counterclaim and without waiving any other defense, Wells Fargo states that to the extent the Defendants are entitled to recover damages against Wells Fargo, which is expressly denied, Wells Fargo is entitled to set off the damages caused by the Defendants' breach of the promissory note against any amount Wells Fargo is required to pay on the claims asserted by the Defendants.

FOR A NINTEENTH DEFENSE
(Speculative Damages)

Further answering the Counterclaim and without waiving any other defense, Wells Fargo states that the Defendants' claim for damages is speculative and therefore disallowed under South Carolina law.

FOR A TWENTIETH DEFENSE
(Failure to Mitigate)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that the Defendants are legally obligated to mitigate their damages. Upon information and belief, Wells Fargo can show that the Defendants have failed to mitigate their damages and are therefore barred from recovery based on this failure.

FOR A TWENTY-FIRST DEFFENSE
(Economic Loss Rule)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo is informed and believes that the Defendants' claims, to the extent they may seek to recover only economic losses in tort, are barred by the economic loss doctrine.

FOR A TWENTY-SECOND DEFENSE
(Punitive Damages Improper)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that the Counterclaim fails to set forth a claim for punitive damages upon which relief may be granted.

FOR A TWENTY-THIRD DEFENSE
(Punitive Damages Improper)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that to the extent the Defendants' Counterclaim asserts a demand for punitive damages, Wells Fargo specifically incorporates by reference any and all standards of limitations regarding the determination and/or enforceability of punitive damage awards that arose in the decisions of *BMW of North America, Inc. v. Gore*, 517 U.S. 559, 116 S.Ct. 1589 (1996); *Cooper Industries, Inc. v. Leatherman Tool Group, Inc.*, 532 U.S. 424, 121 S.Ct. 1678 (2001); and *State Farm Mutual Automobile Insurance Co. v. Campbell*, 538 U.S. 408, 123 S.Ct. 1513 (2003).

FOR A TWENTY-FOURTH DEFENSE
(Punitive Damages Improper)

Further answering the Counterclaim and without waiving any other defenses, Wells Fargo states that to the extent that the Defendants' Counterclaim seeks punitive damages, Wells Fargo affirmatively pleads the following in regard to punitive damages:

(a) An award of punitive damages in this civil action would amount to a deprivation of property without due process of law in violation of the Fifth and Fourteenth

Amendments to the United States Constitution and the corresponding provisions of the South Carolina Constitution;

(b) An award of punitive damages in this civil action would violate the due process provisions of the Fifth and Fourteenth Amendments to the United States Constitution and the corresponding provisions of the South Carolina Constitution;

(c) The criteria used for determining whether and in what amount punitive damages may be awarded are impermissible, vague, imprecise and inconsistent and, therefore, violate the due process provisions of the Fifth and Fourteenth Amendments of the United States Constitution and the corresponding provisions of the South Carolina Constitution;

(d) An award of punitive damages in this civil action would amount to an excessive fine in violation of the Eighth Amendment to the United States Constitution and the corresponding provisions of the South Carolina Constitution; and

(e) The Defendants' claim for punitive damages is barred by the "double jeopardy" clause of the Fifth Amendment to the United States Constitution, as applied to the states through the Fourteenth Amendment.

FOR A TWENTY-FIFTH DEFENSE
(*Statute of Frauds*)

Further answering the Counterclaims and without waiving any other defenses, Wells Fargo states that the Defendants' claims are barred, in whole or in part, by the Statute of Frauds.

FOR A TWENTY-SIXTH DEFENSE
(*Statute of Limitations*)

Further answering the Counterclaims and without waiving any other defenses, Wells Fargo states that the Defendants' claims are barred, in whole or in part, by the applicable statutes of limitations of such claims.

FOR A TWENTY-SEVENTH DEFENSE
(*Reservation and Non-Waiver*)

Wells Fargo reserves the right to assert any and all other defenses to Defendants' Counterclaims, both factual and legal, as may be justified by information subsequently obtained.

WHEREFORE, Wells Fargo prays as follows:

1) That the Court enter judgment in favor of Wells Fargo on its Complaint;

2) That the Defendants have and recover nothing of Wells Fargo, and that the Counterclaim be dismissed with prejudice;

3) That the costs of this action be taxed to the Defendants;

4) That the Court award Wells Fargo's attorneys' fees as permitted by law; and

5) That the Court order such other and further relief as it deems just and proper.

[SIGNATURE BLOCK ON NEXT PAGE]

S. Sterling Laney, III (S.C. Bar No. 6933)
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Womble Carlyle Sandridge & Rice, PLLC
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Greenville, SC 29603-0208
Telephone: (864) 255-5429
Fax: (864) 239-5852
Attorney for Plaintiff Wells Fargo Bank, N.A. s/b/m to Wachovia Bank, N.A.

This 30 day of November, 2011
Greenville, South Carolina

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that on this 30TH day of November, 2011, a copy of the attached **WELLS FARGO'S AMENDED REPLY TO DEFENDANT PAPPAS' ANSWER COUNTERCLAIM AND CROSS-CLAIM** was served by causing to be deposited a copy of the same via United States Certified Mail, postage prepaid, addressed to the following:

John Martin Foster
The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730
Attorney for Defendants Ronald P. Pappas and Camine Pappas

Cathi P. Tankersley
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(864) 255-5400

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

IN THE COURT OF COMMON PLEAS

C.A. NO. 2011-CP-29-873

WELLS FARGO'S MOTION FOR SUMMARY JUDGMENT

You will please take notice that on the 10th day following the date of service hereof, Plaintiff, Wells Fargo Bank, N.A., will move before the Court, pursuant to Rule 56 of the South Carolina Rules of Civil Procedure, for an order granting it summary judgment on the claims pled in Plaintiff's Complaint and on the affirmative defenses and counterclaims asserted by Defendants Ronald Pappas and Camine Pappas (collectively, "Pappas") in their Amended

Answer and Counterclaim to Plaintiff's Complaint. This Motion is based upon the following grounds:

1. Pappas has admitted that (a) they executed the note and mortgage at issue in this action, (b) received the proceeds of the loan evidenced by the note and mortgage, and (c) failed to make payments under the terms and conditions of the note and mortgage as the same became due and owing.
2. Wells Fargo is exempted from the regulatory scheme codified in the South Carolina Unfair Trade Practices Act and, accordingly cannot be liable to Pappas for violations of the Act.
3. The Real Estate Settlement Procedures Act does not apply to vacant lots and, accordingly, Pappas' claim under the RESPA fails.
4. The Interstate Land Sales Act does not apply to Wells Fargo and, alternatively, the statute of limitations bars any claim under ILSA against Wells Fargo. Accordingly, Pappas' claim under ILSA fails.
5. Pappas testified that he agreed to purchase the subject property prior to the performance of the appraisal commissioned by Wells Fargo to support a valuation of the subject property for purposes of making the loan at issue in this action. Accordingly, Pappas could not have relied upon the appraisal when purchasing the subject property and Pappas' claim for fraud fails.
6. Wells Fargo made no representations to Pappas on which he relied in making his decision to purchase the subject property or finance the purchase with and through Wells Fargo. Accordingly, Pappas' claim for negligent misrepresentation fails.

Based on the foregoing, there is no genuine issue of material fact, and Wells Fargo is entitled to judgment as a matter of law. This motion will be supported by memoranda, the pleadings and records on file herein, affidavits filed herewith, and such other materials and evidence that may be submitted to the Court at or before the hearing on this motion.

Date: December 13, 2013.

S. Sterling Laney (S.C. Bar 6933)
Hugh M. Claytor (S.C. Bar 11299)
Womble Carlyle Sandridge & Rice, LLP
P.O. Box 10208
Greenville, SC 29603
Tel.: 864-255-5400
Fax: 864-255-5440
slaney@wcsr.com
hclaytor@wcsr.com

Attorneys for Wells Fargo Bank N.A.

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that on this 13th day of December, 2013, a copy of the attached **MOTION FOR SUMMARY JUDGMENT** was served by causing to be deposited a copy of the same via United States Certified Mail, postage prepaid, addressed to the following:

John Martin Foster
The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730
Attorney for Defendants Ronald P. Pappas and Camine Pappas

Gregory L. Shelton
Horack Talley Pharr & Lowndes, P.A.
301 South College Street, Suite 2600
Charlotte, NC 28202-6038

Attorneys for Cross-Defendant Craft Development, LLC

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(864) 255-5400

-STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)
)
Wells Fargo Bank, N.A.)
☒ Plaintiff)
)
v.)
)
Ronald P. Pappas, a/k/a Ronald Peter Pappas, and Camine Pappas)
☐ Defendants)

IN THE COURT OF COMMON PLEAS

CASE NO.
2011-CP-29-873

MOTION AND ORDER INFORMATION FORM AND COVER SHEET

Plaintiff's Attorney:	Defendant:
S. Sterling Laney, Esquire. WOMBLE CARLYLE SANDRIDGE & RICE P. O. Box 10208, Greenville, SC 29603 Phone (864) 255-5400 Fax: (864) 255-5440 E-mail: slaney@wcsr.com	John Martin Foster The Guardian Building 223 East Main Street, Suite 520, Rock Hill, SC 29730 Phone: (803)324-8100 Fax: (803)324-8109 E-mail: jmfoster@comporium.net

☒ **MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)**
☐ **FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)**
☐ **PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)**

SECTION I: Hearing Information

Nature of Motion: **Motion for Summary Judgment**
Estimated Time Needed: **15 mins.** Court Reporter Needed: ☒ YES / ☐ NO

SECTION II: Motion/Order Type

☒ Written motion attached
☐ Form Motion/Order: _____
I hereby move for relief or action by the court as set forth in the attached proposed order.

_____ Dec , 2014
Signature of Attorney for ☒ Plaintiff / ☐ Defendant Date submitted

SECTION III: Motion Fee

☒ PAID – AMOUNT: $25.00
☐ EXEMPT: (check reason)
☐ Rule to Show Cause in Child or Spousal Support
☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter:
☐ Other:

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the attached order.
☐ Other:

_____
JUDGE

CODE: _____ Date: _____

CLERK'S VERIFICATION

Date Filed:

Collected by: _____

☐ MOTION FEE COLLECTED: _____
☐ CONTESTED – AMOUNT DUE: _____

RECEIVED
DEC 17 2013

SCCA/233 (11-03)

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

RECEIVED
JAN 17 2014
By

Plaintiff, Wells Fargo Bank, N.A., successor by merger to Wachovia Bank, N.A. ("**Wells Fargo**" or "**Plaintiff**"), has moved the Court for summary judgment in its favor on all pending claims in this matter, and respectfully submits this Memorandum in Support of its Motion.

First, Wells Fargo has established that Defendants Ronald P. Pappas a/k/a Ronald Peter Pappas and Camine Pappas ("Defendants") executed the Note and Mortgage that are the subject

real property (a vacant lot), then defaulted on their payment obligation to Wells Fargo, thereby entitling Wells Fargo to foreclose on the property that secured Defendants' payment obligation.

Second, the Defendants' counterclaims are meritless for the following reasons: (1) the South Carolina Unfair Trade Practices Act does not apply to national banks like Wells Fargo; (2) the Real Estate Settlement Procedures Act ("RESPA") does not apply to vacant, unimproved lots like the subject property, particularly when borrowers such as the Defendants did not apply any of the loan proceeds toward construction of a dwelling on that lot within two years after closing; and (3) despite ample time for conducting discovery, Defendants have adduced no evidence that Wells Fargo developed the subdivision in which the subject lot is located, making the Interstate Land Sales Act ("ILSA") inapplicable to Wells Fargo. Further, Defendants cannot prove the critical element of reliance to support their claims for fraud and negligent misrepresentation.

Accordingly, Wells Fargo is entitled to judgment as a matter of law on its foreclosure claim and on each of the Defendants' counterclaims as set forth in the pleadings.

FACTUAL BACKGROUND

This case arises out of Defendants' purchase of a lot in the Edgewater Subdivision development in Lancaster County ("Edgewater"). In late 2005 and early 2006, Defendants attended a number of "showcase" events put on by the developer of Edgewater, Craft Development, LLC (the "Developer"), to promote Edgewater to potential real estate investors/purchasers. See **Exhibit A**, Ronald Pappas Deposition Transcript, pp. 8-12 (hereinafter, "Pappas Dep. Trans."). In early 2006, Defendants decided to purchase a lot in Edgewater on which they intended to construct a house. Id. at p. 8.

On March 29, 2006, Defendants executed an "Agreement to Buy and Sell Real Estate" (the "Contract") with the Developer to purchase Lot 311 in Edgewater (the "Property"). Id. at p.

22; **Exhibit B**, Agreement to Buy and Sell Real Estate. Significantly, the Contract did not contain an appraisal contingency that required the property to appraise for the purchase price or for any other dollar-amount. See Ex. B, Agreement to Buy and Sell Real Estate. Further, the Contract stated that the Property was sold "as is" and expressly disclaimed any obligations for future development of the Property or the Edgewater development. Id. The Contract also did not contain any reference to Wachovia Bank. Id. Finally, the Property that was to be purchased by the Defendants was (and remains today) a vacant, unimproved lot. See Exhibit A, Pappas Dep. Trans., p. 56.

During early 2006, Defendants spoke with representatives of both SunTrust Bank and Wells Fargo regarding financing for their purchase of a lot in Edgewater. Id. at pp. 23-24. Defendants selected Wells Fargo as their lender and, **after** executing the Contract, worked with Wells Fargo to secure financing to help fund the purchase of the Property. Id. at pp. 25-26. Thereafter, Wells Fargo commissioned and, on May 10, 2006, more than a month after executing the Contract, received an appraisal supporting the value of the Property (the "2006 Appraisal"). Id. at pp. 34-35.

On or about May 30, 2006, Defendants made, executed and delivered to Wells Fargo a Promissory Note in the principal amount of $206,100.00 (the "Original Note"). To secure the Original Note, Defendants made, executed and delivered to Wells Fargo a Real Estate Mortgage covering the Property. Defendants admittedly did not review the 2006 Appraisal prior to agrreing on a purchase price and signing the Contract to purchase the Property, or prior to closing the transaction on May 30, 2006. Id. at pp. 45-46. Defendants used the proceeds of the loan as evidenced by the Original Note to fund the purchase of the Property. Id. at pp. 55-56. Defendants made payments to Wells Fargo pursuant to the terms and conditions set forth in the

Original Note. Id. at p. 57. Defendants made no improvements to the Property after the date of purchase. Id. at p. 56. On or about June 1, 2009, the Original Note matured, so Defendants sought to refinance the loan with Wells Fargo.

On or about July 22, 2009, Defendants executed a Negotiable Promissory Note in the original principal sum of $210,954.69 (the "Refinance Note") payable to Wells Fargo. This Refinance Note re-financed the 2006 Wells Fargo loan that was used to purchase the Property. A copy of the Refinance Note is attached hereto and incorporated herein by reference as **Exhibit C**. The Defendants acknowledge the authenticity of the Refinance Note. Id. at pp. 59-60. The Defendants also admit they failed to make payments under the terms of the Refinance Note. Id. at p. 60.

The Refinance Note is secured by a Mortgage made, executed, and delivered by Defendants unto Wells Fargo on July 22, 2009 and recorded on July 23, 2009 in Book 2135 at Page 99 in the Lancaster County Registry (the "Mortgage"), (the Mortgage and Refinance Note shall be collectively referred to as the "Loan Documents" or the "Loan"). A copy of the Mortgage is attached hereto and incorporated herein as **Exhibit D** Plaintiff does not dispute the authenticity of the Mortgage. Id. at pp. 59-60.

The Defendants are in default under the terms of the Loan Documents for failure to make payments as they became due and owing. Hoping to avoid their obligations under the Loan after Wells Fargo initiated suit on the Refinance Note and foreclosed its Mortgage, the Defendants asserted the following counterclaims: (i) South Carolina Unfair Trade Practices Act violations, S.C. Code Ann. § 39-5-10 et seq.; (ii) RESPA violations, 12 U.S.C. § 2601 et seq.; (iii) Interstate Land Sales Full Disclosure Act violations, 15 U.S.C. §§ 1701-1720; (iv) Fraud; and (v) Negligent Misrepresentation. See Amended Answer of Defendants, ¶¶ 9 – 65.

STANDARD OF REVIEW

Under Rule 56(c), SCRCP, "Summary judgment is appropriate 'if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.'" Russell v. Wachovia Bank, N.A., 353 S.C. 208, 217, 578 S.E.2d 329, 334 (2003). "The evidence, and all reasonable inferences must be viewed in the light most favorable to the non-moving party." Id. However, "when a motion for summary judgment is made and supported as provided by the rule, an adverse party may not rest upon the mere allegations or denials of his pleadings. The adverse party's response, including affidavits or as otherwise provided by the rule, must set forth specific facts showing there is a genuine issue for trial." SSI Medical Services, Inc. v. Cox, 301 S.C. 493, 497, 392 S.E.2d 789, 792 (1990) (quoting Rule 56(e), SCRCP). Furthermore, to survive summary judgment, the party bearing the burden of proof must establish a prima facie case as to each essential element of the claim. Baughman v. Amer. Tel.. & Tel. Co., 306 S.C. 101, 116, 410 S.E.2d 537, 545-46 (1991).

ANALYSIS

I. Wells Fargo is entitled to summary judgment on its foreclosure claim because Defendants are in default under the terms of the Loan Documents.

Wells Fargo is entitled to summary judgment on its foreclosure claim because Defendants are in default under the terms of the Loan Documents for failing to make payments as they became due and owing. There is no dispute as to the material facts of Wells Fargo's foreclosure claim. "Generally, the party seeking foreclosure has the burden of establishing the existence of the debt and the mortgagor's default on that debt." U.S. Bank Trust Nat. Ass'n v. Bell, 385 S.C. 364, 374-75, 684 S.E.2d 199, 205 (S.C. Ct. App. 2009). The Defendants admit to signing the Refinance Note. See supra. Defendants admit the authenticity of the Mortgage, establishing the

debt. They also admit failing to make payments to Wells Fargo as required by the terms of the Refinance Note, which establishes the default. Id.

Under the default provisions of the Refinance Note, the Defendants are in default if they "fail to make any payment or comply with any terms of the Note." See Ex. C, Note at §5. In the event of default, the Loan Documents authorize Wells Fargo to require "the entire Principal balance, accrued interest, fees and collection costs permitted to be collected under applicable law [. . .] immediately due and payable." Id.. Wells Fargo is further authorized to "enforce the terms of this Note or enforce any rights that it may have under the Security Instrument." Id. Moreover, "if the net proceeds of collateral sold do not pay [borrowers'] indebtedness in full [the borrower] will pay the Note Holder the difference, plus interest at the Note Interest Rate until the unpaid balance is paid in full." Id.

The Defendants do not dispute any of the terms set forth above. See supra. Therefore, by admitting that they failed to make the payments, and admitting to the terms of the Refinance Note itself, the Defendants' necessarily admit all of the elements required for Wells Fargo to prove default under the terms of the Loan Documents. See U.S. Bank Trust Nat. Ass'n , 385 S.C. at 374-75, 684 S.E.2d at 205.

Therefore, no genuine issues of material fact exist as to whether Defendants are in default under the terms of the Loan Documents for failing to make payments as they became due and owing. As such, Wells Fargo is entitled to foreclose the Mortgage and seek and obtain a deficiency judgment against Defendants. Accordingly, this Court should grant summary judgment in favor of Wells Fargo on its foreclosure complaint.

II. Wells Fargo is entitled to summary judgment on Defendants' SCUTPA claims because the SCUTPA does not apply to federally regulated banks.

Defendants' claim under South Carolina Unfair Trade Practices Act ("SCUTPA") fails because the SCUTPA does not apply to Wells Fargo, a national bank subject to extensive federal regulation. S.C. Code § 39-5-20(b) provides that "[i]t is the intent of the legislature that in construing paragraph (a) of this section the courts will be guided by the interpretations given by the Federal Trade Commission and the Federal Courts to § 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)), as from time to time amended." In 15 U.S.C. 45(a)(2), the Federal Trade Commission Act sets forth the extent to which the Federal Trade Commission ("**FTC**") can regulate banks:

> The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, **except banks, savings and loan institutions** described in section 18(f)(3) [15 USCS § 57a(f)(3)], Federal credit unions described in section 18(f)(4) [15 USCS § 57a(f)(4)], common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Federal Aviation Act of 1958 [49 USCS §§ 40101 et seq.], and persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act, 1921, as amended [7 USCS §§ 181 et seq.], except as provided in section 406(b) of said Act [7 USCS § 227(b)], from using unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce.

15 U.S.C. 45(a)(2) (emphasis added). Because the SCUTPA directs courts to apply the "interpretations given by the FTC" and because the FTC is not empowered to prevent "banks [or] savings and loan institutions" from "using unfair methods of competition," it necessarily follows that the SCUTPA does not apply to banks such as Wells Fargo.

Based on S.C. Code § 39-5-20(b), circuit courts across this state have found that the SCUTPA is inapplicable to banks like Wells Fargo. See, e.g., JJH Transport, LLC and Joel Herring v. Branch Banking and Trust Company of South Carolina (2006-CP-21-1814) (attached *hereto as* **Exhibit E**); *Branch Banking and Trust Company of South Carolina v. Eartha Marshall*

(2003-CP-40-3272) (attached hereto as **Exhibit F**); Wells Fargo Bank, N.A v. William Gaffney, et al (2011-CP-07-0648) (attached hereto as **Exhibit G**). For this reason, the Court should grant Wells Fargo summary judgment as to Defendants' SCUTPA claim and dismiss it with prejudice.

III. Wells Fargo is entitled to summary judgment on Defendants' RESPA claims because RESPA does not apply to loans secured by vacant lots.

The Defendants' claims under the Real Estate Settlement Procedures Act ("RESPA") fail as a matter of law because RESPA does not apply to vacant lots. RESPA applies to "federally related mortgage loans" which are defined as a loan "secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of one to four families." 12 U.S.C. § 2602(1)(A). HUD Regulation X clarifies the types of loans to which RESPA applies. Under Regulation X, "RESPA appl[ies] to all federally related mortgage loans except [. . .] *vacant land.*" 24 C.F.R. § 3500.5(b)(4) (emphasis added). Specifically exempt from RESPA is "Any loan secured by vacant or unimproved property, unless within two years from the date of the settlement of the loan, a structure or a manufactured home will be constructed or placed on the real property using the loan proceeds." Id.

Here, the Property was, and currently is, an undeveloped vacant lot, as it has been for much longer than two (2) years since the Loan was closed. See Ex. A, Pappas Dep. Trans., p. 56. Further, the proceeds of the Loan were used to refinance the original loan used to fund the purchase of the Property, not for the construction of a structure or placement of a manufactured home thereon. Id. at 55-56. Because the Property is a vacant lot, and the Loan proceeds were not used to construct a structure or place a manufactured home on the Property, the provisions of RESPA do not apply to the Defendants' loan. Accordingly, Defendants' claim under RESPA fails as a matter of law and the Court should grant summary judgment in favor of Wells Fargo.

IV. Wells Fargo is entitled to summary judgment on Defendants' ILSA claims because ILSA does not apply to Wells Fargo and the applicable statute of limitations has run.

Defendants' purported claims against Wells Fargo pursuant to the Interstate Land Sales Full Disclosure Act ("ILSA") fail because Wells Fargo was not a "developer" or an "agent" of a developer in the Edgewater Subdivision development. ILSA regulates "developers" or subdivisions and limits liability to "developers" and their "agents." 15 U.S.C. § 1709(a). ILSA defines a "developer" as "any person who, directly or indirectly, sells or leases, or offers to sell or lease, or advertises for sale or lease any lots in the subdivision." 15 U.S.C. § 1701 (5). An "agent" is defined as "any person who represents, or acts for or on behalf of, a developer in selling or leasing, or offering to sell or lease, any lot or lots in the subdivision." 15 U.S.C. § 1701 (6). Federal courts have routinely held that a lending institution acting in the ordinary course of its business is not considered a "developer" within the meaning of ILSA. See e.g. Cumberland Cap. Corp v. Harris, 621 F.2d 246, 251 (6th Cir. 1980); Keeneally v. Bank of Nova Scotia, 711 F.Supp.2d 1174, 1191-92 (S.D. Cal 2010) (collecting cases). It is only where a "financial institution acts beyond its ordinary course of dealing as a lending institution and participates in the actual development, marketing or sale of property that liability may arise under ILSA." Thompson v. Bank of Am., 2011 U.S. Dist. Lexis 33833 at *1 (E.D.N.C. Mar. 30, 2011). Here, Wells Fargo was not a "developer" within the meaning of ILSA, nor have Defendants adduced any evidence that Wells Fargo was a "developer" within the meaning of ILSA. See Ex. A, Pappas Dep. Trans., pp. 41-44; 76-81; 99; and 119. Accordingly, Defendants' claims under the ILSA fail, and Wells Fargo is entitled to summary judgment.

V. Wells Fargo is entitled to summary judgment on Defendants' fraud claim as there can be no reliance on an appraisal conducted after an agreement to purchase.

Wells Fargo is entitled to summary judgment on Defendants' "fraud by misrepresentations" claim or negligent misrepresentation claim, both of which are based on the appraisal obtained by Wells Fargo. See Amended Answer and Counterclaim, ¶¶ 45-65. Defendants cannot prove the essential element of reliance as it pertains to the appraisal commissioned by Wells Fargo to support the value of the Loan, because Defendants agreed to purchase the Property, and agreed to the purchase price, prior to Wells Fargo commissioning or receiving any appraisals of the Property. Furthermore, and for the same reason, the Defendants cannot prove the essential element of materiality.

Fraud must be pled with specificity. SCRCP 9(b). To establish fraud, Plaintiff must allege: (1) a representation of fact; (2) its falsity; (3) its materiality; (4) either knowledge of falsity or a reckless disregard of its truth or falsity; (5) intent that the representation should be acted upon; (6) the hearer's ignorance of its falsity; (7) the hearer's reliance on its truth; (8) the hearer's right to rely thereon; and (9) and the hearer's consequent and proximate injury. Schnellmann v. Roettger, 373 S.C. 379, 381, 645 S.E.2d 239, 241 (2007). Failure of the Defendants to prove any element of fraud is fatal to the action. Id.

To establish a claim for negligent misrepresentation, the Defendants must show: (1) Wells Fargo made a false representation to Defendants; (2) Wells Fargo had a pecuniary interest in making the false representation; (3) Wells Fargo owed a duty of care to see that it communicated truthful information to Defendants; (4) Wells Fargo breached that duty by failing to exercise due care; (5) the Defendants justifiably relied on the representation; and (6) the Defendants suffered a pecuniary loss as a proximate result of their reliance upon the

representation. Carolina Chloride, Inc. v. Richland County, 394 S.C. 154, 164, 714 S.E.2d 869, 873 (2011). The Defendants must also show that any reliance was reasonable. Id. at 164, 714 S.E.2d at 874. Moreover, "there can be no liability for [. . .] matters which [claimant] could ascertain on his own in the exercise of due diligence." West v. Gladney, 341 S.C. 127, 134, 533 S.E.2d 334, 337 (Ct. App. 2000); King v. Oxford, 282 S.C. 307, 312, 318 S.E.2d 125, 128 (Ct. App. 1984) ("Courts do not sit for the purpose of relieving parties who refuse to exercise reasonable diligence or discretion to protect their own interests."). Further, because the "application for credit" made by the Defendants from Wells Fargo was not going to be "secured by a lien on a dwelling" as described above, Wells Fargo was not required to provide the Defendants a copy of any appraisals commissioned in connection with the original loan or refinancing. See **Exhibit H**, 12 C.F.R. § 202.14.

Defendants' fraud and negligent misrepresentation claims center on an alleged negligently-conducted appraisal upon which Defendants now contend they relied. The Defendants assert that "the value of the subject real estate was not that of the appraisal furnished to the Defendants." (Compl. ¶ 47). However, as noted above, the Defendants executed the Contract prior to engaging Wells Fargo to finance their purchase of the Property. The Contract stated that the Property was sold "as is" and the Contract did not contain an appraisal contingency. Accordingly, the Defendants agreed to pay the purchase price of the Property before Wells Fargo even requested the 2006 appraisal of the Property. See Ex. A, Pappas Dep. Trans., pp. 8; 34-35. It was only ***after*** the Defendants agreed to a purchase price for the Property, and signed the Contract with the Developer, that the 2006 Appraisal obtained by Wells Fargo was requested and prepared. Id.

In addition, Defendants admit that they did not see the 2006 Appraisal prior to closing on the purchase of the Property. Id. at pp. 45-46. In fact, Defendant Ronald Pappas admits that they did not see the appraisal until 2013, some seven years after the original loan closing and four years after closing the Refinance Loan. Id. at pp. 33-34. Nonetheless, the Defendants now ask this Court to believe the impossible: that they relied on an appraisal that did not exist at the time they agreed to pay the purchase price called for in the Contract; and to allow that impossible belief to support an otherwise meritless claim against Wells Fargo.

This case is not the first time a defendant has claimed to rely upon an appraisal that was conducted after that defendant had agreed to purchase real property. In Robertson v. First Union Nat'l Bank, the South Carolina Court of Appeals rejected arguments similar to those of the Defendants herein. Robertson v. First Union Nat'l Bank, 350 S.C. 339, 565 S.E.2d 309 (Ct. App. 2002). In Robertson, the borrowers agreed to purchase commercial property. Id. at 344, 565 S.E.2d at 312. After agreeing to purchase the property, the borrowers approached the bank in order to obtain financing. Id. The bank then ordered an appraisal on the property. Id. The borrowers were not provided a copy of the appraisal until after the purchase agreement has been executed. Id. In rejecting the borrowers' fraud claim, the Court noted that the borrowers' "reliance is glaringly absent" because "the purchase price [. . .] was already agreed upon before [borrowers] approached the bank." Id. at 348, 365 S.E.2d at 314.

Here, as in Robertson, the Defendants agreed to purchase the property before any appraisal was conducted. Just as in Robertson, the Defendants received a copy of the appraisal well after they executed the Contract and the purchase price for the Property was already established. As in Robertson, "reliance is glaringly absent" here. Id. at 348, 365 S.E.2d at 314. The Defendants bear the burden of proof as to each element of the fraud claim. See Baughman,

306 S.C. at 116, 410 S.E.2d at 545-46. Unless the Court concludes that the Defendants can rely on a document that did not exist at the relevant time then, on this ground alone, the Defendants' fraud claim fails.

The Defendants' fraud claim also fails because they made no effort to independently ascertain the value of the property. See Ex. A, Pappas Dep. Trans., p. 31. There can be no liability for fraud "on matters which [claimant] could ascertain on his own in the exercise of due diligence." West, 341 S.C. at 134, 533 S.E.2d at 337; see also, King v. Oxford, 282 S.C. 307, 312, 318 S.E.2d 125, 128 (Ct. App. 1984). Stated differently, Wells Fargo cannot be liable to Defendants for the content of its appraisal if Defendants could have, through their own due diligence, independently determined the value of the subject Property before signing the Contract. However, Defendants have marshaled no evidence as to why they could not or did not independently ascertain the value of the property, and they further admit that Wells Fargo did not prevent them for doing so. See **Exhibit I**, Defendants' Response to Wells Fargo's Request to Admit No. 13. On this ground as well, the Defendants' fraud and negligent misrepresentation claims fail as a matter of law and summary judgment should be entered in favor of Wells Fargo as to both of those claims.

Finally, the Defendants' fraud claim fails because they have failed to prove the materiality of the alleged negligently conducted appraisal. As explained in detail above, the appraisal was completed ***after*** the Defendants agreed with the Developer on a purchase price and executed the Contract to purchase the Property. Because the appraisal did not exist at that time, it necessarily follows that the information contained in that appraisal was not, and could not have been, material to the Defendants' decision to purchase the Property or the price they were willing to pay for it.

In sum, the Defendants could not rely on an alleged negligently conducted appraisal that did not exist at the time they agreed to purchase the Property. Nor did they exercise due diligence to independently verify the value of the Property prior to executing the Contract. Accordingly, the appraisal could not have been material to the Defendants' decision to purchase the Property or the price they agreed to pay. Any of these reasons alone entitle Wells Fargo to summary judgment on the Defendants' fraud and negligent misrepresentation claims. Collectively, they are fatal as well, and Wells Fargo is entitled to summary judgment on both of these counterclaims.

CONCLUSION

For the reasons stated above, Wells Fargo respectfully requests that this Court (1) grant summary judgment in favor of Wells Fargo on its foreclosure claim, and (2) grant Wells Fargo's Motion for Summary Judgment as to all of Defendants' counterclaims.

Respectfully submitted,

This 14th day of February, 2014.

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STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit A

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Depo Transcript of Ronald Pappas, pp. 8-12

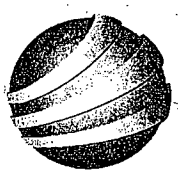
In the Matter Of:

WELLS FARGO VS. PAPPAS

2011-CP-29-873

RONALD P. PAPPAS

October 30, 2013



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A. I believe those dates are correct.
Q. Okay. And in March 2006, you and your wife became interested in purchasing Lot 311 in Edgewater subdivision in Lancaster, South Carolina?
A. Yes.
Q. Okay. Tell me how you came to be aware of Edgewater subdivision and what lead you to decide you wanted to purchase Lot 311 in that subdivision.
A. There were a series of mailings that came to our house --
Q. Okay.
A. -- and representing offerings by what's now known as Craft, representing what they had to offer down in the Edgewater community.
Q. Okay.
A. And so they had several dates and several marketing programs that were held in fairly large venues. Ballantyne Resort was one of them that I attended, and also, two or three of them at the Edgewater community, itself. And what they had offered was something that I was looking for as a waterfront property. And we were looking to replace another waterfront that we had once had, so it was a personal purchase. And we liked what they represented. They had several -- the marketing

representatives. It was a big room. There might have been 500, 600 people in the room.

Q. Okay.

A. They had a very well-orchestrated presentation process, showing films on the wall and pictures and graphics on the walls, power-point type of presentations, probably a very well-versed sales and marketing team that they had describing all of the things that they were selling at that property.

Q. Okay.

A. Club houses, docks, buildings, restaurants, an equestrian center, golf course, and all backed up by the large collateral material that they handed out to everybody.

Q. Okay.

A. Again, demonstrating everything that they had. It was just a nice property to look at. It seemed like that's something we wanted to do. And so as we started to discuss that with some of the membership of the sales team there, it was brought up by them that they had a program that was endorsed by two or three lenders in that community that would offer programs to close the property before all of the construction activity was completed by the developer.

Q. Okay.
A. That was probably one of the key deciding factors that we had. And that representation is that we could purchase and close backed by a pretty large organization. Wachovia was a pretty well-known bank, as is Wells today.
Q. Okay. Where did this meeting take place? I know you've mentioned Ballantyne and the property. Where were you when this meeting took place?
A. Well, there was more than one.
Q. You went to more than one?
A. I went to more than one.
Q. Okay. Tell me where the locations of those meetings were.
A. It was at the Ballantyne Resort, one of them.
Q. Okay.
A. And at least two of them over on the property.
Q. Okay.
A. They had set up a staging area adjacent to some of the waterfront lots and had helicopters giving tours of the property showing all the amenity locations from the air. The Ballantyne Resort, again, was the other venue. I do know and remember from some of the marketing materials that were mailed out that they had done these presentations

at other venues throughout the Charlotte and Columbia regions.

Q. Okay. And you're using the word they a lot. Tell me who they is?

A. Well, why don't we just call it the developer for now.

Q. Who is the developer?

A. As we know it, it's Craft.

Q. Okay.

A. We'll call it Craft.

Q. Craft Development?

A. We'll call it Craft Development.

Q. And you've filed a cross-claim against Craft Development. Is that who we're referring to? And I'm just trying to make sure we're not referring to anybody else.

A. Well, they're the seller. They're the developer of the property. They offered the property. So if we can keep it in that context, then I'll just go with Craft. Is that okay with you?

Q. Okay. That's fine. Kind of like Wachovia has now become Wells Fargo.

A. Right.

Q. I just want to make sure we're talking about the same folks here.

A. And I think Craft Development, LLC may be the correct entity.
Q. If it is.
A. Okay.
Q. Okay. After you attended these two and three meetings, what happened next? And tell me where were you living at this time.
A. In Waxhaw, North Carolina.
Q. All right. Do you still live at that location?
A. I do not.
Q. Where do you live currently?
A. I live -- you want an address?
Q. Yes, sir.
A. 19217 Mallard, M-a-l-l-a-r-d, Drive, Fort Mill, South Carolina 29707. It's also known as Indian Land.
Q. I'm familiar with it. Okay. Tell me, do you and your wife have any children?
A. I have two children. My wife and I together, no.
Q. Okay. Do they live here in South Carolina?
A. They do not.
Q. Okay. Do you have any other relatives in Lancaster County with the last name other than Pappas?
A. Yes.
Q. What are their names?

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit B

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Agreement to Buy and Sell Real Estate

AGREEMENT TO BUY AND SELL REAL ESTATE

THIS AGREEMENT TO BUY AND SELL REAL ESTATE ("Contract") is made this 29th day of March, 2006, by and between Ronald P. Papps ("Purchaser") and CRAFT DEVELOPMENT, LLC, ("Seller"). This Contract shall become binding on the date of last execution by both of the parties hereto, subject to receipt of the required Earnest Money referenced herein.

WITNESSETH:

1. Property Description. In consideration of the mutual promises contained in this Contract, Purchaser agrees to buy and Seller agrees to sell, the real estate described in **Exhibit A** attached hereto and made a part of this Agreement, and more commonly known as Lot ___(" Property"), being a portion of the development known as Edgewater Communities, LLC, located in Lancaster County, South Carolina ("Project").

2. Purchase Price. Purchaser agrees to pay as the full Purchase Price of the Property the sum of $229,000 Purchase Price") payable as follows:

a. Earnest Money, as described in Section 3 below, to be applied to the Purchase Price at Closing.

Deposit Amount: $22,900.00, by confirmed funds within five (5) days of the date of this Contract.

b. The balance of the Purchase Price by certified funds to be paid at Closing.

Balance Amount: $206,100.00

3. Earnest Money: This offer is accompanied by an earnest money deposit (which shall include any prior deposit paid with Purchaser's reservation agreement, and transferred to Escrow Agent) equal to ten (10%) percent of the Purchase Price ("Earnest Money"), as indicated in Section 2(a) above, to be deposited with Phil Murdock, Jr., Constitution Law ("Escrow Agent") to be held and disbursed in accordance with the terms of this Contract.

4. Closing Date. The parties agree that the terms of this Contract shall be complied with and the closing of this transaction shall take place (the "Closing")

on the or before the earlier to occur of (i) three (3) business days following the preparation of Buyer's loan package; or (ii) May 1, 2006 ("Closing Date"). Closing shall be held at 10:00 AM on the Closing Date, in the offices of the Escrow Agent, unless the parties agree otherwise.

5. Financing Condition. Seller and Purchaser acknowledge that Seller, through its listing agent, has arranged for favorable financing terms for each purchaser, subject to approval under the terms of such financing. In the event Purchaser does not qualify for such financing, and, within three (3) business days of notice regarding such non-qualification, Purchaser shall have the right to terminate this Contract, by giving Seller and the Escrow Agent two (2) business days prior written notice, and upon such notice shall have the Earnest Money returned to the Purchaser with no further obligation on the part of Purchaser or Seller.

6. Conveyance of Property. At Closing, Seller shall convey marketable title to the Property to Purchaser in fee simple by general warranty deed, free from encumbrances except those of record in the county in which the Property is located, and those that Purchaser agrees under this Contract to assume. If an owner's title commitment can be issued by an ALTA title insurance company, without any unusual or extraordinary exceptions, at standard rates, Seller shall be deemed to have complied with the obligation to convey marketable title.

7. Closing Expenses. Seller shall be responsible for preparation of the deed, all brokerage fees and real estate commissions. Purchaser shall be responsible for their attorney fees, bank or mortgage fees, all revenue or tax stamps, all other Closing costs.

8. Prorations. All county property taxes, municipal taxes (if any), maintenance assessments and other applicable charges shall be prorated as of the closing date.

9. Mortgage Release. Seller agrees that it will obtain, following Closing, release of the Property from any mortgage lien, if any, which may cover the Property.

10. Association Covenants and Restrictions. Purchaser expressly understands and agrees that the Property shall be conveyed subject to the recorded plat, to the general easements, equitable restrictions, limitation on use, and affirmative obligations to pay charges, and the covenants and restrictions, as amended, referenced in and a part of the declaration attached hereto as **Exhibit B** (the "CCR's"). The CCR's may include, but shall not be limited to, restrictions and covenants regarding architectural standards, minimum home size, maintenance of common areas and assessment of fees related thereto.

11. Condition of Property. It is agreed that Purchaser purchases, and

seller sells the Property in an "as is" condition, and neither seller nor its agents has made any commitments or accepted any obligations for further work on the Property or in the neighborhood of the Property, other than completion of the roadways and utilities within the Project, except as may be expressly set forth in this Contract. Moreover, Purchaser acknowledges that neither seller nor its agents has made any pledges, covenants or commitments in regard to the development of the project which has induced the purchase of the Property except as stated in this Contract, the covenants, the recorded plat.

12. Disclaimer by Brokers and Agents. The parties acknowledge that the Listing and Cooperating Broker(s) and their Agent(s) give no guaranty or warranty of any kind, express or implied, as to the physical condition of the Property or as to the merchantability or fitness for a particular purpose of the Property, and that Purchaser has relied solely upon his own investigation and the opinion of the closing attorney in regards to the condition of the Property or the title thereof.

13. Facsimile and Other Electronic Means. The parties agree that the offer, any counteroffer and/or acceptance of any offer or counteroffer may be communicated by use of a fax or other secure electronic means, including but not limited to electronic mail and the internet, and the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the original signatures, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party. Notice to either party shall be effective when addressed to the respective notice address of each party provided in the Notice Addendum attached hereto.

Notwithstanding the above, any notice to Seller must be accompanied by a required notice to:

Phil Murdock, Jr., Constitution Law
1425 Constitution Blvd.
Rock Hill, SC 29732

Phone: (803)366-8999
Fax: (803)980-1158
Cell:(803)517-8998

14. Default. On Purchaser's failure to comply with the terms of this Contract within the stipulated time, and after receipt of notice of Purchaser's default with a five (5) day right to cure, Seller may either: (a) because of the difficulty in ascertaining actual
resulting damages, retain the Earnest Money deposit as liquidated and agreed damages; or (b) seek specific performance of the Contract; or (c) sue for damages.

On a default by Seller, and after notice with a five day right to cure, Purchaser may: (a) cancel the Contract and obtain a refund of the earnest money deposit; or (b) seek specific performance of the Contract.

15. Sole Agreement. This Contract supersedes any and all understandings and agreements between the parties and constitutes the sole and entire agreement between the parties. No oral statements or representations shall be considered a part of this Contract. Any modifications must be in writing and acknowledged by the parties. Nothing in this Contract shall be intended or construed to limit any right of Purchaser arising from the Interstate Land Sales Full Disclosure Act.**16. Binding Effect.** This Contract is binding on the heirs, personal representatives, successors and assigns of the parties.

17. Assignment. The rights of Purchaser pursuant to this Contract may not be assigned.

18. Enforceability. Should any provisions of this Contract be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and shall not in any manner be affected or impaired by the void or unenforceable provisions.

19. Multiple Counterparts. This Contract may be executed in multiple counterparts each of which shall be deemed an original and shall be given the same force and effect as if all parties had executed one and the same original.

20. No Waiver. No failure of a party to exercise any power or right granted under this agreement or to insist on strict compliance with any obligation specified in this Contract, and not practice at variance with the terms of this Contract, shall constitute a waiver of that power or right unless expressly authored in writing by the affected party.

21. Notice. The notice address provided by Purchaser below shall be deemed the appropriate address for notice or any return of deposit required hereunder. When deposited in the United States Postal Service, with applicable postage, the requirements for notice or return of deposit shall be deemed to have been satisfied.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been duly executed on the dates indicated below by the parties.

Witness:

PURCHASER:

Print Name: Ronald D. Rapp
Date: 3-29-06

Print Name:
Date:

Purchaser Address:

8004 Rockland Trail
Waxhaw, N.C. 28173

SELLER:

Witnesses:

CRAFT DEVELOPMENT, LLC

By:
Its: Agent
Date: 4-1-06

ACKNOWLEDGED BY THE SELLING AGENT: Jennifer Davila

ADDENDUM TO AGREEMENT TO BUY AND SELL REAL ESTATE

THIS ADDENDUM is attached to and made a part of that certain Agreement to Buy and Sell Real Estate dated the 29th day of March, , by and between Craft Development, LLC ("Sellers") and Ronald P. Pappas and assignee ("Purchasers").

Seller agrees to deposit with the Settlement Agent, as a reduction of the proceeds due Seller, at Closing, an amount equal to the interest (interest only and not principal) during the twelve (12) month period following the Closing, calculated at an interest rate equal to the lessor of (i) Purchaser's actual interest rate under Purchaser's loan for the Property; or (ii) an amount equal to one year's interest under the loan package arranged by the listing agent, without regard to whether such loan package was actually accepted or approved for Purchaser, in Edgewater. This amount shall be disbursed by the Settlement Agent to Purchaser's lender, not later than five business days following the recording of Purchaser's deed.

CRAFT DEVELOPMENT, LLC.

BY: _____
its Manager, Seller

_____
Purchaser

_____
Purchaser

EDGEWATER

Featured Builder Program and Waiver Addendum

Pursuant to this Addendum, only a Featured Builder at Edgewater may construct your House and related improvements on the Land you are purchasing by way of the attached contract. To qualify as a featured Builder at Edgewater, a builder must satisfy certain criteria and requirements established by Waterpointe Realty, LLC as the Listing Broker and Craft Homes USA, LLC as the Seller. However, the criteria and requirements established by Edgewater for a builder to qualify as a Featured Builder at Edgewater are solely for the protection and benefit of Waterpointe Realty, LLC and Craft Homes USA, LLC and are not intended to, and shall not be construed to, benefit Purchaser. Furthermore, Purchaser hereby waives any and all claims and rights for monetary losses, property damages and personal injuries (including, without limitation all claims related to construction defects, grading/drainage defects, water intrusion/moisture damage, and mold or other microbiological or environmental contamination) or other damages known or unknown, Purchaser has or may have now or in the future, against either Waterpointe Realty, LLC as Listing Broker or Craft Homes USA, LLC as the Seller, or their agents or affiliates, which claims arise from the acts or omissions of the Featured Builder selected by the Purchaser. Furthermore, Waterpointe Realty LLC as Listing Broker and Craft Homes USA, LLC as Seller shall have no responsibility whatsoever for any sum that Purchaser may deposit with the Builder, including, without limitation, any earnest money or other deposit that Purchaser delivers to the Builder. Purchaser's selection of the Builder shall be conclusive evidence that Purchaser is independently satisfied with regard to any and all questions or concerns Purchaser may have about the Builder's qualifications, abilities and/or building product. Purchaser acknowledges that Purchaser has not relied on the advice or representations of Waterpointe Realty LLC, Craft Homes USA, LLC or their agents or affiliates, in arriving at this conclusion and decision; and all such advice and representations (if any) of Waterpointe Realty LLC, Craft Homes USA, LLC their agents or affiliates are merged herein. The terms and provisions in this paragraph shall survive the Closing of the sale and purchase of the Property to which this addendum is attached and shall remain binding upon Purchaser for the benefit of Waterpointe Realty, LLC indefinitely.

In recognition of the fact that the Edgewater development is a new and unique addition to the Lancaster Fishing Creek Lake Community and, as such, the Featured Builder List may not yet have been finalized, for any Purchaser that purchases a lot and then submits for review architectural plans for the construction of a home (pursuant to said requirement as further detailed in the Edgewater Declaration of Covenants, Conditions and Restrictions and Architectural Control Guidelines) prior to publication of the then current Featured Builder List, said Purchaser may also submit therewith a proposed Builder for approval by Waterpointe Realty LLC for inclusion as a "temporary" allowed Featured Builder. As above detailed, however, the approval of a Builder as a Featured Builder lies within the sole discretion of Waterpointe Realty, LLC, its successor and assigns and said approval shall be granted or denied upon the same criteria previously established. This Addendum shall take precedence over any previous documentation regarding Edgewater.

This Featured Builder Program and Waiver Addendum executed this 29th day of March,

Purchaser: _____ Purchaser: _____

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit C

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Note

BK: 50 LOC: LN TP: 57 Ref. No. Redacted
RC: 0118528 209925/94 Date: 07/22/09 Acct. No.

Note

BORROWER(S):
RONALD P PAPPAS
CAMINE PAPPAS
8006 ROCKLAND TRL
WAXHAW, NC 28173

1. BORROWER(S) PROMISE TO PAY. In return for a loan that I have received, the undersigned Borrower(s) (hereinafter referred to as "I," "me," or "my") jointly and severally promise to pay to Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States of America ("Lender"), the sum of $210954.69 (this amount will be called "Principal"), plus daily simple interest ("Interest") beginning on the date that Principal is advanced. The Principal may include points, origination fees and other amounts permitted by applicable law. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note and who is entitled to receive payments under this Note will be called the "Note Holder."

2. INTEREST. Interest will accrue on the entire Principal balance outstanding at any time. Notwithstanding anything to the contrary, I do not agree to pay and the Note Holder does not intend to charge any interest at a rate that is higher than the maximum rate of interest that could be charged under applicable law for the extension of credit that is agreed to under this Note (either before or after maturity). If any notice of interest accrual is sent and is in error, and if the Note Holder actually collects more interest than allowed by law or this Note, the Note Holder agrees to refund any such excess interest.

I agree to pay interest on the unpaid Principal balance of this Note owing after maturity, and until paid in full at the same rate in effect before maturity. I agree that any loan origination fee paid to the Note Holder is earned as of the date of this Note.

Interest accrues on the Principal remaining unpaid from time to time, until paid in full. The Interest Rate, as defined in this Section 2 below, will be charged at a rate of 1/365th of the Interest Rate for each day, or 1/366th of the Interest Rate for each day in any leap year, applied against that day's outstanding Principal balance. The dollar amount of the finance charge and the payments disclosed to me for this credit transaction are based upon my payments being received by the Note Holder on the date payments are due. If my payments are received after the due date, even if received before the date a Late Charge as permitted by Section 4 applies, I may owe additional and substantial money at the end of the credit transaction and there may be little or no reduction of Principal. This is a result of the accrual of daily interest.

To the extent that any fees or charges are added to the Principal balance, they will thereafter bear interest and I agree to pay this interest. I understand that in the event my first payment due date is more than one month from the date of this Note, one or more of my initial payments may not pay all of the interest owed on the date of the payment and therefore may not reduce the outstanding Principal balance.

If the governing law which applies to this Note sets maximum loan charges and is finally interpreted so that the interest and other charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such interest or other charge shall be reduced by the amount necessary to reduce the interest or other charge to the permitted limit and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial payment.

Check One:

☒ **Fixed Rate:**
I agree to pay interest on the outstanding Principal balance at a fixed annual rate of 5.50% ("Interest Rate").

☐ **Adjustable Rate:**
(A) Interest Rate: I agree to pay interest on the outstanding Principal balance at the initial annual rate of N/A% ("Interest Rate") until the first Change Date as defined in Paragraph (B) below. Thereafter, the Interest Rate I pay may change as of each Change Date and will be calculated pursuant to Paragraph (D) below. My initial annual rate may not be related to the formula used to determine later rates.
(B) Date Definitions:
(i) Change Date: Each date on which the Interest Rate may change is called the Change Date. The Interest Rate may change _____ and every _____ month(s) thereafter.
(ii) Index Date: The 25th day of each month is an "Index Date." If the Index is not published on the 25th day of the month, then the Index Date shall be the first day prior to the 25th day of the month on which the Index is published.
(iii) Look-back Date: The date that is 30 days prior to a Change Date is called the "Look-back Date."
(C) The Index: Check One:

☐ The "Index" is the "Prime Rate" as published on the Index Date in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. If there is more than one Prime Rate published on an Index Date, then the Note Holder will use the higher of such prime rates. If this Index ceases to exist, the Note Holder may substitute another Index (and Margin, as described in Paragraph (D) below) which movement approximates the movement of the Prime Rate.

☐ The "Index" is the average of interbank offered rates for ____ month U.S. dollar-denominated deposits in the London market ("LIBOR") as published on the Index Date in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. If there is more than one LIBOR published on an Index Date, then the Note Holder will use the higher of such LIBOR rates. If this Index ceases to exist, the Note Holder may substitute another Index (and Margin, as described in Paragraph (D) below) which movement approximates the movement of LIBOR.

(D) Calculation of New Interest Rate: The new annual Interest Rate that will be applicable beginning on each Change Date will be determined as follows:

Check One:

☐ The new annual Interest Rate will be equal to the Index published on the Index Date for the calendar month immediately preceding the Look-back Date for that Change Date, rounded down to the nearest .01%, plus _____ percentage point(s) ("Margin"). Subject to any applicable limitations set forth in Paragraph (E), this new Interest Rate will become effective on each Change Date.

☐ The new annual Interest Rate will be equal to the Index published on the Index Date for the calendar month immediately preceding that Change Date, rounded down to the nearest .01%, plus _____ percentage point(s) ("Margin"). Subject to any applicable limitations set forth in Paragraph (E), this new Interest Rate will become effective on each Change Date.

(E) Limits on Interest Rate Changes: My Interest Rate will never be greater than _____% or less than 0%.
☐ If this box is checked, the Interest Rate will be subject to the additional limitations on increases. The Interest Rate I am required to pay at the first Change Date will never be greater than _____%. Thereafter increases will be subject to an additional limitation on each Change Date such that the Interest Rate I pay will never be increased on any single Change Date by more than 2% from the Interest Rate I have been paying for the preceding 12 months.

☐ If this box is checked, there will be no additional limitation on increases in my Interest Rate.

(F) Notice of Changes: The Note Holder will deliver or mail to me a notice of any changes in my Interest Rate as required by applicable law. The notice will include information about any changes to my payment amount.

3. PAYMENTS.

(A) Payment Options and Schedule:

Check One:

☐ **Interest Payments:** I will pay accrued interest beginning on _____ as follows: check one: ☐ monthly or ☐ quarterly ("Interest Payments"). The amount of each Interest Payment will vary depending upon the amount of principal outstanding, the date principal payments or installment payments are received and if Section 2 of this Note provides for an Adjustable Rate, the Interest Rate then in effect. In addition, I will make the following Payments:

Check One:

☐ **Principal Reduction Payments and/or a Balloon Payment:** In addition to the Interest Payments, I will make Principal Payments as set forth in the Payment Schedule below:

☐ **Installment Payments:** For purposes of this Section 3, the "Payment Change Date" is the first payment due date that is at least 26 days after the "Anniversary Date." The Anniversary Date is the date that is _____ year(s) after the Note Date. Beginning on the Payment Change Date, in place of Interest Payments, I will make installment payments of Principal and Interest. On the Anniversary Date, the Note Holder will determine the ☐ monthly or ☐ quarterly payment amount that would be sufficient to repay the unpaid principal balance in full over the of a period of time ending on the Maturity Date as defined in Paragraph (D) with interest at the rate set in accordance with Section 2. The result of this calculation will be my new payment amount. The Note Holder will give me notice of this new payment amount. This payment amount is estimated in the Payment Schedule below. If Section 2 of this Note provides for an Adjustable Rate, this payment amount may change. On each subsequent Change Date, the Note Holder will determine the ☐ monthly or ☐ quarterly payment amount that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date in full over the remaining portion of a period of time ending on the Maturity Date as defined in Paragraph (D), below, at my new Interest Rate. The result of this calculation will be the new payment amount beginning on the first payment due date which is at least 26 days after the Change Date. I will pay my new payment amount until the payment amount changes again or until the Maturity Date as described in Paragraph (D).

☒ **Installment Payments or Installment Payments with a Balloon Payment:** I will pay the unpaid Principal and Interest in installment payments as set forth in the Payment Schedule below. If Section 2 of this Note provides for an Adjustable Rate, the payment amounts, including the final payment, as set forth in the Payment Schedule may change. On each Change Date, the Note Holder will determine the ☐ monthly ☐ quarterly ☐ semi-annual or ☐ annual payment amount that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date in full over the remaining portion of a period of time ending on the Maturity Date as defined in Paragraph (D), below, at my new Interest Rate. The result of this calculation will be the new payment amount. I will pay my new payment amount beginning on the first payment due date after the Change Date until the payment amount changes again or until the Maturity Date as described in Paragraph (D).

Payment Schedule:

Number of Payments	Payment Amount	Frequency	Start/Due Date	Number of Payments	Payment Amount	Frequency	Start/Due Date
35	$1197.72	M	08/21/09		$		
1	$203120.06	M	07/21/12		$		

Frequency Legend: M = Monthly Q = Quarterly S = Semi Annually A = Annually

(B) Place of Payments: I will make my payments in U.S. funds payable to the Note Holder at the address provided to me by the Note Holder or at a different address if required by the Note Holder.

(C) Application of Payments: Unless otherwise prohibited by the law governing this Note, each payment I make on this Note will first reduce the amount of accrued unpaid Interest, then any optional insurance premiums due, then any applicable unpaid charges and then unpaid Principal. I will make payments until I have paid all of the Principal and Interest and any other fees or charges that I may owe under the terms of this Note.

(D) Maturity Date: If on 07/21/12, I still owe any amount under this Note, I will pay those amounts in full on that date which is called the "Maturity Date."

(E) Optional Credit Insurance: If I have selected optional credit insurance offered by the Note Holder in connection with this loan, the payment amount(s) shown in the Payment Schedule include the premiums for the insurance coverage(s) that I have selected. I understand that the actual total premium amount I pay will depend upon my payment record.

I understand that credit life and credit disability (accident and health) insurance are not required, and that I may cancel them at any time by giving written notice to you. If my credit insurance is canceled, no further portion of any payments I make will be applied to credit insurance premiums. At my request, you will adjust my payment amount to reflect the cancellation of the credit insurance. If my credit insurance is cancelled and Section 2 of this Note provides for an Adjustable Rate, on the next Change Date the cancellation of the credit insurance will be considered in determining my new payment amount.

(F) Balloon Payment: If the Payment Schedule requires me to make an estimated final payment that is significantly larger than any other payment ("Balloon Payment"), I understand that I will be required to make this Balloon Payment on the Maturity Date. I understand that the Note Holder is not required to refinance any Balloon Payment and that the failure to make the required Balloon Payment on the Due Date constitutes a Default under the terms of this Note.

4. FEES AND CHARGES. In addition to Interest and other amounts I may agree to pay, I agree to pay the Note Holder the following additional fees and charges:

(A) Late Charges: If a payment is not received in full within 15 days of the date it is due, I will pay a late charge equal to 4% of the unpaid portion of the scheduled payment amount.

(B) Returned Payment Fee: Unless otherwise limited or prohibited by the law governing this Note, I will pay a charge of up to $25.00 for each payment (check or automatic payment) that I make that is returned or dishonored for any reason.

(C) Origination Fee: If an origination fee or other fee or charge is charged as included on the HUD-1, HUD-1A, or Itemization of Amount Financed prepared in connection with this loan transaction, I agree to pay such fees and charges. Except as otherwise required by law, I agree that such fees and charges are fully earned as of the date of this Note and are nonrefundable upon prepayment.

(D) Additional Charges: I agree that if, during the term of this Note, I request other services related to servicing or administering my loan for which the Note Holder has a scheduled charge, I will, to the extent permitted by the law governing this Note, pay the Note Holder the then current fee for such services or request if the Note Holder agrees to perform such service or request. I understand that any such fees are fully earned when charged and are nonrefundable upon prepayment.

5. BORROWER'S FAILURE TO PAY AS REQUIRED AND TERMS OF DEFAULT.

(A) Terms of Default: I will be in Default under this Note if any of the following things happen:

(i) If I fail to make any payment or comply with any of the terms of this Note or any other note with the Note Holder now or in the future; or

(ii) If I make any false, incorrect or misleading representation or warranty at any time during the application process; or

(iii) If I die; or

(iv) If I become involved in any bankruptcy or insolvency proceeding; or

(v) If the collateral described in Section 6 or any schedule to this Note is used in violation of any law or regulation or if a judgment or lien is filed or levied against me or the collateral or the collateral is impaired, damaged, or removed from the custody of the Note Holder; or

(vi) If I fail to abide by the term(s) of any Security Instrument or other documents described in Section 6 which secure payment of this Note.

(B) Notice of Default: If I am in Default, then the entire Principal balance, accrued Interest, fees, and collection costs permitted to be collected under applicable law will be immediately due and payable. At its option or if required by law, the Note Holder may send me a written notice informing me of said Default and acceleration. If I make any payment after the Note Holder has demanded payment of the entire balance due, my payment will be applied to the unpaid balance due under this Note. The unpaid balance consists of the Principal Amount remaining due, plus accrued finance charges, unpaid Late Charges, collection costs, and all other amounts due to the Note Holder under this Note. The Note Holder shall also have other rights and remedies provided by law. If the net proceeds of collateral sold do not pay my indebtedness in full, I will pay the Note Holder the difference, plus Interest at the Note Interest Rate until the unpaid balance is paid in full. Any Default of this Note will also constitute an event of Default of any separate Mortgage, Deed of Trust or Security Deed securing this Note ("Security Instrument") or Pledge Agreement securing this Note. Upon Default, the Note Holder may proceed to enforce the terms of this Note or enforce any rights that it may have under the Security Instrument or Pledge Agreement.

(C) No Waiver by Note Holder: Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in Default at a later time. Any failure to enforce any provision of this Note by the Note Holder shall not constitute any waiver of such rights of the Note Holder to subsequently enforce such rights or remedies.

(D) Payment of the Note Holder's Costs and Expenses: If the Note Holder has required me to pay immediately in full as described above, and I fail to do so and such failure causes the Note Holder to incur additional expenses, the Note Holder will have the right to a refund of all of its costs and expenses to the extent not prohibited by the law governing this Note. To the extent that Colorado law governs this Note, these expenses include such amounts permitted by applicable law, including, but are not limited to, reasonable attorney's fees not in excess of 15% of the unpaid debt after default and referral to an attorney who is not a salaried employee or such additional fees as may be awarded by the court. To the extent that any law other than the law of Colorado governs this Note, those expenses include reasonable attorneys' fees for an attorney who is not the Note Holder's salaried employee, foreclosure fees and court costs but, in no event, shall these expenses exceed fifteen percent (15%) of the unpaid balance plus court costs.

6. THIS NOTE IS SECURED BY A SECURITY INSTRUMENT. In addition to the protections given to the Note Holder under this Note, a separate Security Instrument(s), on real property (the "Property") described in the Security Instrument and dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. The Security Instrument describes how and under what conditions I may also be required to make immediate payment in full of all amounts I owe under this Note. I agree to these conditions. Subject to applicable law, I understand that this loan is subject to repayment in full in the event the Property securing this debt is sold, conveyed or otherwise transferred.

If in addition to a Security Instrument, I pledge securities, cash accounts or other liquid collateral (the "Other Collateral") as Other Collateral for this Note, then I grant to the Note Holder a perfected security interest in such Other Collateral and all additions or replacements to, or proceeds of as is more fully described in the separate Collateral Pledge Agreement (the "Pledge Agreement") executed as of the same date as this Note. The Pledge Agreement describes the Other Collateral in detail and protects the Note Holder from possible losses which might result if I do not keep the promises that I make in this Note. The Pledge Agreement also describes how and under what conditions I may also be required to make immediate payment in full of all amounts that I owe under this Note. I agree to these conditions. If the Other Collateral includes securities, I agree to deliver immediately to the Note Holder, fully endorsed, any certificates for shares representing any stock dividend, stock split or right to subscribe. I further pledge and agree to deliver to the Note Holder, upon demand, additional Other Collateral satisfactory to the Note Holder and in accordance with all margin requirements. If I do not provide the Note Holder with a perfected security interest in the Other Collateral and the Note Holder incurs any expenses, including attorneys' fees, in order to obtain a perfected security interest, I will be responsible for such expenses.

If I do not provide or assist the Note Holder in obtaining a perfected security interest in the Property or Other Collateral and the Note Holder incurs any expenses, including attorney's fees, in order to obtain a perfected security interest in such Property or Other Collateral, to the extent not otherwise prohibited by the law governing this Note, I agree that the Note Holder may add the amount of such expenses to the Principal and that such expenses will accrue interest at the Note Interest Rate until paid in full.

7. PREPAYMENT.

(A) Subject to the order of application of payments described in Section 3, I have the right to make payments of Principal at any time before they are due without penalty. A prepayment of all unpaid Principal is known as a "full prepayment." A prepayment of only part of the unpaid Principal is known as a "partial prepayment."

(B) If I make a partial prepayment, my next due date may be advanced. If I make a payment that is more than the amount that is due, the amount in excess of the amount due is called an "Excess Payment." If I make an Excess Payment, the Note Holder will assume that I want to reduce or skip my next scheduled payment or payments. If the Excess Payment is less than or equal to the next scheduled payment, the next scheduled payment will be reduced by the amount of the Excess Payment. If the Excess Payment exceeds the amount of my next scheduled payment, the number of payments that may be skipped will be determined by subtracting each subsequently scheduled payment from the Excess Payment. So long as the remaining portion of the Excess Payment exceeds the next scheduled payment amount, that payment may be skipped. When the remaining portion of the Excess Payment is equal to or less than my next scheduled payment, that remaining portion will be used to reduce the amount of the next scheduled payment. If I want the Note Holder to handle an Excess Payment differently, I will tell the Note Holder in writing. I understand that interest will continue to accrue on the outstanding principal balance and that if I want maximum interest savings from Excess Payments, I should continue to make payments on or before the scheduled due date.

8. BORROWER'S WAIVERS. I waive my rights to require the Note Holder to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (c) to obtain an official certification of non-payment (known as "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to the Note Holder if I fail to keep my promises under this Note, or who signs this Note to transfer it to someone else, also waives these rights. These persons are known as "Guarantors," "Sureties," "Co-Signers" and "Endorsers."

9. GIVING OF NOTICES.

(A) Any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail addressed to me at the address contained in this Note. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice of my different address.

(B) Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address provided to me by the Note Holder. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

10. PAYMENT IN FULL. I AGREE THAT THE NOTE HOLDER MAY ACCEPT PAYMENTS MARKED "PAID IN FULL" WITHOUT ANY LOSS OF THE NOTE HOLDER'S RIGHTS UNDER THIS NOTE UNLESS I SEND THEM FOR SPECIAL HANDLING TO WACHOVIA BANK, NATIONAL ASSOCIATION, SPECIAL PAYOFFS, PO BOX 10723, ROANOKE, VA 24022. ACCEPTANCE OF ANY PAYMENT SENT TO THE SPECIAL HANDLING ADDRESS DOES NOT WAIVE THE NOTE HOLDER'S RIGHT TO SUBSEQUENTLY REJECT SUCH PAYMENT IN ACCORDANCE WITH APPLICABLE LAW.

11. EXTENSIONS AND MODIFICATIONS. All Guarantors, Sureties, Co-Signers, Endorsers and I consent to any and all extensions of time, renewals, waivers or modifications which may be granted or consented to by the Note Holder as to the time of payment or any other provision of this Note. If in its sole discretion, the Note Holder permits an extension, renewal or modification to this Note, I agree to pay a charge not to exceed an amount permitted by the law governing this Note. All Guarantors, Sureties, Co-Signers, Endorsers and Makers hereby waive presentment, notice of dishonor, and protest hereof. This Note is the joint and several obligation of each Maker and shall be binding upon them and their heirs, successors and assigns.

12. INSURANCE REQUIREMENTS. I agree to purchase property/hazard insurance insuring the Property against loss and as required by the Security Instrument. I acknowledge that I may obtain property/hazard insurance from any insurance company of my choice, subject to the Note Holder's right of approval which shall not be unreasonably withheld. Unless I provide the Note Holder with evidence of the insurance coverage required by my agreement with the Note Holder, the Note Holder may purchase insurance at my expense to protect the Note Holder's interests in the Property. This insurance may, but need not, protect my interests. The coverage that the Note Holder purchases may not pay any claim that I make or any claim that is made against me in connection with the Property. I may later cancel any insurance purchased by the Note Holder, but only after providing the Note Holder with evidence that I have obtained insurance as required by our agreement. If the Note Holder purchases insurance for the Property, I will be responsible for the costs of the insurance, including interest and any other charges the Note Holder may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added to the Principal and will accrue interest at the Note Interest Rate. I understand that the costs of the insurance obtained by the Note Holder may be more than the cost of insurance I may be able to obtain on my own.

13. RESPONSIBILITY OF PERSONS UNDER THIS NOTE. If more than one person signs this Note, each of us is jointly and severally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any Guarantor, Surety, Co-Signer or Endorser of this Note (as described in Section 8 above) jointly and severally guarantee the payment, when due, to any Note Holder hereof of all amounts from time to time owing on this Note. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. I and any Guarantor, Surety, Co-Signer or Endorser of this Note further agrees that the failure by the Note Holder to perfect any security interest granted by this Note shall not affect my liability or the liability of any Guarantor hereon.

14. GOVERNING LAW. This Note will be governed by and interpreted in accordance with federal law and, except as preempted by federal law, the laws of the state where the property securing this Note is located. Federal law that governs this Note includes 12 USC 85, which incorporates in part the laws of the State of North Carolina. If the Property securing this debt is located in Maryland, to the extent this Note is governed by Maryland law, this Note is governed by *Md. Code Ann., Commercial Law §12-1001 et. seq.* and applicable federal law.

15. GENERAL PROVISIONS. I agree that I may not sell, assign or otherwise transfer my rights or obligations under this Note and that such action will be void. Any person who takes over my rights or obligations under this Note by operation of law will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of any Guarantor, Surety, Co-Signer or Endorser of this Note is also obligated to keep all of the promises made in this Note. This Note is intended by the Note Holder and me as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Note. This Note may not be supplemented or modified except in writing signed by the Note Holder and me. This Note benefits the Note Holder, its successors and assigns, and binds me and my heirs, personal representatives and assigns. If any provision of this Note shall for any reason be held to be invalid or unenforceable, such determination shall not affect the enforceability of the remaining provisions of this Note. Headings are for convenience of reference only and shall not affect the construction of this Note or any other document associated with this loan.

16. SAVINGS AND COMPLIANCE. It is the intention of you and me to comply with applicable law. In each and every instance, our rights shall be limited by applicable law (to the extent such laws may not be effectively waived), construed so as to comply with such laws, and our rights may not be exercised except to the extent permitted by applicable law. No part of this agreement, nor any charge or receipt by you, is supposed to permit you to impose interest or other amounts in excess of lawful amounts. If an excess occurs, you will apply it as a credit or otherwise refund it and the rate or amount involved will automatically be reduced to the maximum lawful rate or amount. To the extent permitted by law, for purposes of determining your compliance with law, you may calculate charges by amortizing, prorating, allocating and spreading any such charges.

17. DOCUMENTARY TAX. For loans secured by real property located in Florida, the state documentary tax due on this Note has been paid on the mortgage securing this indebtedness.

18. CONSENT TO RECORDING, MONITORING, AND USE OF AUTOMATED COMMUNICATIONS. I agree that my telephone communications with you, your affiliates and/or service providers may be monitored and/or recorded to assure the quality of your service. I authorize you and your service providers to make calls and/or send text messages to me at any telephone number(s) I provide to you and/or your service providers, including a wireless telephone number that could result in charges to me, for all purposes related to the servicing of my account or to collect any amounts I owe. I understand that these calls and/or text messages may be made to me using technologies including, but not limited to, automatic telephone dialing systems or artificial or prerecorded voice messages.

NOTICE TO BORROWER:

1. CAUTION: IT IS IMPORTANT THAT THE BORROWER THOROUGHLY READS THIS NOTE BEFORE THE BORROWER SIGNS IT.
2. THIS NOTE IS SECURED BY EITHER A FIRST OR SUBORDINATE LIEN ON REAL PROPERTY.
3. THE BORROWER IS ENTITLED TO A COPY OF THIS NOTE.
4. DO NOT SIGN THIS NOTE IF IT CONTAINS ANY BLANK SPACES.
5. THE BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

By signing and sealing this Note, I agree under seal to the terms set forth above.

_____ [SEAL]
Borrower RONALD P PAPPAS

_____ [SEAL]
Borrower CAMINE PAPPAS

Any Guarantor, Surety, Co-Signer or Endorser of this Note acknowledges receipt and execution of the Co-Signer's Notice.

_____ [SEAL]
Guarantor - Co-Signer

_____ [SEAL]
Guarantor - Co-Signer

FOR OFFICE USE ONLY

Endorsement.
Pay to the Order of _____

Without Recourse
_____

By: _____
Name: _____
Title: _____

Redacte

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit D

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Mortgage

2009009777
MORTGAGE RECORDING FEES $20.00
PRESENTED & RECORDED:
07-23-2009 11:21 AM
JOHN LANE
REGISTER OF DEEDS
LANCASTER COUNTY, SC
By: CANDICE KINVILLE DEPUTY
BK:MORT 2135
PG:99-112

Closed at & Mail To: McMillan & Terry, PA/jo (no title insurance)
Legal: Lot 311, Edgewater, PB 2005-559, Lancaster County, SC

Return To:
Wachovia Bank, National Association
Retail Credit Servicing
P.O. Box 50010
Roanoke, VA 24022
Parcel No: 0127C-0B-016.00

Prepared By:
ESHA VERMA

(Space Above This Line For Recording Data)

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined elsewhere in this document. Certain rules regarding the usage of words used in this document are also provided in Section 15.

(A) **"Security Instrument"** means this document, which is dated 22 July, 2009.
(B) **"Borrower"** means the parties obligated on the Debt Instrument.
(C) **"Grantor"** under this Security Instrument is
RONALD P. PAPPAS, and wife, CAMINE PAPPAS

Grantor is the mortgagor under this Security Instrument.
(D) **"Lender"** is Wachovia Bank, National Association. Lender is a national banking association organized and existing under the laws of The United States of America. Lender's address is Wachovia Bank, National Association, 301 South College Street, VA 0343, Charlotte, N.C. 28288-0343. Lender is the mortgagee under this Security Instrument.
(E) **"Debt Instrument"** means the promissory note signed by Borrower and dated 07/22/09.
The Debt Instrument states that Lender is owed (U.S. $ 210954.69)
plus interest to be repaid in regular Periodic Payments and in full not later than 07/21/12.
(F) **"Property"** means the property that is located at
LOT 311 EDGEWATER
LANCASTER SC 29720 ("Property Address")
and that is further described below under the heading "Transfer of Rights in the Property."
(G) **"Loan"** means all amounts owed now or hereafter under the Debt Instrument, including without limitation principal, interest, any prepayment charges, late charges and other fees and charges due under the Debt Instrument, and also all sums due under this Security Instrument, plus interest.
(H) **"Applicable Law"** means all controlling applicable federal law and, to the extent not preempted by federal law, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
(I) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Grantor or the Property by a condominium association, homeowners association or similar organization.
(J) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) **"Escrow Items"** means those items that are described in Section 3.
(L) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) **"Periodic Payment"** means the amounts as they become due for (i) principal, interest and other charges as provided for in the Debt Instrument, plus (ii) any amounts under Section 3 of this Security Instrument.

(N) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(O) **"Successor in Interest of Grantor"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Debt Instrument and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Debt Instrument; and (ii) the performance of Grantor's covenants and agreements under this Security Instrument and Borrower's covenants and agreements under the Debt Instrument. For this purpose, Grantor does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property located in the County of LANCASTER, State of South Carolina:

DEED DATE:05/30/06 RECORDED: 07/28/06 BOOK/INST: 346 PAGE: 342
PARCEL/TAX ID #:0127C-0B-016.00 TWP/BORO:CITY OF LANCASTER
LOT 311
SEE LEGAL DESCRIPTION

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. If the Property is a multifamily (2-4 family) dwelling, then the following items now or hereafter attached to the Property to the extent they are fixtures are also covered by this Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

If the Property includes a unit in, together with an undivided interest in the common elements of, a condominium project (the "Condominium Project") and if the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Grantor's interest in the Owners Association and the uses, proceeds and benefits of Grantor's interest.

If the Property is a part of a planned unit development (the "PUD"), the Property also includes Grantor's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Grantor's interest.

GRANTOR COVENANTS that Grantor is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

UNIFORM COVENANTS. Grantor and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment and Other Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Debt Instrument and any prepayment charges, late charges and other charges due under the Debt Instrument. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Debt Instrument and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Debt Instrument or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Debt Instrument and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in (or in accordance with) the Debt Instrument or at such other location as may be designated by Lender in accordance with the notice provisions in Section 14. Subject to Applicable Law, Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future. Payments shall be applied as permitted by applicable law and as provided in the Debt Instrument.

2. Application of Payments or Proceeds. Unless other procedures are set forth in the Debt Instrument or Applicable Law and as otherwise described in this Section 2, the following provisions in this

Redacted

Section 2 shall govern the application of payments and proceeds with respect to the Loan. All payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Debt Instrument; (b) principal due under the Debt Instrument; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Debt Instrument.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges and other charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Debt Instrument.

Unless other procedures are set forth in the Debt Instrument, any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Debt Instrument shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. The Lender does not require or provide for escrow at the time this Security Instrument is signed. Accordingly, the provisions of this Section 3 shall apply only if at any time any Escrow Item, as described below and including any Community Association Dues, Fees, and Assessments, is not paid when due, and Lender gives Borrower notice that these provisions will thereafter apply. Until such notice is provided, Borrower shall have no obligation under this Section 3. When the escrow is established, Borrower shall pay to Lender for deposit in an escrow account such amounts (the "Funds") as permitted by applicable law. Thereafter, Borrower shall pay to Lender on the day Periodic Payments are due under the Debt Instrument, until the Debt Instrument is paid in full, a sum to be added to the Funds to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; and (c) premiums for any and all insurance required by Lender under Section 5. These items are called "Escrow Items." Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such Community Association Dues, Fees, and Assessments shall be an Escrow Item. Grantor or Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 14 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, if applicable, and (b) not to exceed the maximum amount a lender can require under RESPA, if applicable. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA, if applicable. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA, if applicable.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA, if applicable. If RESPA is applicable and there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If RESPA is applicable and there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, they shall be paid in the manner provided in Section 3, if Borrower is obligated to do so under Section 3.

Grantor shall promptly discharge any lien which has priority over this Security Instrument unless: (a) such lien was disclosed on the application for the Loan that Borrower provided to Lender or Grantor agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Grantor is performing such agreement; (b) Grantor contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) Grantor secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien that can attain priority over this Security Instrument and which was not disclosed on the application for the Loan that Borrower provided to Lender, Lender may give Grantor a notice identifying the lien. Within 10 days of the date on which that notice is given, Grantor shall satisfy the lien or take one or more of the actions satisfactory to Lender set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Grantor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. If the Property is a multifamily (2-4 family) dwelling, Grantor shall also maintain insurance against rent loss. All such property insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's right to disapprove Grantor's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Grantor.

If Grantor fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Grantor, Grantor's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Grantor could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the rate applicable to the Debt Instrument from time to time, from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Grantor further agrees to generally assign rights to insurance proceeds to the holder of the Debt Instrument up to the amount of the outstanding loan balance. If Lender requires, Grantor shall promptly give to Lender copies of all policies, renewal certificates, receipts of paid premiums and renewal notices. If Grantor obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Grantor further agrees to generally assign rights to insurance proceeds to the holder of the Debt Instrument up to the amount of the outstanding loan balance.

In the event of loss and subject to the rights of any lienholder with rights to insurance proceeds that are superior to Lender's rights, the following provisions in this Section 5 shall apply. Grantor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Grantor. Unless Lender and Grantor otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Grantor shall not be paid out of the insurance proceeds and shall be the sole obligation of Grantor. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to

the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Grantor abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Grantor does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 21 or otherwise, Grantor hereby assigns to Lender (a) Grantor's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Debt Instrument or this Security Instrument, and (b) any other of Grantor's rights (other than the right to any refund of unearned premiums paid by Grantor) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Debt Instrument or this Security Instrument, whether or not then due, subject to the rights of any lienholder with rights to insurance proceeds that are superior to Lender's rights.

6. Occupancy. Unless Grantor is a corporation, association or partnership, Grantor shall occupy, establish, and use the Property as Grantor's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Grantor's principal residence for at least one year after the date of occupancy, unless (a) Borrower has disclosed on the application for the Loan that Borrower provided to Lender that the Property shall not be Grantor's principal residence; (b) Lender otherwise agrees in writing, which consent shall not be unreasonably withheld; or (c) unless extenuating circumstances exist which are beyond Grantor's control.

If Borrower indicated on the application for the Loan that the Property will be a second home and not Grantor's principal residence, then Grantor shall occupy, and shall only use, the Property as Grantor's second home. Grantor shall keep the Property available for Grantor's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Grantor either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

This Section 6 does not apply if the Property is a multifamily (2-4 family) dwelling, unless Lender and Grantor otherwise agree in writing.

7. Preservation, Maintenance and Protection of the Property; Inspections. Grantor shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Grantor is residing in the Property, Grantor shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Grantor shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Grantor shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Grantor is not relieved of Grantor's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Grantor notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, (a) representations concerning Grantor's occupancy of the Property as Grantor's principal residence or second home and (b) liens on the Property that have priority over this Security Instrument.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Grantor fails to perform the covenants and agreements contained in this Security Instrument or any obligation that is secured by a lien that is superior to this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of any lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Grantor has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the rate applicable to the Debt Instrument from time to time, from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.
If this Security Instrument is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Grantor any interest or earnings on such Miscellaneous Proceeds. Subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights, if the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

Subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights, in the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Grantor and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights, any balance shall be paid to Grantor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Grantor and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights.

If the Property is abandoned by Grantor, or if, after notice by Lender to Grantor that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Grantor fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights. "Opposing Party" means the third party that owes Grantor Miscellaneous Proceeds or the party against whom Grantor has a right of action in regard to Miscellaneous Proceeds.

Grantor shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Grantor can cure such a default and, if acceleration has occurred, reinstate as provided in Section 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower shall not operate to release the liability of Grantor or any Successors in Interest of Grantor. Lender shall not be required to commence proceedings against any Successor in Interest of Grantor or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Grantor or any Successors in Interest of Grantor. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Grantor or in

amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

12. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. Grantor covenants and agrees that Grantor's obligations and liability shall be joint and several. However, any Grantor who signs this Security Instrument but is not a Borrower (i.e., a "co-signer"): (a) is signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Debt Instrument without the co-signer's consent.

Subject to the provisions of Section 17, any Successor in Interest of Grantor who assumes Grantor's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Grantor's rights and benefits under this Security Instrument. Grantor shall not be released from Grantor's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 19) and benefit the successors and assigns of Lender.

13. Loan Charges. Lender may charge Borrower fees for services performed in connection with a default by either Borrower or Grantor, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Debt Instrument or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Debt Instrument). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

14. Notices. Unless otherwise described in the Debt Instrument or in another agreement between Borrower and Lender or Grantor and Lender, the following provisions regarding notices shall apply. All notices given by Borrower, Grantor or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower or Grantor in connection with this Security Instrument shall be deemed to have been given when mailed by first class mail or when actually delivered to the notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. Notice to any one Grantor shall constitute notice to all Owners unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower or Grantor has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. Grantor shall promptly notify Lender of Grantor's change of address. If Lender specifies a procedure for reporting a change of address, then Borrower or Grantor shall only report a change of address through that specified procedure. There may be only one designated notice address for Borrower under the Loan at any one time. If no Borrower is also an Grantor there may be one additional designated notice address for Grantor. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower or Grantor. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

15. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and, to the extent not preempted by federal law, the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Debt Instrument conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Debt Instrument which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; (c) the word "may" gives sole discretion without any obligation to take any action; and (d) headings that appear at the beginning of the sections of this Security Instrument are inserted for the convenience of the reader only, shall not be deemed to be a part of this Security Instrument, and shall not limit, extend, or delineate the scope or provisions of this Security Instrument.

16. Borrower's and Grantor's Copy. Borrower shall be given one copy of the Debt Instrument and of this Security Instrument. Any Grantor that is not also a Borrower shall also be given one copy of the Debt Instrument and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Grantor. As used in this Section 17, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Grantor at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Grantor is not a natural person and a beneficial interest in Grantor is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Grantor notice of acceleration (and shall notify Borrower as well, if no Grantor is a Borrower). The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which all sums secured by this Security Instrument must be paid. If these sums are not paid to Lender prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower or Grantor.

18. Grantor's Right to Reinstate After Acceleration. If Grantor meets certain conditions and the Property is not a multifamily (2-4 family) dwelling, Grantor shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Grantor's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that: (a) Lender is paid all sums which then would be due under this Security Instrument and the Debt Instrument as if no acceleration had occurred; (b) any default of any other covenant or agreement is cured; (c) all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument are paid to Lender; and (d) such action as Lender may reasonably require is taken to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that such reinstatement sums and expenses be paid in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, Grantor shall have the right to reinstate only once in any 24-month period, and this right to reinstate shall not apply in the case of acceleration under Section 17.

19. Sale of Debt Instrument; Change of Loan Servicer; Notice of Grievance. The Debt Instrument or a partial interest in the Debt Instrument (together with this Security Instrument) can be sold one or more times without prior notice to either Grantor or Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Debt Instrument and this Security Instrument and performs other mortgage loan servicing obligations under the Debt Instrument, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Debt Instrument. If there is a change of the Loan Servicer, Borrower will be given written notice of the change. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will include any other information required by Applicable Law in connection with a notice of transfer of servicing. If the Debt Instrument is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Debt Instrument, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the purchaser of the Debt Instrument unless otherwise provided by the purchaser of the Debt Instrument.

Neither Borrower, Grantor or Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower, Grantor or Lender has notified the other party (with such notice given in compliance with the requirements of Section 14) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period that must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given pursuant to Section 21 and the notice of acceleration given pursuant to Section 17 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 19. If Borrower and Lender or Grantor and Lender have entered into an agreement to arbitrate disputes, the provisions of any such arbitration agreement shall supersede any provision in this Section 19 that would conflict with the arbitration agreement.

20. Hazardous Substances. As used in this Section 20: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Grantor shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Grantor shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Grantor has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Grantor learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Grantor and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Grantor prior to acceleration following breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 17 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Grantor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Grantor to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence, all of which shall be additional sums secured by this Security Instrument.

22. Release. Upon payment of all sums secured by this Security Instrument, this Security Instrument shall become null and void. Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

23. Homestead Waiver. Grantor waives all rights of homestead exemption in the Property to the extent allowed by Applicable Law.

24. Waiver of Appraisal Rights. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within 30 days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction.

TO THE EXTENT PERMITTED BY LAW, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY. This waiver shall not apply so long as the Property is used as a dwelling place as defined in § 12-37-250 of the South Carolina Code of Laws.

25. Future Advances. The lien of this Security Instrument shall secure the existing indebtedness under the Debt Instrument and any future advances made under this Security Instrument up to 150% of the original principal amount of the Debt Instrument plus interest thereon, attorneys' fees and court costs.

26. Multifamily Dwelling Covenants. If the Property is a multifamily (2-4 family) dwelling, the following lettered paragraphs are additional covenants of this Security Instrument:

A. Use of Property; Compliance with Law. Grantor shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Grantor shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

B. Subordinate Liens. Except as permitted by federal law, Grantor shall not allow any lien inferior to this Security Instrument to be perfected against the Property without Lender's prior written permission.

C. Assignment of Leases. Upon Lender's request after default, Grantor shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph C, the word "lease" shall mean "sublease" if this Security Instrument is on a leasehold.

D. Assignment of Rents; Appointment of Receiver; Lender in Possession. Grantor absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the

Property, regardless of to whom the Rents of the Property are payable. Grantor authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Grantor shall receive the Rents until (i) Lender has given Grantor notice of default pursuant to Section 21 of this Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Grantor: (i) all Rents received by Grantor shall be held by Grantor as trustee for the benefit of Lender only, to be applied to the sums secured by this Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Grantor agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by this Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Security Instrument pursuant to Section 9.

Grantor represents and warrants that Grantor has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Grantor. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by this Security Instrument are paid in full.

E. Cross-Default. Borrower's or Grantor's default or breach under any note or agreement in which Lender has an interest shall be a breach under this Security Instrument and Lender may invoke any of the remedies permitted by this Security Instrument.

27. Condominium and PUD Covenants. If the Property is a unit in a Condominium Project or a Planned Unit Development, the following lettered paragraphs are additional covenants of this Security Instrument:

A. PUD or Condominium Obligations. Grantor shall perform all of Grantor's obligations under the Constituent Documents of the PUD or the Condominium Project, as applicable. If the Property is part of a PUD, the "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. If the Property is part of a Condominium Project, the "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. In either case, Grantor shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property located within the Condominium Project or PUD, as applicable, which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Grantor's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Grantor shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the condominium unit or to the common elements of the Condominium Project, or, if the Property is part of a PUD, to common areas and facilities of the PUD, any proceeds payable to Grantor are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor.

C. Public Liability Insurance. Grantor shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Grantor in connection with any condemnation or other taking of all or any part of the

Property, whether to the condominium unit or to the common elements of the Condominium Project, or, if the Property is part of a PUD or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by this Security Instrument as provided in Section 10.

E. Lender's Prior Consent. Grantor shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project or PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Grantor does not pay condominium or PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided in the Debt Instrument and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

28. Grantor's Representations. If Grantor is not an individual, Grantor represents that it is a corporation, general partnership, limited partnership, limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of the state of organization, and it is authorized to do business in each other jurisdiction where its ownership of property or conduct of business legally requires such authorization; it has the power and authority to own its property and assets and carry on my business as now being conducted and contemplated; and it has the power and authority to execute, deliver and perform, and it has taken all necessary action to authorize the execution, delivery and performance of this deed of trust and all related documents.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender at Wachovia Bank, National Association, Retail Credit Servicing, P.O. Box 50010, Roanoke, VA 24022 of any default under the superior encumbrance and of any sale or other foreclosure action.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Security Instrument.

For individuals:

Signed, sealed and delivered in the presence of:

_____
Witness Signature

Michelle Psaroudis
Witness (Print Name)

_____
Witness Signature

Jill Obermeier
Witness (Print Name)

_____ (Seal)
Grantor RONALD P PAPPAS

_____ (Seal)
Grantor CAMINE PAPPAS

_____ (Seal)
Grantor

_____ (Seal)
Grantor

_____ (Seal)
Grantor

_____ (Seal)
Grantor

Redacted

For Non-Individuals:

_____
Grantor

By: _____ By: _____

Title: _____ Title: _____

By: _____ By: _____

Title: _____ Title: _____

_____ _____
Witness Signature Witness Signature

_____ _____
Witness (Print Name) Witness (Print Name)

South Carolina for an Individual (on individual's own behalf or as a sole proprietor):

State of North Carolina

County of Mecklenburg

The foregoing instrument was acknowledged before me this the 22nd day of July, 20 09, by RONALD P PAPPAS
CAMINE PAPPAS

_____ (Place Notary Stamp Here)
Notary Public

Jill Obermeier
Notary Public Name (Printed or Typed)

My Commission expires: 7-31-11

JILL OBERMEIER NOTARY PUBLIC MECKLENBURG COUNTY, NC

For a Corporation or Limited Liability Company:

State of _____

County of _____

The foregoing instrument was acknowledged before me this the _____ day of _____, 20____, by _____ (name of officer or agent, title of officer or agent) of _____ (name of corporation acknowledging) a _____ (state or place of incorporation) corporation/limited liability company, on behalf of the corporation/limited liability company.

_____ (Place Notary Stamp Here)
Notary Public

_____
Notary Public Name (Printed or Typed)

My Commission expires: _____

Redacted

For a Partnership, Limited Partnership, Limited Liability Partnership:

State of _____

County of _____

The foregoing instrument was acknowledged before me this the _____ day of _____, 20____, by _____ (name of acknowledging partner or agent), partner (or agent) on behalf of _____ (name of partnership), a partnership/limited partnership/limited liability partnership.

_____ (Place Notary Stamp Here)

Notary Public

_____

Notary Public Name (Printed or Typed)

My Commission expires:_____

LEGAL DESCRIPTION ADDENDUM

All that certain piece, parcel or lot of land lying, being and situate in the State of South Carolina, County of Lancaster, being designated as Lot 311 of EDGEWATER SUBDIVISION, as shown on a plat of property shown in Plat Book 2005 at Page 559 in the Office of the Register of Deeds for Lancaster County, South Carolina, to which plat reference is hereby made for a more particular description.

DERIVATION: This being that same property conveyed to Ronald P. Pappas by deed from Craft Development, LLC recorded in Book 346 at Page 342 in the Office of the Register of Deeds for Lancaster County, South Carolina.

Parcel No. 127C-OB-016.00



Redacted

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit E

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

JJH Transport, LLc and Joel Herring *v.* Branch Banking and Trust Company (2006-CP-21-1814

CERTIFIED A TRUE COPY
CLERK OF COURT C.P. & G.S.
FLORENCE COUNTY, S.C.

STATE OF SOUTH CAROLINA
COUNTY OF FLORENCE

IN THE COURT OF COMMON PLEAS
C/A No: 2006-CP-21-1814

JJH TRANSPORT, LLC AND JOEL HERRING,

Plaintiff,

vs.

BRANCH BANKING AND TRUST COMPANY OF SOUTH CAROLINA,

Defendants

FILED
2007 MAY 24 AM 9:42
CLERK OF COURT
C.C.P. & G.S.
FLORENCE COUNTY, SC

ORDER ON AMENDED MOTION TO DISMISS

This matter came before the Court on the Motion to Dismiss pursuant to Rules 12(b)(6) and (8), SCRCP, of Branch Banking and Trust Company of South Carolina ("BB&T").

The Motion to Dismiss sought the dismissal of all causes of action as to Joel Herring, pursuant to Rule 12(b)(8), SCRCP, on the grounds that a prior pending action was pending between the same parties involving the same claims as alleged herein. The Motion to Dismiss further sought the dismissal of the First and Second Causes of action, alleging negligence, the Fourth Cause of Action, alleging conspiracy, the Fifth Cause of Action, alleging a violation South Carolina Unfair Trade Practices Act and the Sixth Cause of Action, alleging intentional infliction of emotional distress.

MOTION TO AMEND

At the hearing in this matter, the Plaintiff presented to the Court a Motion to Amend and a proposed Second Amended Complaint. Arguments at the hearing and subsequent written submissions by the Plaintiff have relied upon the Second Amended Complaint. With the consent

of counsel and to avoid unnecessary further pleadings, this Court has considered the Second Amended Complaint in the determination of this Motion. As a preliminary matter, the Court grants the Motion to Amend dated January 8, 2007. The Amended Motion to Dismiss is construed by the Court as addressing the Second Amended Complaint and a further motion specifically directed to that pleading shall not be required. In addition, the Court determines that the previously filed Answer to Amended Complaint is sufficiently responsive to the Second Amended Complaint with any material facts added in the Second Amended Complaint to be considered denied without further answer.

RULE 12(b)(8) – PRIOR PENDING ACTION

Rule 12(b)(8), SCRCP, specifically provides for dismissal of an action or claim if "another action is pending between the same parties for the same claim".

BB&T argues that the appropriate standard to be applied in determining the applicability of Rule 12(b)(8), SCRCP, was set forth by the Court of Appeals in *Corbett v. City of Myrtle Beach*[1] where the Court was evaluating the propriety of a suit brought by a wife for intentional infliction of emotional distress subsequent to the filing of two previous wrongful death actions. The Court dismissed the third action, even though on a separate legal theory, finding that the "claim involves the same parties and is based upon the same facts and circumstances as the first two civil actions."

On July 12, 2006, BB&T filed its Complaint for foreclosure in Marion County in Civil Action No. 2006-CP-33-251 against Sawgrass Timber & Chip, LLC and Joel Herring (the "Foreclosure Action"). The Foreclosure Action was served on August 29, 2006. On October 25, 2006, Plaintiff's counsel herein, as attorney for Sawgrass Timber & Chip, LLC and Joel Herring served an Answer and Counterclaim in the Foreclosure Action which Answer and Counterclaim

asserted, on behalf of Joel Herring, each cause of action alleged in the Complaint in this action (along with others). The Complaint in this action was not filed until October 30, 2006, five days after the service of the Answer and Counterclaims in the Foreclosure Action. The Complaint in this action, as it relates to Herring, clearly involves the same parties and is based upon the same facts and circumstances as the Counterclaims. Each of the claims alleged herein on behalf of Joel Herring were, therefore, the subject of a "another action pending between the same parties for the same claim" at the time of the filing of the Complaint in this action and would be barred under the *Corbett* standard.

In his initial written presentation to the Court, Joel Herring attempts to distinguish the Counterclaims in the Marion action from his claims in this action by asserting that Mr. Herrings status is different in the two cases ("as guarantor and principal of Sawgrass" in the Marion Counterclaims and "as principal of JJH" in this case) and that the damages sought are different in the two actions. These alleged distinctions, however, are not sufficient to allow the two cases to continue under the *Corbett* standard.

In further Court submissions the Plaintiff concedes that *Corbett* is the only case decided under Rule 12(b)(8), SCRCP but cites the Court to *Connecticut Nat'l Bank v. Wilson*,[2] decided under what the Plaintiff describes as the "precursor" of Rule 12(b)(8) and asks the Court to apply an allegedly "more restrictive" standard established under that "precursor." The "precursor" to Rule 12(b)(8), SC Code Ann. §Section 10-642 (utilizing the numbering system in effect at the time) provided "The defendant may demur to the complaint when it shall appear upon the face thereof that: (3) There is another action pending between the same parties for the same **cause**." When the current Rules of Civil Procedure were adopted the wording was changed from the

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1 336 S.C. 601, 610 (S.C. Ct. App. 1999)

2 284 S.C. 415, 326 S.E.2d 657 (S.C. 1985)

specific "cause" to a more general "claim." This would appear to be the rationale behind the less restrictive interpretation as found in *Corbett.* However, even if the more restrictive standard of *Connecticut Nat'l Bank* is applied, dismissal would be appropriate. Each of the cases under the former SC Code §Section 10-642, including *Connecticut Nat'l Bank*, cite 1 C.J.S. *Abatement and Revival* § 39 as authority for the standard set out[3]. As quoted in *Connecticut Nat'l Bank* that standard is:

> Generally speaking, in order that one of two pending actions may be urged in abatement of the other, the actions must be identical **or substantially** so, that is, they must be between the same parties (infra §§ 56-62), based on the same cause of action, involve the same issues (infra § 40), and be **capable of authorizing the same relief** (infra § 43).

As it relates to Joel Herring and his claims in the Marion and Florence actions, the parties are the same, the causes of action are identical and the issues involved are identical. The underlying authority behind the South Carolina cases under the former statute clearly states that the standard is met if the Court in the first action is "capable of authorizing the same relief." The Court in Marion County is capable of granting to Joel Herring any and all relief to which he might be entitled under each of the causes of action pled in that Court (which, as previously set forth, are the same causes of action later pled in Florence County).

In addition, even under the old more restrictive statute, courts would apply the statute and abate (the term used for the action at the time) the second suit even if they were not identical. In *McConnell v Williams*[4] the Court applied abatement in a case stating:

> "the object of the two suits and the relief sought are not absolutely identical. At the same time the issues are so interrelated that the ends of justice will be best served by allowing the first suit to proceed and by withholding action in the second suit."

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3 McConnell v. Williams 252 S.C. 573; 167 S.E.2d 429 (SC 1969); South Carolina Public Service

The issues in the two cases, as they relate to Joel Herring, are, in the Court's opinion, clearly so interrelated that the ends of justice will be best served by allowing the first suit to proceed (the Counterclaims in the Marion action) and by withholding action, through dismissal, in the second suit (this action). Although the Court understands the argument that Herring is seeking redress and damages for wrongs allegedly incurred in different capacities in the two actions, the court sees no practical way to separate the claims into two distinct pieces of litigation in two counties.

The claims of Joel Herring are, therefore, dismissed and Joel Herring is, as a result, dismissed as a Plaintiff and party herein.

RULE 12(b)(6) -- NEGLIGENCE

BB&T moves to dismiss the First and Second Causes of Action on the basis that "the Plaintiff has failed to state facts sufficient to constitute a cause of action for negligence as, as a matter of law, no duty exists between the Plaintiff JJH Transport, LLC and BB&T under the facts alleged."

At issue in this case is the existence of a legal duty. BB&T asserts that "absolutely no relationship exists between the Plaintiff, JJH Trucking, LLC and the alleged tort-feasor, BB&T, from which any duty to act can or does arise" and seeks a dismissal of the first and second causes of action as a result.

At this point in the litigation, the Motion to Dismiss is denied as to these two causes of action.[5]

Commission V. City Of Rock Hill 268 S.C. 405; 234 S.E.2d 228 (SC 1977)

4 252 S.C. 573; 167 S.E.2d 429 (S.C. 1969).

5 In denying the Motion to Dismiss at this stage, the Court is specifically not ruling on the existence or not of any specific duty as a matter of law. The Court's ruling is simply that, at this pleading stage, the Second Amended Complaint is sufficient. BB&T shall be free to raise its legal arguments raised herein in a later filed Motion for Summary Judgment as to the facts as actually developed in the case should it deem it appropriate.

RULE 12(b)(6) – CONSPIRACY

BB&T moves to dismiss the Fourth Cause of Action on the basis that "the Plaintiff has failed to state facts sufficient to constitute a cause of action for conspiracy in regard to the sale of the 'chipper' as there is no allegation that either Plaintiff had any interest in that piece of equipment." BB&T relies upon *Todd v. South Carolina Farm Bureau Mutual Insurance Company*[6] as support for its motion.

The Court, at this stage, finds that Plaintiff's allegations are sufficient to survive a Motion to Dismiss and the motion is, therefore, denied as to the Fourth Cause of Action.[7]

RULE 12(b)(6) – UNFAIR TRADE PRACTICES

BB&T moves to dismiss the Fifth Cause of Action on the basis that, "the Plaintiff has failed to state facts sufficient to constitute a cause of action as S.C. Code Ann. §39-5-20 is not applicable to the transaction sued upon as this transaction is exempt from the provisions thereof pursuant to S.C. Code Ann. §39-5-40 and/or from the facts alleged in the Complaint that the activity complained of is no more than a private contractual dispute between the parties hereto which does not affect the public interest of the State of South Carolina and/or the activities complained of are not within the coverage of S.C. Code Ann. §39-5-20."

The argument of BB&T has, essentially, two components, that the activity complained of is not trade or commerce as covered by the act and/or that BB&T, as a federally insured financial institution, is exempt from the Act.

As to the first component of BB&T's argument, it asserts that the gravamen of the Plaintiff's Complaint against BB&T is that BB&T improperly converted the Plaintiff's

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6 276 S.C. 284; 278 S.E.2d 607 (S.C. 1981).

7 The Court's ruling as to the Fourth Cause of action is not intended to preclude BB&T from raising the issues raised in its Motion to Dismiss in an appropriate Motion for Summary Judgment. The Court, specifically, is not determining that the alleged "special damages" are legally sufficient.

equipment in the process of collecting upon debts owed to it by a third party. The Court agrees with this interpretation of the Second Amended Complaint.

In *Connolly v. Peeples Life Insurance Co.*,[8] the Court of Appeals refused to apply the UTPA to a debt collection situation holding that there were limitations to what constituted trade and commerce as defined in S.C. Code Ann. §39-5-10. The *Connolly* court was faced with a conversion claim arising from the borrower's assertion that it had fully paid a note and mortgage and that it should, therefore, have been marked paid and returned. The Court reversed a jury verdict based on UTPA against the lender stating:

> We recognize that the unfair trade practices act should be given a liberal construction. See *Paces Ferry Dodge, Inc. v. Thomas*, 174 Ga.App. 642; 331 S.E.2d 4 (1985) (interpreting the Georgia Fair Business Practice Act OCGA §§10-1-391 *et seq.*). Still, the unfair trade practices act should not be held to apply where it is clearly not applicable.
>
> Here, the conversion of the note and mortgage by People's Life, an assignee, was unconnected with the "advertising, offering for sale, sale or distribution of any services and any property, ... and any other article, commodity or thing of value ... ." S.C. Code of Laws §39-5-10(b) (1976). Being unconnected with a transaction constituting either trade or commerce, People's Life's conversion of Connolly's note and mortgage, while admittedly unfair, is simply not the kind of "unfair or deceptive method, act or practice declared unlawful by [Section] 39-5-20" and we so hold.

In the case before the Court finds *Connolly* applicable and controlling. The alleged conversion of the Plaintiff's equipment is unconnected with the "advertising, offering for sale, sale or distribution of any services and any property, ... and any other article, commodity or thing of value ... ." and is simply not the kind of "unfair or deceptive method, act or practice declared unlawful by [Section] 39-5-20".

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[8] 294 S.C. 355, 364 S.E.2d 475 (Ct. App. 1988) 7

BB&T further argues that even if the Plaintiff's claims could be found to fall within the general coverage of S.C. Code Ann. §39-5-20, this section has been held to be inapplicable to actions involving a federally insured bank. In *Anderson v. Citizens Bank*,[9] the Court of Appeals, relying on *McLeod v. Rhoades*,[10] which had held securities transactions were exempt from UTPA, and upon an interpretation of the Federal Trade Commission Act, held that the UTPA did not apply to the actions of a lender in failing to give a loan to which it was claimed to have committed. The Court stated:

> The State Board of Financial Institutions regulates the banking practices of Citizens Bank pursuant to Section 34-1-10 to -130, Code of Laws of South Carolina, 1976. The Board has extensive regulatory authority over banking practices, including the power to initiate criminal prosecutions against banks that violate a statute or regulation. Sections 34-1-60, 34-1-90, 34-1-100, Code of Laws of South Carolina, 1976. Therefore, under the "general activity" test of *State ex rel. McLeod v. Rhoades*, 275, S.C. 104, 267 S.E.2d 539 (1980), the actions of Citizens bank in connection with the Graham loan are exempt from the provisions of the Unfair Trade Practices Act pursuant to Section 39-5-40(a), Code of Laws of South Carolina, 1976. *See NCNB Nat'l Bank of North Carolina v. Tiller*, 814 F.2d (4th Cir.1987). [FN1] Accordingly, we affirm the ruling of the trial judge.

The Court further noted in its footnote:

> FN1. Cf. 15 U.S.C. 57a(f)(1) (1985), which provides that unfair and deceptive practices by banks are regulated under rules of the Federal Reserve System, not under the Federal Trade Commission Act. *See also Fed. Trade Comm'n v. Winters Nat'l Bank & Trust Co.*, 601 F.2d 395 (6th Cir. 1979). The South Carolina Unfair Trade Practices Act states that the legislature intends the courts to be guided by federal interpretations of the Federal Trade Commission Act in construing Section 39-5-20(a). See Section 39-5-20(b), Code of Laws of South Carolina, 1976.

S.C. Code Ann. §39-5-20 (b) specifically provides: "It is the intent of the legislature that in construing paragraph (a) of this section the courts will be guided by the interpretations given

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9 294 S.C. 387, 365 S.E.2d 26 (S.C.App. 1987)

10 275 S.C. 104, 267 S.E.2d 539 (1980)

by the Federal Trade Commission and the Federal Courts to § 5(a) (1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)), as from time to time amended." This Court need go no further than the federal statute alone to determine its applicability against insured banking institutions. In 15 U.S.C. 45(a)(2), the Federal Act specifically sets forth the extent of the ability of the Federal Trade Commission to regulate banking institutions as follows:

> (2) The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, **except banks, savings and loan institutions described in section 18(f)(3),** credit unions described in section 18(f)(4), common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Federal Aviation Act of 1958 , and persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act, 1921, as amended, except as provided in section 406(b) of said Act, from using unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce.

In 1990, the Supreme Court rejected the "general activity" test of *Rhoades* in *Ward v. Dick Dyer and Associates, Inc.*,[11] and overruled *Anderson* but **only** to the extent that the result was based upon the "general activity" test of *Rhoades*. The separate finding of *Anderson* (stated in the footnote) that banks were not subject to the coverage of S.C. Code Ann. §39-5-20 was not disturbed. The Court further notes that subsequent to *Anderson* and *Ward*, lower courts across the State (including the United States District Court for the District of South Carolina) have continued to find that S.C. Code Ann. §39-5-20 is inapplicable to activities of banking institutions.[12]

In arguing its point, the Plaintiff cites two cases, *Beattie v Nations Credit Financial Services Corporation*[13], an unpublished opinion of the Fourth Circuit and *In re Daniel* [14] as

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11 304 S.C. 152, 403 S.E.2d 310 (S.C. 1991)

12 Southern National Bank of South Carolina v. Cochran, No. 95-CP-04-352 (Amended Order Dismissing Defendants' Counterclaims and Referring Foreclosure Action to the Master-in-Equity); Southern National Bank of South Carolina v. McLean, No. 93-CP-26-2589 (Order Granting Summary Judgment); Inabinet v. Kuchler, No. 94-CP-10-0411 (Order Granting Motion to Dismiss)

13 65 Fed. Appx 893 (4th Cir 2003)

14 137 B.R. 884 (Bank. D.S.C. 1992)

support for its proposition that the Unfair Trade Practices Act applies to banks such as BB&T and covers the activity complained of.

In citing *Beattie*, the Plaintiff states that "The Fourth Circuit has specifically found that mortgagees are not exempt from liability under the South Carolina Unfair Trade Practices Act based upon its pursuit of collection or foreclosure activities." This statement is an apparent attempt to cite *Beattie* for the two propositions: that mortgagees are subject to the Act and that collection or foreclosure activities fall under the coverage of the Act.

The first part of this statement is technically correct to the extent that NationsCredit, the named defendant in the case, (a **mortgagee**) was found to be subject to the Act. There was, however, no indication that NationsCredit was a bank (as opposed to a mortgage company which is not subject to the federal exclusion argued by BB&T) and no mention was made of *Anderson v. Citizens Bank*[15] . It is, therefore, probable that the Fourth Circuit did not address the argument that *Anderson* had an independent holding that was not overruled by *Ward v Dick Dyer & Associates, Inc.* [16] as presented to this Court and supported by numerous South Carolina opinions as any such argument would not have applied under the facts of that case as it does not appear to have involved a bank[17].

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15 294 S.C. 387, 365 S.E.2d 26 (S.C.App. 1987)

16 304 S.C. 152, 403 S.E.2d 310 (S.C. 1991)

17 This is particularly true since the *Beattie* opinion, also did not mention the earlier fourth Circuit opinion of *NCNB National Bank of North Carolina v Tiller* 814 F 2d 931 (4th Cir 1987) in which the Fourth Circuit had previously held that banks were exempt from the South Carolina Unfair Trade Practices Act:

Appellants also take exception to the dismissal of their claim that NCNB violated the South Carolina Unfair Trade Practices Act, S.C. Code § 39-5-10 (1976) *et seq.* However, the Unfair Trade Practices Act does not apply to actions permitted under law or administered by any regulatory body or officer acting under the statutory authority of the United States of America. S.C. Code § 39-5-40(a) (1976).

Congress has given the Board of Governors of the Federal Reserve System authority to promulgate and enforce regulations to define and prevent unfair or deceptive acts or practices by banks. 15 U.S.C. § 57a(f) (Supp. 1986). Pursuant to this statute, the Comptroller of the Currency has established a formal complaint and investigation procedure to deal with alleged unfair or deceptive acts or practices by national banks. This regulation of the banking industry by Congress is sufficient to come within the exception to the Unfair Trade Practices Act established by S.C. Code § 39-5-40(a). *See, McCleod v. Rhoades*, 275 S.C. 104, 267

The second part of the Plaintiff's reliance on *Beattie*, that it supports a finding that collection or foreclosure activities fall within the coverage of the Act, is unfounded and not a correct statement of *Beattie*. In fact, *Beattie* found that the activities complained of (false reports to credit bureaus that a mortgage was in foreclosure) **were not** unlawful trade practices covered by the Act.[18]

Plaintiff, finally, cites the case of *In re Daniel* [19]for the proposition that "it is an unfair or deceptive act or practice to disregard the law of proper repossession."[20] *Daniel* involved the repossession of a mobile home by a finance company (not a bank) in which the representative of the finance company began repossession of a mobile home after being told not to, after representing that he would not and while the debtor's child was still in the mobile home. It should be noted that the Court did not find the repossession itself as the matter triggering the Act but deceptive acts occurring in connection with the repossession:

> The SCUTPA may be violated if there is a representation that had the capacity or effect or tendency to deceive. Clarkson v. Orion Exterminating Co., Inc., 761 F.2d 189, 191 (4th Cir. 1985). It does not need to he shown that the deception was intentional. Id. The bankruptcy court's finding that LeMaster's statements deceived Daniel into believing that the mobile home would not be taken is not clearly erroneous. The bankruptcy court did not err in finding that the acts were sufficiently deceptive to be a violation of the SCUTPA.[21]

As previously stated , the gravamen of the Plaintiff's Complaint against BB&T is that BB&T improperly converted the Plaintiff's equipment in the process of collecting upon debts owed to it by a third party and that BB&T knew it was doing so. There is no allegation that any

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S.E.2d 539 (1980) (transactions in question are regulated by the Securities Exchange Commission and the South Carolina Uniform Securities Act, and are therefore exempt from the coverage of the Unfair Trade Practices Act.)

18 Supporting BB&T's argument made in its prior brief relying upon *Connolly v. Peeples Life Insurance Co.* 294 S.C. 355, 364 S.E.2d 475 (Ct. App. 1988)

19 137 B.R. 884 (D.S.C. 1992).

20 Plaintiff's memorandum at page 14.

21 Daniel, *supra.*

deceptive statement or act took place. To the extent that *Daniel* might be argued to extend to such a situation, it would conflict with the controlling South Carolina authority set forth In *Connolly*.

As a result of the foregoing, the Court finds that the Fifth Cause of Action should be dismissed.

RULE 12(b)(6) – INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

BB&T moves to dismiss the Sixth Cause of Action on the basis that "the Plaintiff has failed to state facts sufficient to constitute a cause of action for intentional infliction of emotional distress and/or extreme and outrageous conduct." The Court has dismissed Joel Herring as a party to this action.

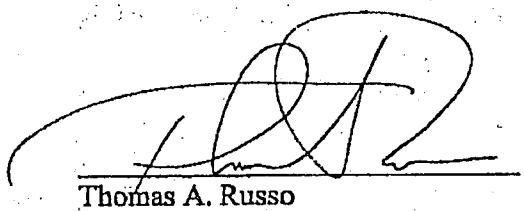
The Court views the Sixth Cause of Action as a cause of action which is personal to Mr. Herring which is not pled on behalf of the corporation and, as a result, subject to dismissal pursuant to Rule 12(b)(6).

It is, therefore ORDERED, ADJUDGED and DECREED as follows:

#12 TAL

1. The Motion to Amend is granted and the Second Amended Complaint is deemed filed and served with no further responsive pleadings required thereto on behalf of the Defendant;
2. The Second Amended Complaint is dismissed as to all causes of action pled on behalf of Joel Herring and Joel Herring is dismissed as a party hereto.
3. The Fifth (Unfair Trade Practices) and Sixth (Intentional Infliction of Emotional Distress) Causes of Action of the Second Amended Complaint pled on behalf of JJH Transport, LLC are hereby dismissed.

4. This action shall continue on behalf of JJH Transport, LLC as to the remaining causes of action.



Thomas A. Russo
Circuit Court Judge

Florence South Carolina
May ~~18, 2007~~
23, 2007

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CLERK OF COURT
CCCP & GS
FLORENCE COUNTY, SC

#13 AR

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit F

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Branch Banking and Trust Company of South Carolina *v.* Eartha Marshall (2003-CP-40-3272)

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS C/A No. 2003-CP-40-3272

BRANCH BANKING & TRUST COMPANY OF SOUTH CAROLINA,

Plaintiff,

vs.

EARTHA MARSHALL.

Defendant, Third Party Plaintiff,

vs.

DANIEL GOLDSTEIN AND JAMES CHRIS ALEXANDER,

Third Party Defendants

ORDER GRANTING SUMMARY JUDGMENT

This matter is before the Court upon the Motion for Summary Judgment filed by Branch Banking and Trust Company of South Carolina ("BB&T") on July 1, 2004. Having heard arguments of counsel and considered the record before the Court, the Court finds as follows:

GENERAL BACKGROUND

This action was initiated as an action for foreclosure of a Mortgage given by Eartha Marshall ("Marshall") to BB&T dated August 20, 2001 covering certain real property at 5883 Ames Road ("Property"). In response to the foreclosure action, Marshall answered the allegations of the Complaint by admitting the execution of the Note and the Mortgage on August

20, 2001 and the modification thereof on August 2, 2002. The response also contained Counterclaims/ Third Party Claims which asserted certain affirmative claims as to BB&T, the Seller of the Property to Marshall (Chris Alexander, "Alexander") and a second individual involved in a related transaction who represented the Seller in this transaction (Danny Goldstein, "Goldstein"). The Counterclaims/ Third Party Claims first assert a cause of action for fraud as to the Goldstein and Alexander assert causes of action for Negligence and for violation of the South Carolina Unfair Trade Practices Act as to BB&T. The claim for fraud as to the individuals is not addressed or involved in the pending motions.

Appropriate Standard

The Supreme Court of South Carolina has clearly set forth the standard to apply in this court's determination of this Motion:

> In reviewing the grant of a summary judgment motion, we apply the same standard which governs the trial court under Rule 56(c), S.C.R.C.P.: summary judgment is proper when "there is no genuine issue as to any material fact and ... the moving party is entitled to judgment as a matter of law." See 10 Wright & Miller, Federal Practice and Procedure § 2716, p. 643 (1983); SSI Medical Services, Inc. v. Cox, 301 S.C. 493, 392 S.E.2d 789 (1990); Irby v. Richardson, 278 S.C. 484, 298 S.E.2d 452 (1982). This standard "mirrors" the standard for a directed verdict under Rule 50(a), S.C.R.C.P. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 250, 106 S.Ct. 2505, 2511, 91 L.Ed.2d 202, 213 (1986); see also Main v. Corley, 281 S.C. 525, 316 S.E.2d 406 (1984).
>
> In determining whether summary judgment is appropriate, the evidence and its reasonable inferences must be viewed in the light most favorable to the nonmoving party. SSI Medical Services, supra; Standard Fire, supra. The court then applies the standard set out in Rule 56(c):
>
> [T]he plain language of Rule 56(c) mandates the entry of summary judgment, after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to the party's case,

and on which that party will bear the burden of proof at trial. In such a situation, there can be 'no genuine issue as to any material fact,' since a complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial. The moving party is 'entitled to a judgment as a matter of law' because the nonmoving party has failed to make a sufficient showing on an essential element of her case with respect to which she has the burden of proof.

Under Rule 56(c), the party seeking summary judgment has the initial responsibility of demonstrating the absence of a genuine issue of material fact. Celotex Corp. v. Catrett, 477 U.S. 317, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986); see also Standard Fire Ins. Co. v. Marine Contracting & Towing Co., 301 S.C. 418, 392 S.E.2d 460 (1990). **With respect to an issue upon which the nonmoving party bears the burden of proof, this initial responsibility "may be discharged by 'showing'--that is, pointing out to the [trial] court--that there is an absence of evidence to support the nonmoving party's case."** Celotex 477 U.S. at 325, 106 S.Ct. at 2554, 91 L.Ed.2d at 275. The moving party need not "support its motion with affidavits or other similar materials negating the opponent's claim." Id. at 323, 106 S.Ct. at 2553, 91 L.Ed.2d at 274. (Emphasis in original).
Once moving party carries its initial burden, opposing party must, under Rule 56(e), "do more than simply show that there is some metaphysical doubt as to the material facts" but "must come forward with 'specific facts showing that there is a genuine issue for trial.' " Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586-87, 106 S.Ct. 1348, 1356, 89 L.Ed.2d 538, 552 (1986) (emphasis in original). Indeed, Rule 56(e) specifically prohibits the nonmoving party from resting upon the mere allegations or denials of its pleadings. See SSI Medical Services, supra; Moody v. McLellan, 295 S.C. 157, 367 S.E.2d 449 (Ct.App.1988).

[Baughman v. American Tel. and Tel. Co. 410 S.E.2d 537,545 , 306 S.C. 101 (S.C. 1991)].

Following this standard it is, therefore, incumbent upon BB&T to have in the record before the Court facts sufficient to meet each element of the cause of action pled for foreclosure and for Marshall to have in the record before this court facts sufficient to meet each element of

the counterclaims. The Court must, therefore, examine the record before it. That record consists of the Affidavit of Randy Fox filed with the Motion for Summary Judgment, the deposition testimony of Marshall and the Affidavit of Marshall filed prior to the hearing in this matter as well as certain documents of public record relied upon by Marshall.

UNDISPUTED AND UNCONTESTED FACTS

As to the facts leading up to the transaction in question, the deposition and affidavit of Marshall and the public records (which constitute the only evidence before the Court) establish the following undisputed facts:

1. Ms. Marshall is a high school graduate with nine months of business education who, at one time, was a licensed real estate agent in the State of South Carolina. (Deposition of Marshall at pages 16 and 30).
2. For a period of "six or seven months" prior to the events at issue in this action, Marshall had been watching a series of "in-commercials"[1] on television which dealt with "how you can get involved in buying real estate, and you could supplement your income." (Deposition of Marshall, Page 74).
3. As a result of watching these programs, "[Marshall] saw a way that we could supplement our retirement by getting involved in real estate." (Deposition of Marshall, Page 76).
4. In following up on her desire to "[get] involved in real estate", Marshall contacted Goldstein and Alexander[2] as a result of information provided to Marshall by her daughter. (Deposition of Marshall, Pages 77 and 80, Affidavit of Marshall).

[1] The Court presumes that the reference was intended to be what have come to be known as "info-mercials" or like terms.

[2] In reviewing the Marshall Affidavit, it would appear that Marshall claims that she "met" both Alexander and Goldstein. However, in her deposition testimony, she expressly testified that she had "never met Chris [Alexander]" and had talked to him prior to the date of the deposition (Deposition of Marshall Pages 77 and 189). This

5. Prior to the events in question in this action, Marshall's husband had met Alexander and/or Goldstein in July, 2001.

6. The first time that Marshall met Goldstein was at the Property in August 2001 (Deposition of Marshall, Pages 83 and 84).

7. While at the Property, Goldstein "shared ... how much – all of this was done at Ames Road – how much money that – the way this investment operated, you know, how its done. ... There was so much money that is involved that you will get to fix the house up." (Deposition of Marshall at Page 84 and 85). As later stated in her Affidavit, Marshall describes the information obtained as follows: "They mentioned to me that they could help me invest in real estate without having to put any money down. They told me that they had several properties in need of repair that could be used to rent, but not to worry about the money necessary for the repairs because they could get me approximately Eleven Thousand Dollars ($11,000) out of the closing. Additionally, they told me that it was easy to supplement our income through this process of buying homes and fixing them with the money from the closing, and then renting them for a profit." (Affidavit of Marshall) (Deposition of Marshall Pages 96 and 97).

8. Marshall "believed that this was a great way to invest" and "trusted Goldstein and Alexander." (Affidavit of Marshall).

9. Marshall viewed the property for a period of "about a half an hour or so" (Deposition of Marshall, Page 87) and concluded "After he showed us the house and explained to us what would need to be done, what would need to be replaced – I think we had to replace

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discrepancy is not material for the purposes of the determination of the Motion before the Court. However, as other claims are pending before the Court as to which this issue may be relevant, the Court expressly notes that it is making no finding as to this factual circumstance.

a refrigerator and the stove, and the linoleum in the kitchen needed replacing. Well, there was – quite a bit of work needed to be done, but according to what we had noticed on television, that you can fix them up, so the work – you know what the house looked like then, we figured that we could fix it up so someone could rent it." (Deposition of Marshall, Page 86).

10. After viewing the house, Marshall recognized that "some work needed to be done" but that "that's what the money was for, to fix the house up, so there was no problem there." (Deposition of Marshall Page 87 and 88). Marshall described the house as being "livable" at the time of her initial inspection. (Deposition of Marshall, Page 89).

11. Marshall and Goldstein agreed upon a price of $68,000 for the property which Marshall believed to be a fair price for the property based upon what she had seen when she looked at the Property. (Deposition of Marshall, Page 115).

12. In determining that the loan could be paid from the rentals of the Property, " no one told [Marshall] anything that led [Marshall] to believe that [Marshall] could use the rents from the property to pay the loan." (Deposition of Marshall Pages 123 and 124). She was "getting a lot of" her information from the "in-commercials" as she described the programs she had watched on television. (Deposition of Marshall Pages123 and 124).

13. As to her own efforts regarding investigation into the value of the property, Marshall testified as follows: "Q. What investigation did you do to determine that the $68,000 that you agreed to pay for the property was a fair price for the property ? A. .... I did not investigate it because I assumed that was a legit price because it was told to me by a certified broker. So why would I think that it wasn't true? No, I did not investigate it?

On August 20, 2001, a closing took place at the offices of White and White, attorneys as to which the following is undisputed:

1. The Note and Mortgage which are the subject of this action were executed. (Affidavit of Randy Fox, Deposition of Marshall).
2. The closing statement for the purchase of the Property shows the receipt by Marshall of "Seller Concessions" of $16,800 and further reflects that Marshall received $5,194.76 in cash from the closing and that, additionally, $5,826.01 was paid on obligations which she owed to third parties on her behalf. (Exhibit 3 to Deposition of Marshall). The combined total of these amounts either actually received by or paid on Marshall's behalf $11,020.77.

As to the involvement of BB&T up to and through the point of the closing, there is no dispute as to the following as testified to by Marshall or set forth in her Affidavit:

1. "Q. Did you talk to anyone at BB&T about the Ames Road property either at or before the closing on the Ames Road Property? A. No. (Deposition of Marshall Page 113)
2. "Q. Okay. You didn't rely on anything that BB&T told you about either the property or the closing itself in deciding to go through with the closing, did you? A. Because we didn't – we didn't have any correspondence with them and all, so , no, they didn't – no there was nothing." (Deposition of Marshall Pages 113 and 114)
3. "Q. Did BB&T do or say anything to you before the closing that led you to conclude that $68,000 was a fair price for the property, yes or no? A. No.

Q. Okay. A. There was no BB&T. ..... why would they contact me before the closing? I was not a client.

4. In connection with the closing Marshall testified: " We didn't even know that BB&T was the Bank."

Paragraph 11 of the Answer and Counterclaim alleges: "The property which is the subject of this action was grossly overvalued by an appraisal shown to Mrs. Marshall by Goldstein and Alexander." The Court, in determining the state of facts as it relates to this crucial allegation first notes that Marshall specifically testified in her deposition and it is not disputed that she had not seen the appraisal which valued the property at $68,000. (Deposition of Marshall at Pages 139 and 140). As a result, the allegations as to being shown an appraisal are unsupported in the record before the Court. However, in her Affidavit Marshall states that she was told that the property appraised for $68,000. This testimony directly contradicts Marshall's earlier deposition testimony where she concedes that "I didn't get into that about the appraisal because I assumed he was a broker, and that it was already appraised." (Deposition of Marshall Pages 196 and 197, 200-201).In reviewing this contradictory testimony, the Court notes that our Supreme Court has recently discussed and adopted the "competing affidavit" rule to allow the Court to disregard factual disputes created by a parties own sworn statements if those statements are a "sham." [Cothran v. Brown 357 S.C. 210, 592 S.E.2d 629 (SC 2004). In Cothran, the Supreme Court directed the trial courts as follows:

> In distinguishing between a sham affidavit and a correcting or clarifying affidavit, the following considerations provide guidance: (1) whether an explanation is offered for the statements that contradict prior sworn statements; (2) the importance to the litigation of the fact about which there is a contradiction; (3) whether the nonmovant had access to this fact prior to the previous sworn testimony; (4) the frequency and degree of variation

> between statements in the previous sworn testimony and statements made in the later affidavit concerning this fact; (5) whether the previous sworn testimony indicates the witness was confused at the time; (6) when, in relation to summary judgment, the second affidavit is submitted

In reviewing the contradictory filings of Marshall, the Court finds no explanation for the contradictory statements as to pre-sale knowledge of the appraisal and representations regarding the appraisal. The Court further finds that based on the allegations of the Counterclaims and the matters pled by Marshall, the issue as to whether she saw or was told of an appraisal prior to her agreeing to purchase the property is a critical issue as to which Marshall clearly had access prior to the time of the taking of her deposition. The Court further finds that the subject was covered in several places and in detail at the time of the deposition and that her answers at that time were certain, direct and do not appear to have been confused. On the other hand, the Affidavit containing the contradictory statements was executed on the Sunday before this hearing and served just two days prior to the hearing. As a result, the Court finds that the portions of the Affidavit of Marshall which contradict her earlier testimony that she did not see and was not told of the appraisal at the time of the closing should not be considered by the Court and that the record before this Court establishes that Marshall was told the asking price, determined on her own that that price was fair and proceeded with the purchase with no further investigation as set forth above.

Subsequent to the closing of the sale of the Property, in March 2002, Marshall had the Property appraised in connection with attempts to have the Note which is the subject of this action refinanced. That appraisal indicated the fair market value of the property to be $48,000, disclosed the prior sale of the Property of $19,000 (which was the purchase by Alexander) and

indicated a fair rental value for the property of $470 per month. The appraisal further described the property as "Quality and overall condition is good." (Exhibit 7 to Deposition of Marshall).

On August 2, 2002 (5 months after Marshall received and read the March 2002 appraisal) Marshall executed a Note Modification Agreement renewing and extending the Note (which was than due and payable). (Exhibit 8 to Deposition of Marshall).

On June 3, 2003 a second appraisal of the Property was obtained by or on behalf of Marshall. That appraisal indicated the value of the Property had declined to $22,500 and that the Property was "not marketable due to the physical condition" and described the general condition as " poor physical condition both interior and exterior." (Exhibit 10 to Marshall Deposition).

The Affidavit of Randy Fox filed with the motion for Summary Judgment contains the following testimony which is uncontested in the record before this Court:

1. Attached hereto as Exhibit D is a copy of an appraisal of the property securing Note 1 (5883 Ames Road) which is the subject of Mortgage 1 valuing said property at the amount of $68,000.00. A review of this appraisal does not indicate anything that on the face of the appraisal would have caused the loan officer to question the findings contained therein.
2. Attached hereto as Exhibit E is a closing statement dated August 20, 2001 for the transaction involving Note 1 indicating that Eartha Marshall received $5,194.76 from the closing in cash and that an additional sum of $5,326.01 was paid on her behalf.
3. As to the Note 2 transaction, BB&T's files contain a Contract of Sale indicating that the property was to be purchased "where-is- as is" and that purchaser (Eartha Marshall) was to receive $13,000 "at closing for repairs." In

a loan of this amount, it would not have been the policy of BB&T to require that sums such as described in the Contract of Sale to be escrowed or otherwise accounted for.

4. With the adoption of a practice prior to August 20, 2001 of having all real estate loans closed by attorneys (normally chosen by the Borrower as in the case of both Notes 1 and 2 as evidenced by the closing transmittals indicating that the Borrower had selected White and White, attached hereto as Exhibits K and L), it was not unusual for a loan officer to not personally meet a borrower in a real estate loan transaction, especially where the transaction involved a loan broker such as in the case of both Notes 1 and 2, Capital Trust Mortgage Group. At the time that the loans evidenced by Notes 1 and 2 were made, there was no policy of BB&T in place that would have required a personal meeting between the loan officer and the borrower.
5. At the time of the loans evidenced by Notes 1 and 2, loan officers, based upon there knowledge and experience, were given individual loan authority. Loans made below the authority amount were not individually reviewed by any other bank officer. This practice is consistent with the custom and practice in the banking industry.
6. A review of the loan files relating to Notes 1 and 2 indicated that the loan officer had obtained the information which was necessary to properly underwrite the loan as the loan file contained a credit report (obtained through the BB&T system), showing an acceptable Beacon Score of 628, an appraisal

of the property which supported the amount loaned and other financial information of the Borrower (including tax returns and a loan application).

7. In connection with business loans for the purchase of real estate (such as a purchase for investment as was the case with Note 1), it is not the practice or policy of BB&T to verify or assure that its Borrower is making a good business deal or wise purchase. BB&T conducts a sufficient investigation, through personal inspection, third party appraisal or other means to determine that the collateral to be received has a sufficient value to support the loan being made. In fact, BB&T, to some degree, relies upon its customers decision to make a purchase of real estate as evidence of the existence of this value and of their belief in their ability to repay the loan. Appraisals and other activity in the underwriting process are not undertaken to protect the Borrower and/or to insure that the Borrower is making a good business decision. Those activities are undertaken to protect the interest of BB&T.

8. Under the terms of the loan as evidenced by Notes 1 and 2, BB&T policy did not require an independent third party appraisal. The appraisals utilized, as indicated on their face, was not acquired by or for BB&T. Given the amount of the loan, reliance on an appraisal prepared for and obtained by a third party was not a violation of any internal policy of BB&T.

9. In a loan of the type evidenced by Notes 1 and 2, it is not required that the loan officer review and/or analyze the contract of sale involved. This is particularly true where an appraisal is in existence which supports the loan amount.

10. At the time of the loans evidenced by Notes 1 and 2, BB&T had in place and followed policies for the supervision and review of small business lenders which were consistent with the normal practices in the banking industry.

11. Note 1, as modified, required payments in the amount of $432.60 per month beginning on September 10, 2002 and continuing thereafter until August 10, 2007 at which time the Note was due and payable, in full. The payments were not made as agreed and by letter dated June 4, 2003, BB&T, pursuant to the rights granted to it in the Note, declared the entire balance due thereunder to be immediately due and payable.

12. As of June 17, 2004, the balance due under Note 1 is $64,791.97 and that amount is accruing interest at the rate of 9% per day [sic] [BB&T Prime Rate plus 5%].

13. On June 27th, 2003, Eartha Marshall wrote a letter to BB&T in which she indicated that her failure to pay BB&T was as a result of her inability to collect rentals on the properties and no other reason was given.

14. The Notes further provide that in the event of default, BB&T is entitled to an award of its attorney's fees and specifically provides that those fees shall be 15% of the amounts due at the time of acceleration or other action by BB&T.

15. At the time of the acceleration by BB&T, the amount due under Note 1 was $60,923.26. Based upon that amount the attorney's fees provided in the Note would be $9,138.49.

16. There is no evidence contained in the files of BB&T related to this matter that Eartha Marshall ever complained to BB&T or brought the matters alleged in

the Counterclaim to BB&T's attention prior to the filing of the Counterclaim in this action.

DISCUSSION AND CONCLUSIONS OF LAW

ENFORCEMENT OF THE NOTES AND FORECLOSURE OF THE MORTGAGES

The execution of the Note, Mortgage and Modification and the default under the terms thereof is not contested.

Assuming that the Court determines that judgment is appropriate in favor of BB&T as to its Note and Mortgage, the Court must determine the appropriate amount of judgment. There is no dispute as to the principal and interest due. The only outstanding matter, therefore, would be the appropriate amount of attorneys' fees. That amount is set by the parties agreements, the loan documents. The Note provides:

> "the undersigned agrees to pay , in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees which the undersigned agrees shall be equal to 15% of the principal and interest outstanding at the time of acceleration or other action by Lender to collect the sums due hereunder."

The South Carolina Supreme Court has specifically held that "[w]ith regard to [Notes] which provide for attorneys' fees at a specific rate in the event collection becomes necessary, it is a well established principle of law that where there is a contract providing for such, the amount of attorneys fees is governed by the contract." [Dedes v. Strickland, 414 S.E.2d 134, 137 (S.C. 1992); accord, The Citizens and Southern National Bank of South Carolina v. Easton, et al., 310 S.C. 458, 427 S.E.2d 640 (1993) wherein the Court stated "Since the guarantees provided for attorney's fees at a specific rate, we hold it was error to deny such fees" citing Dedes, supra.]. The Dedes case makes it clear that no determination of reasonableness is required as the Court in Dedes, after reviewing the notes with specific amounts addressed the necessity for showing reasonableness when the note provided only for reasonable fees with no fixed amount. The

Court of Appeals has specifically stated the current law in this area in Nationsbank v. Scott Farm, 320 S.C. 299, 465 S.E.2d 98 (S.C. App. 1995) when the Court stated:

> In South Carolina, where a contractual obligation provides only that a party is to pay "reasonable attorneys fees" the amount is unliquidated and, therefore, requires a finding on the reasonableness of the award. On the other hand, where a contractual provision in a Note provides for attorneys fees at a specific rate, the amount of attorneys fees is governed by the contract (citations omitted). We find that the trial court properly determined the attorneys fees by looking to the terms of the contract.

It is, therefore, clear that the attorneys fees to be awarded in this matter are governed by the contracts of the parties, the loan documents and are, appropriately, 15% of the amounts due as of the time of the filing of this action.

The Court, therefore, finds that absent the establishment of a defense thereto, BB&T is entitled to enforcement of the Note and Mortgage and that the amount due thereon is $64,791.97 as of June 17, 2004 plus interest at BB&T's Prime Rate plus 5% from that date to the date of judgment plus attorney's fees in the amount of $9,138.49.

THE COUNTERCLAIMS

1. **Marshall, by the signing of the Modification and the renewal of the Note as a result thereof waived any right to make the claims alleged in this case.**

> "The settled statement of law that the renewal of a note with knowledge of defenses to the original document operates as a waiver of any right to subsequently assert those defenses is directly applicable to this case. Although over one hundred years old, the principles enunciated in *Grier v. Wallace*, 7 S.C. 182 (1876), remain sound law today. In *Grier*, the surety on a renewal note given to replace a note for the purchase of slaves was held estopped from asserting the unsoundness of the slaves at the time of purchase as a defense to a suit on a renewal note. The court held the purchaser estopped because:
> [b]y giving a new note for the old one, twelve years after the purchase, with the respondent, Wallace, as surety upon the same, thereby acknowledging the former transaction as a valid one, and the consideration as a good and valuable one by a higher

guarantee, to wit: security in case of failure on the part of the principal. This was a new contract, the former note having been parted with as it was extinguished.

Id. at 184. An annotation on this subject in 35 A.L.R. 1258, supplemented in 72 A.L.R. 600, [FN8] gathers numerous cases from other jurisdictions which concur with this holding. This court finds these annotations both helpful and persuasive. Typical of these cases is *Stephens v. Citizens & Southern Nat'l Bank*, 170 Ga.App. 793, 318 S.E.2d 216 (1984). In *Stephens*, the appellant signed a guaranty agreement guaranteeing payment of a note of a co-worker to C & S. The co-worker subsequently defaulted and C & S called on the guarantor. The guarantor thereupon executed a new note. Upon the guarantor's default, C & S brought suit to recover on the new note and the guarantor answered and counterclaimed setting forth defenses of failure *516 of consideration and fraud. The trial court granted C & S summary judgment and the Court of Appeals affirmed, holding:

FN8. *Renewal of bill or note as precluding defense[s] available against the original,* 35 A.L.R. 1258 & 72 A.L.R. 600.

'The renewal of a note ... in order to obtain an extension of time for payment, done with knowledge of defenses ... works an estoppel to urge, against the subsequently executed instrument, the defenses of which the maker had knowledge at the time.'

Id., 318 S.E.2d at 217 (citations omitted). All of defendants' asserted defenses, save one, existed prior to the execution of the Modification Agreements. Defendants should not have signed the Modification Agreements if they wanted to preserve their defenses to a potential foreclosure action.

[Resolution Trust Corporation v. Palmetto Fort Of Mt. Pleasant 831 F.Supp. 510 (D.S.C. 1993)]. As in *Palmetto Fort* and the cases cited therein, Marshall executed Modification Agreements at a time when she knew what, if anything, had occurred that she was later going to claim as a basis for this action. The essence of the claims in this matter revolve around the assertion that the Property was overpriced. Marshall had an appraisal in March 2002 indicating a value of $20,000 less than her purchase price and reciting the earlier purchase by her seller for $18,000.00. She

could have chosen to attack this transaction at that the time of the modification and did not. Having chosen to take advantage of the extension in loan terms she cannot now go back and assert the claim which existed at that time. This bars all claims made at this time.

2. **There is a complete lack of evidence to support the affirmative claims pled in the Counterclaims**

As indicated in the initial portions of this Order, it was incumbent upon Marshall to place evidence before the court to allow the Court to find facts supporting each and every element of the causes of action pled. She has failed to do so. "In order to prove negligence, the plaintiff must show: (1) defendant owes a duty of care to the plaintiff; (2) defendant breached the duty by a negligent act or omission; (3) defendant's breach was the actual and proximate cause of the plaintiff's injury; and (4) plaintiff suffered an injury or damages." [Doe v. Marion 2004 WL 2380971, Court of Appeals Opinion No. 3879 (October, 2004)]. "Under South Carolina law, there is no general duty to control the conduct of another or to warn a third person or potential victim of danger." [Id.]. "The issue of whether the law recognizes a particular duty is an issue of law to be decided by the court." [Murray v Bank of America 354 S.C. 337, 580 S.E.2d 194 (S.C. Appeals 2003)] . "Ordinarily, the common law imposes no duty on a person to act." [Id.] "An affirmative legal duty to act exists if created by statute, contract, relationship, status, property interest, or some other special circumstance."

The Counterclaim alleges that BB&T owed Marshall a duty to undertake certain acts or actions in connection with this transaction. Initially, there is no evidence before the Court that the duties alleged exist in that there is no evidence of any standard of activity in the banking industry which was not followed by BB&T. To the contrary, the Affidavit of Randy Fox asserts that certain of the duties alleged either are not normally undertaken in the banking industry

and/or that the than existing standards were followed. In essence Marshall is asking this Court to impose upon a lender, such as BB&T, an affirmative duty to examine and ratify the bona fides of a business transaction that its customer has entered into. This Court refuses to take this step in the absence of any authority existing for the imposition of such a duty.

Even assuming a duty existed as alleged in the Complaint, the existence of which is not supported on this record, Marshall testified that she agreed to the purchase of the Property for the asking price with no input from or reliance upon any action by BB&T. In view of such state of facts, the Court is unable to see how any action or inaction of BB&T could possibly be the proximate cause of any loss suffered by Marshall. Based upon the undisputed testimony, she had already committed herself to the transaction before ever dealing with BB&T. Lastly, although the allegation is made that the Property was sold for a "grossly overvalued" price as indicated by the appraisal existing at the time, there is no evidence in the record as to the value of the property at the time of the sale in 2001 other than Marshall's own testimony that she felt that $68,000 was a fair price for the Property. The subsequent appraisals do not purport to evidence a value of the Property in August 2001 and there is no evidence in the record of that value. The subsequent appraisals establish only that the value of the Property dropped by $22,500 during the period of March 2002, to June of 2003, a period during which Marshall had sole control over the Property. As a final point, Marshall admits in her testimony that she knowingly made the decision to purchase the Property based upon the statement to her that the asking price was $68,000 and that she thought that price was fair at the time. She concedes that she undertook no independent investigation of the value of the Property to assure herself that she was making a good business deal. The Court specifically finds that this lack of action on the part of Marshall is and was the proximate cause of her loss, if any.

On the facts of this case, Marshall takes the position that BB&T should have protected her from her own business inexperience even though she had no contact whatsoever with BB&T prior to the closing of the transaction in question. Marshall has provided no authority to this Court to support such an obligation on the part of a lender in a commercial transaction and this Court refuses to adopt such an obligation.

3. **The South Carolina Unfair Trade Practices Act is not applicable to the transactions involved in this action as they are exempt therefrom**

S.C. Code Ann. §39-5-20, commonly known as the Unfair Trade Practices Act ("UTPA") declares unlawful, "unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce."

In Anderson v. Citizens Bank,[3] the Court of Appeals, relying on McLeod v. Rhoades,[4] which had held securities transactions were exempt from UTPA, and upon an interpretation of the Federal Trade Commission Act, held that the UTPA did not apply to the actions of a lender in failing to give a loan to which it was claimed to have committed. The Court stated:

> The State Board of Financial Institutions regulates the banking practices of Citizens Bank pursuant to Section 34-1-10 to -130, Code of Laws of South Carolina, 1976. The Board has extensive regulatory authority over banking practices, including the power to initiate criminal prosecutions against banks that violate a statute or regulation. Sections 34-1-60, 34-1-90, 34-1-100, Code of Laws of South Carolina, 1976. Therefore, under the "general activity" test of *State ex rel. McLeod v. Rhoades*, 275, S.C. 104, 267 S.E.2d 539 (1980), the actions of Citizens bank in connection with the Graham loan are exempt from the provisions of the Unfair Trade Practices Act pursuant to Section 39-5-40(a), Code of Laws of South Carolina, 1976. *See NCNB Nat'l Bank of North Carolina v. Tiller*,

[3]294 S.C. 387, 365 S.E.2d 26 (S.C.App. 1987)

[4]275 S.C. 104, 267 S.E.2d 539 (1980)

> 814 F.2d (4th Cir.1987). [FN1] Accordingly, we affirm the ruling of the trial judge.

The Court further noted in its footnote:

> FN1. Cf. 15 U.S.C. 57a(f)(1) (1985), which provides that unfair and deceptive practices by banks are regulated under rules of the Federal Reserve System, not under the Federal Trade Commission Act. *See also Fed. Trade Comm'n v. Winters Nat'l Bank & Trust Co.*, 601 F.2d 395 (6th Cir. 1979). The South Carolina Unfair Trade Practices Act states that the legislature intends the courts to be guided by federal interpretations of the Federal Trade Commission Act in construing Section 39-5-20(a). See Section 39-5-20(b), Code of Laws of South Carolina, 1976.

In 1990, the Supreme Court in Ward v. Dick Dyer and Associates, Inc.,[5] rejected the "general activity" test of Rhoades and overruled Anderson but only to the extent that the result was based upon the "general activity" test. Anderson, however, has a separate basis for its decision as stated in the footnote cited above and, as a result, is still valid law.

A number of Courts have analyzed the findings of Anderson and the effect of Ward on the findings of that case and determined that the partial overruling of Anderson left its secondary findings and conclusions intact. [See, e.g. Lands Inn, Inc. v. Branch Banking and Trust Company of South Carolina, Case No. 2:98-158-23, United States District Court for the District of South Carolina (1999) and cases cited therein; Branch Banking and Trust Company of South Carolina v. Derrick Wells; Civil Action No. 03-CP-43-193, Order dated June 24, 2004 (in which Judge King ruled in a case based upon a similar transaction by a different purchaser with the same seller)]. The UTPA is, therefore, inapplicable to the case before the Court due to the statutory exclusion.

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[5] 304 S.C. 152, 403 S.E.2d 310 (S.C. 1991)

The Court further finds that the dispute between the parties is a private dispute that does not involve the public interest of the people of the State of South Carolina.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED:

1. There is due to the Plaintiff on the Note and Mortgage note set forth in the Complaint the sum of $64,791.97 as of June 17, 2004 plus interest thereon through the date of this Order at the rate set forth in the Note[6] plus attorney's fees in the amount of $9,138.49[7] for a total judgment of $73,930.46 as of June 17, 2004 ("Total Debt").

2. The "Total Debt" and later accrued interest thereon constitutes the total judgment debt due the Plaintiff and shall bear continue to bear interest hereafter at the judgment rate of interest.

3. That this matter is hereby referred to the Master in Equity for Richland County for the purpose of the conduct of the sale ordered herein and for such other and further matters as may arise herein including the issuance of a Writ of Assistance and the hearing of any issues involving appraisal proceedings under S.C. Code Ann. §29-3-360 with any appeal from any action of the Master in Equity to be to the Court of Appeals.

4. That the Defendant liable for the aforesaid mortgage debt shall, on or before the date of sale of the property hereinafter described, pay to the Plaintiff or Plaintiff's attorney the amount of Plaintiff's debt as aforesaid, together with accrued interest thereon and the costs and disbursements of this action.

5. That on default of payment at or before the time herein indicated, the mortgaged premises described in the Complaint, as hereinafter set forth, be sold by the Master in Equity at

[6] The Prime rate of the plaintiff plus 5%.

[7] As established in the record before the Court, the Note provided for the award of reasonable attorney's fees and, in the Note, the defendant agreed that 15% of the amounts due at the time of acceleration or other action by the Plaintiff would be a reasonable fee.

public auction at the Richland County Courthouse, on some convenient sales day hereafter (and should the regular day of judicial sales fall on a legal holiday, then and in the such event, the sales day shall be on Tuesday next succeeding such holiday), on the following terms, that is to say:

A. FOR CASH: The Clerk of Court shall require a deposit of 5% on the amount of the bid (in cash or equivalent), same to be applied to the purchase price only upon compliance with the bid, but in case of non-compliance within twenty days , same to be forfeited and applied to the costs and Plaintiff's debt.

B. The sale shall be subject to taxes and assessments, existing easements, and easements and restrictions of record.

C. Plaintiff's Mortgage constitutes a first priority on the subject property.

D. Purchaser to pay for Deed Stamps and costs of recording the Deed.

6. If Plaintiff be the successful bidder at the said sale for a sum not exceeding the amount of costs, disbursements, expenses, and the indebtedness of the Plaintiff in full, Plaintiff may pay to the Master in Equity only the amount of the costs, disbursements, and expenses, crediting the balance of the bid on Plaintiff's indebtedness.

7. As a personal or deficiency judgment is demanded, the bidding will remain open for a period of thirty (30) days after the date of sale as provided by law in such cases. However, the plaintiff reserves its right to waive deficiency up to the time of the sale.

8. That the Master in Equity shall, by advertisement according to law, give notice of the time and place of sale and the terms thereof, and shall execute to the Purchaser or Purchasers a deed to the premises sold. The Plaintiff, or any other party to this action, may become a

purchaser at such sale, and if, upon such sale being made, the Purchaser or Purchasers should fail to comply with the terms thereof within twenty days after date of sale, then the Master in Equity may advertise the said premises for sale on the next or some other subsequent sales day, at the risk of the highest bidder, and so from time to time thereafter until a full compliance shall be secured.

9. That the Master in Equity shall apply the proceeds of the sale as follows:

FIRST: To payment of the amount of the costs and expenses of this action, including any Guardian ad Litem fee or fees of attorneys appointed under Order of Court;

NEXT: To the payment to the Plaintiff or Plaintiff's attorneys of the amount of Plaintiff's Total Debt and interest thereon, or so much thereof as the purchase money will pay on the same;

NEXT: Any surplus will be held pending further order of the Court.

10. It is further ORDERED, ADJUDGED, AND DECREED that in the event the successful bidder is other than the Defendants in possession herein, the Sheriff of Richland County is ordered and directed to eject and remove from the premises the occupants of the property sold, together with all personal property located thereon, to put the successful bidder or his assigns in full, quiet, and peaceable possession of said premises without delay, and to keep said successful bidder or his assigns in such peaceable possession.

11. It is further ORDERED, ADJUDGED, AND DECREED that, in addition to all parties deemed by law to have received constructive notice of this action, all Defendants and all persons whomsoever claiming under them be forever barred and foreclosed of all right, title, interest, and equity of redemption in the said mortgaged premises so sold or any part thereof.

12. It is further ORDERED, ADJUDGED, AND DECREED that the Deed of conveyance made pursuant to said sale shall contain only the names of the first named Plaintiff, the Defendants who were the titleholder titleholders of the mortgaged property at the time of filing of the Notice of Pendency of the within action, and the Grantee, and the recording office is authorized to omit from the indices pertaining to such conveyance the names of all parties not contained in said Deed.

13. The Master in Equity shall retain jurisdiction to do all necessary acts incident to this foreclosure including, but not limited to, the issuance of a Writ of Assistance and hearing any issues involving appraisal proceedings under Section 29-3-680, et seq., South Carolina Code of Laws (1976), as amended.

14. Upon conclusion of the sale called for herein (and only upon its conclusion), the Master in Equity is directed to release of record the mortgage lien[s] being foreclosed after the Order Confirming Sale and Disbursements has been executed and filed, which mortgage lien is described as follows:

> That certain mortgage given by Eartha Marshall to Branch Banking And Trust Company of South Carolina dated August 20, 2001, and recorded in the appropriate office for Richland County on September 4, 2001, in Book 562 at page 1493.

15. The following is a description of the premises herein ordered to be sold:

> All that certain piece, parcel or lot of land, with improvements thereon, lying, being in Harlem Heights, a development located in the Northeast suburbs of the City of Columbia, in the County of Richland in the State of South Carolina, known as 5883 Ames Road and shown and designated as Lot # 27 on a plat of Harlem Heights and Harlem Heights Extension, property of Bright L. Stevenson, made by James C. Covington, CE, dated September 13, 1945 and recorded in the Office of the Clerk of Court for Richland County in Plat Book K at Page 64. Reference to said plat is hereby craved for a more complete and accurate description thereof.

Property Address – 5883 Ames Road, Columbia, SC
TMS No. R11714-03-15

16. IT IS FURTHER ORDERED, that if the Plaintiff or the Plaintiff's representative does not appear at the scheduled sale of the above-referenced property, then the sale of the property will be null, void and of no force and effect. In such event, the sale will be rescheduled for the next available sales day.

17. The Counterclaims of the defendant are dismissed, with prejudice.

Paul M. Burch, Presiding Judge

Columbia, South Carolina
~~November __, 2004.~~
March 9, 2006

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit G

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Wells Fargo Bank, N.A. *v.* William Gaffney, et.al. (2011-CP-07-00648)

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT WELLS FARGO BANK, N.A., Plaintiff, vs. WILLIAM GAFFNEY, TREVA GAFFNEY, VHH PARK LANE OWNERS ASSOCIATION, INC., and PROPERTY RESEARCH HOLDINGS, INC., Defendant.	)	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.11-CP-07-648 ORDER GRANTING PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT (not ending case)

2012 JUL 25 PM 3:33

INTRODUCTION

THIS MATTER comes before the Court upon Motion for Summary Judgment ("Motion") filed by Plaintiff Wells Fargo Bank, N.A. ("Wells Fargo" or "Plaintiff") pursuant to Rule 56 of the South Carolina Rules of Civil Procedure. A hearing was held on the Motion on July 11, 2012. Defendants, William Gaffney and Treva Gaffney ("Gaffneys" or "Defendants"), were represented by William H. Sloan, Esq. Wells Fargo was represented by John Hawk of Womble Carlyle Sandridge & Rice, LLP. Based upon the pleadings, the evidence presented, supporting memoranda and argument, Wells Fargo's Motion for Summary Judgment is GRANTED.

STATEMENT OF THE CASE

The above-captioned action arose from a foreclosure complaint filed by Wells Fargo on February 10, 2011. Defendants responded to the Complaint by filing an Answer and Counterclaim of Gaffney on March 23, 2011. Defendants' pleading included an affirmative defense of estoppel and counterclaims for (1) fraud and (2) violation of the South Carolina Unfair Trade Practices Act. The basis for these counterclaims and affirmative defense was the

allegation that Wells Fargo informed Defendants that they would receive an investment loan, but that they were actually given a second home loan. The parties exchanged written discovery, and Wells Fargo took the Defendants' depositions on February 28, 2012. Wells Fargo then moved for summary judgment, arguing that it is entitled to foreclose on the property as a matter of law.

STANDARD OF REVIEW

Summary judgment is appropriate when it is clear there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. *American Heart Ass'n v. County of Greenville,* 331 S.C. 498, 489 S.E.2d 921, 922 (1997). Once the moving party carries its initial burden, the opposing party must, under South Carolina Rule of Civil Procedure 56(e), "do more than simply show that there is some metaphysical doubt as to the material facts" but must come forward with specific facts showing that there is a genuine issue for trial. *Baughman v. American Telephone & Telegraph Co.*, 306 S.C. 101, 115, 410 S.E.2d 537, 545 (1991) (internal quotations omitted). Rule 56(e) specifically prohibits the nonmoving party from resting upon mere allegations or denials of its pleadings. *Id.*

FINDINGS OF FACT

The Court makes the following findings of fact:

1. Defendants are residents and citizens of Orange County, California.
2. The real property described in the Complaint ("Property") is a condominium located in Beaufort County, State of South Carolina. The address of the Property is 12 Park Lane, Unit # 148, Hilton Head, South Carolina, 29928.
3. Defendants purchased the Property in 2008.
4. On January 31, 2008, Defendants, though power-of-attorney, executed a Note promising to pay Wells Fargo Bank, N.A. the principal sum of $233,910.00,

together with interest at the rate of 5.750% per annum on the unpaid balance ("Note").

5. Defendants, through power-of-attorney, executed a Mortgage to Wells Fargo securing the Property. This Mortgage was duly recorded in the Office of Register of Deeds for Beaufort County, South Carolina ("Mortgage").
6. Defendants failed to make payments when due under the terms of the Note and Mortgage. As such, they are in default under the terms of the Note.
7. Wells Fargo filed a Complaint for Foreclosure of Real Estate Mortgage seeking foreclosure and a deficiency judgment on February 10, 2011.
8. Defendants responded to Plaintiff's Complaint by filing an Answer and Counterclaim of Gaffney on March 23, 2011. Defendants' pleading included the affirmative defense of Estoppel, as well as two counterclaims: (1) Fraud, and (2) Violation of the S.C Unfair Trade Practices Act.
9. At his deposition taken on February 28, 2012, Defendant William Gaffney authenticated the relevant loan documents, including a Limited Specific Power of Attorney, the Note and the Mortgage.
10. Two days prior the hearing on this matter, Defendant William Gaffney submitted an affidavit is support of his "Return to Motion for Summery[sic] Judgment" challenging the authenticity of the loan documents based on the premise that "Wells Fargo will do whatever they [sic] can, legal or otherwise to suit their desires."

CONCLUSIONS OF LAW

Wells Fargo moved for summary judgment on its Complaint for Foreclosure of Real Estate Mortgage, arguing that there are no genuine material facts as to either (1) Defendants default on their Note and Mortgage or (2) the failure of the counterclaims and affirmative defense set forth in their Answer and Counterclaim of Gaffney.

1. Default on Note and Mortgage

Defendant William Gaffney admitted that he held legal title to the Property, that he signed the Note and Mortgage through power-of-attorney, and that he failed to make payments when due under the terms of the Note. As such, Defendants are in default as a matter of law.

The Court is not persuaded by the affidavit submitted by Mr. Gaffney prior to the hearing. Under the "competing affidavit" or "sham affidavit" rule, a court may disregard an affidavit which contradicts the party's own prior sworn testimony in order to create an issue of fact for purposes of summary judgment. *Cothran v. Brown*, 357 S.C. 210, 218 (2004).

2. Summary Judgment as to Affirmative Defense and Counterclaims

Defendants' "Answer and Counterclaim of Gaffney" include the affirmative defense of Estoppel, as well as two counterclaims: (1) Fraud, and (2) Violation of the South Carolina Unfair Trade Practices Act. The counterclaims allege that the Defendants were told by a Wells Fargo loan officer that their loan would be classified as an investment loan, but that instead the Defendants were given a loan which was classified as a second home loan. The significance, according to the Answer and Counterclaims, is that the designation of the Defendants' loan as a second home loan determined the type of appraisal that was performed, and the appraiser then performed a "limited appraisal" instead of a "full appraisal." According to the Answer and Counterclaims, had there been a "full appraisal," "the true value of the subject property would

have been identified as to what it was worth in 2008." The Defendants' affirmative defense and counterclaims fail as a matter of law because:

(a) the appraisal is for the benefit of the bank,

(b) no damages resulted from the actions alleged,

(c) the SCUTPA does not apply to federally-insured banks, and

(e) Defendants cannot meet the elements of estoppel as a matter of law.

A. An appraisal is for the benefit of the bank, not the borrower.

As a matter of law, the type of appraisal performed by a bank prior to issuing a loan cannot be the grounds for an affirmative defense or a counterclaim. The appraisal is for the benefit of the bank, and not for the protection of a borrower. In *Robertson v. First Union Nat'l Bank*, the Court of Appeals stated, "we can think of no logical reason why [a] Bank would make it a practice to intentionally make loans for an amount in excess of the collateral's value and risk substantial losses in the event of default." 350 S.C. 339, 351 (Ct. App. 2002). *See also, McGee v. First Federal*, 761 F.2d 647 (11th Cir. 1985)("An appraisal is performed for the benefit of the lending institution. It is the 'consumer' of the appraisal product."). Because the Defendants' defenses and counterclaims are based on the type of appraisal used, they fail as a matter of law.

B. Defendants suffered no damages as a result of the type of loan product they received, and therefore their counterclaims fail as a matter of law.

Even assuming the allegations of the Counterclaims are true, Defendants suffered no damages as a result of receiving a second home loan as opposed to an investment loan. To the contrary, William Gaffney admitted in his deposition that interest rates for second home loans are lower than rates for investment loans. Further, he admitted that the loan type did not increase his monthly payments.

Both of the counterclaims set forth in the Answer and Counterclaim require actual damages on the part of theDefendants. A cause of action for a fraud fails as a matter of law unless the party asserting the cause of action demonstrates actual damages. *See, e.g.*, *Woodward v. Todd*, 270 S.C. 82, 85 (1978)(enumerating the elements of a fraud cause of action, to include "consequent and proximate injury"). Similarly, a claim for violation of the Unfair Trade Practices act fails as a matter of law unless the party asserting it demonstrates actual damages. *Schnellmann v. Roettger*, 368 S.C. 17 (Ct. App. 2006) (summary judgment for defendant proper where plaintiffs suffered no pecuniary loss); *Collins Holding Corp. v. Defibaugh*, 373 S.C. 446 (Ct. App. 147)(SCUTPA only creates causes of action in those suffering a loss as a result of deceptive act).

Therefore, the alleged misrepresentation made by Wells Fargo's loan agent caused the Defendants no damage as a matter of law, and summary judgment in favor of Wells Fargo is appropriate as to their counterclaims for fraud and violation of the SCUTPA.

C. The SCUTPA does not apply to federally-insured banks like Wells Fargo.

The SCUTPA does not apply to federally-insured banks. S.C. CODE ANN. § 39-5-20(b) specifically provides that "[i]t is the intent of the legislature that in construing paragraph (a) of this section the courts will be guided by the interpretations given by the Federal Trade Commission and the Federal Courts to § 5(a) (1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)), as from time to time amended." In 15 U.S.C. 45(a)(2), the Federal Trade Commission Act sets forth the extent to which the Federal Trade Commission can regulate banks:

> The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, **except banks, savings and loan institutions** described in section 18(f)(3) [15 USCS § 57a(f)(3)], Federal credit unions described in section 18(f)(4) [15 USCS § 57a(f)(4)],

> common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Federal Aviation Act of 1958 [49 USCS §§ 40101 et seq.], and persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act, 1921, as amended [7 USCS §§ 181 et seq.], except as provided in section 406(b) of said Act [7 USCS § 227(b)], from using unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce.

15 U.S.C. 45(a)(2) (emphasis added).

Based on S.C. CODE ANN. § 39-5-20(b), circuit courts across the state have found that the SCUTPA is inapplicable to banks like Wachovia. *See, e.g. JJH Transport, LLC and Joel Herring v. Brank Banking and Trust Company of South Carolina* (2006-CP-21-1814); *Branch Banking and Trust Company of South Carolina v. Eartha Marshall* (2003-CP-40-3272). Accordingly, the Court grants Wells Fargo summary judgment as to the Defendants' SCUTPA claim.

D. Defendants' affirmative defense of estoppel fails as a matter of law because the Defendants fail to meet any of the elements of the defense.

Under South Carolina law, the essential elements of the affirmative defense of estoppel are divided between the estopped party and the party claiming estoppel.

As to the party *claiming* estoppel, the essential elements are:

(1) lack of knowledge or the means of acquiring, with reasonable diligence, knowledge of the true facts;

(2) reasonable reliance on the other party's conduct; and

(3) a prejudicial change in position.

See, Boyd v. BellSouth Tel. Tel. Co., Inc., 369 S.C. 410, 422, 633 S.E.2d 136, 142 (2006); *Strickland v. Strickland*, 375 S.C. 76, 84-85 (S.C. 2007). In the case at bar, the Defendants failed

to meet these requirements and therefore Defendants' affirmative defense of estoppel fails as a matter of law.

Again, Defendants claim that the type of loan ("second home") they received from Wells Fargo determined the type of appraisal ("limited") that was performed. Defendant William Gaffney admitted in his deposition that Wells Fargo emailed him a copy of the appraisal prior to the closing. Further, he admitted that, despite having it in his possession, William Gaffney never reviewed the appraisal prior to the closing. Because William Gaffney was in possession of the appraisal prior to the closing, he had the "means of acquiring. . . knowledge of the true facts" regarding the type of appraisal. Therefore, Defendants fail to meet the elements of the affirmative defense of estoppel and summary judgment as to that affirmative defense is appropriate as a matter of law.

I, therefore, conclude as follows:

(a) The affirmative defense of estoppel shall be stricken from the pleadings.

(b) Summary judgment is granted as to Defendants' counterclaims.

(c) Plaintiff is entitled to a judgment of foreclosure under the Mortgage.

NOW, on motion of Plaintiff,

IT IS ORDERED, ADJUDGED AND DECREED THAT

Plaintiff is entitled to a judgment against Defendants for all sums properly due and owing under the terms and conditions of the Note and Mortgage;

Plaintiff is entitled to judgment of foreclosure of the Mortgage on the Property under the terms of the Note and Mortgage;

Plaintiff has demanded and is entitled to a deficiency judgment against Defendants for any deficiency after the disposition of the Property, and

Plaintiff's attorneys shall have the right to petition the Court for an award of attorneys' fees and costs for services rendered in connection with this lawsuit. Defendants shall be notified of any such petition and have the right to appear and contest the same.

Plaintiff shall provide the Court with an appropriate Order and Decree of Foreclosure along with supporting documentation, to include the original Note, evidencing the total sum due under the terms and conditions of the Note and Mortgage.

AND IT IS SO ORDERED.

Honorable Marvin Dukes
Judge, Fourteenth Judicial Circuit

July 11, 2012
Bluffton, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit H

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

12 C.F.R. § 202.14

Code of Federal Regulations
Title 12. Banks and Banking
Chapter II. Federal Reserve System
Subchapter A. Board of Governors of the Federal Reserve System
Part 202. Equal Credit Opportunity Act (Regulation B) (Refs & Annos)
Regulation B (Equal Credit Opportunity)

12 C.F.R. § 202.14

§ 202.14 Rules on providing appraisal reports.

Currentness

(a) Providing appraisals. A creditor shall provide a copy of an appraisal report used in connection with an application for credit that is to be secured by a lien on a dwelling. A creditor shall comply with either paragraph (a)(1) or (a)(2) of this section.

(1) Routine delivery. A creditor may routinely provide a copy of an appraisal report to an applicant (whether credit is granted or denied or the application is withdrawn).

(2) Upon request. A creditor that does not routinely provide appraisal reports shall provide a copy upon an applicant's written request.

(i) Notice. A creditor that provides appraisal reports only upon request shall notify an applicant in writing of the right to receive a copy of an appraisal report. The notice may be given at any time during the application process but no later than when the creditor provides notice of action taken under § 202.9 of this regulation. The notice shall specify that the applicant's request must be in writing, give the creditor's mailing address, and state the time for making the request as provided in paragraph (a)(2)(ii) of this section.

(ii) Delivery. A creditor shall mail or deliver a copy of the appraisal report promptly (generally within 30 days) after the creditor receives an applicant's request, receives the report, or receives reimbursement from the applicant for the report, whichever is last to occur. A creditor need not provide a copy when the applicant's request is received more than 90 days after the creditor has provided notice of action taken on the application under § 202.9 of this regulation or 90 days after the application is withdrawn.

(b) Credit unions. A creditor that is subject to the regulations of the National Credit Union Administration on making copies of appraisal reports available is not subject to this section.

(c) Definitions. For purposes of paragraph (a) of this section, the term dwelling means a residential structure that contains one to four units whether or not that structure is attached to real property. The term includes, but is not limited to, an individual condominium or cooperative unit, and a mobile or other manufactured home. The term appraisal report means the document(s) relied upon by a creditor in evaluating the value of the dwelling.

SOURCE: 68 FR 13161, March 18, 2003; 76 FR 59239, Sept. 26, 2011, unless otherwise noted.

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AUTHORITY: 15 U.S.C. 1691–1691f; Pub.L. 111–203, 124 Stat. 1376.

Notes of Decisions (3)

Current through February 6, 2014; 79 FR 7316

End of Document

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STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

IN THE COURT OF COMMON PLEAS

C.A. No.: 2011-CP-29-873

WELLS FARGO BANK, N.A., Successor by merger to WACHOVIA BANK, N.A.,

Plaintiff,

v.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Defendants.

RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CAMINE PAPPAS,

Cross-Plaintiffs,

v.

WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, A North Carolina limited liability company,

Cross-Defendants

Exhibit I

TO
WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Defendants' Response to Wells Fargo's Request to Admit No.13

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	ANSWERS TO
Plaintiff,	]	
vs.	]	PLAINTIFF'S REQUESTS FOR ADMISSIONS
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	
	]	

To: The Plaintiff and
S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601
864 255-5400

1. Admit that the document attached hereto and incorporated herein by reference as **Exhibit "A"** is a true and accurate copy of the Note dated July 22, 2009, signed by Ronald P. Pappas and Camine Pappas (the "**Note**").

The Request is admitted.

2. Admit that by signing the Note, Ronald P. Pappas and Camine Pappas promised to pay Wachovia Bank, National Association ("**Wachovia**") $210,954.69 plus interest.

The legal effect of the said Note, as subject to the counterclaims of the Defendants, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

3. Admit that the document attached hereto and incorporated herein by reference as

Exhibit "B" is a true and accurate copy of the Mortgage given by Ronald P. Pappas and Camine Pappas to Wachovia dated July 22, 2009 (the"**Mortgage**").

With the caveat that one page included in the document whose accuracy is sought to be admitted (Pappas_WF 000002) is blank, and one (Pappas_WF 000016) would seem to be an identification sticker affixed by an unknown party, the Request is admitted.

4. Admit that the document attached hereto and incorporated herein by reference as **Exhibit "C"** is a true and accurate copy of a Notice and Right to Cure Default dated February 22, 2011 addressed to Ronald P. Pappas.

The Request is admitted.

5. Admit that the document attached hereto and incorporated herein by reference as **Exhibit "D"** is a true and accurate copy of a Notice and Right to Cure Default dated February 22, 2011 addressed to Camine Pappas.

The Request is admitted.

6. Admit that the Defendants failed to make payments to Wachovia as required by the terms of the Note.

The Defendants admit that they did not make all the payments specified in the said Note of July 22, 2009.

7. Admit that Defendants are in default under the terms of the Note and Mortgage for failing to make payments as required by the terms of the Note.

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any default claimed thereunder, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

8. Admit that Defendants did not cure their default under the terms of the Note and Mortgage after receiving notice of such default.

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any default claimed thereunder, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

9. Admit that the terms of the Mortgage allow Plaintiff to foreclose the property described in the Mortgage if Defendants breached the terms of the Note and/or Mortgage

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any right to foreclose claimed thereunder, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

10. Admit that the terms of the Note and Mortgage entitle Plaintiff to a deficiency judgment against Defendants.

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any right to a deficiency judgment thereunder, is in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

11. Admit that the Defendants did not speak with any Wachovia Employee prior to agreeing to purchase Lot 311.

To the best of the Defendants' recollection, the matter in the Request to Admit above is true and is admitted.

12. Admit that Defendants did not make any efforts to independently ascertain the value of Lot 3ll prior to agreeing to purchase Lot 311.

The Defendants admit that they7 made no effort to independently ascertain the value of the subject real property, relying, as they had a right to do, upon the independent and professional opinion of the appraiser to whom they were referred, and whom they paid.

13. Admit that Defendants were not prevented by Wachovia from independently ascertaining the value of Lot 311 before Defendants purchased Lot 311.

The matter in the Request to admit above is admitted.

14. Admit that Defendants were not provided with an appraisal by Wachovia prior to agreeing to purchase Lot 311.

The matter in the Request to admit above is admitted.

John Martin Foster
Attorney for Defendants

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730

Post Office Box 106
Rock Hill, SC 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

May 10, 2012

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	
Plaintiff,	]	CERTIFICATE OF SERVICE
vs.	]	
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	

The undersigned counsel herein certifies that, pursuant to Rule 5(b)(1), S.C.R.C.P, on May 10, 2012 he served copies of the following pleadings, documents or papers in the above-captioned and numbered civil action:

Answers to Plaintiff's Requests for Admissions; and
This Certificate of Service.

the original of which were sent on the same date to be filed with the Clerk of the Court named above, by depositing the same with the United States Postal Service on the date above, with sufficient postage affixed and directed to the respective last known address(es) of those attorney(s) and/or persons set out below, as follows:

S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601

Gregory L. Shelton
Horack, Talley, Pharr & Lowndes, PA
301 South Charlotte Street, Suite 2600
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jmfoster@comporium.net

May 10, 2012
Rock Hill, South Carolina

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on the 14th day of February 2014, she served copies of the foregoing **WELLS FARGO'S MEMORANDUM IN SUPPORT OF ITS MOTIN FOR SUMMARY JUDGMENT** by depositing same in overnight delivery, via FEDERAL EXPRESS, addressed to the person(s) hereinafter named, at the place(s) and address(es) stated below, which is/are the last known address(es):

John Martin Foster, Esq.
The Guardian Building
223 East Main Street, Ste. 520
Rock Hill, C 29730

Gregory L. Shelton, Esq.
Horack Talley Pharr & Lowndes, P.A.
301 S. College Street, Ste. 2600
Charlotte, NC 28202-6038

Cathi P. Tankersley
Paralegal to S. Sterling Laney, III and
Hugh M. Claytor

STATE OF SOUTH CAROLINA COUNTY OF LANCASTER	IN THE COURT OF COMMON PLEAS SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A., Plaintiff, vs. RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CARMINE PAPPAS, Defendants.	AFFIDAVIT IN RESPONSE TO MOTION OF PLAINTIFF FOR SUMMARY JUDGMENT C.A. No. 11-CP-29-0873
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CARMINE PAPPAS, Cross-Plaintiffs, vs. WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, Cross-Defendants.	

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says:

1.0 The Affiant is counsel for the Defendants and Cross-Plaintiffs PAPPAS in this civil action. The Plaintiff WELLS FARGO BANK seeks to foreclose on property in a failed subdivision in Lancaster County known as Edgewater, and seeks a deficiency judgment against the PAPPASES. Due to the failure of the developer CRAFT DEVELOPMENT to complete the amenities and the downturn in market conditions, there is every expectation that a foreclosure will result in a deficiency judgment.

2.0 The PAPPASES have counterclaimed against WELLS FARGO and CRAFT alleging various grounds for relief. Among those grounds are claims for unfair and deceptive trade practices based, in part, upon improper appraisal procedures and a failure by WELLS FARGO to supply the PAPPASES with copies of the Appraisals for which they were required to pay, both in the original closing and in the re-financing which resulted in the mortgage which that bank now seeks to foreclose.

3.0 Mr. PAPPAS timely requested the said Appraisals at the time of the transactions, as set out in the Defendant/Cross-Plaintiffs' Amended Answer and Counterclaim, Para. 26, and in Mr. PAPPAS' Deposition. DEPOSITION OF RONALD E. PAPPAS, p.34, l.4 – 9; p. 157, l.16 – p. 158, l.5; p.167, l.24 – p.168, l.4.

4.0 The earlier Appraisal, that from the purchase closing, was supplied to the PAPPASES in response to discovery. The second Appraisal, from the mortgage transaction which the Bank here seeks to foreclose, has not yet been turned over, nor has any reason for this failure been given.

5.0 On knowledge and information, and based upon counsel's contact with the person who they expect to use as an expert in standard and accepted Appraisal practice, one of two conclusions must flow from that second Appraisal:

a) the second Appraisal did not accurately reflect the value of the subject real property at the time of refinance in 2009, but showed the original, inaccurate value, and the PAPPASES were thereby induced to continue their involvement in the transaction which they now contend to be self-serving on the part of the bank, and they were thereby prevented from timely seeking their legal and equitable remedies; or

b) the second Appraisal accurately reflected the lesser, 2009 value of the subject real property at the time of refinance in 2009, and the PAPPASES were thereby induced to continue their involvement in the transaction, at a false and inflated value, which would have been fraudulent on the part of the bank, and they were thereby prevented from timely seeking their legal and equitable remedies.

6.0 The person so contacted, and by whom the PAPPASES intend to have the Appraisals evaluated is Mr. Ken Kessaris, S.C. License CR #1074, 2238 Ebenezer Road, Rock Hill, S.C. 29732, Telephone 803-325-8010. Mr. Kessaris is prevented from submitting his own Affidavit on this matter by the winter weather and by his inability to render an opinion as to a document yet to be produced.

7.0 The request of the PAPPASES for the second Appraisal was made explicit at the Deposition of RONALD E. PAPPAS. Mr. PAPPAS reiterates the failure to turn over the second Appraisal at p. 157, l.16 – p. 158, l.5, and at p.167, l.24 – p.168, l.4. The request for the second Appraisal was stated explicitly:

24 Q. Are you aware from the appraisal done in 2009

25 according to HUD, which I believe you established is
1 page 78 of Plaintiff's 13, was that also the same
2 appraiser, the Pigmans, if you know?
3 A. I don't know anything about the second appraisal
4 except that I paid for it.
5 Q. Okay.
6 MR. FOSTER:· And I assume that Counsel can
7 supply that to us?
8 MR. LANEY:· An appraisal?· The 2009?
9 MR. FOSTER:· Yes.
10 MR. LANEY:· I'll inquire, and if we have it
11 we'll certainly --
12 MR. FOSTER:· Okay.· I have nothing further.

[DEPOSITION OF RONALD E. PAPPAS, Oct. 30, 2013, p.167, l.24 – p.168, l.12.]

8. No Scheduling Order as to discovery, or other deadlines has been issued in this civil action, although discussion of the same has taken place. This case was delayed for over six months by an earlier indication that settlement was imminent: that offer of settlement has been withdrawn by opposing counsel.

9. WELLS FARGO has now filed with this Court it generic motion for Summary Judgment.

10. In order for the PAPPASES to fully defend this action, and to prosecute their Counterclaim, they have the right to procure the second Appraisal and have the same evaluated by a qualified expert in the standards and practices of real estate appraisal.

11. In the absence of the second Appraisal, the PAPPASES cannot adequately or fully present their position or defend against the pending summary judgment motion of WELLS FARGO.

12. In addition to the matter above, the PAPPASES have not been supplied with any documentation setting out the relationship, contractual, partnership or joint venture, if any, between WELLS FARGO BANK, N.A. and CRAFT DEVELOPMENT, LLC.

13. The PAPPASES believe themselves to have identified a person with knowledge of the relationship between the Cross-Defendant entities, and believe that they should have the right to depose the same and, as necessary, to amend their pleadings – as CRAFT DEVELOPMENT has recently been allowed to do.

14. Rule 56(f), S.C.R.C.P. provides:

> **(f) When Affidavits Are Unavailable.** Should it appear from the affidavits of a party opposing the motion that he cannot for reasons stated present by affidavit facts essential to justify his opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such order as is just.

15. This Affidavit is submitted in compliance with the requirements of Rule 56(f), S.C.R.C.P.

16. This Affidavit is prepared by counsel at home due to the winter storm now occurring in our area. He has reviewed the same with the Notary below signed, who has indicated her willingness to accept the same as his sworn statement. A copy is being sent by electronic e-mail to the Honorable Judge and to all opposing counsel. As soon as the Affiant is able, a hard copy of the same will follow to opposing counsel by U.S. Mail or by Federal Express.

/s/_*JOHN MARTIN FOSTER*_____
John Martin Foster
Attorney for Defendants and
Cross-Plaintiffs

SWORN TO and subscribed before me
this day of February 17, 2014.

/s/_*ELLEN N. SMITH* Ellen N. Smith
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission expires: _03-31-2014_

Subject: Wells Fargo Bank v Pappas 2011-CP-29-0873
From: John Martin Foster <jmfoster@comporium.net>
Date: 02/13/2014 03:26 PM
To: "The Honorable R. Knox McMahon" <kmcmahonj@sccourts.org>, "Claytor, Hugh" <HClaytor@wcsr.com>, gshelton@horacktalley.com, "Foster, John Martin" <jmfoster@comporium.net>

Dear Judge McMahon:

I attach a PDF of my Affidavit in Response to Wells Fargo's Motion for Summary Judgment. As stated therein, I will send out a hard copy by mail or FedEx once the weather allows.

--
JOHN MARTIN FOSTER JMFOSTER@COMPORIUM.NET

223 EAST MAIN STREET SUITE 520 ROCK HILL SC 29730
POST OFFICE BOX 106 ROCK HILL SC 29731-6106
803 324-8100 803 324-8109: FAX

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Attachments:

AffOppSJ.pdf	53.3 KB

STATE OF SOUTH CAROLINA COUNTY OF LANCASTER	IN THE COURT OF COMMON PLEAS SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A., Plaintiff, vs. RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CARMINE PAPPAS, Defendants.	NOTICE and MOTION: TO ALTER OR AMEND JUDGMENT Pursuant to: RULE 59(a)and (e), S.C.R.C.P. C.A. No. 11-CP-29-0873
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, and CARMINE PAPPAS, Cross-Plaintiffs, vs. WELLS FARGO BANK, N.A., and CRAFT DEVELOPMENT, LLC, Cross-Defendants.	

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LANCASTER, SC

To: S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice
550 South Main Street, Suite 400
Greenville, SC 29601
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Gregory L. Shelton
Amy Purwin Hunt
Horack, Talley, Pharr & Lowndes, PA
301 South Charlotte Street, suite 2600
Charlotte, NC 28202-6038
gshelton@horacktalley.com

You or your attorney should appear before this Court to present evidence or argument, if any you have, relating to the Motion herein, as follows:

DATE AND TIME: To be set by the Clerk of the Court, or as soon thereafter as counsel may be heard.

PLACE: Lancaster County Courthouse
104 North Main Street
Lancaster, South Carolina 29720,
or at such other place as the Court or Clerk may designate

Pursuant to Rule 59a) and (e), S.C.R.C.P., the Defendants and Cross-Plaintiffs RONALD P. PAPPAS and CAMINE PAPPAS, by and through their attorney, move this Court:

For an Order reopening the Order filed April 11, 2014 and received by the Movants on May 16, 2014, amending the findings of fact and conclusions of law or making new findings and conclusions, and directing the entry of a new Order; and

For such other and further relief as this Court may deem just and proper.

on the grounds that the Order of the Court is contrary to law and the evidence as proven at hearing, on the following bases:

1. Rule 56(f), S.C.R.C.P. specifically provides for the introduction of an affidavit by the party defending against a grant of summary judgment in the event of good cause for a lack of defense. In this case, the Movants timely presented such an Affidavit, alleging the Movant's ffalure to produce an Appraisal of the premises which they seek to foreclose. The Order of the Court does not address this Affidavit, which the Movants affirm to be sufficient to require additional discovery prior to the disposition of the Plaintiff's Motion for Summary Judgment.

2. The Court bases its dismissal of the Movants' claim for unfair and deceptive practices upon a failure to show either a potential for repetition or (by implication) an impact upon the public. Insofar as the second factor is involvedl, the Plaintiff has itself cited numerous cases from the Appellate Courts of this State precisely involving a failure of the lender to supply a proper Appraisal. The Movants argue that an issue giving rise to repreated litigation shows a *prima facie* impact upon the public. Both as to this matter and that of repetition, the Movants again plead their need for the completion of discovery to address precisely these questions of fact.

3. By its Memorandum at trial, the Plaintiff sought to argue that claims of unfair and deceptive trade practices cannot apply against federally regulated banks. Against this argument, the Movants cited Federal precedent stating that such claims are in fact applicable to such banks. The Order of the Court fails to address this issue. The Movants must be guided by the principle that requires them to request this Court deal with all issues raised, in the event of any future appeal. They re-urge their argument on point and request the ruling of this Court.

4. One theory advanced by the Movants was that the use of a (presumptively) improper Appraisal at the time of refinancing of this mortgage loan prevented the Movants from a timely assertion of their then non-limitationed rights under the Real Estate Settlement Procedures Act ("RESPA") and/or the Interstate Land Sales Act ("ILSA"). The Order of the Court fails to address this issue. The Movants must be guided by the principle that requires them to request

this Court deal with all issues raised, in the event of any future appeal. They re-urge their argument on point and request the ruling of this Court.

5. To the extent consistent with Rule 59 practice, the Movants here re-state and re-argue each of their points at hearing and in their Affidavit in opposition to the Order as worded and entered.

Respectfully submitted,

John Martin Foster
Attorney for Defendants and
Cross-Plaintiffs

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730

Post Office Box 106
Rock Hill, SC 29731-6109

803 324-8100
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May 25, 2014

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA]	IN THE COURT OF COMMON PLEAS
COUNTY OF LANCASTER]	SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A.,] s/b/m to Wachovia Bank, N.A.,] Plaintiff,] vs.] RONALD P. PAPPAS,] a/k/a Ronald Peter Pappas, and] CARMINE PAPPAS,] Defendants.]	CERTIFICATE OF SERVICE C.A. No. 11-CP-29-0873
RONALD P. PAPPAS,] a/k/a Ronald Peter Pappas, and] CARMINE PAPPAS,] Cross-Plaintiffs,] vs.] WELLS FARGO BANK, N.A., and] CRAFT DEVELOPMENT, LLC,] Cross-Defendants.]	

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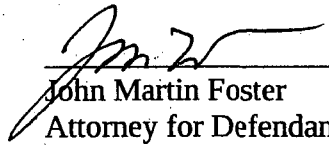
The undersigned, as counsel for the Defendant/Cross-Plaintiffs herein, hereby certifies that on May 25, 2014 he served copies of the following pleadings or documents in the above-captioned and numbered civil action:

Motion to Alter or Amend Judgment pursuant to Rule 59(a) and (e), S.C.R.C.P.; and
This Certificate of Service

the original of which were sent to be filed with the Clerk of the Court for the Court named above, by sending the same by electronic e-mail on the date above, directed to the respective last known e-mail address(es) of those attorney(s) and/or persons set out below, as follows:

S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice
550 South Main Street, Suite 400
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Gregory L. Shelton
Amy Purwin Hunt
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John Martin Foster
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May 25, 2014

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA — IN THE COURT OF COMMON PLEAS

COUNTY OF LANCASTER — C.A. NO. 2011-CP-29-873

Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, N.A.,

Plaintiff,

-vs-

Ronald P. Pappas, a/k/a Ronald Peter Pappas, and Camine Pappas,

Defendants.

Ronald P. Pappas, a/k/a Ronald Peter Pappas, and Camine Pappas,

Cross-Plaintiffs,

-vs-

Wells Fargo Bank, N.A., and Craft Development, LLC, a North Carolina limited liability company,

Cross-Defendants.

Deposition of RONALD P. PAPPAS, a witness called by Counsel on behalf of the Defendant, pursuant to the applicable provisions of the South Carolina Rules of Civil Procedure, taken before Cynthia L. Weathers, Court Reporter and Notary Public in and for the State of South Carolina, on October 30, 2013 the office of J. Martin Foster, 223 East Main Street, Suite 520, Rock Hill, South Carolina, commencing at the hour of 10:00 a.m.

APPEARANCES

John Martin Foster, Esq.
Attorney at Law
223 East main Street
Suite 520
Rock Hill, South Carolina 29731-6106
jmfoster@comporium.net

REPRESENTING THE PLAINTIFF/Ronald P. Pappas

S. Sterling Laney, III, Esq.
Womble, Carlyle, Sandridge & Rice, PLLC
550 South Main Street, Suite 400
Greenville, South Carolina 29601
slaney@wcsr.com

REPRESENTING THE DEFENDANT/Wells Fargo

Amy Purwin Hunt, Esq.
Horack Talley
Attorneys at Law
2600 One Wachovia Center
301 South College Street
Charlotte, North Carolina 28202-6038
ahunt@horacktalley.com

REPRESENTING THE DEFENDANT/Craft Development, LLC

ALSO PRESENT

Amanda Anders, Womble, Carlyle, Sandridge & Rice, PLLC

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representatives. It was a big room. There might have been 500, 600 people in the room.
Q. Okay.
A. They had a very well-orchestrated presentation process, showing films on the wall and pictures and graphics on the walls, power-point type of presentations, probably a very well-versed sales and marketing team that they had describing all of the things that they were selling at that property.
Q. Okay.
A. Club houses, docks, buildings, restaurants, an equestrian center, golf course, and all backed up by the large collateral material that they handed out to everybody.
Q. Okay.
A. Again, demonstrating everything that they had. It was just a nice property to look at. It seemed like that's something we wanted to do. And so as we started to discuss that with some of the membership of the sales team there, it was brought up by them that they had a program that was endorsed by two or three lenders in that community that would offer programs to close the property before all of the construction activity was completed by the developer.

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Q. Okay.
A. That was probably one of the key deciding factors that we had. And that representation is that we could purchase and close backed by a pretty large organization. Wachovia was a pretty well-known bank, as is Wells today.
Q. Okay. Where did this meeting take place? I know you've mentioned Ballantyne and the property. Where were you when this meeting took place?
A. Well, there was more than one.
Q. You went to more than one?
A. I went to more than one.
Q. Okay. Tell me where the locations of those meetings were.
A. It was at the Ballantyne Resort, one of them.
Q. Okay.
A. And at least two of them over on the property.
Q. Okay.
A. They had set up a staging area adjacent to some of the waterfront lots and had helicopters giving tours of the property showing all the amenity locations from the air. The Ballantyne Resort, again, was the other venue. I do know and remember from some of the marketing materials that were mailed out that they had done these presentations

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at other venues throughout the Charlotte and Columbia regions.
Q. Okay. And you're using the word they a lot. Tell me who they is?
A. Well, why don't we just call it the developer for now.
Q. Who is the developer?
A. As we know it, it's Craft.
Q. Okay.
A. We'll call it Craft.
Q. Craft Development?
A. We'll call it Craft Development.
Q. And you've filed a cross-claim against Craft Development. Is that who we're referring to? And I'm just trying to make sure we're not referring to anybody else.
A. Well, they're the seller. They're the developer of the property. They offered the property. So if we can keep it in that context, then I'll just go with Craft. Is that okay with you?
Q. Okay. That's fine. Kind of like Wachovia has now become Wells Fargo.
A. Right.
Q. I just want to make sure we're talking about the same folks here.

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A. And I think Craft Development, LLC may be the correct entity.
Q. If it is.
A. Okay.
Q. Okay. After you attended these two and three meetings, what happened next? And tell me where were you living at this time.
A. In Waxhaw, North Carolina.
Q. All right. Do you still live at that location?
A. I do not.
Q. Where do you live currently?
A. I live -- you want an address?
Q. Yes, sir.
A. 19217 Mallard, M-a-l-l-a-r-d, Drive, Fort Mill, South Carolina 29707. It's also known as Indian Land.
Q. I'm familiar with it. Okay. Tell me, do you and your wife have any children?
A. I have two children. My wife and I together, no.
Q. Okay. Do they live here in South Carolina?
A. They do not.
Q. Okay. Do you have any other relatives in Lancaster County with the last name other than Pappas?
A. Yes.
Q. What are their names?

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A. My --
Q. Is that from New Jersey all the way down or so?
A. Yes. It was a six-state region, basically from Washington D.C. through Tampa, and from Memphis to the coast.
Q. Pretty large region.
A. It was.
Q. What were your duties as --
A. As Region President, I had 25 or more small divisions. Mine was -- I call it a dirt-to-doorknobs responsibility. I had a full bottom line responsibility, full profitability responsibility, if that helps you. I can go through a long dissertation. My entire job as a president of the company was to obviously manage that company and grow it and make it profitable.
Q. Sure. How many employees did you have reporting to you on average?
A. At that time, or on average over time?
Q. Over time, just time.
A. I've had as many as 250 report, or that I was responsible for. The direct reports would move on, obviously.
Q. And just tell me a brief -- I know Jim Walter Homes is out of business, went out of business about 2009

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or so.
A. That's correct.
Q. Can you just tell us, the court reporter, what they basically did, they're business?
A. They were an on-your-lot builder.
Q. Okay.
A. Their primary business model was to provide shelter housing, if you will, --
Q. Okay.
A. -- to those who might have been credit challenged. And they would also finance the deal.
Q. Okay. Were you involved in any of the financing aspect of the business? I imagine you were as President of the division.
A. Just as that.
Q. Okay. Did you have to approve any loan applications?
A. Not necessarily directly.
Q. Okay. If it was a one somebody needed to take an exception or something, would they have to come up to you to get approval?
A. Our sales and marketing group would be responsible for that putting together under the parameters that we had the financing on the property --
Q. Okay.

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A. -- to guidelines that we already had. If there was any exception to anything, it wasn't my decision, necessarily, to approve or disapprove. My sales team or my finance team would usually make that call.
Q. I gotcha. And then monthly and quarterly, you're probably looking at the reports --
A. That's correct.
Q. -- to see, and could ask why did we do this or do that?
A. Yes.
Q. Okay. So then in the spring of 2006, what was the reason you moved back, or moved to -- I don't know where you're from originally.
A. It was a job offer at the Jim Walter.
Q. The Jim Walter was the reason you moved?
A. It was.
Q. Okay. And just tell me briefly where you received your education from.
A. How far back?
Q. High school, college.
A. I went to high school in Villa Park, California, Orange County, California.
Q. All right.
A. Went to junior college at Orange Coast College in

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Costa Mesa, California.
Q. Okay.
A. Went to Cal State Fullerton.
Q. What degree did you get from Cal State?
A. I left before my degree.
Q. Okay. Have you received any other educational training?
A. Real estate licenses.
Q. Okay. What real estate licenses do you hold?
A. I hold none.
Q. Okay. Have you received any training in real estate appraisals?
A. No.
Q. Okay. You've never performed an appraisal then?
A. That would be correct.
Q. Okay. Okay. That brings us to the spring of 2006. After you've attended the couple of meetings that you described, what happened next?
A. With dialog with the sales and marketing group that they had hired and the sales gal who was assigned to us, we entered into a Purchase and Sell Agreement.
Q. Okay.
A. And obviously, the involvement of the bank was key to us making that buying decision. And we had then

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question. The question is, you didn't have an agreement with Wachovia to fund the purchase of your lot at the time you executed that agreement with Craft Development.
A. That would be fair.
Q. Okay.
A. Yes.
Q. After you signed the Agreement to Buy and Sell Real Estate, you then sent the agreement, pursuant to the cover page of Plaintiff's Exhibit 2, to SunTrust and Wachovia so you could compare their loan packages and decide which one you wanted to go with.
A. Nothing went to SunTrust.
Q. Okay. Even though you wanted to fax to SunTrust?
A. That isn't my writing, though. That's Jennifer's writing. That's the sales agent's writing. Those are her notes on the -- this is her worksheet.
Q. Okay. You didn't want to compare loans?
A. Wachovia, from what they offered, and again, looking at documents that aren't here, or trying to recall the documents that aren't here, --
Q. Uh-huh.
A. -- there was a lending program, which I'm going to be certain that you're aware of. There was a lending program offered by the seller. And there

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was a sheet that says here's the program that we are offering for this deal, for this purchase. They asked me which one I wanted to chose.
Q. Okay.
A. I went to Wachovia.
Q. Okay. On March 29th, 2006, you had not yet spoken to Wachovia about being approved for their financing though; correct?
A. I had spoken to a representative of Wachovia at the presentation meetings. And that person is the one who described to me the program that they had. They had their representatives at each one of the -- I call them dog and pony shows -- but they had their representatives, banking representatives, at each one of the presentation venues, Ballantyne and at the lake front.

(Whereupon, Plaintiff's Requests for Admissions was entered as Plaintiff's Exhibit #1)

Q. Mr. Pappas, I'm going to show you what's been marked as Plaintiff's Exhibit #1. These were Requests for Admit which were served upon you awhile back in this lawsuit. And in the #11, you were asked to admit that you did not speak with any Wachovia employee prior to agreeing to purchase Lot 311. And you

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admitted that as true. Do you see that? And these were responded to about a year-and-a-half ago, May 2012.
A. We did talk to them. I don't know how this is construed or what the question was, saying that Wachovia's agents were on the sites.
Q. Did they help you negotiate the purchase price?
A. No.
Q. Okay. Did you discuss the terms of the contract with them in any way?
A. They described their program.
Q. But that's not my question. The question is, did you discuss the Agreement to Buy and Sell Real Estate with a Wachovia employee prior to executing it?
A. Well, I'm not sure I understand your question.
Q. Okay.
A. And maybe we can kind of pick it apart a little bit, which is fine.

(Whereupon, Agreement to Buy and Sell Real Estate was entered as Exhibit #2)

Q. Sure. What I'm trying to say is when you received this contract that's the Agreement to Buy and Sell Real Estate, Plaintiff's Exhibit #2, did you discuss

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this was a Wachovia employee before you executed it?
A. That part is -- that is correct. I did not.
Q. Okay. Your discussions and negotiations of the purchase price and everything was solely between you and the seller, Craft Development, LLC?
A. Yes.
Q. Okay. At the time you purchased this, how many other properties had you bought, personally?
A. Lifetime things?
Q. Yes, sir.
A. Twenty.
Q. Okay. Outside your primary residence that you've lived in, were the rest of them investment properties?
A. Not all of them.
Q. Okay.
A. Some of them.
Q. About how many, roughly, percentage of the 20 properties were investment properties?
A. Five.
Q. Okay. What were the other 15 for?
A. Some were properties that we were planning to build on, ourselves.
Q. Okay. Where were the five or so investment properties located?

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MR. LANEY: Do we have a copy of the appraisal?
MR. FOSTER: I think we've been sent one, if I can find it.
MR. LANEY: Let's go off the record for a second.
(Off the record)
(Whereupon, Pigman Appraisal Group Document was marked as Plaintiff's Exhibit #14)
BY MR. LANEY: (Resuming)
Q. All right, Mr. Pappas. We're back on the record.
A. Are we talking about the appraisal?
Q. Yes, sir. Mind you, you're still under oath. There is a document which has been marked as Plaintiff's Exhibit #14. The top of it says Pigman Appraisal Group from Fort Mill, South Carolina. It appears to be dated May 10th, 2006, the property description of Lot 311 Edgewater, which is the subject property of the mortgage foreclosure; is that correct?
A. It looks that way.
Q. Okay. Well, Lot 311 is the one you purchased from Craft; correct?
A. Yes.
Q. Okay. And it appears that this was submitted by Eric Pigman and Douglas Pigman, and indicates an

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appraised value, market value as of May 10th, 2006, to be $230,000.00. Do you see that?
A. I see that.
Q. And when was the first time you saw this appraisal?
A. When we requested it two months ago, three months ago.
Q. Okay. Within the last couple of months was the first time you saw this appraisal?
A. Yes.
Q. Okay.
MR. FOSTER: For the record, the Deponent turned to me in an interrogatory manner. I, obviously, cannot answer.
MR. LANEY: Okay. Fair enough.
BY MR. LANEY: (Resuming)
Q. Mr. Pappas, do you have any reason sitting here today, October 30, 2013, to say that the value, the market value that the appraiser placed on Lott 311 on May 10th, 2006, was inaccurate?
A. Do I have any reason to say today that was inaccurate?
Q. Yes, sir. What evidence, if any, do you have that the market value which the appraiser placed on Lot 311 of $230,000.00 on May 10th, 2006 was inaccurate on the day it was provided, May 10th, 2006?

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A. Provided to them.
Q. Who's them?
A. You guys, I guess. Wachovia.
Q. Okay. Yes, sir.
A. I mean looking at it from when I just saw it, I'd probably start to question a little bit, you know, about how there are comparables and where they were taken from.
Q. Okay. Well, let's look at the comparables there. One is like 203 Edgewater. Same subdivision. And comparable two is like 209 in the same subdivision. And comparable three is like 204 in the same subdivision. Appear to have sales prices of two-twenty-nine, two-forty-nine-nine, and two-zero-nine, respectively. Do you have an issue with those comparables being used?
A. Based on how he looks like he's done his work, all of these properties, if they're all -- and I don't know the properties specifically -- but all of them were about in the same stage then of construction when he did his appraisal, --
Q. Okay.
A. -- which were incomplete.
Q. Okay. And you had visited this property; correct?
A. That's correct.

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Q. So the stage of construction was well known to you at the time you signed your Agreement to Buy and Sell Real Estate; correct?
A. That's correct.
Q. Okay. And you were working as a real estate developer at the time you signed that Agreement to Buy and Sell Real Estate; correct?
A. I was self-employed. Correct.
Q. Okay. It appears from the appraisable that all those comparables were closed sells. They were not pending sells, but had actually been closed and were taken from the courthouse records. Would you agree with that?
A. Looks that way.
Q. And the loan in 2006 that you requested from Wachovia was $206,100.00; correct?
A. That was the loan they offered.
Q. Okay. And that was the loan you accepted?
A. Yes.
Q. And your purchase price for Lot 311 was $229,000.00; correct?
A. Yes.
Q. And the appraised value of Lot 311 came $1,000.00 more than your purchase price; correct?
A. From what this says, yes.

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approve a mortgage loan (as read).
Q. Thank you. Okay. And now I'm getting back to the crux of my question. And that is you've made some serious allegations as to Wachovia, saying that they should not be entitled to collect on their loan which you and your wife executed in their favor. And the basis for that -- and we'll go through your complaints in just a second -- but roughly, the basis is you felt that the appraisal gave an incorrect value for Lot 311. And my question is, what evidence do you have that the value Mr. Pigman placed on Lot 311 on May 10th, 2006 was incorrect?
A. I don't think we're questioning the value of the appraisal since I've not seen it until just recently.
Q. Sure.
A. Okay. If you want to talk about the crux of the dispute that I have with it, it's simply Wachovia offered a program to all the sellers, not just me, or all the buyers, rather. Not just me. Who ever they chose. Either SunTrust, Wachovia, or another lender. And I don't recall if there was a third one. I seem to want to recall that there was a third one. You've got to remember this was 2006.
Q. I understand.

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A. Okay.
Q. I understand.
A. And offering a program to have financing in place on lots that are unfinished, unfinished lot values that are basically assumed by an appraisal before they're done. The lots are clearly, even in these xeroxed photographs, the lots are clearly not done. They're not completed.
Q. Right.
A. Construction inspection records will determine at what stage each one of the lots were based on. Construction inspection reports that would come over and say where they're done. The promise that I relied on, both from the seller and from Wachovia, is all the amenities were going to get in. I'm not talking necessarily today. And again not seeing this 'til recently, we're not talking about this value.
Q. Okay.
A. We're talking about -- seems like that the appraiser, in his reports, names off all these things that are going to be completed. All the collateral material that was provided to us during this whole process seemed to show what was going to be completed. My conversations with -- and in

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difference to what is here may be a mistake as what was done -- their Wachovia representatives at each one of those meetings, they represented you can close this before we put all the amenities in, before we finish the project.
Q. Who was?
A. Wachovia.
Q. Wachovia was going to put all the amenities in?
A. No, no, no. I said Wachovia was going to close it.
Q. Okay.
A. Wachovia was going to close the loan --
Q. Right.
A. -- without those amenities being in place, giving the developer this time, was their statement, giving the developer the time to complete the project.
Q. Okay.
A. We probably can both agree that this $230,000.00 value could never be substantiated for an undeveloped lot.
Q. Well, I don't know if I would agree to that since people such as yourself were buying those lots for that amount.
A. The same way. They were relying -- they weren't buying raw unfinished land. They were buying completed lots, the offering. They were buying

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completed lots with the amenities. That's what they bought. You ask any one of them, and I'm sure you're going to go through the process.
Q. Whose job was it to finish the amenities?
A. Craft's.
Q. Okay.
A. Or their representatives. But Craft is the seller. We'll just keep it as Craft.
Q. Okay. So why are you saying Wachovia, and now Wells Fargo, did something wrong and you don't have to pay them back based upon that?
A. Because they represented that they supported this development. They closed on the loan --
Q. Okay.
A. -- without having the amenities in place. They closed on it based on all of those things being in place.
Q. Okay.
A. They're not.
Q. I understand that.
A. They backed the program. They supported it. They had a reason to close that loan early. They also had the underlying financing.
Q. In March 2006, you had an opportunity to go look at the property on more than one occasion.

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A. They were there. There was a representative at each one of those. It seems that the sales organization wanted to have the lender representative there for people to discuss the program.
Q. Do you remember the name of the employee that you spoke with you were there?
A. I want to say it was Richard. I think I remember that's the name. I just --
Q. Richard Park that I see you identified in your answers to interrogatory?
A. Might have been. I'd have to --
Q. I believe that's who your loan officer was.
A. Yeah. It was always Richard.
Q. Was it the same person who was your loan officer as who was on the property, or was it someone different?
A. There was more than one team.
Q. Okay. And there were other banks who were out there as well; correct, SunTrust being one of them?
A. There were probably several. They seemed to group themselves in almost like a food court.
Q. Okay. So an area where the lenders were set up and it was more than Wachovia, multiple lenders.
A. I seem to remember it that way.
Q. Okay. When you went to look at Lot 311 or the other

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lots in the subdivision, was anybody from Wachovia with you?
A. To tour the property?
Q. Yes, sir. That was just Craft Development personnel?
A. That's correct.
Q. Okay. Or agents of Craft Development. All right. We've talked about the Purchase and Sell Agreement. What were the substance of your conversations with Wachovia employees while you were at the property?
A. I wanted to understand their program.
Q. Okay.
A. Give me the descriptors, you know, of what the financing is. Their whole, we'll call it their whole offering, was to have the luxury, if you will, of being able to close a property early, before the amenities are in, with this program.
Q. Outside of discussing the financing program with the Wachovia folks, did ya'll talk about anything else?
A. Did I talk about anything else with who? I'm sorry.
Q. With the Wachovia employees.
A. No. The details were fairly clear from them that they were going to allow the developer to complete the property and close this loan early.
Q. Okay. What do you mean by allow the developer to

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complete the property?
A. That was their words. Actually, they said it in several presentations.
Q. They were going to allow the developer to complete the property?
A. Seemed to be their choice of words.
Q. Okay. Do you know who spoke those words?
A. Richard was one of them.
Q. Okay. And if you're able to recall his last name, will you provide it to your attorney? All right. How did you locate Lot 311 or decide upon that lot to purchase?
A. I was looking for a waterfront lot.
Q. Okay.
A. And I found it on a map.
Q. Okay. No one from Wachovia helped you locate that lot.
A. That's correct.
Q. Okay. No one from Wachovia recommended that lot to you.
A. That's correct.
Q. Okay. Were you banking with Wachovia at the time you took out this loan?
A. I don't believe so.
Q. Okay. So you had no other banking relationship with

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them?
A. That's correct.
Q. Okay. Who was your bank of choice at the time, 2006?
A. Probably Wells.
Q. Was it? Okay. Prior to the merger?
A. Might have been.
Q. Okay. How about 2009? Was it still Wells, or?
A. I don't recall.
Q. Outside the Wachovia loan, did you have any other loans with Wachovia between 2006 and 2009?
A. I don't believe so.
Q. Okay. Okay. We've talked about this a little bit, but just help me. You went out to the property two times prior to purchasing it?
A. Several times.
Q. Several times. Okay. To launch events or sales events, as they call it?
A. Launch events, sales events, right. Their promotional events.
Q. Okay. Other than those two events, when did you go visit the property?
A. Maybe -- maybe two other times just to walk the lot.
Q. Okay. Were you with anyone at the time you went out?

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Q. Okay. And you paid on that loan for approximately three years. It was a three-year interest only balloon payment?
A. That first loan was a three-year note.
Q. Okay. And then in 2009, the balloon payment was coming due.
A. That's correct.
Q. Were you able to make that balloon payment?
A. I had called them to ask if they wanted to extend it.
Q. Okay. And what did they say?
A. Went through a very long process with them.
Q. Okay.
A. It took like three or four months to go through. End result is they extended the loan.
Q. Okay. In 2009.
A. Yes.
Q. Could you have repaid the balloon payment in 2009 when it came due?
A. Could I have repaid it? Do you mean could I have paid it?
Q. Yes. Could you have paid the balloon payment that was due?
A. Not easily.
Q. Okay. But you could have?

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A. I might have.
Q. Okay. What is your monthly income today?
MR. FOSTER: I believe I have to make some noises at this point. Is there relevance to that question?
MR. LANEY: Yes. He's asked for a rescission of the contract and I'm trying to see if he has an ability to repay it or if he's tendered to an offer to it, which is an element of rescission.
MR. FOSTER: Preserving my objections, --
MR. LANEY: Sure.
MR FOSTER: -- if the gentleman can answer to the best of his ability.
WITNESS: Restate.
BY MR. LANEY: (Resuming)
Q. What is your monthly income today?
A. Zero.
Q. Okay. Is that because you're not selling any houses or developing any houses, or are you retired? You said you were self-employed, but.
A. I am.
Q. Okay. Why is it zero?
A. Well, I don't have a monthly, regular monthly, income.
Q. Okay.

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A. Mine's reliant on selling a parcel of land or an ownership in a property that I have and deriving my income from that.
Q. Okay. Are you in a position today to repay Wells Fargo on this lot?
A. No.
Q. Okay.
(Whereupon, 2009 Mortgage was marked as Plaintiff's Exhibit #9)
(Whereupon, 2009 Note was marked as Plaintiff's Exhibit #10)
Q. Exhibits 9 and 10, which is the Note and Mortgage from 2009.
A. Okay. This is 9 and 10?
Q. Yes, sir.
A. Okay.
Q. Do you recognize those documents?
A. Vaguely, yes. I do.
Q. Okay. Do they represent the Note and Mortgage for the 2009 refinance with Wachovia?
A. They seem to.
Q. Okay. And if you would turn to the signature pages, can you identify your signature on those two

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documents?
A. Yes.
Q. Okay. And is that you wife's signature? And you're referring to Exhibit 9 now; right?
A. I'm on Exhibit 9 on the signature page. Yes.
Q. That is your wife's signature, as well?
A. Yes.
Q. Okay. And then on Exhibit 10, could you just acknowledge that you and your wife executed the note, as well?
A. Yes.
Q. Okay. And my understanding is you made payments for a period of time after you entered into this refinance in 2009; is that correct?
A. Yes.
Q. Okay. And then you stopped making payments at some point?
A. That's correct.
Q. Okay. And you have not made payments since when? I just need an approximate date.
A. 2011.
Q. Okay.
A. In January of 2011, somewhere around there.
Q. Early 2011, you stopped making payments?
A. I believe. I'm not exact on it. Look in the

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Q. Okay. And it's dated February 2011, which would be about the time you indicated you stopped making payments?
A. Right. I had sent -- to continue the dialog, I guess, I sent two registered letters when we received the information from the Settlement Administrator group. And I had sent two registered letters to outside of -- well, I guess even backing up further, I had called the lender several times to talk about some of the information that we had been hearing about and receiving. Got no response. In fact, several phone calls that I've had from them, unfortunately, they're phone calls, and not recorded phone calls, with we'll have somebody call you right away. No. I've certainly got my outbound calls to to a Wells number during those time periods to show how many times I've called them and it was an attempt to call. Having not got any response from them saying that they'll call me back, we're going to talk about this, we're going to do whatever we're going to do, in frustration, I sent out two registered letters later on after that. March, probably.
Q. 2011?
A. I believe so.

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Q. There about?
A. I saw them in your documents in there again.
Q. There in the 153 pages?
A. They're in there.
Q. Okay.
A. And you know, described the problem to them. I said we need to have discussion about this.
Q. Okay. Do you recall any of the individuals that you spoke with at Wachovia?
A. I probably have some notes on some, but I don't recall them. And there was calls from -- I was going to say -- I can't remember who it is, how many. I'd have to look to see, you know, what I have, notes on who I talked to, --
Q. Sure.
A. -- things like that. Mostly, I would have some notes on that, very fragmented, just some notebook notes. When I then got the letter, then I addressed the letter to the sender of the letter.
Q. Does the letter essentially convey all of your concerns and what you would have said in any oral conversation?
A. The letter would put them on notice that we had some concerns and we had received these. I gave them copies of the documents that we received from this

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group called the Settlement Administrator Group.
(Whereupon, Letter of Delinquent Account was marked as Plaintiff's Exhibit #12)
Q. Okay. We'll come back to that, but I have to show you one last -- this is Exhibit #12, which is another letter indicating that your account is delinquent and putting you on notice that they may refer --
A. I used to get these standard letters all the time, even when I was talking to them.
Q. Okay.
A. Sorry.
Q. No. That's fair enough.
A. I mean I asked them several times, I said why do you keep sending me letters when we're talking?
Q. But you did receive the --
A. I did.
Q. -- Right to Cure and the Notice of Default and --
MS. HUNT: What is the date of Exhibit 12?
MR. LANEY: Exhibit 12 is February 22nd, 2011 and Exhibit 12 is May 26th, 2011.
MS. HUNT: Thank you.
BY MR. LANEY: (Resuming)
Q. And you do not deny at that time you were not making

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payments on the loan?
A. That would be correct.
Q. Okay. All right. Okay. Now you've been telling me why you stopped making payments. And did you see in the documents that have been produced to us, Plaintiff's Exhibit #13, the 153-or-so page set, that Edgewater Settlement, I think you said, Administrator sent to you -- did you see that document in here?
A. I don't know if it was in there or another document.
Q. Okay.
A. There's several. There's several documents in there. Which one are you referring to?
Q. I'll show you. I think it is in here and I just want to make sure we're talking apples to apples. Okay. I'll try not to lose these here. I'm referring -- it starts on page 79 of the production set in the bottom right corner. It's entitled Settlement Agreement. It was a Settlement Agreement. And then right behind that on page 83 is a letter dated January 28th, 2011 addressed to Property Owner, that is from Edgewater Settlement Administrator.
A. What page are you on? I'll look at a copy, unless you want to hand me that one.

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A. Right. We were not provided a Property Report at the time of the purchase.
Q. Okay. Do you know the date you received that Property Report?
A. On this letter.
Q. Okay.
A. It came in the package with that letter.
Q. Okay. Came with that letter?
A. Right.
Q. Okay. Thank you. And the Modified Settlement Agreement was included in that, as well?
A. Well, I've got to remember which one is, because in that package, or maybe in one of the packages, we ended up seeing -- we, being some of the owners that received this -- we noticed that there were two agreements between HUD and Craft; one in '07 or '08, and this other one in 2010, if I remember the dates correctly. And that's the first time we'd ever seen those or were even aware of them.
Q. Sure. It appears to me that on page 79, the Settlement Agreement that we were referring to there was dated 2008.
A. You're on 78 or '9?
Q. Seventy-nine, the second page, the signature page, is dated '08.

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MR. FOSTER: One over -- if I may be allowed.
MR. LANEY: You are.
MR. FOSTER: You went too far.
A. Which page are we on? I'm sorry.
BY MR. LANEY: (Resuming)
Q. I'm looking at 80.
A. You're looking at 80?
Q. Eighty-two, actually.
A. All right. Hand on a minute, as you're killing me.
Q. Sorry.
A. Okay. The signature page.
Q. Yes, sir. That indicates that agreement was entered into in 2008?
A. That particular one, probably. Yes.
Q. Okay. And then if we look at the Modified Settlement Agreement where it starts on page 88 and has signature pages on page 91, that appears to have the date of December 22, 2010, which that would be my birthday, so great things happen that day, including the Settlement Agreement. So those are the two agreements that you're referring to?
A. Those are the, I think, the two agreements that I'm referring to.
Q. All right. Okay. I'd ask that you'd just look at this Modified Settle Agreement and tell me if

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Wachovia or Wells Fargo was a party to the 2010 Modified Settlement Agreement.
A. Doesn't seem to be.
Q. Okay. And on page 88, the very first page of the Modified Settlement Agreement, the very first whereas clause, that indicates that Craft Development is the developer of the Edgewater subdivision; correct?
A. That's what it states.
Q. Okay. Do you disagree with that statement?
A. I'm just saying that's what it states.
Q. Okay.
A. I'm reading it like you are.
Q. Okay. And then beginning on page 94, you have the Property Report, the HUD Property Report that was referenced?
A. Right.
Q. And it goes for quite some time.
A. That's correct.
Q. Okay. On page five of that, which is page 98 in the bottom right-hand corner, type of general information, it states the developer of the subdivision as Craft Development, LLC. Do you see that?
A. I see it.

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Q. Okay. Mr. Pappas, are you aware of Wachovia selling any lots in Edgewater subdivision?
A. Not specifically. Only from what I've heard, county records, things like that.
Q. Okay. In 2006 when you purchased Lot 311, were you aware of Wachovia selling any lots in Edgewater subdivision?
A. I'm not sure I understand your question of Wachovia selling the lots.
Q. Okay.
A. In 2006?
Q. Yes, sir.
A. I didn't think they owned any lots there.
Q. That was my question. Were you aware of them owning any lots that they could sell?
A. I'm not aware of it. It doesn't mean that it didn't happen.
Q. Okay. I'm asking of your personal knowledge.
A. My personal knowledge is not.
Q. Okay. And you just referred that you heard that they sold some lots, or --
A. I was trying to clarify your date.
Q. Okay. And that's sitting as of October 2013, you're aware that Wachovia may have come into possession, maybe through foreclosure or other means of lots and

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Edgewater subdivision?
A. No.
Q. Okay.
A. But I don't know that, given that I don't know what the agreement was between the developer and the lender.
Q. Okay. But as we sit here today, you're not aware of anything?
A. I'm not aware of any today.
Q. Okay.
A. Was there one that existed?
Q. The beauty of a deposition is, only I get to ask the questions.
MR. FOSTER: Mr. Laney is not being deposed.
MR. LANEY: Yes.
WITNESS: Sorry.
MR. FOSTER: As much as that might be interesting.
MR. LANEY: Or not interesting.
WITNESS: Well, I thought he was going to come up with another document and show me.
MR. LANEY: Not today.
BY MR. LANEY: (Resuming)
Q. Okay. Can we take just a couple minutes break and let me reorganize where I am? And then I'll come

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back and try to shorten this up.
(Off the record)
BY MR. LANEY: (Resuming)
Q. Okay, Mr. Pappas. We're back on the record. And I should have told you this at the beginning. I apologized to your attorney, but I'll apologize to you directly. At any time you need to take a break for any reason whatsoever, please, just let me know.
A. Sure.
Q. It's not an endurance contest by any means. You've been very good about that, but don't hesitate to ask if you need to take a break for any reason.
All right. I did want to go back through a couple of documents that's in Exhibit 13. A couple of things I had questions about. Again, on page 16 of that document production, there's a document entitled Edgewater Inventory Pricesheet.
A. Yes.
Q. It looks like it's date April 2nd, 2006 at 10:05 a.m. Do you see that document?
A. Yes.
Q. And April 2nd, 2006 would have been approximately three days after you executed your Agreement to Buy and Sell Real Estate.
A. Uh-huh.

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Q. Okay. You need to --
A. Yes. Sorry.
Q. Thank you. That's okay. It appears that Inventory Pricesheet is comprised of one, two, three pages. And the first page starts with Lot 44 and the last page ends with Lot 384. Do you agree with that?
A. Yes.
Q. Okay. And in the far left-hand column besides some of the lots, several of the lots, it indicates that they were sold. Do you see where that's indicated?
A. I see that.
Q. Okay. And on page three, actually Lot 311, is indicated as being sold, which is your lot that you purchased.
A. Yes.
Q. Okay. And it has a list price of two-eight-six-two-fifty, but then an event price of two-twenty-nine, which is, in fact, the sales price that was listed in your Agreement to Buy and Sell Real Estate; correct?
A. Yes.
Q. Okay. Did you actually execute the Agreement to Buy and Sell at one of the events, or is it because you've attended one of the events you were able to get the event price?

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A. I signed the Purchase and Sale Agreement at their off-site offices which were just outside -- it was on Lancaster Highway, --
Q. Okay.
A. -- but I had attended, obviously, the events.
Q. Was it the same day as one of the events that you executed the agreement?
A. I don't recall right now.
Q. Okay. With regards to the lots that are listed as being sold, especially on page two starting with Lot 269, there appear to be several that have a list price and event price which are greater than Lot 311. Would you agree with that? For instance, Lot 269 has a list price of three-sixty-two-three, seventy-five and event price of two-eighty-nine-nine. And it says sold beside it.
A. I see that.
Q. Okay. Do you have any reason to disagree with the indication that there were many lots sold at the time that you had agreed to buy Lot 311 for a greater value than what you were paying for Lot 311?
A. Different lots?
Q. Yes, sir. Yeah, the lots in reference.
A. They're all different lots.
Q. A little larger, perhaps, in acreage, and obviously

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Q. Okay. And I apologize. This is part of the background information I ask everybody. Do you have a -- been charged with any criminal indictments in the last ten years?
A. No.
Q. Okay. My apologies, but --
A. That's okay.
Q. -- I'm required to ask. What was the reason that you left D.R. Horton?
A. To take this job here.
Q. Okay. Jim Walter?
A. That's correct.
Q. What was the reason you left Jim Walter?
A. We just didn't have an agreement on what we were going to focus on. The leadership had changed, significantly. And I elected not to stay.
Q. Okay. All right.
MR. LANEY: Can I get another Exhibit sticker? I somehow managed to get two 13s, and that's not going to work. You can make this 15.
(Whereupon, Complaint and Amended Answers was marked as Plaintiff's Exhibit #15)
Q. This is a -- it's bound together --
MR. LANEY: Martin, this is just our Complaint,

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your Amended Answer and Counterclaim, and our reply to it. I just put it all together. I'm not going to go through all of it, but I think you have copies.
MS. HUNT: Do you have one?
MR. LANEY: I've got them somewhere.
MS. HUNT: Are they all in that stack?
MR. LANEY: There were three, but I thought I had --
MS. HUNT: That's okay. Don't worry about it.
MR. LANEY: I'm sorry. That's just my one copy. I apologize.
BY MR. LANEY: (Resuming)
Q. As we talked about, the first document that's stapled here is the Complaint for Foreclosure of Real Estate brought against you and your wife for foreclosing the mortgage on Lot 311. And I failed to mention, but when you refinanced the loan in 2009, you got a rate of 5.5 percent, which was actually a percentage or so better than what you had in 2006; correct?
A. Seems that way.
Q. Okay. So you actually got a little bit better deal. The principal increased from two-oh-six to two-ten-nine-fifty-four-sixty-nine. So that went up by

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about $4,000.00, but --
A. That, I didn't like.
Q. Yeah. Understood. No one likes to have to pay more. But the interest rate was reduced?
A. It was the terms that they put on the table.
Q. Okay. But you negotiated and they agreed?
A. I agreed to it.
Q. Yes. Okay. And going back to 2006, you actually reached out to Wachovia. They didn't approach you with their loan?
A. That's wrong.
Q. They call called you and said we'd like to make you a loan for --
A. They were -- they didn't cold call me.
Q. Okay.
A. They were at each one of the events --
Q. Okay.
A. -- offering their programs.
Q. Okay.
A. That's how I got connected with them.
Q. Did they walk up to you and say --
A. They did.
Q. -- introduced themselves and we'd like to make you a loan?
A. They actually did.

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Q. Who did that?
A. I believe it was Richard at the time.
Q. Okay. Did anyone from SunTrust do the same thing?
A. Didn't really have any good dialog with them, so we didn't pursue it.
Q. Okay. Were they there?
A. I believe so.
Q. Other lenders were there, as well?
A. Other lenders were there.
Q. Okay.
A. There were, if I remember the number, I think there were three what they called preferred lenders in this program. It was Wachovia, SunTrust and maybe somebody else, but I don't remember.
Q. Okay. And you had discussions with all three of them?
A. No. I only had discussions with SunTrust and Wachovia.
Q. Okay. Okay. Why didn't you go with SunTrust?
A. I seemed to like the LO at Wachovia, so it was just an easier --
Q. LO being loan officer?
A. Yes.
Q. Okay. Were the terms that Wachovia offered better?
A. I think they were the same. Both parties offered

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case. And principally, I'm concerned about what you're asking about my client, Wachovia. So I wanted to ask you some questions about that just so I understand what you're alleging they did wrong. If you could, before we walk through this, would you just tell me in your own words what are you alleging that Wachovia, now Wells Fargo, did wrong to you?

MR. FOSTER: I need to put in my caveat about his ability to state the legal principles. And my objection would be considered as continuing throughout this line of questioning.

MR. LANEY: Sure.

MR. FOSTER: Go ahead, sir, as far as you can.

A. Now that he said that, can you repeat the question again so we can get back on track?

BY MR. LANEY: (Resuming)

Q. Sure. Tell me in your own words what you believe Wachovia did wrong and why you shouldn't pay them on this loan.

A. I think that Wachovia had the responsibility, since they were certainly the underlying lender, as evidenced by the closing statements; that they were the underlying lenders; that they had a responsibility to disclose their position at the time; that they were going to get pay off from this

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loan; that at the time that they were making representations that we're going to close, quote/unquote, we're going to close these loans early to allow Craft to complete all the facilities they represent. We're going to do that.

Q. Okay.

A. That's a simple side.

Q. Anything else?

A. I'll stop there. I'll just stop right there, I guess.

Q. Okay. Who made that statement to you?

A. Certainly Richard would have.

Q. Okay.

A. The sales team there supported that, even though yes, I know that they don't represent Wachovia. But they also represented a union together that they were providing this kind of financing tool as a sales tool for that property. They were in concert with the offering. It wasn't unilateral.

Q. Describe that. I don't understand that.

A. In concert?

Q. Yes, sir.

A. If I were a builder and I was offering financing on my property -- but I'm not the lender. I'm the builder -- and I partner with Wells Fargo Bank to be

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my preferred lender, that's a partnership.

Q. Okay.

A. Always has been. I've had those partnerships with Wells Fargo Bank, actually.

Q. Okay.

A. I know what they look like. I know what they represent. It is a union.

Q. Do you have any documents that show that there was a partnership between Wells Fargo and Craft Development?

A. I don't have any documents to that.

Q. Okay. Outside of what you just stated, do you have any other evidence that would support your assertion that there was a partnership or a union or a concert between Wachovia --

A. I think the offering will demonstrate their relationship.

Q. Okay. Can you show me where -- This is my one chance to ask you questions.

A. Sure.

Q. I don't mean to belabor the point, but I would like to see -- do we have what you're referring to and what we've looked at in Plaintiff's Exhibit 13?

A. I didn't see it in the 150-some-odd pages, the offering.

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Q. You didn't? Okay.

A. I remember seeing, you know, the structure of this. I don't remember the exact language of it sitting here talking with you today. But it certainly was a descriptive of the program. The program wasn't without a descriptor.

Q. Sure. Do you have possession of that document?

A. I might. I think that we've provided it all. I'm not sure that there's one missing in here or not. I don't know.

Q. I'm going to represent for purposes of today that that is everything we've been provided by Mr. Foster. That's not to say -- We're all humans, but --

A. Yeah, when we've had to comb through 150 pages of events laying in here for what I'm looking for.

Q. Okay.

A. I remember it might be even with all my collateral material. The collateral material is not part of this.

Q. When you say collateral material, you're referring to the Note and Mortgage?

A. No. I'm talking about the -- that's an interesting statement. You say collateral material, collateral material would be the marketing material --

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apologize for standing up and leaning over the table. I don't mean to be rude, or. In your second Defense and Counterclaim, you're alleging a violation to the Unfair Trade Practices Act. And this, of course, is subject to Mr. Foster's previously made objection. Paragraph 19, you indicated that Wachovia has the following unfair deceptive acts or practices. And there's a list of these given. Knowingly misrepresenting the value of the subject real estate in the appraisal furnished to the Defense. In fact, we've established no appraisal was furnished to you until two or three months ago; correct?

A. That's correct.

Q. Okay. Do you still contend that Wachovia misrepresented the value of the real estate to you?

A. I'm sorry. I was reading this, as well. Hang on a second.

Q. Not a problem.

A. Okay. Go back to your question, please.

Q. Okay. Do you still contend that Wachovia knowingly misrepresented the value of the real estate to you?

A. If you're including Wachovia and all of their affiliates and partnerships and people that they hired, yes.

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Q. Who are their partnerships, affiliates and people they --

A. They hired the appraiser. I didn't.

Q. Okay. Now I think we talked about the appraisal earlier and you indicated to me, I thought, that you didn't have a problem with his value, you put on there.

A. I didn't say that I didn't have a problem with his value. I said I don't think that how he arrived at his value is correct.

Q. Okay. You believe that that was a knowing misrepresentation of the value to you?

A. I don't know that I could say what he did.

Q. Okay. You weren't furnished the appraisal; correct?

A. That's correct.

Q. Okay. So how did Wachovia knowingly misrepresent the value to you?

A. I didn't --

Q. No. I understand. And I'm asking for your words.

A. I really can't answer your question, and I don't have -- I didn't write this, specifically.

Q. I understand. I understand it was drafted by your attorney. But I need to know what did Wachovia say or do that was a misrepresentation to you?

A. Well, trying to answer your question and trying to

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get to the -- I think I understand what you're asking. I'm not sure I can answer the question the way you've asked it. I think that Wachovia was negligent in the entire process of their appraisals and closings and how they arrived at it and how they established the value at one time, at that time. So if they really felt that that property in its unfinished state in 2006 was worth $230,000.00, yes. I have a problem with that.

Q. Okay. They gave you $206,000.00 to buy it; correct?

A. We're talking about that value; right?

Q. Right. But I'm asking, they provided you $206,000.00 to purchase Lot 311.

A. Okay.

Q. And we've seen an appraisal indicating the value of the Lot 311 was $230,000.00.

A. At that time?

Q. Yes. In May 10th, 2006.

A. Okay.

Q. Okay.

A. I'm not sure I'm understanding where you're going.

Q. That both of those things are true statements; correct?

A. Yes.

Q. Okay. And in 2006, you signed a promissory note

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promising to repay Wachavia $206,100.00 for loaning the money to buy Lot 311; correct?

A. That would be correct.

Q. Okay. And my question is, in 2006, what did Wachovia state to you in any form, verbally or in writing, that was untrue?

A. You're looking at my position today or my position then?

Q. I'm asking you what, sitting here today, October 30th, 2013, what do you know was untrue that Wachovia represented to you?

A. I'm still not sure. I'm, again, trying to give you a direct answer. I don't mean to be evasive on it, but what I'm trying to --

Q. They promised to make you a loan for $206,000.00; --

A. Right.

Q. -- roughly, one-hundred; charge an interest rate of six and some-odd percentage points; --

A. I got that.

Q. -- interest only payments for 35 months with balloon payment due sometime in 2009. It would be roughly -- it was May -- so it would be roughly May, 2009. And any of that not happen?

A. All of that happened.

Q. Okay. So they didn't misrepresent the terms of the

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looking for, for both of us. I mean I'm sure I have it in the collateral material that outlines it a little bit more.
Q. Preconstruction?
A. That's what it said.
Q. Okay. And there was no construction. It was a vacant lot.
A. It wasn't even a vacant lot yet.
Q. Well, it was graded.
A. Well, that doesn't mean it's a finished lot. I mean let's get into semantics about what's a finished lot. Finished lot is a blue top lot.
Q. Okay. It was a vacant lot. There was no structure on it. Might have been some trees. Had water to the side.
A. Maybe.
Q. Well, it's in the pictures.
A. Well, I know it is, in that picture.
Q. Wachovia wasn't responsible for finishing the amenities.
MR. FOSTER: Once again, I believe you're asking to --
MR. LANEY: You can object to the form, Martin, but I don't think it's --
MR. FOSTER: Well, my objection is that I think

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you're asking him to take a position as to the legal position you're taking.
MR. LANEY: But that's objecting to the form. Otherwise, it wouldn't be -- I mean that's the only, you know, that's --
MR. FOSTER: Fine.
MR. LANEY: Then I could ask --
MR. FOSTER: I won't dispute that, but I'm making my -- I'm not telling him not to answer as far as he can, but I feel that I needed to say that. So I said it.
MR. LANEY: Thank you.
WITNESS: As we're talking here, I'm trying to find some of the articles that were part of the offering. It may take me a bit to find it. They're in your package here. And it refers to the special financing offered.
BY MR. LANEY: (Resuming)
Q. Sure. And I think we've established that they honored all the financing terms they offered to you.
A. They honored the terms of it, if that's what you're saying.
Q. Sure.
A. What did they close the loan based on?
Q. Who was the developer of Edgewater subdivision?

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A. Sir, we already answered that question. We know that. You don't have to get cute about it. I understand that.
Q. It says Craft Development.
A. Right.
Q. So was Wachovia responsible for finishing the development?
MR. FOSTER: Same objection.
A. I don't have that answer.
BY MR. LANEY: (Resuming)
Q. I need you to answer.
A. No. I don't have that answer. I don't know that they weren't a part of the development agreement with the developer. I don't know.
Q. How would the bank be responsible? Just help me out. I don't understand how the bank could be responsible for putting the infrastructure into the subdivision. Okay. He would tell you not to answer.
A. I'm listening. There may or may not have been an agreement. Wachovia was clearly the underlying lender on the construction operations.
Q. Okay.
A. So is that in -- even the closing statement?
Q. You're referring to the HUD on the closing?

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A. Yeah. They had a position in the property.
Q. Okay.
A. Okay. So I don't know what their relationship was.
Q. Okay.
A. That's as far as I can be able to say.
Q. Okay. That's fine. But sitting here today -- and this is my chance to ask you questions -- sitting here today, you cannot point me to a document or to some other representation that would evidence that Wachovia had a duty to finish the amenities in that --
A. The way you ask it, no.
Q. Okay. You've also alleged in your complaint that -- and you may not know the legal term of this and I'm not going to hold you to knowing legal terms -- but that they had made what is called a Qualified Written Request upon -- you know that from your -- I believe you had some prior banking experience as well.
A. I'm not sure what you're referring to, so keep going and I'll try to catch up.
Q. Okay. Did you work at Sun West, some bank?
A. Sun Bank.
Q. What was that?
A. It was a development company.

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constituted misrepresentations or concealment of true facts to you, which is what you state in paragraph 47 on page eight.
A. Again, not being an attorney, we're looking at 47 --
Q. Yes, sir.
A. -- and we're looking at that the -- if I'm remembering what this is referring to, is a failure to provide the documents that we requested, the appraisal.
Q. The appraisal. Okay. Outside of failing to provide the appraisal to you, which I guess is a concealment of facts, Wachovia -- you have in here again that they misrepresented the value of Lot 311 to you.
A. Again, as we stated before, we think that they did.
Q. Okay. Subparagraph B, you say that the value was negligently appraised. What evidence do you have that the appraisal done by Mr. Pigman was negligent?
A. I think it's the assertion of his methodology on properties that are not even completed and using those values as completed properties.
Q. Okay. Anything else?
A. I think that's what we've stated.
Q. Okay. Have you spoken or shown that appraisal to any other real estate appraiser?

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A. No.
Q. Okay. Has anyone else told you that that appraisal was negligently performed? I'm not talking about any discussions you've had with your attorney.
A. No.
Q. Okay. And you have received no real estate appraisal training; correct?
A. That's correct.
Q. Okay. Do you have, outside of what we've discussed already today, do you have anything else that would indicate that the value of Lot 311 on May 10th, 2006 when it was appraised was not $230,000.00?
A. Say it again, please.
Q. Okay. We've talked a bit, and feel free to go through it, --
A. That's okay. I just need you to repeat it.
Q. -- but do you have -- I'm asking what evidence you have that would support an allegation that the value of Lot 311 was not $230,000.00 on May 10th, 2006?
A. I would again restate that an appraisal that's based on a value as a completed property certainly wouldn't have been acceptable by any lender in any standard in a normal situation as $230,000.00 for essentially a paper lot.
Q. Okay. And what lending standards are you referring

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to?
A. In most cases, if I went to Wells Fargo today, they would tell me that we wouldn't be able to loan on it unless it's a fully completed lot, an entitled lot.
Q. Okay. Are you saying that financial institutions don't provide loans on vacant lots in 2013?
A. Well, describe vacant lots versus vacant land.
Q. Doesn't have a structure on it?
A. That's not true.
Q. Why not?
A. Vacant lot -- a vacant piece of land could be subdividable land.
Q. Sure. I'm talking about a vacant lot that's already been subdivided --
A. This was --
Q. -- like Lot 311.
A. This was a paper lot at the time. It wasn't a completed lot. There's a difference between your question and a completed lot; streets, utilities, monuments in place, and a legal lot at the time versus a paper lot.
Q. And I'm asking you, is it your testimony that I, if I wanted to go get a loan to buy a vacant lot, subdivision was very similar to what Edgewater was in 2006, I couldn't get a loan for that?

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A. That isn't what I said.
Q. Okay. What were you saying? I misunderstood you.
A. What I said is you can buy a vacant lot --
Q. Okay.
A. -- if it's an entitled legal lot.
Q. You mean if somebody had a deed and was able to transfer the property to you?
A. That it was a completed lot.
Q. That's not what I'm asking.
A. A completed lot?
Q. I don't want a completed lot. I want a vacant lot.
A. I was buying a completed lot.
Q. That's not what your contract says.
A. Well, it does.
Q. Where does it say in your Purchase Agreement that you're buying a completed lot? Let's look at it. I don't think it does. If it does, I'd like to know where it does. I think it's right there.
A. We're breaking up semantics here.
Q. Okay.
A. It talks about it as a lot.
Q. Right.
A. Okay. We're not talking about an unfinished lot. We're not talking about a raw piece of ground. We're talking about a lot.

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A. You keep asking the same question in a different way, which is your job. These obviously represent what I paid out on the property, as you know.
Q. Yes, sir.
A. Your client, Wells Fargo now, stated before, represented to us, obviously Wachovia at the time, that we were going to have the completed property. We were going to have a completed property, being the community, the Edgewater community. What they represented for sale at that time, what they represented and what they were lending on. That didn't happen.
Q. Okay.
A. They represented and were party to it that they were closing, preconstruction closing, and representing that all of these amenities would be in. And they weren't.
Q. Okay. Just for the record, those representations came from Mr. Park?
A. Yes.
Q. Okay. And we don't have anything in writing to support those representations.
A. Outside of the collateral material and the guidelines that Wachovia, at the time, had put in, those are --

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Q. What guidelines?
A. Well, the conditions of the loan. The conditions on why --
Q. The terms.
A. -- why they were going to loan this money.
Q. Okay. Nothing else outside of this we don't have?
A. That's what I have.
Q. Okay. Do you believe you should repay Wachovia the money it loaned you?
A. No.
Q. Not a cent?
A. No.
Q. Not even $210,000.00 minus $105,000.00?
A. No.
Q. Why not? I mean I don't want you to rehash what you said, but outside of what you told me --
MR. FOSTER: That's fairly common, so as Counsel gestured at me, same objection. Go ahead, sir.
MR. LANEY: Yeah. Sorry.
BY MR. LANEY: (Resuming)
Q. I don't want to rehash everything, but outside of what you've told me, are there any other reasons you don't believe you own Wells Fargo the money it loaned you?

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A. Those are the reasons I stated.
Q. Okay. It did loan you the money.
A. That's correct.
Q. The money went to Craft Development so you could own Lot 311.
A. And them.
Q. Well, the deed's in your name.
A. They got paid off. Wachovia got paid off.
Q. Okay. You keep referring to that. I think it's in --
A. It's in the closing statement.
Q. Yeah, 13, I think. You're referring to the 2006 closing statement?
MR. FOSTER: The large set of documents. For the record, I straightened out and handed him the copy of Plaintiff's 13 that you gave him.
MR. LANEY: Thank you.
BY MR. LANEY: (Resuming)
Q. I want to show you. This might make it easier.
(Whereupon, Settlement Statement was marked as Plaintiff's Exhibit #4)
Q. It's Plaintiff's Exhibit 4. Is this what you're referring to, Mr. Pappas, when you say the closing statement shows they were paid off?

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A. I think so. Let's see. I think so, yes.
Q. Okay. Line 504 shows a payoff first mortgage to Wachovia $30,000.00.
A. Yes.
Q. Okay.
A. That's all I was referring to when you were --
Q. I just want to make sure we're talking about the same thing.
A. I think so.
Q. However, the deed that was issued was issued from Craft Development, LLC to Ronald Pappas; correct?
A. Okay.
Q. Well, that's what's recorded in the courthouse; correct?
A. Right.
Q. So you have legal title to Lot 311?
A. That's correct.
Q. Wachovia does not?
A. That's correct.
Q. Wachovia has a mortgage lien against Lot 311.
A. Yes.
Q. In the principle amount of two-hundred-ten-thousand-and some hundred dollars.
A. Yes.
Q. Okay. They did sign $206,000.00 to Craft

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as of today, October 30th, 2013.
A. We're talking about the representation of the community versus now you're stating the completed lot, which are two different things.
Q. You lost me.
A. Part of anybody's purchase in a master plan community like that would be their proportionate share of the ownership of the amenities; clubhouse, golf course, equestrian center, lake house, water park, anything else.
Q. Okay.
A. It's certainly represented that way in the HOA documents, that they own a proportionate share of the amenity or the community property.
Q. Okay.
A. You keep referring to the one lot like it's a stand alone lot, and it's not.
Q. I guess what I'm hearing you say is that when you buy -- when any purchaser -- buys a lot in a community such as Edgewater subdivision, and it's in its construction phase and it's not completely finished where you know there's a clubhouse and golf course, and say you're not the last person buying a lot where 840 of the other lots have been sold at the beginning, that if you buy and it's subsequent

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to you purchasing what you believed was going to happen, meaning all the golf course, clubhouse and amenities, and the other lots sell and there's construction so that you have a community of 800-some-odd homeowners, that the buyer can walk away from that because they didn't get what they bargained for? Is that pretty much what you're saying?
A. That isn't what I said.
Q. Okay. What are you saying? Again, I'm misunderstanding you, because that doesn't make sense to me. What I'm taking from what you're telling me is what I just told you.
A. From what you've asked, the question is I should get what I paid for.
Q. Okay.
A. And if the lender, again, was part of that program to finance this property, stating that we're doing this early, then yes. Should today on a finished lot make sure all that stuff goes in, I'm okay with the loan.
Q. Okay. And if you found those documents or things we referred to, you'll give them to Mr. Foster --
A. And I think that --
Q. -- that would support that?

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A. And I think that most of them are in this set here (indicating) already.
MR. FOSTER: Referring again to Plaintiff's 13.
A. Thirteen. I have, as a lot of the owners have, a lot more collateral material that we collected. I think it's all part of this, but I'm not sure.
BY MR. LANEY: (Resuming)
Q. You're telling me there's documentation in Plaintiff's Exhibit 13 that shows that Wachovia and Craft Development are a partnership?
A. No. You asked me a specific question. I'm showing you that I have collateral material. I'm telling you that there is collateral material, collateral being marketing material --
Q. Right.
A. -- that described the offering.
Q. Okay. Does it indicate that Wachovia and Craft Development are in partnership to make sure the development is completed?
A. I don't remember what it says, you know, not looking at it, but the few pieces that are in here don't mention any lender at all in this case.
Q. I'll represent to you I did not see any lender mentioned -- SunTrust, Wachovia, anybody else in any of that.

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A. You mean every? Now I'm asking you the question to clarify mine.
Q. Like Mr. Foster said, I'm not being deposed.
A. Yeah, I know.
Q. But I cannot ask you any other questions after today about what we have here, so I would like before we leave for you to just to take a minute and look through the collateral documents that you referred to. And if you see any that show that Wachovia or Craft are partners or are in unison or partnership together, we can discuss those.
A. Right. I don't think that's anything other than describing the program. And I don't have Richard's offering or anything. I might have it in my files, but I don't know that I do or not. There were certainly the guidelines that they had to follow at the time. When you're signing this up at the time, you know, you're following their lead. You're following the LO's lead. I need this. I need this. And this is what our offering is. We're going to close this this way. We all knew that the lots weren't finished at that time. There's no getting around that.
Q. Yeah.
A. Look at the permits. Look at the inspection

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appear to be a genuine copy of the contract you signed in March 2006?
A. I think so.
Q. You're not aware of a different version of this contract floating around out there; are you?
A. I don't think so.
Q. And I believe the closing for this property took place in May of 2006; is that correct?
A. Yes.
Q. When were you delivered with title to Lot 311?
A. The closing date or the --
Q. Did you receive title to the lot on the closing day of May 30, 2006?
A. Just after.
Q. Just after. But you are the current record owner of Lot 311, Edgewater?
A. Yes.
Q. You mentioned previously, I believe at the time the original Edgewater Settlement Administration letter came, you had had communication with other owners in Edgewater; is that true?
A. That's correct.
Q. Have you had communications with other owners in Edgewater or former owners in Edgewater about rescinding their contracts with Craft?

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A. As a group in a legal -- in an attorney's office, yes.
Q. Was it in the attorney's office who was representing you at the time?
A. As we had shared earlier, the Davis Law Firm was a law firm that one of the owners had engaged with, and we had joined that group for some dialog on what was the former matter of the HOA. And that law firm then was made aware of the letter that we got from the Settlement Administrator. And that's hence the -- there was lots of dialog, obviously, before their Fee Agreement letter came to us.
Q. Were you a client of the Davis Law Firm at the time you were discussing the recision option?
A. I believe that we were acting as a group. And I'm trying to remember, just for your question, I'm trying to remember if there was a Fee Agreement signed or it never got there.
Q. I'm just trying to be careful. I want to ask about your communications with other owners, but if they're privileged, I do not want to get into that territory. So I'm trying to determine if it was in a privileged setting or did you have communication with owners outside of the attorney's office?
A. There were both.

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Q. Okay. Let's focus on the communications with owners outside of the attorney's office so we don't tread on any privilege. Tell me the nature of those conversations with other owners. What were you talking about?
A. The original conversation stemmed around some discussion about the HOA, and I manage. And so there was a lot of dialog on that.
Q. Did those discussions ultimately turn into discussions about the recision option after receiving the Settlement Administration letter?
A. They were probably in parallel with some of those discussions. I mean that letter from the Settlement Administrator, as you know, came almost at the same time we were having the dialog with the Davis Law Firm. And we had given them a copy of it and asked them an opinion at the time.
Q. Have you had any communications with other owners who have rescinded or attempted to rescind their contracts with Craft?
A. Yes.
Q. Have you had any communications with owners who have successfully rescinded contracts with Craft?
A. No.
Q. Of those owners who have attempted to rescind and

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who have not been able to rescind, do you have an understanding of the reason their recision wasn't completed?
A. I'm thinking of the conversations.
Q. Sure.
A. I don't know that I have an opinion as to why they may or may not have engaged in it.
Q. As we sit here today, can you deliver clear title to Craft Development?
A. No.
Q. When you stopped making the payments to Wells Fargo, I believe you said it was early 2011. Correct me if I'm wrong. Did you stop solely because of the Edgewater Settlement Administration letter? Let me rephrase that. Did you have the ability to pay otherwise in early 2011?
A. Might have.
Q. If you will, look briefly at Exhibit 15, which should be over there in front of you somewhere. In particular, I'm trying to get to your Answer Counterclaim and Cross Claim. It's a big stack but not the biggest one, I believe.
MR. FOSTER: I'm handing, Counsel, Mr. Pappas back the --
MR. LANEY: I stole 15. That's the one we only

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which is on the property?
A. Yes.
Q. No other reason that you couldn't deliver clear title, other than the mortgage lien, to Wells Fargo?
A. That's correct.
Q. I was just wondering. Just wanted to make sure. That's all I have.
A. Okay.
Q. Thank you.

CROSS-EXAMINATION

BY MR. FOSTER:
Q. Okay, sir. I'll try to be brief. Sir, I'm showing you Plaintiff's 4, which I believe is your HUD statement from the closing in 2006 to purchase the property?
A. Yes.
Q. Could you turn to the second page. Sir, I'm pointing at the -- I believe I'm pointing -- at the fee charged for an appraisal of the property. Do you see that?
A. Yes. I do.
Q. To whom is that fee paid?
A. Wachovia.
Q. Sir, who chose the appraisers of this property pursuant to that loan?

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A. Wachovia.
Q. And that is the document that we have been discussing as the appraisal. Has that been placed into evidence in this matter?

MR. LANEY: The appraisal?
MR. FOSTER: Yeah.
MR. LANEY: I believe it is.
MS. HUNT: I believe it is 14.
MR. LANEY: Fourteen.
MR. FOSTER: Then someone's paying attention.

BY MR. FOSTER: (Resuming)
Q. The monies were paid out of your funds to that HUD, sir, I believe.
A. Yes.
Q. I believe we've established that Mr. Park, the representative or agent or employee of Wachovia was Richard, to the best of your recollection.
A. Best of my recollection and my notes.
Q. Okay. Sir, you were describing to Counsel what has actually been done in the subdivision. You indicated, I believe, the road's been put in, --
A. Yes.
Q. -- to your knowledge.
A. Yes.
Q. Has there been water put in, water piping?

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A. To the lots that were in the offering, I believe that is true.
Q. Is that true to your lot, sir, to your knowledge?
A. To my knowledge, it's there.
Q. How about electricity?
A. Electricity is stubbed up to the lot.
Q. How about gas?
A. Gas is also there.
Q. Anything else that you're aware of that's been put in that might normally be referred to as utilities?
A. The cable system, fiber optics.
Q. Okay. Anything else, sir?
A. No.
Q. Sir, is there anything to you knowledge, either in the contract with Craft to, which I believe is Plaintiff's Exhibit 2, or otherwise in which the term utilities is defined? If you need to look at it to answer that question, please do so.
A. Restate your question.
Q. I'm asking whether that contract, which is, I believe, Plaintiff's Exhibit 2, or any other documents that you are aware of, to your knowledge, defines the term utilities?
A. Not that I see here.
Q. You're referring to Plaintiff's 2?

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A. To Plaintiff's 2. I guess I'm not clear on what you're referring to as utilities. I don't see the word utilities in it.
Q. Well, that's what I'm asking. Let me show you.
A. I haven't read it in awhile.
Q. In the contract under 11, Condition of a Property, I am reading this, but I believe Counsel would agree, (reading) it is agreed the purchaser purchases and seller sells the property in a "as is" position -- condition. Pardon me. And neither the seller nor its agents has made any commitments or accepted any obligations for further work on the property or in the neighborhood of the property other than completion of the roadways and utilities within the Project, capital P, except as may be expressed and set forth in this, capital C, Contract. Would you look at that and see if that is what it says, sir, there up at the top? And I will add to repeat my question, have you been supplied, either in that document or otherwise, with anything that defines the term utilities?
A. No.
Q. Have you, sir, been supplied with anything in this contract or otherwise that defines the term the project, if you know?

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Q. Go ahead, sir.
A. That we asked for financials and we wanted to understand the capability of Craft to be able to perform on this offering that they have. The person at HUD told us that we could not have those documents. And if we tried to get them through the Freedom of Information Act, that they would block it.
Q. Have you been supplied any of those documents, sir, in response to our Discovery Request to Craft?
A. No.
Q. Sir, I'm going to ask you some questions about these documents which represent the emailed response last received by me from Mr. Shelton, which I will give you both copies of.
MR. FOSTER: What will this be -- Defendant's 1? I need to make copies of this for ya'll.
MR. LANEY: Okay.
(Whereupon, Edgewater Settlement Administrator Letter date 6/15/2012 was marked as Defendant's Exhibit #1)
(Off the record)
BY MR. FOSTER: (Resuming)
Q. Sir, you have a copy of this. Let me ask you some questions about this. First of all, there is a

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letter dated on this page, June 15th, 2012. Do you observe that?
A. Yes.
Q. Sir, I will pose to you what I believe is undisputed, that on Amended Answer Counterclaims and Cross Claims in this case was stamped by the clerk of court in Lancaster September 29th, 2011. Therefore, I presume by the operation of the calendar, that this matter was already in litigation when this letter was purportedly dated and sent. To your knowledge, sir, was a copy of this letter sent to your Counsel?
A. Not that I know of.
Q. Did you receive a copy of this letter, sir?
A. I did.
Q. Is this your signature on the green card, or the copy of the green card?
A. It is.
Q. The offer of this letter, sir, if I could summarize it correctly, is that you were asked to pay the mortgage, to the sign the land in question over to Craft, and that they would try to sell it. Am I stating that correctly?
A. That's essentially it.
Q. Did you respond, sir?

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A. I did not.
Q. Later, sir, in this document, there is a one-page document. I am unsure as to what it's attached, but this is the way you received it. It has what purports to be your signature dated May 15, 2011 and a green card thereon.
A. Yes.
Q. Is this your signature, sir?
A. It is.
Q. It purports to give authority to Amy Overcash, Realtor of Allen Tate Realty to this lot at $229,000.00. Is that what you signed, sir?
A. That transaction never happened.
Q. Okay. Why is that, sir?
A. Allen Tate dropped out of the -- off the list of Realtors, and that's where R.W. Price came in.
Q. What is the list of Realtors?
A. The sellers, through the Settlement Administrator, said that originally it was going to be Amy Overcash at Allen Tate. And then she declined to take the listing.
Q. Was the property in fact listed?
A. Not with Amy.
Q. But it was listed?
A. Yes. It was.

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Q. Pursuant to this signed document, I presume.
A. Well, pursuant to an agreement with another realtor.
Q. Okay. So this document, I presume, came to you from the Settlement Administrator?
A. I believe so.
Q. It states in the second paragraph that you have the right to opt out of the Edgewater Homeowners Association.
A. Yes.
Q. It has what purports to be an initial next to it. Is that your initial, sir?
A. Yes.
Q. Have you since that time -- did you send this in, sir?
A. This was sent in. I believe it was.
Q. Have you since that time been contacted by the Homeowners Association?
A. Recently, yes.
Q. For what purpose?
A. For payment of Homeowners Association dues.
Q. So they are not recognizing that you have opted out of any Homeowners Association?
A. Probably not.
Q. Have you received, sir, any explanation of why you were told you had the option to opt out of that HOA

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Preference Checklist was entered as Plaintiff's Exhibit #3)

BY MR. LANEY: (Resuming)

Q. It appears the date of April 6, 2006 -- is that your signature on that, Mr. Pappas?

A. That's the one.

Q. Okay. Didn't you close, I think at the end of May?

A. I think May 30th.

Q. Okay. The second closing, the 2009 refinance, you chose the attorney who handled that.

A. I did on that one.

Q. Do you have any complaints about that closing, the refinance in 2009?

A. Just signing documents.

Q. Okay. Did you raise any objection to Wachovia in 2006 about the closing or about the documents or anything?

A. We did have some dialog. Nothing noted.

Q. Was anybody at Wachovia present at that closing?

A. I don't think so.

Q. Okay. The dialog that you had, do you remember who that was with?

A. It was the closing attorney, because we were calling out some of the mistakes. We wanted to make sure that my wife's name was added onto it.

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Q. Sure.

A. He said yeah, okay. We got it.

Q. Outside of the closing attorney, did you have any dialog with anyone else?

A. The sales agent --

Q. Okay.

A. -- after I was telling her of my displeasure.

Q. Jennifer?

A. Jennifer.

Q. And she was with Edgewater Sales?

A. Yes, I think so.

Q. Anybody with Wachovia?

A. Not that I can recall.

Q. Okay. That's all the questions I have. Thank you.

MS. HUNT: Nothing further.

MR. FOSTER: For the record, --

MR. LANEY: Yes?

MR. FOSTER: -- I am assuming I am warned to be careful about the other documents that he is supposed to produce, --

MR. LANEY: Yes.

MR. FOSTER: -- which, sir, you are again asked to produce. I am assuming that is not to prevent me from having conversation with him as to other related matters.

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MR. LANEY: No. The other related matters, absolutely not. I would like to keep the deposition open as far as any documents he's able to produce, just so we'll make a decision timely whether we need to reconvene or not.

MR. FOSTER: And, ma'am, I'm sure we want a copy to read and sign.

WITNESS: All of the things that I'm referring to in the marketing collateral stuff, obviously, we've made copies of and given, certainly to our attorney to make sure, you know, whatever's included should be included, whatever.

MR. LANEY: Sure. You provide to him and he'll --

WITNESS: We've got a stack of the documents. I'm sure they're all copies.

MR. FOSTER: Anything we haven't gotten, we'll certainly turn over, --

MR. LANEY: I appreciate that.

MR. FOSTER: -- barring some things that are privileged, which I doubt.

MR. LANEY: Thank you.

(Whereupon, the deposition concluded at 2:30 p.m.)

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STATE OF SOUTH CAROLINA

CERTIFICATE

Be it known that I, Cynthia L. Weathers, a Professional Court Reporter and Notary Public, did have Ronald P. Pappas appear before me on October 30, 2013 at the office of J. Martin Foster, Esq., 223 East Main, Suite 520, Rock Hill, South Carolina;

That the witness was duly sworn under pains and penalties of perjury to testify the truth, the whole truth, and nothing but the truth;

That the foregoing pages constitute a true and accurate transcription of the testimony given at that time and place aforesaid to the best of my skill and ability;

I further certify that I am not counsel or kin to any of the parties to this cause of action, nor am I interested in any matter of its outcome.

In Witness whereof, I have hereunto set my hand and seal this 9th Day of November, 2013.

Cynthia L. Weathers
Notary Public For South Carolina
My Commission Expires January 13, 2021

10.30-13 EXHIBIT ON Defendant's #1 PAPPAS

EDGEWATER SETTLEMENT ADMINISTRATOR
309 POST OFFICE DRIVE
INDIAN TRAIL, NC 28079
(704) 684-0031

June 15, 2012

Re: Edgewater Rescission Process

Dear Lot Owner:

On January 28, 2011 you were mailed a notification of your right to rescind your purchase of your Edgewater lot(s). This notice contained a copy of the Edgewater Property Report and the HUD-approved rescission process (attached hereto as Exhibit "B"). On May 6, 2011 you were mailed notice that Craft Development determined it was not economically feasible to repurchase your lot(s) within thirty (30) days following your election to be a part of the Edgewater rescission process. This notice informed you of your options and the actions that needed to be exercised to move to the next phase of the rescission process. At that time you elected to have Craft Development market your lot for 365 days. Shortly thereafter you listed your lot for sale with R.W. Price & Associates at Keller Williams (Craft Development's designated marketing realtor).

The purpose of this letter is to inform you that the 365-day marketing period is nearing completion. After the 365-day marketing period you will have the option to move to the next phase of the rescission process or withdrawal from the rescission process. Attached hereto as Exhibit "A" is notice of your options and the actions you must take to remain in the rescission process.

Sincerely,

Edgewater Settlement Administrator

Encl.

SENDER: COMPLETE THIS SECTION
1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
2. Print your name and address on the reverse so that we can return the card to you.
3. Attach this card to the back of the mailpiece, or on the front if space permits.
Article Addressed to:
RONALD P. PAPPAS
P.O. BOX 79354
CHARLOTTE, NC 28271
EW-0311-

COMPLETE THIS SECTION ON DELIVERY
A. Signature: X [signature] ☐ Agent ☒ Addressee
B. Received by (Printed Name): RONALD PAPPAS C. Date of Delivery: 6/21/2012
D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
3. Service Type: ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes
Article Number (Transfer from service label): 7012 0470 0000 4837 7835
S Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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For delivery information visit our website at www.usps.com
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EW-0311-
Postmark Here
AUG 8 2012
RONALD P. PAPPAS
P.O. BOX 79354
CHARLOTTE, NC 28271

EXHIBIT "A"

Per the terms of the Modified Settlement Agreement you have 14 days to notify us in writing of how you would like to proceed with the rescission process.

Please select your choice below and return via certified mail to:

EDGEWATER SETTLEMENT ADMINISTRATOR
309 POST OFFICE DRIVE
INDIAN TRAIL, NC 28079

1. **Sell your lot back to Craft Development under the following terms:** ☐

   a. Deliver a general warranty deed conveying clear title to Craft Development, which requires all taxes, homeowners' association assessments, loans and judgments on the property to be paid in full prior to the execution of the deed.

   b. Accept a purchase money promissory note from Craft Development in the amount of the original purchase price, less any payment from Craft Development escrowed for prepaid interest or financing incentives paid at closing by Craft Development. The note will provide that it will be paid in full within twenty-four (24) months from its date and will be secured by a first lien purchase money mortgage on the lot.

   If you select this option you will be contacted within 30 days to set up a closing date.

   Notice is hereby given that the Edgewater Settlement Administrator makes no warranties or representations as to Craft Development's ability to repay the purchase money promissory note.

2. **Terminate Rescission Process:** ☐

   This will remove your lot from the rescission process. Your membership in the Edgewater Homeowners Association will be reinstated if you elected to be removed during the rescission process.

Acknowledged Receipt and Agreement:

Lot Number:_____

_____ _____
Lot Owner Signature Date

_____ _____
Lot Owner Signature Date

EXHIBIT "B"

HUD APPROVED RECISSION PROCESS

Within 30 days of the postmark date of this letter you must notify the Edgewater Settlement Administrator in writing via certified mail to notify us if you would like to rescind your purchase contract or if you would like to retain ownership of the lot.

Within 80 days from the date herein Craft Development will provide HUD an economic feasibility study based on the number of lot owners that request rescission.

You will be notified of economic feasibility study results within 21 days from its completion.

If the feasibility study shows that it is economically feasible for Craft Development to return the entire lot price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, Craft will coordinate the transfer of the property with you. This transfer will occur within 30 days of the completion of the economic feasibility study. This option will require you to execute a General Warranty Deed transferring the property back to Craft Development as well as pay any outstanding taxes, homeowners' association assessments and loans on the property at the time of the transfer to insure Craft Development will take title to the property free and clear of liens.

If the feasibility study shows that it is NOT economically feasible to return the entire lot price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, you will be given notice of such and required to inform Craft Development in writing within fourteen (14) days of which of the following options you elect to utilize:

a. Craft Development will market the lot at the original purchase price. The lot will be placed for sale for at least three hundred sixty-five (365) days. Upon resale of the lot, the entire resale price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, will be remitted to the purchaser. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted from the refunded amount except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker; or

b. Craft Development will market the lot at a price stipulated or agreed upon by the purchaser. The lot will be placed for sale for up to three hundred sixty-five (365) days. If upon resale of the lot, the resale price is less than the original purchase price minus any previously paid funds held in escrow for prepaid interest or previously paid financing incentives paid at closing by Craft Development, then the purchaser will receive the entire resale purchase price and the previously paid interest and incentives will not be deducted from the amount the purchaser receives. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of

the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker.

If the lot does not sell after 365 days on the market, Craft Development will buy back the lot upon delivery by the owner of a general warranty deed conveying clear title. This will require all taxes, homeowners' association assessments and loans on the property to be paid in full prior to the execution of the deed to insure Craft Development will take title to the property free and clear of liens. Craft Development will execute a purchase money promissory note to the purchaser in the amount of the original purchase price, less any case payment from Craft Development escrowed for prepaid interest or financing incentives paid at closing by Craft Development. The note will provide that it will be paid in full within twenty-four (24) months from its dates and will be secured by a first lien purchase money mortgage.

Purchasers who elect to rescind their purchase contracts, may elect to stay in Edgewater's homeowners association and use the amenities at the Edgewater subdivision until they receive full payment from Craft Development, provided the purchaser remains in good financial standing with Edgewater' s homeowners association. Purchasers who elect to rescind may also elect to withdraw, at no charge, from the homeowners association and stop using subdivision amenities.

1. Lot Listing Price:

a. Rescission Lot owner desiring to enter into a one year listing agreement with Amy Overcash, Realtor of Allen Tate Realty (in form consistent with attached Exhibit B).

The listing price desired by Lot Owner is: $229,000.00

b. Alternatively, the Rescission Lot owner will not list their lot for sale and chooses to opt out of the Edgewater Rescission Process. _____

2. Homeowners Association:

Note: Lot owners that opt out of the rescission process will be required to remain a member of the Edgewater Homeowners Association

Lot owner elects to opt out of Edgewater Homeowners Association which means that they no longer pay association dues and will not have access to the community amenities and services. _____

Lot owner elects to remain in the Edgewater Homeowners Association. _____

Acknowledged Receipt and Agreement:

Lot Number: 311

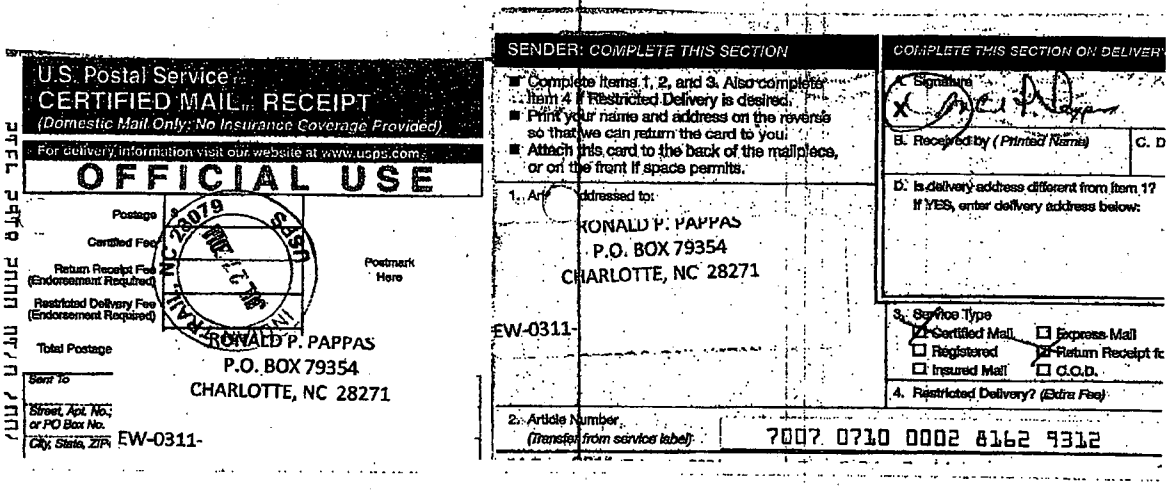
Ronald P. Pappas
Lot Owner Signature

May 15, 2011
Date

RONALD P. PAPPAS
Lot Owner Signature

Date

P.O. Box 79354
CHARLOTTE, NC
28271



OMB NO. 2502-0265

A.

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

SETTLEMENT STATEMENT

B. TYPE OF LOAN: 1. ☐ FHA 2. ☐ FmHA 3. ☒ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS.

6. FILE NUMBER: 06-0698-P

7. LOAN NUMBER:

8. MORTGAGE INS CASE NUMBER:

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

1.0 1998 (06-0698-P.PFD/06-0698-PFD)

D. NAME AND ADDRESS OF BORROWER:	E. NAME AND ADDRESS OF SELLER:	F. NAME AND ADDRESS OF LENDER:
Ronald P. Pappas 18332 NE 101st Court Redmond, WA 98052 LFD	Craft Development, LLC 2649 Breckenridge Centre Drive Monroe, NC 28110	Wachovia Bank, N.A. PO Box 60010 Roanoke, VA 24022

G. PROPERTY LOCATION:	H. SETTLEMENT AGENT: 57-1062039	I. SETTLEMENT DATE:
Lot 311 Edgewater Subdivision Lancaster, SC 29720 Lancaster County, South Carolina Lot 311 Edgewater Subdivision PORTION OF 0127-00-001.00	Constitution Law Associates PLACE OF SETTLEMENT 1452 Constitution Boulevard Rock Hill, SC 29732	May 30, 2006 Disb. Date 5-31-06

J. SUMMARY OF BORROWER'S TRANSACTION			K. SUMMARY OF SELLER'S TRANSACTION		
100. GROSS AMOUNT DUE FROM BORROWER:			400. GROSS AMOUNT DUE TO SELLER:		
101. Contract Sales Price		229,000.00	401. Contract Sales Price		229,000.00
102. Personal Property			402. Personal Property		
103. Settlement Charges to Borrower (Line 1400)		1,941.50	403.		
104.			404.		
105.			405.		
Adjustments For Items Paid By Seller in advance			*Adjustments For Items Paid By Seller in advance*		
106. City/Town Taxes	to		406. City/Town Taxes	to	
107. County Taxes	to		407. County Taxes	to	
108. Assessments	to		408. Assessments	to	
109.			409.		
110.			410.		
111.			411.		
112.			412.		
120. GROSS AMOUNT DUE FROM BORROWER		230,941.50	*420. GROSS AMOUNT DUE TO SELLER*		229,000.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:			500. REDUCTIONS IN AMOUNT DUE TO SELLER:		
201. Deposit or earnest money		22,900.00	501. Excess Deposit (See Instructions)		
202. Principal Amount of New Loan(s)		206,100.00	502. Settlement Charges to Seller (Line 1400)		124,395.30
203. Existing loan(s) taken subject to			503. Existing loan(s) taken subject to		
204.			504. Payoff First Mortgage to Wachovia/504 Bond Payoff		30,000.00
205.			505. Payoff Second Mortgage		
206.			506.		
207.			507. (Deposit disb. as proceeds)		
208.			508.		
209.			509.		
Adjustments For Items Unpaid By Seller			*Adjustments For Items Unpaid By Seller*		
210. City/Town Taxes	to		510. City/Town Taxes	to	
211. County Taxes	01/01/06 to 05/31/06	638.16	511. County Taxes	01/01/06 to 05/31/06	638.16
212. Assessments	01/01/06 to 05/31/06	219.79	512. Assessments	01/01/06 to 05/31/06	219.79
213.			513.		
214.			514.		
215.			515.		
216.			516.		
217.			517. Marketing Fee to Craft Development, LLC		
218.			518. Marketing Fee to Watersports Realty, LLC		
219.			519.		
220. TOTAL PAID BY/FOR BORROWER		229,855.95	*520. TOTAL REDUCTION AMOUNT DUE SELLER*		155,251.25
300. CASH AT SETTLEMENT FROM/TO BORROWER:			600. CASH AT SETTLEMENT TO/FROM SELLER:		
301. Gross Amount Due From Borrower (Line 120)		230,941.50	601. Gross Amount Due To Seller (Line 420)		229,000.00
302. Less Amount Paid By/For Borrower (Line 220)		(229,855.95)	602. Less Reductions Due Seller (Line 520)		(155,251.25)
303. CASH (X FROM) (TO) BORROWER		1,085.55	*603. CASH (X TO) (FROM) SELLER*		73,748.75

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

I HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. I FURTHER CERTIFY THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

Borrower: Ronald P. Pappas

Ronald P. Pappas

Seller: Craft Development, LLC

BY: _____ Agent

TO THE BEST OF MY KNOWLEDGE, THE HUD-1 SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS A TRUE AND ACCURATE ACCOUNT OF THE FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

Constitution Law Associates
Settlement Agent

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE: TITLE 18 U.S. CODE SECTION 1001 & SECTION 1010.

L. SETTLEMENT CHARGES

		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %			
Division of Commission (line 700) as Follows:			
701. $ to			
702. $ to			
703. Commission Paid at Settlement			
704. to			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee 0.0000 % to			
802. Loan Discount % to			
803. Appraisal Fee to Wachovia		250.00	
804. Credit Report to			
805. Lender's Inspection Fee to			
806. Mortgage Ins. App. Fee to			
807. Assumption Fee to			
808.			
809.			
810.			
811.			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest From 05/30/06 to 06/01/06 @ $ /day (2 days %)			
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for 1.0 years to			
904.			
905.			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance months @ $ per month			
1002. Mortgage Insurance months @ $ per month			
1003. City/Town Taxes months @ $ per month			
1004. County Taxes months @ $ per month			
1005. Assessments months @ $ per month			
1006. months @ $ per month			
1007. months @ $ per month			
1008. Aggregate Adjustment months @ $ per month			
1100. TITLE CHARGES			
1101. Settlement or Closing Fee to Constitution Law Associates		500.00	
1102. Abstract or Title Search to Constitution Law Associates			
1103. Doc Prep Fee to Constitution Law Associates		50.00	
1104. Recording, Updating & Acctng to Constitution Law Associates		75.00	
1105. Document Preparation to Constitutional Law Associates POA, etc, if applies			
1106. Courier Fee to Constitution Law Associates @ $30 each			
1107. Title Binder/Opinion to Catawba Regional Title Services, Inc.		100.00	
(includes above item numbers:)			
1108. Title Insurance to Lawyers Title Insurance Corporation		675.90	
(includes above item numbers:)			
1109. Lender's Coverage $ 205,100.00 75.00			
1110. Owner's Coverage $ 229,000.00 600.90			
1111.			
1112.			
1113.			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording Fees: Deed $; Mortgage $; Releases $			
1202. City/County Tax/Stamps: Revenue Stamps ; Revenue Stamps			
1203. State Tax/Stamps: Deed 847.30 ; Mortgage			847.30
1204. Lancaster County Clerk of Court			
1205.			
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey to			
1302. Pest Inspection to			
1303. Lot Portion to Craft Development, LLC			36,661.06
1304. Lot Portion to Waterpointe Realty, LLC			64,853.19
1305. See addn'l disb. exhibit to		290.60	22,033.76
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)		1,941.50	124,396.30

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Constitution Law Associates, Settlement Agent

Certified to be a true copy.

(05-0539-P / 05-0659-P / 9)

ADDITIONAL DISBURSEMENTS EXHIBIT

Borrower: Ronald P. Pappas
Seller: Craft Development, LLC
Lender: Wachovia Bank, N.A.
Settlement Agent: Constitution Law Associates
(803)366-8999
Place of Settlement: 1452 Constitution Boulevard
Rock Hill, SC 29732
Settlement Date: May 19, 2006
Property Location: Lot 311 Edgewater Subdivision
Lancaster, SC 29720
Lancaster County, South Carolina
Lot 311
Edgewater Subdivision
PORTION OF 0127-00-001.00

PAYEE/DESCRIPTION	NOTE/REF NO	BORROWER	SELLER
Wachovia Purchase Interest Escrow	1st yr. payment		13,911.75
Constitution Law Associates Escrow Account Amenity Escrow			3,748.85
Constiuttion Law Associates Escrow Account Amenity Escrow			609.19
Constitution Law Associates Escrow Account Amenity Escrow			2,763.96
Alpha Realty C/O Craft Dev.(Dan Johnson) Realty Fee			1,000.00
Edgewater HOA/Kuester Real Estate Services Capital Contribution		250.00	
Edgewater HOA/Kuster Real Estate Services Homeowners Association Dues		40.60	
Total Additional Disbursements shown on Line 1305		$ 290.60	$ 22,033.75

(06-0838-P.PFD/06-0836-P/8)

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	ANSWERS TO
Plaintiff,	]	
vs.	]	PLAINTIFF'S REQUESTS FOR ADMISSIONS
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	

To: The Plaintiff and
S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601
864 255-5400

1. Admit that the document attached hereto and incorporated herein by reference as **Exhibit "A"** is a true and accurate copy of the Note dated July 22, 2009, signed by Ronald P. Pappas and Camine Pappas (the "**Note**").

The Request is admitted.

2. Admit that by signing the Note, Ronald P. Pappas and Camine Pappas promised to pay Wachovia Bank, National Association ("**Wachovia**") $210,954.69 plus interest.

The legal effect of the said Note, as subject to the counterclaims of the Defendants, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

3. Admit that the document attached hereto and incorporated herein by reference as

PLAINTIFF'S EXHIBIT tabbies

Exhibit "B" is a true and accurate copy of the Mortgage given by Ronald P. Pappas and Camine Pappas to Wachovia dated July 22, 2009 (the"**Mortgage**").

With the caveat that one page included in the document whose accuracy is sought to be admitted (Pappas_WF 000002) is blank, and one (Pappas_WF 000016) would seem to be an identification sticker affixed by an unknown party, the Request is admitted.

4. Admit that the document attached hereto and incorporated herein by reference as **Exhibit "C"** is a true and accurate copy of a Notice and Right to Cure Default dated February 22, 2011 addressed to Ronald P. Pappas.

The Request is admitted.

5. Admit that the document attached hereto and incorporated herein by reference as **Exhibit "D"** is a true and accurate copy of a Notice and Right to Cure Default dated February 22, 2011 addressed to Camine Pappas.

The Request is admitted.

6. Admit that the Defendants failed to make payments to Wachovia as required by the terms of the Note.

The Defendants admit that they did not make all the payments specified in the said Note of July 22, 2009.

7. Admit that Defendants are in default under the terms of the Note and Mortgage for failing to make payments as required by the terms of the Note.

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any default claimed thereunder, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

8. Admit that Defendants did not cure their default under the terms of the Note and Mortgage after receiving notice of such default.

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any default claimed thereunder, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

9. Admit that the terms of the Mortgage allow Plaintiff to foreclose the property described in the Mortgage if Defendants breached the terms of the Note and/or Mortgage

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any right to foreclose claimed thereunder, is the matter in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

10. Admit that the terms of the Note and Mortgage entitle Plaintiff to a deficiency judgment against Defendants.

The legal effect of the said Note and Mortgage, as subject to the counterclaims of the Defendants, and any right to a deficiency judgment thereunder, is in contention in this action, and on information and belief is a) on that basis and b) as a matter of legal opinion, not a matter within the scope of discovery under Rule 26(b) or Rule 36(a), S.C.R.C.P. To that extent, the Request for Admission is objected to.

11. Admit that the Defendants did not speak with any Wachovia Employee prior to agreeing to purchase Lot 311.

To the best of the Defendants' recollection, the matter in the Request to Admit above is true and is admitted.

12. Admit that Defendants did not make any efforts to independently ascertain the value of Lot 3ll prior to agreeing to purchase Lot 311.

The Defendants admit that they7 made no effort to independently ascertain the value of the subject real property, relying, as they had a right to do, upon the independent and professional opinion of the appraiser to whom they were referred, and whom they paid.

13. Admit that Defendants were not prevented by Wachovia from independently ascertaining the value of Lot 311 before Defendants purchased Lot 311.

The matter in the Request to admit above is admitted.

14. Admit that Defendants were not provided with an appraisal by Wachovia prior to agreeing to purchase Lot 311.

The matter in the Request to admit above is admitted.

John Martin Foster
Attorney for Defendants

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730

Post Office Box 106
Rock Hill, SC 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

May 10, 2012

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	
Plaintiff,	]	CERTIFICATE OF SERVICE
vs.	]	
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	
	]	

The undersigned counsel herein certifies that, pursuant to Rule 5(b)(1), S.C.R.C.P, on May 10, 2012 he served copies of the following pleadings, documents or papers in the above-captioned and numbered civil action:

Answers to Plaintiff's Requests for Admissions; and
This Certificate of Service.

the original of which were sent on the same date to be filed with the Clerk of the Court named above, by depositing the same with the United States Postal Service on the date above, with sufficient postage affixed and directed to the respective last known address(es) of those attorney(s) and/or persons set out below, as follows:

S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601

Gregory L. Shelton
Horack, Talley, Pharr & Lowndes, PA
301 South Charlotte Street, Suite 2600
Charlotte, NC 28202-6038

John Martin Foster
Attorney for Defendants
The Guardian Building
223 East Main Street, Suite 520
Post Office Box 106
Rock Hill, SC 29731-6109
803 324-8100
803-324-8109: Fax
jmfoster@comporium.net

May 10, 2012
Rock Hill, South Carolina

OMB NO. 2502-0265

A.

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

SETTLEMENT STATEMENT

B. TYPE OF LOAN:
1. ☐ FHA 2. ☐ FmHA 3. ☒ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS.

6. FILE NUMBER: 06-0636-P
7. LOAN NUMBER:
8. MORTGAGE INS CASE NUMBER:

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

1.0 3/98 (06-0636-P.PFD/06-0636-P/B)

D. NAME AND ADDRESS OF BORROWER:	E. NAME AND ADDRESS OF SELLER:	F. NAME AND ADDRESS OF LENDER:
Ronald P. Pappas 18332 NE 101st Court Redmond, WA 98052	Craft Development, LLC 2649 Brekonridge Centre Drive Monroe, NC 28110	Wachovia Bank, N.A. PO Box 50010 Roanoke, VA 24022

G. PROPERTY LOCATION:	H. SETTLEMENT AGENT: 57-1062039	I. SETTLEMENT DATE:
Lot 311 Edgewater Subdivision Lancaster, SC 29720 Lancaster County, South Carolina Lot 311 Edgewater Subdivision PORTION OF 0127-00-001.00	Constitution Law Associates PLACE OF SETTLEMENT 1452 Constitution Boulevard Rock Hill, SC 29732	May 30, 2006

J. SUMMARY OF BORROWER'S TRANSACTION			K. SUMMARY OF SELLER'S TRANSACTION		
100. GROSS AMOUNT DUE FROM BORROWER:			**400. GROSS AMOUNT DUE TO SELLER:**		
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104.			404.		
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106. City/Town Taxes	to		406. City/Town Taxes	to	
107. County Taxes	to		407. County Taxes	to	
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204.			504. Payoff First Mortgage to Wachovia/504 Bond Payoff		30,000.00
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209.			509.		
Adjustments For Items Unpaid By Seller			*Adjustments For Items Unpaid By Seller*		
210. City/Town Taxes	to		510. City/Town Taxes	to	
211. County Taxes 01/01/06	to 05/31/06	636.16	511. County Taxes 01/01/06	to 05/31/06	636.16
212. Assessments 01/01/06	to 05/31/06	219.79	512. Assessments 01/01/06	to 05/31/06	219.79
213.			513.		
214.			514.		
215.			515.		
216.			516.		
217.			517. Marketing Fee to Craft Development, LLC		
218.			518. Marketing Fee to Waterpointe Realty, LLC		
219.			519.		
220. TOTAL PAID BY/FOR BORROWER		229,855.95	*520. TOTAL REDUCTION AMOUNT DUE SELLER*		155,251.25
300. CASH AT SETTLEMENT FROM/TO BORROWER:			**600. CASH AT SETTLEMENT TO/FROM SELLER:**		
301. Gross Amount Due From Borrower (Line 120)		230,941.50	601. Gross Amount Due To Seller (Line 420)		229,000.00
302. Less Amount Paid By/For Borrower (Line 220)		(229,855.95)	602. Less Reductions Due Seller (Line 520)		(155,251.25)
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The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

I HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. I FURTHER CERTIFY THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

Borrower Ronald P. Pappas

Ronald P. Pappas

Seller Craft Development, LLC

BY: _____
Agent

TO THE BEST OF MY KNOWLEDGE, THE HUD-1 SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS A TRUE AND ACCURATE ACCOUNT OF THE FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

Constitution Law Associates
Settlement Agent

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE: TITLE 18 U.S. CODE SECTION 1001 & SECTION 1010.

PLAINTIFF'S EXHIBIT 4

L. SETTLEMENT CHARGES

		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %			
Division of Commission (line 700) as Follows:			
701. $ to			
702. $ to			
703. Commission Paid at Settlement			
704. to			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee 0.0000 % to			
802. Loan Discount % to			
803. Appraisal Fee to Wachovia			
804. Credit Report to		250.00	
805. Lender's Inspection Fee to			
806. Mortgage Ins. App. Fee to			
807. Assumption Fee to			
808.			
809.			
810.			
811.			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest From 05/30/06 to 06/01/06 @ $ /day (2 days %)			
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for 1.0 years to			
904.			
905.			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance	months @ $ per month		
1002. Mortgage Insurance	months @ $ per month		
1003. City/Town Taxes	months @ $ per month		
1004. County Taxes	months @ $ per month		
1005. Assessments	months @ $ per month		
1006.	months @ $ per month		
1007.	months @ $ per month		
1008. Aggregate Adjustment	months @ $ per month		
1100. TITLE CHARGES			
1101. Settlement or Closing Fee to Constitution Law Associates		500.00	
1102. Abstract or Title Search to Constitution Law Associates			
1103. Doc Prep Fee to Constitution Law Associates		50.00	
1104. Recording, Updating & Acctng to Constitution Law Associates		75.00	
1105. Document Preparation to Constitutional Law Associates	POA, etc, if applies		
1106. Courier Fee to Constitution Law Associates	@ $30 each		
1107. Title Binder/Opinion to Catawba Regional Title Services, Inc.		100.00	
(includes above item numbers:)			
1108. Title Insurance to Lawyers Title Insurance Corporation		675.90	
(includes above item numbers:)			
1109. Lender's Coverage $ 206,100.00	75.00		
1110. Owner's Coverage $ 229,000.00	600.90		
1111.			
1112.			
1113.			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording Fees: Deed $; Mortgage $; Releases $			
1202. City/County Tax/Stamps: Revenue Stamps	; Revenue Stamps		
1203. State Tax/Stamps: Deed	847.30; Mortgage		
1204. Lancaster County Clerk of Court			847.30
1205.			
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey to			
1302. Pest Inspection to			
1303. Lot Portion to Craft Development, LLC			36,661.06
1304. Lot Portion to Waterpointe Realty, LLC			64,853.19
1305. See addit'l disb. exhibit to			22,033.75
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)		1,941.50	124,395.30

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Constitution Law Associates, Settlement Agent

Certified to be a true copy.

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	ANSWERS TO
Plaintiff,	]	
vs.	]	PLAINTIFF'S INTERROGATORIES
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	

To: The Plaintiff and
S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601
864 255-5400

Answers to Interrogatories propounded by Plaintiff, pursuant to Rule 33, S.C.R.C.P., and served by mailing of April 24, 2012.

[The designated Interrogatory 1. is directional as to Requests for Admission, and as such requires no response.]

2. Give the names, addresses and telephone numbers of persons known to the parties or counsel to be witnesses concerning the facts of this case and indicate whether or not written or recorded statements have been taken from the witnesses and indicate who has possession of such statements.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting party, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody confidential communications between the Responding parties and their counsel, or which represent the work-product of Responding parties' counsel, the same is objected to.

Preserving the objection(s) above, the following are provided:

Ronald P. Pappas



c/o counsel undersigned

No written or recorded statement, other than as set out in the lists of documents below, and supplied or referenced herewith.

The person listed above is expected to testify to all factual matters relating to the purchase of the subject real property, to Plaintiff's loan or financing with the Defendants and its formation, to any arrangements between Wachovia and Craft Development, to the payments under that loan, to the Defendants' dealings with the agents and employees of Wachovia and/or Wells Fargo connected with the transaction, to the dealings between the Defendants and HUD on Craft Development, and to all factual matter herein.

Camine Pappas
c/o counsel undersigned

No written or recorded statement, other than as set out in the lists of documents below, and supplied or referenced herewith.

The person listed above is expected to testify to all factual matters relating to the purchase of the subject real property, to Plaintiff's loan or financing with the Defendants and its formation, to any arrangements between Wachovia and Craft Development, to the payments under that loan, to the Defendants' dealings with the agents and employees of Wachovia and/or Wells Fargo connected with the transaction, to the dealings between the Defendants and HUD on Craft Development, and to all factual matter herein.

Robert Park
address and telephone number unknown

No written or recorded statement, other than as set out in the lists of documents below, and supplied or referenced herewith.

The person listed above is expected to testify to all factual matters relating to the Plaintiff's loan or financing with the Defendants and its formation, to any arrangements between Wachovia and Craft Development, to the payments under that loan, and to the Defendants' dealings with the agents and employees of Wachovia and/or Craft Development connected with the transaction.

Agents and employees of Wachovia
address and telephone unknown

No written or recorded statement, other than as set out in the lists of documents below.

The persons listed above are expected to testify to all factual matters relating to the Plaintiff's loan, financing or re-financing with the Defendants and its formation, to any arrangements between Wachovia and Craft Development, to the payments under that loan, and to the Defendants' dealings with the agents and employees of Wachovia connected with the transaction.

Agents and employees of Wells Fargo
address and telephone unknown

No written or recorded statement, other than as set out in the lists of documents below.

The persons listed above are expected to testify to all factual matters relating to the Plaintiff's loan, financing or re-financing with the Defendants and its formation, to any arrangements between Wachovia, Wells Fargo and Craft Development, to the payments under that loan, and to the Defendants' dealings with the agents and employees of Wells Fargo, Wachovia and/or Craft Development connected with the transaction.

Jennifer Domila
1137 D Hwy 9 Bypass West
Lancaster, SC 29720
803 286-5022
803 287-4397
jenniferdomila@yahoo.com

No written or recorded statement, other than as set out in the lists of documents below, and supplied or referenced herewith.

The person listed above is expected to testify to all factual matters relating to the negotiations for, and purchase of, the subject real property, to any arrangements between Wachovia and Craft Development, and to the dealings between the Defendants and HUD on Craft Development.

Agents and employees of Constitution Law Partners or their successors
address and telephone number unknown

No written or recorded statement, other than as set out in the lists of documents below, and supplied or referenced herewith.

The persons listed above are expected to testify to all factual matters relating to the purchase of the subject real property, to the closing of the Defendants' purchase loan, and to the dealings between the Defendants and HUD on Craft Development.

Agents and employees of Craft Development, LLC
address and telephone number unknown
but on information known to counsel for Craft Development

No written or recorded statement, other than as set out in the lists of documents below, and supplied or referenced herewith.

The persons listed above are expected to testify to all factual matters relating to the purchase of the subject real property, to Plaintiff's loan or financing with the Defendants and its formation, to any arrangements between Wachovia and Craft Development, to the dealings between the Defendants and HUD on Craft Development, and to all factual matter herein.

3. For each person known to the parties or counsel to be a witness concerning the facts of the case, set forth either a summary sufficient to inform the other party of the facts known to or observed by such witness, or provide a copy of any written or recorded statements taken from such witness.

Insofar as the form of the question (or of later questions) would require the Responding

parties to give information as to, or copies of, documents which represent or embody confidential communications between those parties and their counsel, or which represent the work-product of Responding parties' counsel, the same is objected to.

See response to Interrogatory No. 1 above.

4. Set forth a list of photographs, plats, sketches or other prepared documents in possession of the plaintiff that relate to the claim or the defense in this case.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting party, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody confidential communications between Responding parties and their counsel, or which represent the work-product of Responding parties' counsel, the same is objected to.

Preserving the objection(s) above, the following are provided:
Edgewater documentation

1 Development sketch: 1 page
2 Calendar of events: 1 page: Master Copy of owners: 8 pages
3 Tickets to events: 1 page
4 Flier: 2 pages
5 Description: 2 pages
6 Inventory Price sheet: 3 pages
7 E-mail: Domila to Pappas: 4/4/06 12:49 PM: 1 page
8 E-mail: Domila to Pappas: 4/4/06 12:06 PM: 1 page
9 E-mail: Domila to Pappas: 5/5/06 12:49PM: 1 page
10 Fax: Domila to Pappas: Info Page and Agreement: 11 pages
11 Copy of check: Pappas to Consititution Law Partners: 2 pages

Closing Documents: Craft Development to Pappas: May 30, 2006:

12 Closing Instructions: 6 pages
13 Itemization of Amount Financed: 1 page
14 Letter: Wachovia to Pappas; 6/9/06: 1 page
15 Customer Access Agreement: 3 pages
16 Letter: Wachovia to Pappas: 4/20/06: 1 page
17 "Important Information about Your Wachovia Loan": 1 page
18 Note: 6 pages
19 Truth In Lending Disclosure: 2 pages
20 South Carolina Notary Requirements: 1 page
21 Mortgage: 5 pages
22 Negative Information Notice: 2 pages
23 Homeowner's Insurance Notice: 1 page
24 Errors and Omissions: 1 page
25 Affiliated Business Arrangement Disclosure: 2 pages

26 Transfer of Servicing Disclosure: 1 page
27 Summary of Loan: 1 page
28 Privacy Statement: 5 pages
29 E-mail: Wachovia to Pappas: 4/5/06: 1 page
30 Contact information: Richard Park: 1 page
31 Notes of Pappas:

HUD Statement: Pappas and Wachovia Bank: July 22, 2009: 2 pages

32 Settlement Agreement: HUD and Craft Development, LLC: 08/04/08: 4 pages
33 Letter: Edgewater Settlement Administrator: 01/28/11: 2 pages
34 Legal Services Engagement and Fee Agreement: Davis Frawley: 2 pages
35 Election of Options: 1 page
36 Modified Settlement Agreement: 6 pages: 12/22/10
37 Report: Edgewater / Craft Development, LLC: 53 pages
38 Letter: Davis Frawley to Pappas: 02/08/11: 3 pages

39 Letter, tracking information and tracking request: Pappas to Wells Fargo Bank: 4 pages

It is the Responding parties' understanding that the Note and Mortgage dated 2009 are already in the requesting party's possession; accordingly, they are not produced herewith.

5. Set forth an itemized statement of all damages, exclusive of pain and suffering, claimed to have been sustained by the Defendants.

The Responding parties' Answer and Counterclaim sets out the damages claimed by them. The Responding parties have plead the damages resulting from the Plaintiff's actions and inaction.

Over the life of the mortgage loan, the Responding Parties have paid to the Plaintiff:

Mortgage Interest	$61,882.00
Property Taxes	$17,240.72
HOA fees	$ 720.00
Original Downpayment	$22,900.00
Closing costs	$ 1,941.00
Re-financing costs	$ 1,028.75
Total (w/o litigation costs)	$105,712.47

In addition to the above, the Responding parties have incurred the cost of their attorney, and of pleading and discovery in responding to the Plaintiff's suit. All of these costs are on-going.

6. List the names and addresses of any expert witnesses whom the party proposes to use as a witness at trial of the case.

Insofar as the form of the Interrogatory would require the Responding parties to give information known by, or as easily available to, the requesting party and its counsel as to the

Responding parties, the request is objected to as burdensome and overbroad.

At this time, the Responding parties has not identified any expert for use at the trial of the case.

7. For each expert witness identified in Interrogatory No. 4, provide a summary of the opinions(s) you anticipate the expert will render in this case, the expert's basis for each such opinion, and all materials reviewed by an/or relied upon by each expert in support of each such opinion.

Insofar as the form of the Interrogatory would require the Responding parties to give information known by, or as easily available to, the requesting party and its counsel as to the Responding parties, the request is objected to as burdensome and overbroad.

At this time, the Responding parties has not identified any expert for use at the trial of the case.

8. State the seller's original sale price for Lot 311 and describe in detail all efforts by or on behalf of the Defendants to negotiate a lesser purchase price for Lot 311.

According to the Edgewater Inventory Pricelist, a copy of which is listed above and supplied herewith, the seller's original prcie for Lot 311 was $286,250.00

9. Describe any efforts that Defendants made to independently ascertain the value of Lot 311 prior to July 28, 2006.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody the work-product of their counsel, the same is objected to.

Preserving the objections above, the Responding parties would further respond by stating that no such independent efforts to ascertain the value of Lots 311 were made by the Defendants.

10. Describe with specificity and in detail all bases for your contention that "the value of the subject real estate was not that of the appraisal furnished to the Defendants."

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

The present tax value of the subject real property is $100,000.00, a valuation that has been in effect since at least July, 2011. On knowledge and information, all real property in the Edgewater Subdivision has suffered similar losses of value. While subject to further discovery, it is the Defendants' understanding and contention that a difference so great can only be explained

by the Plaintiff's selected appraiser's use of unverifiable assumptions as to sales and value in the future.

11. As to your "second defense and counterclaim," as set forth in paragraphs 9-19 of your Answer, list with specificity all facts relied upon in asserting this "defense and counterclaim."

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody the work-product of their counsel, the same is objected to.

Preserving the objections above, the Responding parties would further respond by stating that have adequately set forth the factual basis for their allegation in their Answer and Counterclaim herein.

12. Describe with specificity and in detail all bases for your contention, as set forth in paragraph 35 of your Answer, that "Wells Fargo is a developer within the definition set forth in 15 U.S.C. §1701(4)".

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody the work-product of their counsel, the same is objected to.

Preserving the objections above, the Responding parties would further respond by stating that have adequately set forth the factual basis for their allegation in their Answer and Counterclaim herein.

13. Describe with specificity and in detail all evidence that supports your contention that Lot 311 did not have the market value placed on it by the appraiser at the time the appraisal was completed.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

The present tax value of the subject real property is $100,000.00, a valuation that has been in effect since at least July, 2011. On knowledge and information, all real property in the Edgewater Subdivision has suffered similar losses of value. While subject to further discovery, it is the Defendants' understanding and contention that a difference so great can only be explained by the Plaintiff's selected appraiser's use of unverifiable assumptions as to sales and value in the

future.

14. Describe with specificity and in complete detail all communications or contacts of any sort that Defendants had with any current or former Wells Fargo representatives, employees, or agents concerning the subject matter of this lawsuit, and as to each:

a. Describe the contents of any such communications;

b. List the names of all individuals with whom such communications and/or contact has been had;

c. List the names of all persons initiating the communications and/or contacts described in response to this Interrogatory; and

d. Describe in detail the date, place, time, length, and method of any such communications and/or contacts identified in response to this Interrogatory.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody the work-product of their counsel, the same is objected to.

Preserving the objections above, the Responding parties would further respond by stating, to the best of his present recollection:

In 2006, Defendant Ronald Pappas recalls Ronald Park of Wachovia (Wells Fargo's predecessor) being present at a presentation by Craft Development. Potential buyers were referred to that person.

Edgewater had offered an inducement of a lower price if a buyer dealt with Wachovia; there was also a promise of an earlier closing, a year's delay in payment on the loan, and a portion of the loan to go to Craft Development to complete amenities.

Ronald Pappas had contact with Park after signing a contract with Craft Development and before closing. Park was the original loan officer on Defendants' loan to buy the subject property. Ronald Pappas and Park discussed details of the finance and loan over several calls.

Ronald Pappas may also have discussed details of the loan and financing with the equivalent of an administrative assistant.

After closing, Park may have sent a generic "thank you" note to the Defendants.

Both at closing to the closing attorney (Constitution Law Partners) and his assistants, and

later to personnel at Wachovia, Ronald Pappas requested a copy of the appraisal he paid for and which was noted on the HUD. This was never supplied.

In 2009, Ronald Pappas dealt with a female Wells Fargo loan officer for ca. four and ½ months over the terms of a re-financed loan. The bank wanted more money to re-finance: Pappas was already nervous about the future of the subdivision. The bank wanted the Defendants to lay out a sum to refinance: this was refused. Costs were rolled into the refinance, increasing a $206,000 payoff to a $210,000 refinanced loan.

Ronald Pappas requested a copy of the re-done appraisal from the Wells Fargo loan officer above: that was also never supplied.

In 2010, Ronald Pappas called Wells Fargo customer service ca. 12 times over the continuing deterioration of the subdivision and the failure to supply an appraisal. Each call resulted in a statement that it would be referred to a higher department who would call him back. No such calls were received.

Sometime in 2010, Ronald Pappas consulted with another counsel, who advised him to cease making the mortgage payments. That failure to pay resulted in phone calls from Wells Fargo. To those calls, Pappas repeated his complaints above. No calls or contact in response were received.

In January, 2011, the Defendants received the first documentation referenced above from HUD. He contacted Wells Fargo by the letters also referenced above. No response was received.

15. Describe with specificity and in complete detail all of Wells Fargo's alleged negligent or fraudulent misrepresentations and communications to Defendants or their agents, employees and representatives, and as to each:

a. Describe the contents of any such negligent or fraudulent misrepresentation or communication;

b. List the names of all individuals with whom such negligent or fraudulent representation or communication and/or contact has been had;

c. List the names of all persons initiating the communications and/or contacts described in response to this Interrogatory; and

d. Describe in detail the date, place, time, length, and method of any such negligent and/or fraudulent misrepresentation and communication identified in response to this Interrogatory.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding parties to give information as to, or copies of, documents which represent or embody the work-

product of their counsel, the same is objected to.

Preserving the objections above, the Requesting party is referred to the answer to Interrogatory 15. above. The Responding Parties are unable to respond further or in whole under the said Appraisals are produced to them and the same are examined.

16. Describe with specificity the Defendants' experience in real estate transactions.

Insofar as the form of the question would require the Responding parties to give information known to any party other than themselves or any counsel other than that of the requesting parties, the request is objected to as burdensome and overbroad.

Preserving the objections above, the Defendant Ronald Pappas has experience in residential home building. He was a regional president for the Atlantic Region with Jim Walters Homes out of Charlotte, North Carolina for forty years, handling construction, sales and marketing. During his period of employment he bought some 15 properties. He lived in some and used some for investment purposes.

John Martin Foster
Attorney for Defendants

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730

Post Office Box 106
Rock Hill, SC 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

May 10, 2012

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	
Plaintiff,	]	CERTIFICATE OF SERVICE
vs.	]	
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	

The undersigned counsel herein certifies that, pursuant to Rule 5(b)(1), S.C.R.C.P, on May 10, 2012 he served copies of the following pleadings, documents or papers in the above-captioned and numbered civil action:

Answers to Plaintiff's Interrogatories; and
This Certificate of Service.

the original of which were sent on the same date to be filed with the Clerk of the Court named above, by depositing the same with the United States Postal Service on the date above, with sufficient postage affixed and directed to the respective last known address(es) of those attorney(s) and/or persons set out below, as follows:

S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601

Gregory L. Shelton
Horack, Talley, Pharr & Lowndes, PA
301 South Charlotte Street, Suite 2600
Charlotte, NC 28202-6038

John Martin Foster
Attorney for Defendants
The Guardian Building
223 East Main Street, Suite 520
Post Office Box 106
Rock Hill, SC 29731-6109
803 324-8100
803-324-8109: Fax
jmfoster@comporium.net

May 10, 2012
Rock Hill, South Carolina

2009009777
MORTGAGE
RECORDING FEES $20.00
PRESENTED & RECORDED:
07-23-2009 11:21 AM
JOHN LANE
REGISTER OF DEEDS
LANCASTER COUNTY, SC
By: CANDICE KIMBLEY DEPUTY
BK:MORT 2135
PG:99-112

Closed at & Mail To: McMillan & Terry, PA/jo (no title insurance)
Legal: Lot 311, Edgewater, PB 2005-559, Lancaster County, SC

Return To:
Wachovia Bank, National Association
Retail Credit Servicing
P.O. Box 50010
Roanoke, VA 24022
Parcel No: 0127C-08-016.00

Prepared By:
ESHA VERMA

(Space Above This Line For Recording Data)

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined elsewhere in this document. Certain rules regarding the usage of words used in this document are also provided in Section 15.

(A) **"Security Instrument"** means this document, which is dated 22 July, 2009.
(B) **"Borrower"** means the parties obligated on the Debt Instrument.
(C) **"Grantor"** under this Security Instrument is
RONALD P. PAPPAS; and wife, CAMINE PAPPAS

Grantor is the mortgagor under this Security Instrument.
(D) **"Lender"** is Wachovia Bank, National Association. Lender is a national banking association organized and existing under the laws of The United States of America. Lender's address is Wachovia Bank, National Association, 301 South College Street, VA 0343, Charlotte, N.C. 28288-0343. Lender is the mortgagee under this Security Instrument.
(E) **"Debt Instrument"** means the promissory note signed by Borrower and dated 07/22/09.
The Debt Instrument states that Lender is owed (U.S. $ 210954.69)
plus interest to be repaid in regular Periodic Payments and in full not later than 07/21/12.
(F) **"Property"** means the property that is located at
LOT 311 EDGEWATER
LANCASTER SC 29720 ("Property Address")
and that is further described below under the heading "Transfer of Rights in the Property."
(G) **"Loan"** means all amounts owed now or hereafter under the Debt Instrument, including without limitation principal, interest, any prepayment charges, late charges and other fees and charges due under the Debt Instrument, and also all sums due under this Security Instrument, plus interest.
(H) **"Applicable Law"** means all controlling applicable federal law and, to the extent not preempted by federal law, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
(I) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Grantor or the Property by a condominium association, homeowners association or similar organization.
(J) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) **"Escrow Items"** means those items that are described in Section 3.
(L) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) **"Periodic Payment"** means the amounts as they become due for (i) principal, interest and other charges as provided for in the Debt Instrument, plus (ii) any amounts under Section 3 of this Security Instrument.

PLAINTIFF'S EXHIBIT 9

(N) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(O) "Successor in Interest of Grantor" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Debt Instrument and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Debt Instrument; and (ii) the performance of Grantor's covenants and agreements under this Security Instrument and Borrower's covenants and agreements under the Debt Instrument. For this purpose, Grantor does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property located in the County of LANCASTER, State of South Carolina:

DEED DATE:06/30/06 RECORDED: 07/28/06 BOOK/INST: 348 PAGE: 342
PARCEL/TAX ID #:0127C-08-016.00 TWP/BORO:CITY OF LANCASTER
LOT 311
SEE LEGAL DESCRIPTION

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. If the Property is a multifamily (2-4 family) dwelling, then the following items now or hereafter attached to the Property to the extent they are fixtures are also covered by this Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

If the Property includes a unit in, together with an undivided interest in the common elements of, a condominium project (the "Condominium Project") and if the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Grantor's interest in the Owners Association and the uses, proceeds and benefits of Grantor's interest.

If the Property is a part of a planned unit development (the "PUD"), the Property also includes Grantor's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Grantor's interest.

GRANTOR COVENANTS that Grantor is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

UNIFORM COVENANTS. Grantor and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment and Other Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Debt Instrument and any prepayment charges, late charges and other charges due under the Debt Instrument. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Debt Instrument and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Debt Instrument or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Debt Instrument and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in (or in accordance with) the Debt Instrument or at such other location as may be designated by Lender in accordance with the notice provisions in Section 14. Subject to Applicable Law, Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future. Payments shall be applied as permitted by applicable law and as provided in the Debt Instrument.

2. Application of Payments or Proceeds. Unless other procedures are set forth in the Debt Instrument or Applicable Law and as otherwise described in this Section 2, the following provisions in this

Section 2 shall govern the application of payments and proceeds with respect to the Loan. All payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Debt Instrument; (b) principal due under the Debt Instrument; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Debt Instrument.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges and other charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Debt Instrument.

Unless other procedures are set forth in the Debt Instrument, any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Debt Instrument shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. The Lender does not require or provide for escrow at the time this Security Instrument is signed. Accordingly, the provisions of this Section 3 shall apply only if at any time any Escrow Item, as described below and including any Community Association Dues, Fees, and Assessments, is not paid when due, and Lender gives Borrower notice that these provisions will thereafter apply. Until such notice is provided, Borrower shall have no obligation under this Section 3. When the escrow is established, Borrower shall pay to Lender for deposit in an escrow account such amounts (the "Funds") as permitted by applicable law. Thereafter, Borrower shall pay to Lender on the day Periodic Payments are due under the Debt Instrument, until the Debt Instrument is paid in full, a sum to be added to the Funds to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; and (c) premiums for any and all insurance required by Lender under Section 5. These items are called "Escrow Items." Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such Community Association Dues, Fees, and Assessments shall be an Escrow Item. Grantor or Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 14 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, if applicable, and (b) not to exceed the maximum amount a lender can require under RESPA, if applicable. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA, if applicable. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA, if applicable.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA, if applicable. If RESPA is applicable and there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If RESPA is applicable and there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, they shall be paid in the manner provided in Section 3, if Borrower is obligated to do so under Section 3.

Grantor shall promptly discharge any lien which has priority over this Security Instrument unless: (a) such lien was disclosed on the application for the Loan that Borrower provided to Lender or Grantor agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Grantor is performing such agreement; (b) Grantor contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) Grantor secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien that can attain priority over this Security Instrument and which was not disclosed on the application for the Loan that Borrower provided to Lender, Lender may give Grantor a notice identifying the lien. Within 10 days of the date on which that notice is given, Grantor shall satisfy the lien or take one or more of the actions satisfactory to Lender set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Grantor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. If the Property is a multifamily (2-4 family) dwelling, Grantor shall also maintain insurance against rent loss. All such property insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's right to disapprove Grantor's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Grantor.

If Grantor fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Grantor, Grantor's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Grantor could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the rate applicable to the Debt Instrument from time to time, from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Grantor further agrees to generally assign rights to insurance proceeds to the holder of the Debt Instrument up to the amount of the outstanding loan balance. If Lender requires, Grantor shall promptly give to Lender copies of all policies, renewal certificates, receipts of paid premiums and renewal notices. If Grantor obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Grantor further agrees to generally assign rights to insurance proceeds to the holder of the Debt Instrument up to the amount of the outstanding loan balance.

In the event of loss and subject to the rights of any lienholder with rights to insurance proceeds that are superior to Lender's rights, the following provisions in this Section 5 shall apply. Grantor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Grantor. Unless Lender and Grantor otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Grantor shall not be paid out of the insurance proceeds and shall be the sole obligation of Grantor. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to

the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Grantor abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Grantor does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 21 or otherwise, Grantor hereby assigns to Lender (a) Grantor's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Debt Instrument or this Security Instrument, and (b) any other of Grantor's rights (other than the right to any refund of unearned premiums paid by Grantor) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Debt Instrument or this Security Instrument, whether or not then due, subject to the rights of any lienholder with rights to insurance proceeds that are superior to Lender's rights.

6. Occupancy. Unless Grantor is a corporation, association or partnership, Grantor shall occupy, establish, and use the Property as Grantor's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Grantor's principal residence for at least one year after the date of occupancy, unless (a) Borrower has disclosed on the application for the Loan that Borrower provided to Lender that the Property shall not be Grantor's principal residence; (b) Lender otherwise agrees in writing, which consent shall not be unreasonably withheld; or (c) unless extenuating circumstances exist which are beyond Grantor's control.

If Borrower indicated on the application for the Loan that the Property will be a second home and not Grantor's principal residence, then Grantor shall occupy, and shall only use, the Property as Grantor's second home. Grantor shall keep the Property available for Grantor's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Grantor either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

This Section 6 does not apply if the Property is a multifamily (2-4 family) dwelling, unless Lender and Grantor otherwise agree in writing.

7. Preservation, Maintenance and Protection of the Property; Inspections. Grantor shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Grantor is residing in the Property, Grantor shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Grantor shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Grantor shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Grantor is not relieved of Grantor's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Grantor notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, (a) representations concerning Grantor's occupancy of the Property as Grantor's principal residence or second home and (b) liens on the Property that have priority over this Security Instrument.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Grantor fails to perform the covenants and agreements contained in this Security Instrument or any obligation that is secured by a lien that is superior to this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of any lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Grantor has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the rate applicable to the Debt Instrument from time to time, from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.
If this Security Instrument is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Grantor any interest or earnings on such Miscellaneous Proceeds. Subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights, if the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

Subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights, in the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Grantor and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights, any balance shall be paid to Grantor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Grantor and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights.

If the Property is abandoned by Grantor, or if, after notice by Lender to Grantor that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Grantor fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights. "Opposing Party" means the third party that owes Grantor Miscellaneous Proceeds or the party against whom Grantor has a right of action in regard to Miscellaneous Proceeds.

Grantor shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Grantor can cure such a default and, if acceleration has occurred, reinstate as provided in Section 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2, subject to the rights of any lienholder with rights to Miscellaneous Proceeds that are superior to Lender's rights.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower shall not operate to release the liability of Grantor or any Successors in Interest of Grantor. Lender shall not be required to commence proceedings against any Successor in Interest of Grantor or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Grantor or any Successors in Interest of Grantor. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Grantor or in

amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

12. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. Grantor covenants and agrees that Grantor's obligations and liability shall be joint and several. However, any Grantor who signs this Security Instrument but is not a Borrower (i.e., a "co-signer"): (a) is signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Debt Instrument without the co-signer's consent.

Subject to the provisions of Section 17, any Successor in Interest of Grantor who assumes Grantor's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Grantor's rights and benefits under this Security Instrument. Grantor shall not be released from Grantor's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 19) and benefit the successors and assigns of Lender.

13. Loan Charges. Lender may charge Borrower fees for services performed in connection with a default by either Borrower or Grantor, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Debt Instrument or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Debt Instrument). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

14. Notices. Unless otherwise described in the Debt Instrument or in another agreement between Borrower and Lender or Grantor and Lender, the following provisions regarding notices shall apply. All notices given by Borrower, Grantor or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower or Grantor in connection with this Security Instrument shall be deemed to have been given when mailed by first class mail or when actually delivered to the notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. Notice to any one Grantor shall constitute notice to all Owners unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower or Grantor has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. Grantor shall promptly notify Lender of Grantor's change of address. If Lender specifies a procedure for reporting a change of address, then Borrower or Grantor shall only report a change of address through that specified procedure. There may be only one designated notice address for Borrower under the Loan at any one time. If no Borrower is also an Grantor there may be one additional designated notice address for Grantor. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower or Grantor. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

15. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and, to the extent not preempted by federal law, the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Debt Instrument conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Debt Instrument which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; (c) the word "may" gives sole discretion without any obligation to take any action; and (d) headings that appear at the beginning of the sections of this Security Instrument are inserted for the convenience of the reader only, shall not be deemed to be a part of this Security Instrument, and shall not limit, extend, or delineate the scope or provisions of this Security Instrument.

16. Borrower's and Grantor's Copy. Borrower shall be given one copy of the Debt Instrument and of this Security Instrument. Any Grantor that is not also a Borrower shall also be given one copy of the Debt Instrument and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Grantor. As used in this Section 17, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Grantor at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Grantor is not a natural person and a beneficial interest in Grantor is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Grantor notice of acceleration (and shall notify Borrower as well, if no Grantor is a Borrower). The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which all sums secured by this Security Instrument must be paid. If these sums are not paid to Lender prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower or Grantor.

18. Grantor's Right to Reinstate After Acceleration. If Grantor meets certain conditions and the Property is not a multifamily (2-4 family) dwelling, Grantor shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Grantor's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that: (a) Lender is paid all sums which then would be due under this Security Instrument and the Debt Instrument as if no acceleration had occurred; (b) any default of any other covenant or agreement is cured; (c) all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument are paid to Lender; and (d) such action as Lender may reasonably require is taken to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that such reinstatement sums and expenses be paid in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, Grantor shall have the right to reinstate only once in any 24-month period, and this right to reinstate shall not apply in the case of acceleration under Section 17.

19. Sale of Debt Instrument; Change of Loan Servicer; Notice of Grievance. The Debt Instrument or a partial interest in the Debt Instrument (together with this Security Instrument) can be sold one or more times without prior notice to either Grantor or Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Debt Instrument and this Security Instrument and performs other mortgage loan servicing obligations under the Debt Instrument, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Debt Instrument. If there is a change of the Loan Servicer, Borrower will be given written notice of the change. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will include any other information required by Applicable Law in connection with a notice of transfer of servicing. If the Debt Instrument is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Debt Instrument, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the purchaser of the Debt Instrument unless otherwise provided by the purchaser of the Debt Instrument.

Neither Borrower, Grantor or Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower, Grantor or Lender has notified the other party (with such notice given in compliance with the requirements of Section 14) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period that must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given pursuant to Section 21 and the notice of acceleration given pursuant to Section 17 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 19. If Borrower and Lender or Grantor and Lender have entered into an agreement to arbitrate disputes, the provisions of any such arbitration agreement shall supersede any provision in this Section 19 that would conflict with the arbitration agreement.

20. Hazardous Substances. As used in this Section 20: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Grantor shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Grantor shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Grantor has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Grantor learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Grantor and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Grantor prior to acceleration following breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 17 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Grantor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Grantor to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence, all of which shall be additional sums secured by this Security Instrument.

22. Release. Upon payment of all sums secured by this Security Instrument, this Security Instrument shall become null and void. Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

23. Homestead Waiver. Grantor waives all rights of homestead exemption in the Property to the extent allowed by Applicable Law.

24. Waiver of Appraisal Rights. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within 30 days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction.

TO THE EXTENT PERMITTED BY LAW, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY. This waiver shall not apply so long as the Property is used as a dwelling place as defined in § 12-37-250 of the South Carolina Code of Laws.

25. Future Advances. The lien of this Security Instrument shall secure the existing indebtedness under the Debt Instrument and any future advances made under this Security Instrument up to 150% of the original principal amount of the Debt Instrument plus interest thereon, attorneys' fees and court costs.

26. Multifamily Dwelling Covenants. If the Property is a multifamily (2-4 family) dwelling, the following lettered paragraphs are additional covenants of this Security Instrument:

A. Use of Property; Compliance with Law. Grantor shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Grantor shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

B. Subordinate Liens. Except as permitted by federal law, Grantor shall not allow any lien inferior to this Security Instrument to be perfected against the Property without Lender's prior written permission.

C. Assignment of Leases. Upon Lender's request after default, Grantor shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph C, the word "lease" shall mean "sublease" if this Security Instrument is on a leasehold.

D. Assignment of Rents; Appointment of Receiver; Lender in Possession. Grantor absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the

Property, regardless of to whom the Rents of the Property are payable. Grantor authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Grantor shall receive the Rents until (i) Lender has given Grantor notice of default pursuant to Section 21 of this Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Grantor: (i) all Rents received by Grantor shall be held by Grantor as trustee for the benefit of Lender only, to be applied to the sums secured by this Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Grantor agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by this Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Security Instrument pursuant to Section 9.

Grantor represents and warrants that Grantor has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Grantor. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by this Security Instrument are paid in full.

E. Cross-Default. Borrower's or Grantor's default or breach under any note or agreement in which Lender has an interest shall be a breach under this Security Instrument and Lender may invoke any of the remedies permitted by this Security Instrument.

27. Condominium and PUD Covenants. If the Property is a unit in a Condominium Project or a Planned Unit Development, the following lettered paragraphs are additional covenants of this Security Instrument:

A. PUD or Condominium Obligations. Grantor shall perform all of Grantor's obligations under the Constituent Documents of the PUD or the Condominium Project, as applicable. If the Property is part of a PUD, the "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. If the Property is part of a Condominium Project, the "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. In either case, Grantor shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property located within the Condominium Project or PUD, as applicable, which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Grantor's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Grantor shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the condominium unit or to the common elements of the Condominium Project, or, if the Property is part of a PUD, to common areas and facilities of the PUD, any proceeds payable to Grantor are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor.

C. Public Liability Insurance. Grantor shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Grantor in connection with any condemnation or other taking of all or any part of the

Property, whether to the condominium unit or to the common elements of the Condominium Project, or, if the Property is part of a PUD or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by this Security Instrument as provided in Section 10.

E. Lender's Prior Consent. Grantor shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project or PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Grantor does not pay condominium or PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided in the Debt Instrument and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

28. Grantor's Representations. If Grantor is not an individual, Grantor represents that it is a corporation, general partnership, limited partnership, limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of the state of organization, and it is authorized to do business in each other jurisdiction where its ownership of property or conduct of business legally requires such authorization; it has the power and authority to own its property and assets and carry on my business as now being conducted and contemplated; and it has the power and authority to execute, deliver and perform, and it has taken all necessary action to authorize the execution, delivery and performance of this deed of trust and all related documents.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender at Wachovia Bank, National Association, Retail Credit Servicing, P.O. Box 50010, Roanoke, VA 24022 of any default under the superior encumbrance and of any sale or other foreclosure action.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Security Instrument.

For individuals:

Signed, sealed and delivered in the presence of:

Witness Signature

Michelle Psaroudis
Witness (Print Name)

Witness Signature

Jill Obermeier
Witness (Print Name)

Grantor RONALD P PAPPAS (Seal)

Grantor CAMINE PAPPAS (Seal)

Grantor (Seal)

Grantor (Seal)

Grantor (Seal)

Grantor (Seal)

For Non-Individuals:

_____
Grantor

By: _____ By: _____

Title: _____ Title: _____

By: _____ By: _____

Title: _____ Title: _____

_____ _____
Witness Signature Witness Signature

_____ _____
Witness (Print Name) Witness (Print Name)

South Carolina for an individual (on individual's own behalf or as a sole proprietor):

State of North Carolina

County of Mecklenburg

The foregoing instrument was acknowledged before me this the 22nd day of July 20 09, by RONALD P PAPPAS
CAMINE PAPPAS

_____ (Place Notary Stamp Here)
Notary Public

Jill Obermeier
Notary Public Name (Printed or Typed)

My Commission expires: 7-31-11

MECKLENBURG COUNTY, NC NOTARY PUBLIC JILL OBERMEIER

For a Corporation or Limited Liability Company:

State of _____

County of _____

The foregoing instrument was acknowledged before me this the _____ day of _____ 20____, by _____ (name of officer or agent, title of officer or agent) of _____ (name of corporation acknowledging) a _____ (state or place of incorporation) corporation/limited liability company, on behalf of the corporation/limited liability company.

_____ (Place Notary Stamp Here)
Notary Public

_____
Notary Public Name (Printed or Typed)

My Commission expires: _____

For a Partnership, Limited Partnership, Limited Liability Partnership:

State of _____

County of _____

The foregoing instrument was acknowledged before me this the _____ day of _____, 20_____, by _____ (name of acknowledging partner or agent), partner (or agent) on behalf of _____ (name of partnership), a partnership/limited partnership/limited liability partnership.

_____ (Place Notary Stamp Here)
Notary Public

_____
Notary Public Name (Printed or Typed)

My Commission expires:_____

LEGAL DESCRIPTION ADDENDUM

All that certain piece, parcel or lot of land lying, being and situate in the State of South Carolina, County of Lancaster, being designated as Lot 311 of EDGEWATER SUBDIVISION, as shown on a plat of property shown in Plat Book 2005 at Page 559 in the Office of the Register of Deeds for Lancaster County, South Carolina, to which plat reference is hereby made for a more particular description.

DERIVATION: This being that same property conveyed to Ronald P. Pappas by deed from Craft Development, LLC recorded in Book 346 at Page 342 in the Office of the Register of Deeds for Lancaster County, South Carolina.

Parcel No. 127C-OB-016.00



325001001211662*3

BK: 50 LOC: LN TP: 57 Ref. No. 0914000080
RC: 0118528 209925/94 Date: 07/22/09 Acct. No.

Note

BORROWER(S):
RONALD P PAPPAS
CAMINE PAPPAS
8006 ROCKLAND TRL
WAXHAW, NC 28173

1. BORROWER(S) PROMISE TO PAY. In return for a loan that I have received, the undersigned Borrower(s) (hereinafter referred to as "I," "me," or "my") jointly and severally promise to pay to Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States of America ("Lender"), the sum of $210954.69 (this amount will be called "Principal"), plus daily simple interest ("Interest") beginning on the date that Principal is advanced. The Principal may include points, origination fees and other amounts permitted by applicable law. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note and who is entitled to receive payments under this Note will be called the "Note Holder."

2. INTEREST. Interest will accrue on the entire Principal balance outstanding at any time. Notwithstanding anything to the contrary, I do not agree to pay and the Note Holder does not intend to charge any interest at a rate that is higher than the maximum rate of interest that could be charged under applicable law for the extension of credit that is agreed to under this Note (either before or after maturity). If any notice of interest accrual is sent and is in error, and if the Note Holder actually collects more interest than allowed by law or this Note, the Note Holder agrees to refund any such excess interest.

I agree to pay interest on the unpaid Principal balance of this Note owing after maturity, and until paid in full at the same rate in effect before maturity. I agree that any loan origination fee paid to the Note Holder is earned as of the date of this Note.

Interest accrues on the Principal remaining unpaid from time to time, until paid in full. The Interest Rate, as defined in this Section 2 below, will be charged at a rate of 1/365th of the Interest Rate for each day, or 1/366th of the Interest Rate for each day in any leap year, applied against that day's outstanding Principal balance. The dollar amount of the finance charge and the payments disclosed to me for this credit transaction are based upon my payments being received by the Note Holder on the date payments are due. If my payments are received after the due date, even if received before the date a Late Charge as permitted by Section 4 applies, I may owe additional and substantial money at the end of the credit transaction and there may be little or no reduction of Principal. This is a result of the accrual of daily interest.

To the extent that any fees or charges are added to the Principal balance, they will thereafter bear interest and I agree to pay this interest. I understand that in the event my first payment due date is more than one month from the date of this Note, one or more of my initial payments may not pay all of the interest owed on the date of the payment and therefore may not reduce the outstanding Principal balance.

If the governing law which applies to this Note sets maximum loan charges and is finally interpreted so that the interest and other charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such interest or other charge shall be reduced by the amount necessary to reduce the interest or other charge to the permitted limit and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial payment.

Check One:

☒ **Fixed Rate:**
I agree to pay interest on the outstanding Principal balance at a fixed annual rate of 5.50% ("Interest Rate").

☐ **Adjustable Rate:**
(A) Interest Rate: I agree to pay interest on the outstanding Principal balance at the initial annual rate of N/A% ("Interest Rate") until the first Change Date as defined in Paragraph (B) below. Thereafter, the Interest Rate I pay may change as of each Change Date and will be calculated pursuant to Paragraph (D) below. My initial annual rate may not be related to the formula used to determine later rates.
(B) Date Definitions:
(i) Change Date: Each date on which the Interest Rate may change is called the Change Date. The Interest Rate may change _____ and every _____ month(s) thereafter.
(ii) Index Date: The 25th day of each month is an "Index Date." If the Index is not published on the 25th day of the month, then the Index Date shall be the first day prior to the 25th day of the month on which the Index is published.
(iii) Look-back Date: The date that is 30 days prior to a Change Date is called the "Look-back Date."
(C) The Index: Check One:

☐ The "Index" is the "Prime Rate" as published on the Index Date in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. If there is more than one Prime Rate published on an Index Date, then the Note Holder will use the higher of such prime rates. If this Index ceases to exist, the Note Holder may substitute another Index (and Margin, as described in Paragraph (D) below) which movement approximates the movement of the Prime Rate.

PLAINTIFF'S EXHIBIT 10 tabbies

☐ The "Index" is the average of interbank offered rates for ____ month U.S. dollar-denominated deposits in the London market ("LIBOR") as published on the Index Date in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. If there is more than one LIBOR published on an Index Date, then the Note Holder will use the higher of such LIBOR rates. If this Index ceases to exist, the Note Holder may substitute another Index (and Margin, as described in Paragraph (D) below) which movement approximates the movement of LIBOR.

(D) Calculation of New Interest Rate: The new annual Interest Rate that will be applicable beginning on each Change Date will be determined as follows:

Check One:

☐ The new annual Interest Rate will be equal to the Index published on the Index Date for the calendar month immediately preceding the Look-back Date for that Change Date, rounded down to the nearest .01%, plus _____ percentage point(s) ("Margin"). Subject to any applicable limitations set forth in Paragraph (E), this new Interest Rate will become effective on each Change Date.

☐ The new annual Interest Rate will be equal to the Index published on the Index Date for the calendar month immediately preceding that Change Date, rounded down to the nearest .01%, plus _____ percentage point(s) ("Margin"). Subject to any applicable limitations set forth in Paragraph (E), this new Interest Rate will become effective on each Change Date.

(E) Limits on Interest Rate Changes: My Interest Rate will never be greater than _____% or less than 0%.
☐ If this box is checked, the Interest Rate will be subject to the additional limitations on increases. The Interest Rate I am required to pay at the first Change Date will never be greater than _____%. Thereafter increases will be subject to an additional limitation on each Change Date such that the Interest Rate I pay will never be increased on any single Change Date by more than 2% from the Interest Rate I have been paying for the preceding 12 months.

☐ If this box is checked, there will be no additional limitation on increases in my Interest Rate.

(F) Notice of Changes: The Note Holder will deliver or mail to me a notice of any changes in my Interest Rate as required by applicable law. The notice will include information about any changes to my payment amount.

3. PAYMENTS.

(A) Payment Options and Schedule:

Check One:

☐ **Interest Payments:** I will pay accrued interest beginning on _____ as follows: check one: ☐ monthly or ☐ quarterly ("Interest Payments"). The amount of each Interest Payment will vary depending upon the amount of principal outstanding, the date principal payments or installment payments are received and if Section 2 of this Note provides for an Adjustable Rate, the Interest Rate then in effect. In addition, I will make the following Payments:

Check One:

☐ **Principal Reduction Payments and/or a Balloon Payment:** In addition to the Interest Payments, I will make Principal Payments as set forth in the Payment Schedule below:

☐ **Installment Payments:** For purposes of this Section 3, the "Payment Change Date" is the first payment due date that is at least 26 days after the "Anniversary Date." The Anniversary Date is the date that is _____ year(s) after the Note Date. Beginning on the Payment Change Date, in place of Interest Payments, I will make installment payments of Principal and Interest. On the Anniversary Date, the Note Holder will determine the ☐ monthly or ☐ quarterly payment amount that would be sufficient to repay the unpaid principal balance in full over the of a period of time ending on the Maturity Date as defined in Paragraph (D) with interest at the rate set in accordance with Section 2. The result of this calculation will be my new payment amount. The Note Holder will give me notice of this new payment amount. This payment amount is estimated in the Payment Schedule below. If Section 2 of this Note provides for an Adjustable Rate, this payment amount may change. On each subsequent Change Date, the Note Holder will determine the ☐ monthly or ☐ quarterly payment amount that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date in full over the remaining portion of a period of time ending on the Maturity Date as defined in Paragraph (D), below, at my new Interest Rate. The result of this calculation will be the new payment amount beginning on the first payment due date which is at least 26 days after the Change Date. I will pay my new payment amount until the payment amount changes again or until the Maturity Date as described in Paragraph (D).

☒ **Installment Payments or Installment Payments with a Balloon Payment:** I will pay the unpaid Principal and Interest in installment payments as set forth in the Payment Schedule below. If Section 2 of this Note provides for an Adjustable Rate, the payment amounts, including the final payment, as set forth in the Payment Schedule may change. On each Change Date, the Note Holder will determine the ☐ monthly ☐ quarterly ☐ semi-annual or ☐ annual payment amount that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date in full over the remaining portion of a period of time ending on the Maturity Date as defined in Paragraph (D), below, at my new Interest Rate. The result of this calculation will be the new payment amount. I will pay my new payment amount beginning on the first payment due date after the Change Date until the payment amount changes again or until the Maturity Date as described in Paragraph (D).

Payment Schedule:

Number of Payments	Payment Amount	Frequency	Start/Due Date	Number of Payments	Payment Amount	Frequency	Start/Due Date
35	$1197.72	M	08/21/09		$		
1	$203120.06	M	07/21/12		$		
Frequency Legend: M = Monthly Q = Quarterly S = Semi Annually A = Annually							

(B) Place of Payments: I will make my payments in U.S. funds payable to the Note Holder at the address provided to me by the Note Holder or at a different address if required by the Note Holder.

(C) Application of Payments: Unless otherwise prohibited by the law governing this Note, each payment I make on this Note will first reduce the amount of accrued unpaid interest, then any optional insurance premiums due, then any applicable unpaid charges and then unpaid Principal. I will make payments until I have paid all of the Principal and interest and any other fees or charges that I may owe under the terms of this Note.

(D) Maturity Date: If on 07/21/12, I still owe any amount under this Note, I will pay those amounts in full on that date which is called the "Maturity Date."

(E) Optional Credit Insurance: If I have selected optional credit insurance offered by the Note Holder in connection with this loan, the payment amount(s) shown in the Payment Schedule include the premiums for the insurance coverage(s) that I have selected. I understand that the actual total premium amount I pay will depend upon my payment record.

I understand that credit life and credit disability (accident and health) insurance are not required, and that I may cancel them at any time by giving written notice to you. If my credit insurance is canceled, no further portion of any payments I make will be applied to credit insurance premiums. At my request, you will adjust my payment amount to reflect the cancellation of the credit insurance. If my credit insurance is cancelled and Section 2 of this Note provides for an Adjustable Rate, on the next Change Date the cancellation of the credit insurance will be considered in determining my new payment amount.

(F) Balloon Payment: If the Payment Schedule requires me to make an estimated final payment that is significantly larger than any other payment ("Balloon Payment"), I understand that I will be required to make this Balloon Payment on the Maturity Date. I understand that the Note Holder is not required to refinance any Balloon Payment and that the failure to make the required Balloon Payment on the Due Date constitutes a Default under the terms of this Note.

4. FEES AND CHARGES. In addition to interest and other amounts I may agree to pay, I agree to pay the Note Holder the following additional fees and charges:

(A) Late Charges: If a payment is not received in full within 15 days of the date it is due, I will pay a late charge equal to 4% of the unpaid portion of the scheduled payment amount.

(B) Returned Payment Fee: Unless otherwise limited or prohibited by the law governing this Note, I will pay a charge of up to $25.00 for each payment (check or automatic payment) that I make that is returned or dishonored for any reason.

(C) Origination Fee: If an origination fee or other fee or charge is charged as included on the HUD-1, HUD-1A, or itemization of Amount Financed prepared in connection with this loan transaction, I agree to pay such fees and charges. Except as otherwise required by law, I agree that such fees and charges are fully earned as of the date of this Note and are nonrefundable upon prepayment.

(D) Additional Charges: I agree that if, during the term of this Note, I request other services related to servicing or administering my loan for which the Note Holder has a scheduled charge, I will, to the extent permitted by the law governing this Note, pay the Note Holder the then current fee for such services or request if the Note Holder agrees to perform such service or request. I understand that any such fees are fully earned when charged and are nonrefundable upon prepayment.

5. BORROWER'S FAILURE TO PAY AS REQUIRED AND TERMS OF DEFAULT.

(A) Terms of Default: I will be in Default under this Note if any of the following things happen:

(i) If I fail to make any payment or comply with any of the terms of this Note or any other note with the Note Holder now or in the future; or

(ii) If I make any false, incorrect or misleading representation or warranty at any time during the application process; or

(iii) If I die; or

(iv) If I become involved in any bankruptcy or insolvency proceeding; or

(v) If the collateral described in Section 6 or any schedule to this Note is used in violation of any law or regulation or if a judgment or lien is filed or levied against me or the collateral or the collateral is impaired, damaged, or removed from the custody of the Note Holder; or

(vi) If I fail to abide by the term(s) of any Security Instrument or other documents described in Section 6 which secure payment of this Note.

(B) Notice of Default: If I am in Default, then the entire Principal balance, accrued interest, fees, and collection costs permitted to be collected under applicable law will be immediately due and payable. At its option or if required by law, the Note Holder may send me a written notice informing me of said Default and acceleration. If I make any payment after the Note Holder has demanded payment of the entire balance due, my payment will be applied to the unpaid balance due under this Note. The unpaid balance consists of the Principal Amount remaining due, plus accrued finance charges, unpaid Late Charges, collection costs, and all other amounts due to the Note Holder under this Note. The Note Holder shall also have other rights and remedies provided by law. If the net proceeds of collateral sold do not pay my indebtedness in full, I will pay the Note Holder the difference, plus interest at the Note Interest Rate until the unpaid balance is paid in full. Any Default of this Note will also constitute an event of Default of any separate Mortgage, Deed of Trust or Security Deed securing this Note ("Security Instrument") or Pledge Agreement securing this Note. Upon Default, the Note Holder may proceed to enforce the terms of this Note or enforce any rights that it may have under the Security Instrument or Pledge Agreement.

(C) No Waiver by Note Holder: Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in Default at a later time. Any failure to enforce any provision of this Note by the Note Holder shall not constitute any waiver of such rights of the Note Holder to subsequently enforce such rights or remedies.

(D) Payment of the Note Holder's Costs and Expenses: If the Note Holder has required me to pay immediately in full as described above, and I fail to do so and such failure causes the Note Holder to incur additional expenses, the Note Holder will have the right to a refund of all of its costs and expenses to the extent not prohibited by the law governing this Note. To the extent that Colorado law governs this Note, these expenses include such amounts permitted by applicable law, including, but are not limited to, reasonable attorney's fees not in excess of 15% of the unpaid debt after default and referral to an attorney who is not a salaried employee or such additional fees as may be awarded by the court. To the extent that any law other than the law of Colorado governs this Note, those expenses include reasonable attorneys' fees for an attorney who is not the Note Holder's salaried employee, foreclosure fees and court costs but, in no event, shall these expenses exceed fifteen percent (15%) of the unpaid balance plus court costs.

6. THIS NOTE IS SECURED BY A SECURITY INSTRUMENT. In addition to the protections given to the Note Holder under this Note, a separate Security Instrument(s), on real property (the "Property") described in the Security Instrument and dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. The Security Instrument describes how and under what conditions I may also be required to make immediate payment in full of all amounts I owe under this Note. I agree to these conditions. Subject to applicable law, I understand that this loan is subject to repayment in full in the event the Property securing this debt is sold, conveyed or otherwise transferred.

If in addition to a Security Instrument, I pledge securities, cash accounts or other liquid collateral (the "Other Collateral") as Other Collateral for this Note, then I grant to the Note Holder a perfected security interest in such Other Collateral and all additions or replacements to, or proceeds of as is more fully described in the separate Collateral Pledge Agreement (the "Pledge Agreement") executed as of the same date as this Note. The Pledge Agreement describes the Other Collateral in detail and protects the Note Holder from possible losses which might result if I do not keep the promises that I make in this Note. The Pledge Agreement also describes how and under what conditions I may also be required to make immediate payment in full of all amounts that I owe under this Note. I agree to these conditions. If the Other Collateral includes securities, I agree to deliver immediately to the Note Holder, fully endorsed, any certificates for shares representing any stock dividend, stock split or right to subscribe. I further pledge and agree to deliver to the Note Holder, upon demand, additional Other Collateral satisfactory to the Note Holder and in accordance with all margin requirements. If I do not provide the Note Holder with a perfected security interest in the Other Collateral and the Note Holder incurs any expenses, including attorneys' fees, in order to obtain a perfected security interest, I will be responsible for such expenses.

If I do not provide or assist the Note Holder in obtaining a perfected security interest in the Property or Other Collateral and the Note Holder incurs any expenses, including attorney's fees, in order to obtain a perfected security interest in such Property or Other Collateral, to the extent not otherwise prohibited by the law governing this Note, I agree that the Note Holder may add the amount of such expenses to the Principal and that such expenses will accrue interest at the Note Interest Rate until paid in full.

7. PREPAYMENT.

(A) Subject to the order of application of payments described in Section 3, I have the right to make payments of Principal at any time before they are due without penalty. A prepayment of all unpaid Principal is known as a "full prepayment." A prepayment of only part of the unpaid Principal is known as a "partial prepayment."

(B) If I make a partial prepayment, my next due date may be advanced. If I make a payment that is more than the amount that is due, the amount in excess of the amount due is called an "Excess Payment." If I make an Excess Payment, the Note Holder will assume that I want to reduce or skip my next scheduled payment or payments. If the Excess Payment is less than or equal to the next scheduled payment, the next scheduled payment will be reduced by the amount of the Excess Payment. If the Excess Payment exceeds the amount of my next scheduled payment, the number of payments that may be skipped will be determined by subtracting each subsequently scheduled payment from the Excess Payment. So long as the remaining portion of the Excess Payment exceeds the next scheduled payment amount, that payment may be skipped. When the remaining portion of the Excess Payment is equal to or less than my next scheduled payment, that remaining portion will be used to reduce the amount of the next scheduled payment. If I want the Note Holder to handle an Excess Payment differently, I will tell the Note Holder in writing. I understand that interest will continue to accrue on the outstanding principal balance and that if I want maximum interest savings from Excess Payments, I should continue to make payments on or before the scheduled due date.

8. BORROWER'S WAIVERS. I waive my rights to require the Note Holder to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (c) to obtain an official certification of non-payment (known as "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to the Note Holder if I fail to keep my promises under this Note, or who signs this Note to transfer it to someone else, also waives these rights. These persons are known as "Guarantors," "Sureties," "Co-Signers" and "Endorsers."

9. GIVING OF NOTICES.

(A) Any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail addressed to me at the address contained in this Note. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice of my different address.

(B) Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address provided to me by the Note Holder. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

10. PAYMENT IN FULL. I AGREE THAT THE NOTE HOLDER MAY ACCEPT PAYMENTS MARKED "PAID IN FULL" WITHOUT ANY LOSS OF THE NOTE HOLDER'S RIGHTS UNDER THIS NOTE UNLESS I SEND THEM FOR SPECIAL HANDLING TO WACHOVIA BANK, NATIONAL ASSOCIATION, SPECIAL PAYOFFS, PO BOX 10723, ROANOKE, VA 24022. ACCEPTANCE OF ANY PAYMENT SENT TO THE SPECIAL HANDLING ADDRESS DOES NOT WAIVE THE NOTE HOLDER'S RIGHT TO SUBSEQUENTLY REJECT SUCH PAYMENT IN ACCORDANCE WITH APPLICABLE LAW.

11. EXTENSIONS AND MODIFICATIONS. All Guarantors, Sureties, Co-Signers, Endorsers and I consent to any and all extensions of time, renewals, waivers or modifications which may be granted or consented to by the Note Holder as to the time of payment or any other provision of this Note. If in its sole discretion, the Note Holder permits an extension, renewal or modification to this Note, I agree to pay a charge not to exceed an amount permitted by the law governing this Note. All Guarantors, Sureties, Co-Signers, Endorsers and Makers hereby waive presentment, notice of dishonor, and protest hereof. This Note is the joint and several obligation of each Maker and shall be binding upon them and their heirs, successors and assigns.

12. INSURANCE REQUIREMENTS. I agree to purchase property/hazard insurance insuring the Property against loss and as required by the Security Instrument. I acknowledge that I may obtain property/hazard insurance from any insurance company of my choice, subject to the Note Holder's right of approval which shall not be unreasonably withheld. Unless I provide the Note Holder with evidence of the insurance coverage required by my agreement with the Note Holder, the Note Holder may purchase insurance at my expense to protect the Note Holder's interests in the Property. This insurance may, but need not, protect my interests. The coverage that the Note Holder purchases may not pay any claim that I make or any claim that is made against me in connection with the Property. I may later cancel any insurance purchased by the Note Holder, but only after providing the Note Holder with evidence that I have obtained insurance as required by our agreement. If the Note Holder purchases insurance for the Property, I will be responsible for the costs of the insurance, including interest and any other charges the Note Holder may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added to the Principal and will accrue interest at the Note Interest Rate. I understand that the costs of the insurance obtained by the Note Holder may be more than the cost of insurance I may be able to obtain on my own.

13. RESPONSIBILITY OF PERSONS UNDER THIS NOTE. If more than one person signs this Note, each of us is jointly and severally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any Guarantor, Surety, Co-Signer or Endorser of this Note (as described in Section 8 above) jointly and severally guarantee the payment, when due, to any Note Holder hereof of all amounts from time to time owing on this Note. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. I and any Guarantor, Surety, Co-Signer or Endorser of this Note further agrees that the failure by the Note Holder to perfect any security interest granted by this Note shall not affect my liability or the liability of any Guarantor hereon.

14. GOVERNING LAW. This Note will be governed by and interpreted in accordance with federal law and, except as preempted by federal law, the laws of the state where the property securing this Note is located. Federal law that governs this Note includes 12 USC 85, which incorporates in part the laws of the State of North Carolina. If the Property securing this debt is located in Maryland, to the extent this Note is governed by Maryland law, this Note is governed by *Md. Code Ann., Commercial Law §12-1001 et. seq.* and applicable federal law.

15. GENERAL PROVISIONS. I agree that I may not sell, assign or otherwise transfer my rights or obligations under this Note and that such action will be void. Any person who takes over my rights or obligations under this Note by operation of law will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of any Guarantor, Surety, Co-Signer or Endorser of this Note is also obligated to keep all of the promises made in this Note. This Note is intended by the Note Holder and me as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Note. This Note may not be supplemented or modified except in writing signed by the Note Holder and me. This Note benefits the Note Holder, its successors and assigns, and binds me and my heirs, personal representatives and assigns. If any provision of this Note shall for any reason be held to be invalid or unenforceable, such determination shall not affect the enforceability of the remaining provisions of this Note. Headings are for convenience of reference only and shall not affect the construction of this Note or any other document associated with this loan.

16. SAVINGS AND COMPLIANCE. It is the intention of you and me to comply with applicable law. In each and every instance, our rights shall be limited by applicable law (to the extent such laws may not be effectively waived), construed so as to comply with such laws, and our rights may not be exercised except to the extent permitted by applicable law. No part of this agreement, nor any charge or receipt by you, is supposed to permit you to impose interest or other amounts in excess of lawful amounts. If an excess occurs, you will apply it as a credit or otherwise refund it and the rate or amount involved will automatically be reduced to the maximum lawful rate or amount. To the extent permitted by law, for purposes of determining your compliance with law, you may calculate charges by amortizing, prorating, allocating and spreading any such charges.

17. DOCUMENTARY TAX. For loans secured by real property located in Florida, the state documentary tax due on this Note has been paid on the mortgage securing this indebtedness.

18. CONSENT TO RECORDING, MONITORING, AND USE OF AUTOMATED COMMUNICATIONS. I agree that my telephone communications with you, your affiliates and/or service providers may be monitored and/or recorded to assure the quality of your service. I authorize you and your service providers to make calls and/or send text messages to me at any telephone number(s) I provide to you and/or your service providers, including a wireless telephone number that could result in charges to me, for all purposes related to the servicing of my account or to collect any amounts I owe. I understand that these calls and/or text messages may be made to me using technologies including, but not limited to, automatic telephone dialing systems or artificial or prerecorded voice messages.

NOTICE TO BORROWER:

1. **CAUTION: IT IS IMPORTANT THAT THE BORROWER THOROUGHLY READS THIS NOTE BEFORE THE BORROWER SIGNS IT.**
2. **THIS NOTE IS SECURED BY EITHER A FIRST OR SUBORDINATE LIEN ON REAL PROPERTY.**
3. **THE BORROWER IS ENTITLED TO A COPY OF THIS NOTE.**
4. **DO NOT SIGN THIS NOTE IF IT CONTAINS ANY BLANK SPACES.**
5. **THE BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.**

By signing and sealing this Note, I agree under seal to the terms set forth above.

_____ [SEAL]
Borrower RONALD P PAPPAS

_____ [SEAL]
Borrower CAMINE PAPPAS

Any Guarantor, Surety, Co-Signer or Endorser of this Note acknowledges receipt and execution of the Co-Signer's Notice.

_____ [SEAL]
Guarantor - Co-Signer

_____ [SEAL]
Guarantor - Co-Signer

FOR OFFICE USE ONLY

Endorsement.
Pay to the Order of _____

Without Recourse

_____

By: _____
Name: _____
Title: _____

WELLS FARGO

Wells Fargo Servicing Center
Home Equity Payment Processing
MAC B6955-01B
PO BOX 31557
Billings, MT 59107-1557

PLAINTIFF'S EXHIBIT 11

NOTICE OF RIGHT TO CURE DEFAULT (REAL ESTATE)

Date of Notice: February 22, 2011

Creditor: Wells Fargo Bank, N.A.

To: RONALD P PAPPAS
8006 ROCKLAND TRAIL
WAXHAW, NC 28173

Re: Account Number ending in: 550001

You are now in default on this credit obligation. You have the right to correct this default until 03/24/2011. If you do so, you may continue with the contract as though you did not default. Your default consists of your failure to make the following payment(s):

Past due total of:	$ 2,395.44
Plus accumulated late charges of:	$ 47.90
Plus other charge/fee of:	$ 0.00
Plus insurance charges of:	$ 0.00
Over-limit charge of:	$ 0.00
TOTAL DEFAULT	$2,443.34

Correction of Default: Before 03/24/2011, you must pay the default amount of $2,443.34. If you do not correct your default by this date, we may accelerate your credit obligation and exercise rights and remedies against you including initiating a foreclosure action or procedure to sell the real estate that secures your credit obligation. You will have the right to reinstate your credit obligation after acceleration and the right in any court or foreclosure action to assert the non-existence of a default or any other defense you may have to acceleration and sale.

Any payment of less than the full amount due (the TOTAL DEFAULT amount shown above) may be applied to your credit obligation or returned to you. However, if we apply any payment of less than the full amount due to your credit obligation, or if we negotiate with you in an attempt to cure the default, this shall not establish a course of dealing or constitute our waiver of acceleration unless agreed to by us in writing. Further, any future negotiations attempting to reinstate your credit obligation shall also not establish a course of dealing or constitute our waiver of acceleration unless agreed to by us in writing.

In addition, you may be liable for additional monthly payments that come due and any late charges after the date of this Notice. Please Note: Your next payment of $1197.72 is not in default, but it will come due on or before 03/24/2011. If you wish to pay the TOTAL DEFAULT amount necessary to cure your default, as well as your payment coming due on or before 03/24/2011, you may pay a total amount of $3641.06.

Please remit the default amount of $2,443.34 to the address shown above. If you have any questions, please call our loan specialists at 1-866-744-4432 Monday through Friday 9:00 a.m. to 10:00 p.m., Saturday 9:00 a.m. to 6:00 p.m. and Sunday 2:00 p.m. to 8:00 p.m. Eastern Standard Time. For TDD assistance, call 1-866-289-2069. To speak with the Home Equity Solutions team, please call 1-866-319-0855 Monday through Friday 8:00 a.m. to 9:00 p.m., Saturday 8:00 a.m. to 5:00 p.m., Sunday 1:00 a.m. to 7:00 p.m. Eastern Standard Time.

The laws of the following states require us to expressly state the following disclosures:
COLORADO RESIDENTS: You may call the Colorado Foreclosure hotline for assistance: 1-877-601-Hope.

KANSAS RESIDENTS: You may also be obligated to pay reasonable costs of collection, including, but not limited to, court costs, attorneys fees, and collection agency fees, except that such costs of collection: (1) may not include costs that were incurred by a salaried employee of the creditor or its assignee; (2) may not include the recovery of both attorney fees and collection agency fees; and (3) shall not be in excess of 15% of the unpaid debt after default.

The laws of some states require us to inform you that this communication is an attempt to collect a debt and any information obtained will be used for that purpose.

EFNCEH.doc

WF000040

WELLS FARGO

Wells Fargo Servicing Center
Home Equity Payment Processing
MAC B6955-01B
PO BOX 31557
Billings, MT 59107-1557

MISSOURI RESIDENTS: If you voluntarily surrender possession of the above-described property, you could still owe additional money after the money received from the sale of the property is deducted from the total amount owed.

SOUTH CAROLINA RESIDENTS: The rights and remedies we may exercise against you may also include, in many instances, to hold you personally responsible for any difference between the amount the real estate brings in a sale and the balance due Wells Fargo on the credit obligation in questions.

Home Equity Collections Servicing

The laws of some states require us to inform you that this communication is an attempt to collect a debt and any information obtained will be used for that purpose.

WELLS FARGO

Wells Fargo Servicing Center
Home Equity Payment Processing
MAC B6955-01B
PO BOX 31557
Billings, MT 59107-1557

NOTICE OF RIGHT TO CURE DEFAULT (REAL ESTATE)

Date of Notice: February 22, 2011

Creditor: Wells Fargo Bank, N.A.

To: CAMINE PAPPAS
8006 ROCKLAND TRAIL
WAXHAW, NC 28173

Re: Account Number ending in: 550001

You are now in default on this credit obligation. You have the right to correct this default until 03/24/2011. If you do so, you may continue with the contract as though you did not default. Your default consists of your failure to make the following payment(s):

Past due total of:	$ 2,395.44
Plus accumulated late charges of:	$ 47.90
Plus other charge/fee of:	$ 0.00
Plus insurance charges of:	$ 0.00
Over-limit charge of:	$ 0.00
TOTAL DEFAULT	$2,443.34

Correction of Default: Before 03/24/2011, you must pay the default amount of $2,443.34. If you do not correct your default by this date, we may accelerate your credit obligation and exercise rights and remedies against you including initiating a foreclosure action or procedure to sell the real estate that secures your credit obligation. You will have the right to reinstate your credit obligation after acceleration and the right in any court or foreclosure action to assert the non-existence of a default or any other defense you may have to acceleration and sale.

Any payment of less than the full amount due (the TOTAL DEFAULT amount shown above) may be applied to your credit obligation or returned to you. However, if we apply any payment of less than the full amount due to your credit obligation, or if we negotiate with you in an attempt to cure the default, this shall not establish a course of dealing or constitute our waiver of acceleration unless agreed to by us in writing. Further, any future negotiations attempting to reinstate your credit obligation shall also not establish a course of dealing or constitute our waiver of acceleration unless agreed to by us in writing.

In addition, you may be liable for additional monthly payments that come due and any late charges after the date of this Notice. Please Note: Your next payment of $1197.72 is not in default, but it will come due on or before 03/24/2011. If you wish to pay the TOTAL DEFAULT amount necessary to cure your default, as well as your payment coming due on or before 03/24/2011, you may pay a total amount of $3641.06.

Please remit the default amount of $2,443.34 to the address shown above. If you have any questions, please call our loan specialists at 1-866-744-4432 Monday through Friday 9:00 a.m. to 10:00 p.m., Saturday 9:00 a.m. to 6:00 p.m. and Sunday 2:00 p.m. to 8:00 p.m Eastern Standard Time. For TDD assistance, call 1-866-289-2069. To speak with the Home Equity Solutions team, please call 1-866-319-0855 Monday through Friday 8:00 a.m. to 9:00 p.m., Saturday 8:00 a.m. to 5:00 p.m. Sunday 1:00 a.m. to 7:00 p.m. Eastern Standard Time.

The laws of the following states require us to expressly state the following disclosures:
COLORADO RESIDENTS: You may call the Colorado Foreclosure hotline for assistance: 1-877-601-Hope.

KANSAS RESIDENTS: You may also be obligated to pay reasonable costs of collection, including, but not limited to, court costs, attorneys fees, and collection agency fees, except that such costs of collection: (1) may not include costs that were incurred by a salaried employee of the creditor or its assignee; (2) may not include the recovery of both attorney fees and collection agency fees; and (3) shall not be in excess of 15% of the unpaid debt after default.

The laws of some states require us to inform you that this communication is an attempt to collect a debt and any information obtained will be used for that purpose.

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MISSOURI RESIDENTS: If you voluntarily surrender possession of the above-described property, you could still owe additional money after the money received from the sale of the property is deducted from the total amount owed.

SOUTH CAROLINA RESIDENTS: The rights and remedies we may exercise against you may also include, in many instances, to hold you personally responsible for any difference between the amount the real estate brings in a sale and the balance due Wells Fargo on the credit obligation in questions.

Home Equity Collections Servicing

The laws of some states require us to inform you that this communication is an attempt to collect a debt and any information obtained will be used for that purpose.

STATE OF SOUTH CAROLINA COUNTY OF LANCASTER	IN THE COURT OF COMMON PLEAS SIXTH JUDICIAL CIRCUIT
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A., Plaintiff, vs. RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS, Defendants.	ANSWERS TO PLAINTIFF'S REQUESTS FOR PRODUCTION C. A. No. 11-CP-29-0873

To: The Plaintiff and
S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601
864 255-5400

Answers to Requests for Production propounded by Plaintiff, pursuant to Rule 34 S.C.R.C.P., and served by mailing of April 24, 2012.

1.1.1. Produce any and all documents identified or used in responding to Wells Fargo's First Set of Interrogatories to Defendants, served contemporaneously herewith.

Insofar as the form of the Request would require the Responding Parties to give information known by, or as easily available to, the Requesting Parties and their counsel as to the Requesting Party, the request is objected to as burdensome and overbroad.

Insofar as the form of the question (or of later questions) would require the Responding Party to give information as to, or copies of, documents which represent or embody confidential communications between the Responding Parties and their counsel, or which represent the work-product of Plaintiffs' counsel, the same is objected to.

Preserving the objection(s) above, the following are provided:

Edgewater documentation

1 Development sketch: 1 page
2 Calendar of events: 1 page
3 Master Copy of owners: 8 pages
4 Tickets to events: 1 page
5 Flier: 2 pages
6 Description: 2 pages
7 Inventory Price sheet: 3 pages
8 E-mail: Domila to Pappas: 4/4/06 12:49 PM: 1 page



9 E-mail: Domila to Pappas: 4/4/06 12:06 PM: 1 page
10 E-mail: Domila to Pappas: 5/5/06 12:49PM: 1 page
11 Fax: Domila to Pappas: Info Page and Agreement: 11 pages
12 Copy of check: Pappas to Constitution Law Partners: 2 pages

Closing Documents: Craft Development to Pappas: May 30, 2006:

13 Closing Instructions: 6 pages
14 Itemization of Amount Financed: 1 page
15 Letter: Wachovia to Pappas; 6/9/06: 1 page
16 Customer Access Agreement: 3 pages
17 Letter: Wachovia to Pappas: 4/20/06: 1 page
18 "Important Information about Your Wachovia Loan": 1 page
19 Note: 6 pages
20 Truth In Lending Disclosure: 2 pages
21 South Carolina Notary Requirements: 1 page
22 Mortgage: 5 pages
23 Negative Information Notice: 2 pages
24 Homeowner's Insurance Notice: 1 page
25 Errors and Omissions: 1 page
26 Affiliated Business Arrangement Disclosure: 2 pages
27 Transfer of Servicing Disclosure: 1 page
28 Summary of Loan: 1 page
29 Privacy Statement: 5 pages
30 E-mail: Wachovia to Pappas: 4/5/06: 1 page
31 Contact information: Richard Park: 1 page
32 Notes of Pappas:

HUD Statement: Pappas and Wachovia Bank: July 22, 2009: 2 pages

33 Settlement Agreement: HUD and Craft Development, LLC: 08/04/08: 4 pages
34 Letter: Edgewater Settlement Administrator: 01/28/11: 2 pages
35 Legal Services Engagement and Fee Agreement: Davis Frawley: 2 pages
36 Election of Options: 1 page
37 Modified Settlement Agreement: 6 pages: 12/22/10
38 Report: Edgewater / Craft Development, LLC: 53 pages
39 Letter: Davis Frawley to Pappas: 02/08/11: 3 pages

40 Letter, tracking information and tracking request: Pappas to Wells Fargo Bank: 4 pages

It is the Responding parties' understanding that the Note and Mortgage dated 2009 are already in the requesting party's possession; accordingly, they are not produced herewith.

2. Produce any and all documents that support your denial, in whole or in part, of any of Wells Fargo's Request for Admission, served contemporaneously herewith.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

3. Produce all documents, information, and databases including, but not limited to, all contracts, correspondence, emails, memoranda, internal memoranda, meeting minutes, letters, reports, studies, fixes, notes, handwritten notes, phone notes, proposals, invoices, checks, cancelled checks, or other documents that relate, refer to, or in any way concern the subject matter of this litigation.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

4. Produce all emails and communications between Plaintiff and Defendants and/or their agent, employees, and representatives from July 1, 2006 to the present.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

5. Produce all documents that Defendants contend support their claims against Wells Fargo.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

6. Produce all documents relating to any calculation of Defendants Alleged damages.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

7. Produce copies of all reports of Defendants' trial experts which may pertain in any way, to the issues involved in this case.

Preserving those objections stated in response to Request No. 1. above, as stated in their responses to Interrogatories of Plaintiff, the Defendants have not named any expert witness, nor employed the same, at this time. Should such persons be employed, they will be named and any discoverable reports will be timely disclosed.

8. Produce all documents and items which Defendants may introduce as exhibits at the trial of this matter.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

9. Produce all documents pertaining to Lot 311

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously

referenced and produced in the response to Request No. 1 above.

10. Produce all documents pertaining to any and all appraisals performed on Lot 311.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

11. Produce all documents regarding any communications, written or oral, between Defendants and Wells Fargo relating to Lot 311l.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

12. Produce any and all statements, whether written, oral or transcribed, of any individual that relate in any manner to the claims or defenses or counterclaims in this matter.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

13. Produce all documents supporting your contention, as set forth in paragraph 10 of your Answer, that "Plaintiff's violat[ed] Title 39, chapter 5 of the South Carolina Code of Laws."

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

14. Produce all documents supporting your contention that "the value of the subject real estate was not that of the appraisal furnished to the Defendants."

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

15. Produce all documents supporting your contention, as set forth in paragraph 47 subpart "c" of your Answer, that "the methods of appraisal used for the subject real property included, but did not disclose, the existence of an "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in that the owner and developer had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparables to state [sic] what was an undisclosed prospective value."

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

16. Produce all documents supporting your contention, as set forth in paragraph 57 subpart "c" of your answer, that "the methods" of appraisal used for the subject real property included, and/or disclosed, the existence of any "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in the the owner and develop had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparable to stat [sic] what was an undisclosed prospective value."

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

17. Produce all documents supporting your contention, as set forth in paragraph 58 subpart "c" of your answer, that "the methods" of appraisal used for the subject real property included, and/or disclosed, the existence of any "extraordinary" or "hypothetical condition" in that the amenities of the subdivision were not funded and the lots unsold, in that the owner and developer had failed to provide proof that it or they had failed to comply with HUD regulatory requirements, and in the use of comparable to stat [sic] *what* was an undisclosed prospective value."

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

18. Produce all documents that support your contention that Wells Fargo is liable to the Defendants as a result of alleged improprieties with the appraisal of Lot 3ll.

Preserving those objections stated in response to Request No. 1. above, the only such documents presently known to the Responding Parties or their counsel are those previously referenced and produced in the response to Request No. 1 above.

John Martin Foster
Attorney for Defendants

The Guardian Building
223 East Main Street, Suite 520
Rock Hill, SC 29730

Post Office Box 106
Rock Hill, SC 29731-6106

803 324-8100
803 324-8109: Fax
jmfoster@comporium.net

May 10, 2012

Rock Hill, South Carolina

STATE OF SOUTH CAROLINA	]	IN THE COURT OF COMMON PLEAS
	]	
COUNTY OF LANCASTER	]	SIXTH JUDICIAL CIRCUIT
	]	
WELLS FARGO BANK, N.A., s/b/m to Wachovia Bank, N.A.,	]	
	]	
Plaintiff,	]	CERTIFICATE OF SERVICE
vs.	]	
	]	
RONALD P. PAPPAS, a/k/a Ronald Peter Pappas, CARMINE PAPPAS,	]	C. A. No. 11-CP-29-0873
	]	
Defendants.	]	

The undersigned counsel herein certifies that, pursuant to Rule 5(b)(1), S.C.R.C.P, on May 10, 2012 he served copies of the following pleadings, documents or papers in the above-captioned and numbered civil action:

Answers to Plaintiff's Requests for Production; and
This Certificate of Service.

the original of which were sent on the same date to be filed with the Clerk of the Court named above, by depositing the same with the United States Postal Service on the date above, with sufficient postage affixed and directed to the respective last known address(es) of those attorney(s) and/or persons set out below, as follows:

S. Sterling Laney, III
Hugh M. Claytor
Womble Carlyle Sandridge & Rice, LLP
550 South Main Street, Suite 400
Greenville, SC 29601

Gregory L. Shelton
Horack, Talley, Pharr & Lowndes, PA
301 South Charlotte Street, Suite 2600
Charlotte, NC 28202-6038

John Martin Foster
Attorney for Defendants
The Guardian Building
223 East Main Street, Suite 520
Post Office Box 106
Rock Hill, SC 29731-6109
803 324-8100
803-324-8109: Fax
jmfoster@comporium.net

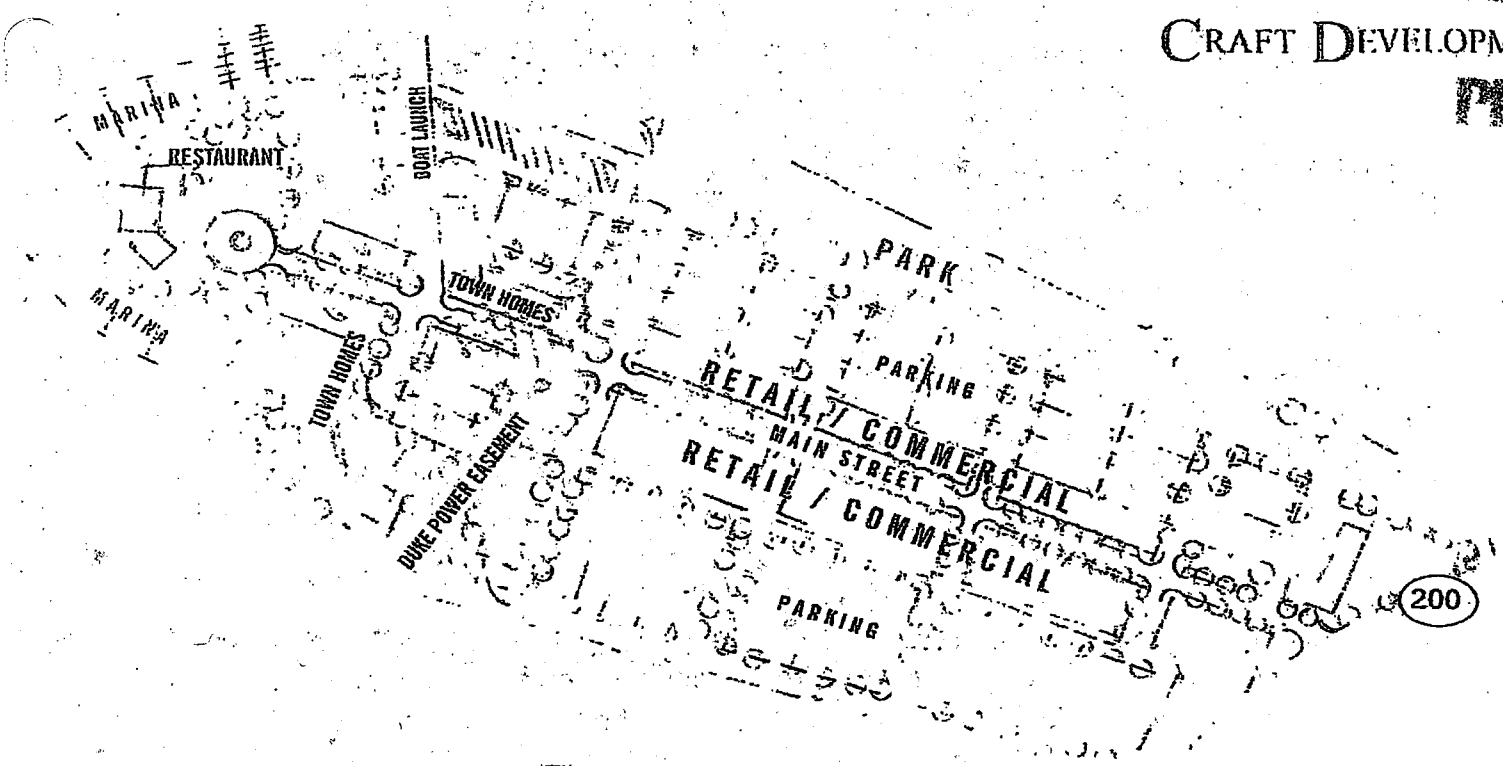
May 10, 2012

Rock Hill, South Carolina

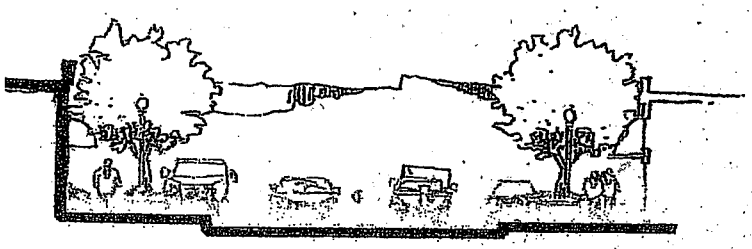
TOWN CENTER / MARINA

CRAFT DEVELOPMEN

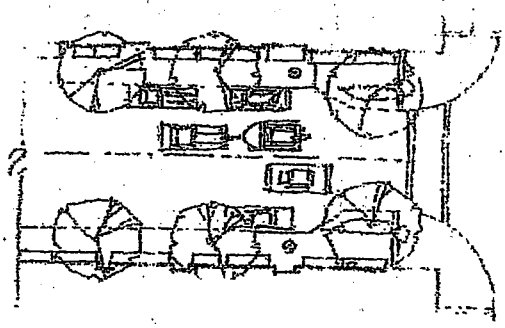
PBS



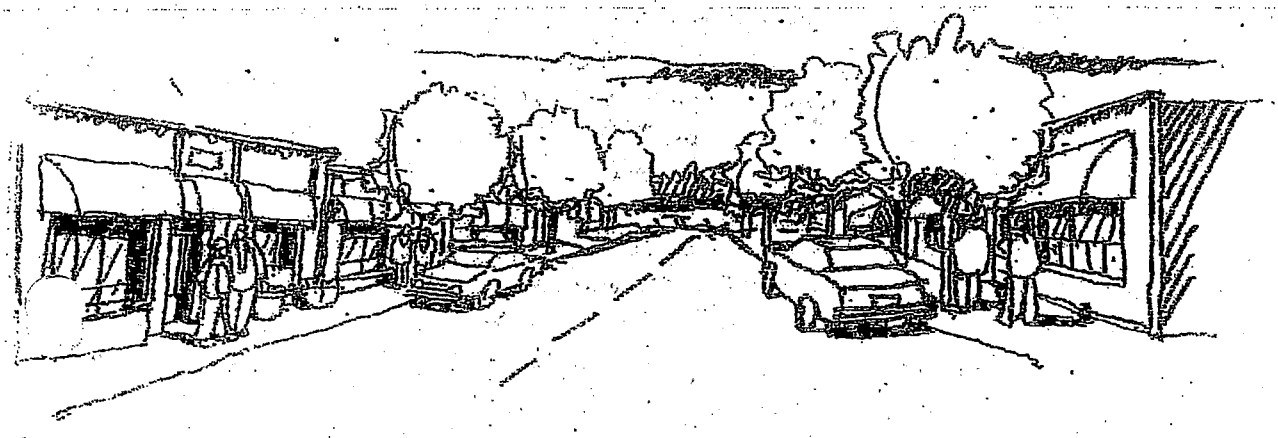
POD 'D' PLAN



MAIN STREET SECTION



MAIN STREET PLAN



VIEW OF MAIN STREET

Edgewater

Itinerary for Sales Event

Saturday, April 8

9am	**Southern Style Breakfast**
9am – 4pm	**Pontoon Boat Tours**
9:30am – 4pm	**Helicopter Tours**
9am – 4pm	**Kids Camp** **Chaperoned Children's Activities**
Noon	**Catered Lunch** **BBQ Chicken** **Sliced Ham**

Sunday, April 9

9am	**Continental Breakfast**
9am – 2:00pm	**Pontoon Tours**

1137 D Hwy 9 Bypass West • Lancaster, SC 29720
Tel: 803.286.5022

Edgewater Communities LLC
Master Copy

Total	Open	Closed	Cancelled	Promo	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1		1		1	13	Hemakshi Patel	$ 42,000.00	Closed	9/5/05				9/2/05			9/20/05
1		1		1	14	Nimesh Patel	$ 42,000.00	Closed	9/5/05				9/9/05			9/20/05
1		1		1	15	Vimal Harden	$ 42,000.00	Closed	8/5/05				9/2/05			9/15/05
1		1		2	19	Donald & Judy Humphreys	$ 46,900.00	Closed	9/17/05		10/11/05		10/31/05	x	x	11/8/05
1		1		2	22	Tri & Liena Tu	$ 46,900.00	Closed	9/13/05			11/22/05		x	x	
1		1		1	30	Joy McGee	$ 59,900.00	Closed	9/8/05				10/12/05	x	x	10/18/05
			1		40	~~Matt Lax~~		~~Backed Out of Purchase~~	~~9/2/05~~							
1		1		1	31	Dilipkumar Patel	$ 59,900.00	Closed	8/5/05				9/14/05			11/8/05
1		1		1	32	Dilipkumar Patel	$ 59,900.00	Closed	8/7/05			11/16/05				
1		1		1	33	A. Scott and Nora Strother	$ 69,900.00	Closed	8/8/05				9/25/05			9/9/05
1		1		1	34	Kevin J. Burkhart	$ 129,900.00	Closed	9/7/05				9/9/05			9/20/05
1		1		1	35	Ronald F. and Mary Herrygers	$ 129,900.00	Closed	8/8/05				9/2/05			10/18/05
1		1		1	86	Jack & Judy McElhaney	$ 189,900.00	Closed	7/30/05				9/2/05			9/20/05
1		1		1	89	Michael & Carolyn Rimmer	$ 129,900.00	Closed	7/31/05				9/9/05			10/18/05
1		1		2	42	Jeffrey & Bobbie Stewart	$ 59,900.00	Closed	9/16/05		10/11/05	10/20/05	10/20/05	x	x	11/3/05
			1		44	~~Scott & Jane Fincher~~		~~Cancelled~~	~~9/17/05~~					x		
1		1		3	46	Andy T. Gay	$ 49,900.00	Closed	10/21/05	Richard Park		11/21/2005- Lancaster	11/21/05	10/24/05	10/23/05	
1		1		1	47	Timothy L & Sara E. Vest	$ 49,900.00	Closed	9/10/05			10/14-Mail Away	10/14/05	x	x	11/8/05
			1		50	~~Walter & Aundra Spencer~~		~~Cancelled via Danny 12.09~~	~~9/17/05~~					x	~~11/3/05~~	
1		1		1	52	James M. Bell	$ 119,900.00	Closed	7/28/05				8/26/05			9/9/05
1		1		3	53	Robert & Susan Hawke	$ 139,900.00	Closed	11/5/05	Christine/Sun Trust		11/21 Mail Away		11/10/05	n/a	12/12/05
1		1		1	54	Susan Hawke	$ 119,900.00	Closed	8/31/05			10/10/05	10/10/05			11/3/05
			1		64	~~Vincent+ Daniels~~		~~Withdrew~~	~~9/1/05~~							
			1		55	~~Sidney & Margaret Ly~~		~~Cancelled 10/13 - Tina took call Faxed Release to Beverly 10/13~~	~~9/17/05~~					x	x	
1		1		2	56	Eric and Charlene Scott	$ 49,900.00	Closed	9/17/05		10/11/05	10/12/05	10/17/05	x		11/8/05
1		1		2	57	Rose D. Lanford	$ 59,900.00	Closed	9/18/05		10/11/05	11/3/2005- Mail Away	11/3/05	x	x	
1		1		2	58	William & Lisa Kelley	$ 69,900.00	Closed	9/17/05			10/14/05	10/14/05	x	x	11/8/05
1		1		3	59	James Gillis	$ 59,900.00	Closed	10/4/05			11/16- Mail Away	11/16/05	10/18/05	10/18/05	12/12/05
			1		60	~~Thomas and Helen Redford~~		~~Cancelled~~	~~9/18/05~~					x	x	
			1		60	~~Vicki Hedge-Lynch~~		~~Cancelled~~	~~10/23/05~~	Danny/ Wachovia		~~11/29/05~~		~~10/24/05~~	~~10/24/05~~	
1		1		1	61	Wanda Jean Campbell	$ 42,900.00	Closed	9/4/05		10/11/05	10/31/05	10/31/05	x	x	11/8/05
1		1		1	62	Wanda Jean Campbell	$ 42,900.00	Closed	9/4/05		10/11/05	10/31/05	10/31/05	x	x	11/8/05
1		1		2	63	Mgymon Corporation	$ 42,900.00	Closed	9/17/05			10/11/05	10/20/05	x		11/3/05
			1		63	~~Stratter-Murdoch~~		~~Cancelled~~	~~9/19/05~~					x	x	
1		1		1	64	Tracey LaMaine	$ 42,900.00	Closed	9/11/05		10/11/05	10/31/2006- Mail away	10/24/05	x	x	12/12/05

1/17/2006

Edgewater Communities LLC
Master Copy

Total	Open	Closed/ Cancelled	Int	Promo	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1		1		1	66	James Salonia, Jr.	$ 42,900.00	Closed	8/11/05				9/6/05			10/18/05
1		1		2	69	Kathryn Carubba	$ 89,900.00	Closed	9/17/05				10/14/05	x	x	11/3/05
			1		69	~~Katarzyna Wozniak~~		~~Releasee with contract~~	~~9/5/05~~							
1		1		1	68	Marieanee Washington	$ 89,900.00	Closed	9/3/05			12/9/05		x	x	
			1		81	~~Lionel C. and Elaine Arnold~~		~~Withdrew- Release with contract~~								
			1		~~72~~	~~Fred & Diane Schlaily~~		~~Cancelled~~	~~10/28/05~~					~~10/21/05~~	~~10/24/05~~	
1		1		2	74	Patsy Richardson	$ 89,900.00	Closed	9/21/05			10/28/05	10/28/05	x	x	11/8/05
1		1		2	75	Patsy Richardson	$ 89,900.00	Closed	9/21/05			10/28/05	10/28/05	x	x	11/8/05
1		1		2	76	Patsy Richardson	$ 89,900.00	Closed	9/17/05			10/28/05	10/28/05	x	x	11/8/05
1		1		2	77	Patsy Richardson	$ 89,900.00	Closed	9/17/05			10/28/05	10/28/05	x	x	11/8/05
1		1		2	81	Dickinson & Williams	$ 89,900.00	Closed	9/17/05	9/28/2005		12/9 Mail Away		x	x	
			1		~~82~~	~~Debra Goggins~~		~~Cancelled 10/13- Tina- Tina faxed release 10/12 and is waiting for signed copy from client. Released 10/17~~	~~9/17/05~~					x	x	
			1		~~83~~	~~Adam & Alida Goggins~~		~~Cancelled 10/13- Tina- Tina faxed release 10/12 and is waiting for signed copy from client. Released 10/17~~	~~9/17/05~~					x	x	
1	1			1	86	Charles D. Lee	$ 49,900.00	Wachovia only financing #86. Need alternate for #151.Woody is connecting client with Sun Trust for #151. Ally waiting on package from Wachovia. NO close scheduled as of yet	09/28- original 10/11-in new name					x	x	
1		1		1	87	Melissa Moore	$ 49,900.00	Closed	10/14/05		10/27/05	11/16/ Mail Away	11/16/05	10/14/2005/ Fax	10/14/2005/ via fax	12/15/05
			1		~~89~~	~~Pamphlett, Thomas~~		~~Cancelled 10/14-Via Tina- Faxed Release to Beverly 10/17~~	~~9/17/05~~					x	x	
1		1		1	90	Erlo Deas	$ 89,900.00	Closed	7/29/05				8/25/05			9/9/05
1		1		1	91	James Gable	$ 169,900.00	Closed	9/1/05			11/10-Mail Away	11/10/05	x	x	
1		1		1	92	Gerald & Carol Deas	$ 189,900.00	Closed	7/29/05				8/29/05			10/18/05
1		1		2	93	James Riendeau	$ 189,900.00	Closed	9/16/05			10/28/05	10/28/05	x	x	11/8/05
1		1		1	95	Phyllis Benton	$ 170,900.00	Closed	8/12/05				8/21/05			10/18/05
1		1		1	110	Trudy Peeler	$ 129,900.00	Closed	7/30/05				8/30/05			10/18/05
1		1		2	111	Timothy B. Garner	$ 110,000.00		9/25/05			11/22/05		09/28 via fax	09/28 via fax	
			1		~~111~~	~~Julia Robbins~~		~~Cancelled~~	~~9/17/05~~					x	x	

Edgewater Communities LLC
Master Copy

Total	Open	Closed	Cancel	Promo	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1	1			1	115	Sandra Booth	$ 46,900.00	01/04/06 - Package sent to customer on 01/03/06 per Kelsy	10/7/05			1/4/06		x	x	
			1		~~115~~	~~Robert A. Wesow~~		~~Withdrew Release with contract~~	~~0/5/05~~							
1		1		1	116	Steve Zienowicz	$ 44,900.00	Closed	9/5/05				9/14/05			10/18/05
1		1		2	120	Michael Tucker	$ 42,900.00	Closed	9/17/05		10/11/05	11/30/05	11/30/05	x	x	12/12/05
1	1			3	124	Ronny D. Robinson	$ 42,900.00	Refinancing to pay cash - Hopefully by end of January, 2006	12/7/05				12/12/05			
			1		~~124~~	~~Peter Lee Schlueter~~		~~Cancelled~~	~~0/17/05~~					x		
1		1		2	128	Randall & Venta Whitaker	$ 41,900.00	Closed	9/17/05		10/11/05	11/03/2005- Mail Away		x	x	11/22/05
			1		~~130~~	~~Katarzyna Warnick~~		~~Releases with contract - Release signed and Title faxed to Lovedy 09/09~~	~~9/5/05~~							
			1		~~128~~	~~Kevin Nichols~~		~~Cancelled~~	~~0/16/05~~					x	x	
1		1		1	129	Reginald and Susan Massey	$ 41,900.00	Closed	9/6/05				9/2/05			9/20/05
1		1		1	132	Girishchandra Patel	$ 46,000.00	Closed	9/5/05				9/26/05			9/20/05
1		1		1	133	Saraj Patel	$ 48,000.00	Closed	9/6/05				9/21/05			11/3/05
1		1		2	134	S. Michael Sherard	$ 68,900.00	Closed	9/20/05		10/11/05	11/3/05	11/3/05	x	x	11/14/05
			1		~~134~~	~~Trudy Perkins~~		Releases with contract	~~7/30/05~~							
1	1			2	135	Joe Roberts	$ 68,900.00	No Escrow Deposit	9/3/05							
1		1		3	136	Richard Michael Crane	$ 74,900.00	Closed	10/15/05			12/7/05	12/7/05	10/26/05	10/26/05	12/15/05
			1		~~136~~	~~Toni Ann Toscano~~		~~Backed Out of Purchase - Release faxed by Tina to Beverly 09/09~~	~~9/1/05~~							
1		1		1	137	Manu H. Patel and Rantana M. Patel	$ 79,900.00	Closed	9/3/05		10/11/05	10/18/05	10/18/05	x	x	11/3/05
			1		~~137~~	~~Bryan A. Bryant~~		~~Client has money back~~	~~7/29/05~~							
1		1		1	138	Bryan A. Bryant	$ 84,900.00	Closed	7/29/05				9/2/05			9/20/05
1		1		1	139	Bryan A. Bryant	$ 84,900.00	Closed	7/29/05				9/2/05			9/20/05
1		1		1	140	Larry McGee	$ 89,900.00	Closed	9/3/05			11/23 Charlotte	11/23/05	x	x	12/12/05
			1		~~141~~	~~Ron Murphy~~		~~Cancelled 11-21 -to Charles Black~~	~~9/1/05~~							
1		1		1	142	Noel Fadden	$ 79,900.00	Closed	7/29/05				9/25/05			9/9/05
1		1		3	143	Douglas & Nancy Olson	$ 74,900.00	Closed	10/21/05	Judd/ Wachovia		12/2/2005 Mail Away	12/2/05	10/24/05	10/24/05	12/12/05
			1		~~143~~	~~Richard B. & Marilyn W. Rowland~~		~~Cancelled~~	~~9/9/05~~		~~10/11/05~~	~~10/31/05~~		x	x	
1		1		1	144	Richard B. & Marilyn W. Rowland	$ 87,900.00	Closed	9/9/05		10/11/05	10/17/05	10/31/05	x	x	11/14/05
1	1			1	145	Larry McGee	$ 89,900.00	Needs alternate financing. No Close date Scheduled	9/3/05			10/12/05		x	x	
1		1		1	146	Robert and Gloria Spanjar	$ 89,900.00	Closed	9/6/05			10/24/05	10/24/05	x	x	11/3/05

Edgewater Communities LLC
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Total	Open	Closed	Unwound	Pending	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1		1			147	Robert & Gloria Spanjer	$ 89,900.00	Closed	9/8/05			10/24/05	10/24/05	x	x	11/8/05
1		1			148	Robert & Linda Kelzer	$ 79,900.00	Closed	9/8/05			10/21/05	10/21/05	x	x	11/8/05
1		1			149	Ronald U Muse	$ 79,900.00	Closed	9/11/05				9/8/05			9/20/05
1		1			150	Brother Murdoch	$ 74,900.00	Closed	9/13/05				10/4/05	x	x	10/18/05
				1	~~149~~	~~Donald Rowan- Jean Prewitt~~		~~Kicked- Rqst.10~~	~~9/10/05~~							
1	1				151	Charles D. Lee	$ 79,900.00	Wachovia only financing #88. Need alternate for #151.Woody is connecting client with Sun Trust for #151. Atty waiting on package from Wachovia. NO close scheduled as of yet	9/8/05					x	x	
1		1			152	Melissa Moore	$ 82,900.00	Closed	10/14/05		10/27/05	11/16/05	11/16/05	10/14/05	10/14/05	12/15/05
1		1			153	Steaven and Diane Gassel	$ 88,900.00	Closed	9/8/05			11/22 Mail Away	11/22/05	x	x	12/15/05
1		1			154	Sean Carey	$ 52,900.00	closed	7/29/05				9/9/05			10/18/05
1		1			155	Paul & Ashraf Smith	$ 72,900.00	Closed	9/17/05		10/11/05	Mail Away	10/18/05	x	x	12/12/05
				1	~~155~~	~~Yolena and Manuco Pardo~~			~~9/5/05~~							
1		1			156	Charles Brackett	$ 72,900.00	Closed	9/17/05			11/30/05	11/30/05	x	x	12/12/05
				1	~~156~~	~~Selena and Manuco Pardo~~			~~9/9/05~~							
1		1			157	Sudhir & Alka Bhavsar	$ 76,900.00	Closed	10/22/05			11/22/05	11/22/05	10/24/05	10/24/05	12/12/05
				1	~~157~~	~~Yun Wong & Jacky Xu (Ren~~										
				1	~~157~~	~~Ben Chen~~		~~Keeping #183- Moving escrow $5 to other lot.~~	~~9/20/05~~		~~10/11/05~~	~~11/30/2005- Mail Away~~		x	x	
1		1			158	Bradley & Alisha Martinsen	$ 72,900.00	Closed	9/17/05			10/18/05	10/13/05	x	x	11/8/05
1		1			159	Brian and Kathryn Sweeney	$72,900.00	Closed	9/8/05			11/3/05	11/3/05	x	x	11/14/05
1		1			160	Paul & Le Ann Montagnet	$ 70,900.00	Closed	7/29/05				9/21/05			10/18/05
1		1			161	John & Beverly Demita	$ 88,900.00	Closed	9/1/05			11/3/05	11/18/05	x	x	
				1	~~161~~	~~Lt. Daniel and Amy~~		~~Withdrew Money has been sent to client per Beverly~~	~~9/7/05~~							
1	1				162	Louann and James Neville	$ 74,900.00	01/04/06-Suntrust has them apprv'd at 80% - waiting on customer decision	8/23/05			1/19/06 Mail Away		x	x	
1	1				163	Louann and James Neville	$ 74,900.00	01/04/06-Suntrust has them apprv'd at 80% - waiting on customer decision	8/23/05			1/19/06 Mail Away		x	x	
1		1			164	Xiang Meng and Eva S. Wong	$ 76,900.00	Closed	8/7/05				9/9/05			11/8/05
1		1			165	Olean M. Hall & Joseph C. Allen	$ 88,900.00	Closed	9/12/05			10/27/05	10/3/05			11/8/05
1		1			166	Phillip Christopher Sharpe	$ 65,900.00	Closed	11/4/05	Christine/Sun Trust		12/5 Charlotte		11/10/05	n/a	

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Total	Open	Closed	Cancel	Tri	Promo	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
				1		~~195~~	~~Toni Ann Insana~~		~~Backed Out of Purchase- Release faxed to Beverly 09/09~~	~~8/9/05~~							
1			1		1	187	Barbara McGee	$ 59,900.00	Closed	9/3/05				10/12/05	x	x	10/18/05
1			1		1	188	John & Teresa Dodd	$ 67,900.00	Closed	9/17/05			10/18/05	10/18/05	x	x	11/3/05
				1		~~189~~	~~Hanna Wall~~		~~Withdrew- Release faxed to Beverly 09/23~~	~~8/1/05~~							
1			1		1	189	Gerard Ruest and Scott Ruest	$ 68,900.00	Closed	9/20/05		10/11/05	11/11- Mail Away	11/15/05	x	x	12/12/05
				1		~~190~~	~~Dennis & Lurlie Brewer~~			~~7/31/05~~							
1			1		1	170	Petita G. Cantey	$ 70,900.00	Closed	7/31/05							10/18/05
1			1		1	171	John & Karen Costanzo	$ 68,900.00	Closed	7/31/05				8/25/05			9/9/05
				1		~~172~~	~~Robert & Yolanda Petersen~~		~~Need Alternate Financing~~	~~7/25/05~~		~~10/27/05~~					
1			1		1	173	Charles Brackett	$ 53,900.00	Closed	9/17/05			11/30/05	11/30/05	x	x	12/12/05
1			1		1	174	Kerry Rhyne	$ 49,900.00	Closed	9/3/05				9/2/05			10/18/05
1	1				1	175	Robert Oakley	$ 46,900.00	01/04/06-Waiting on funds from client	7/29/05							
1		1			1	176	Robert & Fortessor Clark	$ 59,900.00	Closed	8/8/05				9/21/05			10/18/05
1		1			1	177	Phillip & Manami Russ	$ 59,900.00	Closed	8/3/05				9/9/05			10/18/05
1		1			1	178	Phillip & Manami Russ	$ 57,900.00	Closed	8/3/05				9/9/05			10/18/05
1		1			1	179	Mary Lee Routhac	$ 56,900.00	Closed	8/3/05				9/21/05			10/18/05
1		1			1	180	Little Mae Clark	$ 56,900.00	Closed	8/3/05				9/9/05			10/18/05
				1		~~181~~	~~Lonnie Parker~~		~~Cancelled via email from Richard 12/1~~	~~8/10/05~~						x	
1		1			1	182	Robert E. and Susan E. Hawke	$ 48,900.00	Closed	8/7/05			10/10/05	10/10/05			11/3/05
1		1			1	183	Hieu Chau	$ 48,900.00	Closed	8/26/05			11/3/05	11/3/05			11/22/05
1		1			1	184	Robert A. Kleszez	$ 47,900.00	Closed	8/5/05				9/20/05			10/18/05
1		1			1	185	Noel Fadden	$ 46,900.00	Closed	7/29/05				8/25/05			9/9/05
				1		~~198~~	~~Paul Brown~~		~~Cancelled~~	~~9/17/05~~					x	x	
				1		~~200~~	~~Jeffrey C. Oest~~		~~Cancelled 09/13/05 per Dell in Lancaster~~	~~9/10/05~~					x	x	
1		1			1	201	Tri & Uana Tu	$ 189,900.00	Closed	9/13/05			11/23/05		x	x	
				1		~~201~~	~~Jeffrey C. Oest~~		~~Cancelled 09/13/05 per Dell in Lancaster~~	~~9/10/05~~					x	x	
1		1			2	202	Carmine & Dianne Dallo	$ 216,000.00	Closed	9/10/05				10/14/05	x	x	11/3/05
				1		~~202~~	~~Quang Sun Chantuan Huang~~		~~Backed Out of Purchase- Release faxed to Beverly 09/09~~	~~8/8/05~~							
1		1			1	203	Daniel J. and Kathy Wilde	$ 229,000.00	Closed	8/8/05				9/9/05			10/18/05
1		1			1	204	Chris Toher	$ 209,000.00	Closed	9/4/05				9/9/05			10/18/05
1		1			1	205	John & Irene Crotis	$ 229,000.00	Closed	7/30/05				11/17/05			12/12/05
1		1			1	206	Dale & Carol Batman	$ 249,900.00	Closed	7/22/05				10/6/05			10/18/05
1		1			1	207	George & Karen Stutts	$ 249,900.00	Closed	7/22/05				9/27/05			10/18/05

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Total	Open	Closed	Possession	Promo	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1	1			1	208	Diane Austin	$ 249,000.00	~~Scheduled 01/06/06~~	9/8/05			1/9/06		x	10/3 & 11/15	
			1		208	~~George & Karen Stutis~~		~~Cancelled-Money has been sent back to client~~	~~9/1/05~~							
1		1		1	209	Ed & Cathy Hunnicutt	$ 249,900.00	Closed	7/29/05				9/9/05			10/18/05
1		1		2	210	Patsy Richardson	$ 169,900.00	Closed	9/17/05			10/28/05	10/28/05	x	x	11/8/05
			1		210	~~Ed & Cathy Hunnicutt~~										
			1		210	~~Mark Henriquez & Anna Ogden~~		~~Cancelled~~	~~9/14/05~~					x	x	
1		1		2	211	Patsy Richardson	$ 129,900.00	Closed	9/17/05			10/28/05	10/28/05	x	x	11/8/05
1	1			3	212	Shenk & Quilty	$ 109,900.00	Suntrust took app. 12/30/05	12/17/05			1/20/06				
1	1			3	214	Blinderman & Hazan	$ 169,900.00	Suntrust	12/12/05	Sun Trust/ Cindy McGee		1/19/06		12/27/05		
1	1			3	216	John David Allen	$ 169,900.00		10/21/05	Buckhead Mortgage- Brangert						
1		1		3	217	John David Allen	$ 229,000.00	Closed	10/21/05	Cindy McGee/ Sun Trust		11/21/05		10/24/05	10/24/05	
1		1		3	218	John David Allen	$ 229,000.00	Closed	10/21/05	Cindy McGee/ Sun Trust		11/21/05		10/24/05	10/24/05	
1		1		3	219	Hope Investment, LLC & Blue Tree Enterprises, LLC	$ 209,000.00	Closed	10/21/05	Richard Park		11/18-Mail Away		10/24/05	10/24/05	
1		1		3	220	Robert & Gail Hazan	$ 149,900.00	Closed	10/4/05		10/11/05	11/29 Charlotte	11/29/05	10/6/05	10/6/05	12/12/05
1		1		3	225	David & Shannon Meredith	$ 89,900.00	Closed	10/10/05			11/30/05	11/11/05	10/10/05	10/10/05	11/22/05
1		1		3	238	Andrea & Eric Hayden	$ 109,000.00	Closed	11/22/05	Cindy McGee/ Sun Trust				12/1/05		
1		1		3	239	Terry & Susan Campbell	$ 82,900.00	Closed	11/18/05			12/19/05		11/15/05		
1		1		2	243	Gary and Patricia Beals	$ 79,900.00	Closed	9/10/05		10/11/05	10/21- Charlotte	10/21/05	x	x	11/3/05
			1		243	~~Gregory L. and Marilee R. Howard~~		~~withdrew~~	~~9/13/05~~							
			1		243	~~Gregory & Marilee Howard~~		~~Cancelled~~	~~9/13/05~~					x	x	
			1		250	~~William & Debra Fox~~		~~Cancelled~~	~~9/17/05~~					x		
1		1		2	251	Migymon Corporation	$ 89,900.00	Closed	9/17/05			10/11/05	10/20/05	x		11/3/05
			1		302	~~Todd and Susan Woerner~~		~~Cancelled~~	~~10/22/05~~	~~Judd/ Wachovia~~		~~11/21/05~~		~~10/24/05~~	~~10/24/05~~	
1		1		3	306	Kevin & Carol McGuckin	$ 119,000.00	Closed	10/22/05	Judd/ Wachovia		12/1/2005 Charlotte	12/1/05	10/24/05	10/24/05	12/12/05
1	1			3	309	Blinderman & Hazan	$ 249,000.00	Suntrust	11/26/05	Cindy McGee/ Sun Trust		1/26/06		12/27/05		

1/17/2006

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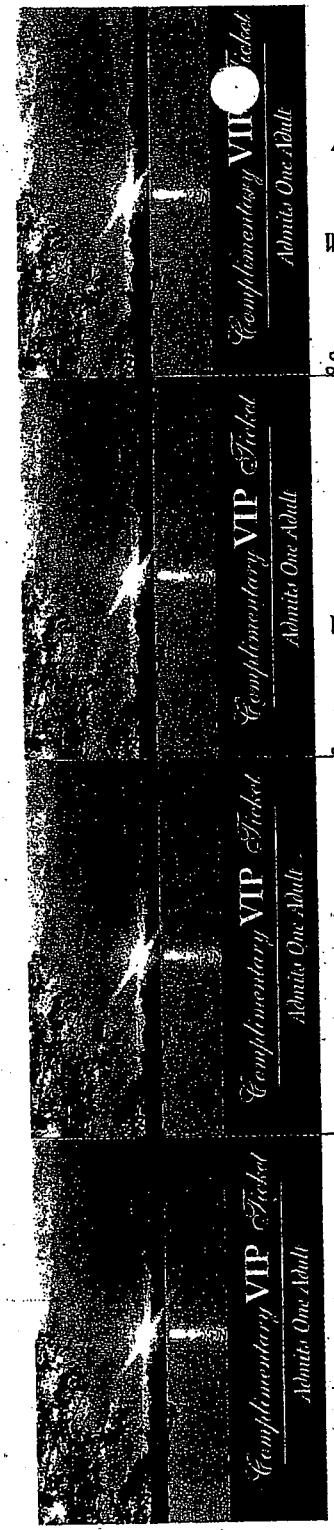
Total	Open	Closed	Closed Cancelled	Promo	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1		1		3	310	Brian & Karen Richardson	$ 229,000.00	Closed	10/22/05	Judd/ Wachovia		11/18 Lancaster	11/18/05	10/24/05	10/24/05	
			1		~~311~~	~~Noel Fadlan~~		~~Cancelled 11/21 via Charles Black~~	~~10/25/05~~							
1		1		3	312	Douglas & Nancy Olson	$ 129,000.00	Closed	10/21/05	Judd/ Wachovia		12/2/2005 Mail Away	12/2/05	10/24/05	10/24/05	12/12/05
			1		~~313~~	~~Richard & Dawn Brand~~		~~Cancelled~~	~~10/23/05~~			~~11/29/05~~		~~10/24/05~~	~~10/31/05~~	
1	1			3	314	Art Secor & Assigns	$ 229,000.00	Waiting on Lender	10/22/05			11/21/05		11/11/05		
1	1			3	315	Art Secor & Assigns	$ 229,000.00	Waiting on Lender	10/22/05			11/21/05		11/11/05		
1	1			3	317	Art Secor & Assigns	$ 229,000.00	Waiting on Lender	10/22/05			11/21/05		11/11/05		
1		1		3	319	Robert & Gail Hazan	$ 149,900.00	Closed	10/15/05			11/29/2005 Charlotte	11/29/05	10/24/05	10/24/05	12/12/05
1		1		3	320	Robert & Gail Hazan	$ 119,000.00	Closed	10/4/05			11/29 Charlotte	11/29/05	10/6/05	10/6/05	12/12/05
1		1		3	352	Mario & Margaret Cayado	$ 89,900.00	Closed	10/22/05			11/22 Charlotte	11/22/05	10/24/05	10/24/05	12/12/05
1		1		1	353	Marlesnee Washington	$ 129,900.00	Closed	9/6/05			12/9/05	12/9/05			12/15/05
1		1		1	358	Rickey and Debra Lanford	$ 79,900.00	Closed	9/4/05		10/11/05	11/03/05-Mail Away	11/3/05	x	x	12/12/05
			1		~~359~~	~~Robert A. Kluczni and Katarzyna Wozniak~~		~~Withdrew~~	~~9/5/05~~							
1		1		3	359	James & Meave Perke	$ 62,900.00	Closed	10/16/05	Judson/ Wachovia		11/16/05		10/24/05	10/24/05	
			1		~~360~~	~~Ron & Gwendolyn Pickett~~		~~Cancelled- Sent original ckh back to client on Sept.22~~	~~9/17/05~~					x	x	
1		1		2	361	Robin Beartant	$ 62,900.00	Closed	9/17/05			10/10/05	10/18/05	x	x	11/3/05
			1		~~364~~	~~Mario & Margaret Cayado~~		~~Canceling this homesite and moving across SE to homesite # 352~~	~~9/17/05~~					x	x	
1		1		1	369	Timothy and Maureen Lenak	$ 79,900.00	Closed	8/8/05				8/25/05			9/9/05
1		1		1	870	Michael & Anne Weil	$ 129,900.00	Closed	8/5/05				9/2/05			10/18/05
1		1		1	871	Jack Cantey, Jr.	$ 129,900.00	Closed	7/31/05				9/2/05			9/20/05
			1		~~374~~	~~Elecparanbo I. Pown~~		~~Cancelled~~	~~9/1/05~~							
			1		~~377~~	~~Frank and Carla Chandler (rec)~~		~~Withdrew~~	~~8/2/05~~							
			1		~~377~~	~~Pete Ute Sutherland~~		~~Wachovia has left messages with client~~	~~9/17/05~~					x		
1		1		1	878	James R. Auten	$ 74,900.00	Closed	9/10/05		10/11/05	12/11- Charlotte	12/5/05	x	x	12/12/05
			1		~~379~~	~~Frank and Carla Chandler (rec)~~		~~Withdrew~~	~~9/9/05~~							
1	1			2	379	Ben Abramowitz	$ 77,900.00	Waiting on client to return signed docs.	12/7/05	Mike Quigley/ Sun Trust				x	9/30/2005 via fax	
1	1			1	380	Kyle Hefley	$ 77,900.00	Atty waiting on Lender- Premier Mtg.	9/29/05					x	x	

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Total	Open	Closed	Cancelled	Pre-sold	Lot #	Client Name	Sales Price	Contract Status	Date of Contract	Lender/ officer	Title Binder Requested	Target Close Date	Date Closed	Copy to Dan	Copy to Wachovia	Gift Certificate Sent
1		1		1	381	Eric J. Mesinee	$ 69,900.00	Closed	8/31/05			11/21 Mail Away	11/22/05	x	x	12/12/05
			1		382	~~Fernando F. Joyce-Weed~~		Cancelled	9/17/05		10/11/05			x	x	
			1		383	~~Fernando F. Joyce-Weed~~		Cancelled	9/17/05		10/11/05			x	x	
145	19	126	57				$ 13,989,900.00									

1/17/2006



Waterpointe Realty, LLC/Broker 001

Presents:

Edgewater Discovery Preview Wine and Cheese

Monday, March 27, 2006 at 7:00 pm
Speedway Club
Concord, NC

Tuesday, March 28, 2006 at 7:00 pm
Providence Country Club
Charlotte, NC

Wednesday, March 29, 2006 at 7:00 pm
The City Club
Gastonia, NC

Thursday, March 30, 2006 at 7:00 pm
The Park Hotel
Charlotte, NC

Seating is Limited! Call 1-800-734-9104 Ext. 300

Waterpointe Realty, LLC/Broker 002

Presents:

Edgewater Discovery Preview Wine and Cheese

Monday, March 27, 2006 at 7:00 pm
Speedway Club
Concord, NC

Tuesday, March 28, 2006 at 7:00 pm
Providence Country Club
Charlotte, NC

Wednesday, March 29, 2006 at 7:00 pm
The City Club
Gastonia, NC

Thursday, March 30, 2006 at 7:00 pm
The Park Hotel
Charlotte, NC

Seating is Limited! Call 1-800-734-9104 Ext. 300

Waterpointe Realty, LLC/Broker 003

Presents:

Edgewater Discovery Preview Wine and Cheese

Monday, March 27, 2006 at 7:00 pm
Speedway Club
Concord, NC

Tuesday, March 28, 2006 at 7:00 pm
Providence Country Club
Charlotte, NC

Wednesday, March 29, 2006 at 7:00 pm
The City Club
Gastonia, NC

Thursday, March 30, 2006 at 7:00 pm
The Park Hotel
Charlotte, NC

Seating is Limited! Call 1-800-734-9104 Ext. 300

Waterpointe Realty, LLC/Broker 004

Presents:

Edgewater Discovery Preview Wine and Cheese

Monday, March 27, 2006 at 7:00 pm
Speedway Club
Concord, NC

Tuesday, March 28, 2006 at 7:00 pm
Providence Country Club
Charlotte, NC

Wednesday, March 29, 2006 at 7:00 pm
The City Club
Gastonia, NC

Thursday, March 30, 2006 at 7:00 pm
The Park Hotel
Charlotte, NC

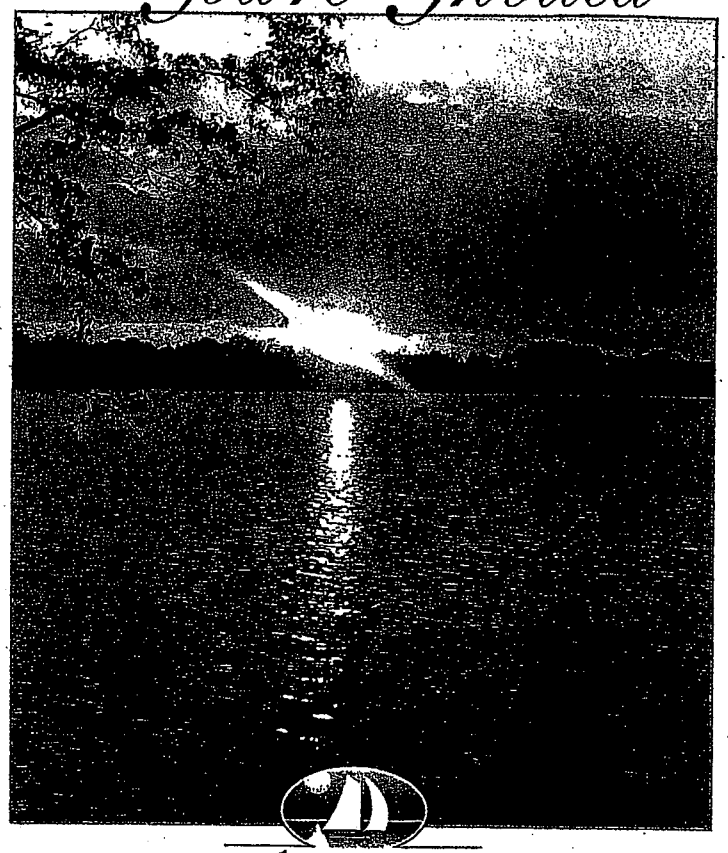
Seating is Limited! Call 1-800-734-9104 Ext. 300

Edgewater
An Exclusive Private Lakefront Community

1-800-734-9104, Ext. 300

Waterpointe Realty, LLC/Broker

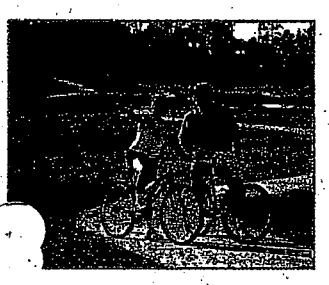
You're Invited

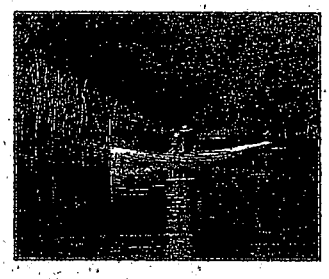


Edgewater
An Exclusive Private Lakefront Community

You are cordially invited to attend the initial 2006 Grand Opening of a spectacular new waterfront community just south of Charlotte

By attending this initial preview you and your spouse will be eligible to participate in the grand opening of the Carolina's best kept waterfront secret, Edgewater, located just south of Charlotte to be held: March 27, 28, 29 and 30





NEVER BEFORE NEVER AGAIN

If you could turn back time, what would you have done differently? Perhaps bought Lake Front property at a fraction of the current values. You would be living the dream of a Lake Front lifestyle. Boating, family outings, private docks, deep water access with spectacular views. The past is now the present for a select few. Miles and miles of virgin waterview homesites from the 40's. Call now for more information on the best kept secret in the Carolinas, Edgewater!

Please accept this invitation

to be our Guest for

a local Sneak Preview of

Edgewater

The Carolina's newest waterfront community.

(by invitation only)

PRIVATE Charlotte previews to be held on:

Monday, March 27, 2006	***Speedway Club***
Tuesday, March 28, 2006	***Providence Country Club***
Wednesday, March 29, 2006	***The City Club***
Thursday, March 30, 2006	***The Park Hotel***

(Choose one of the above)

---

7 pm	Cocktails & Heavy Hors d' oeuvres
7:30 - 8 pm	Property Overview *Steve Rayborn, Broker-In-Charge* *Prudential Source One Properties*
8 pm - Until	Q&A, Door Prizes & Closing Remarks

Space is very Limited, please RSVP

1-800-734-9104, Ext. 300

Edgewater

An Exclusive Private Lakefront Community

*Lakefront, Lakeview, and Interior Homesites Available

*Use your own builder

*County water and sewer, underground utilities

*Amenities to include Equestrian Center, Clubhouses with pools, Full scale marina, Championship golf course, walking trails, community docks.....

*Special financing of 10% with NO payments for the first year!!

*No time limit to build

*Ground Floor opportunity to purchase lake property

*Prices at 49,900 and up

*Call me for a property tour today!!

1137 D Hwy 9 Bypass West • Lancaster, SC 29720
Tel: 803.286.5022

Edgewater
An Exclusive Private Lakefront Community

To attend the Wine & Cheese Reception
to be held on:

Monday, March 27th at 7 pm - Speedway Club
Tuesday, March 28th at 7 pm - Providence Country Club
Wednesday, March 29th at 7 pm - The City Club
Thursday, March 30th at 7 pm - The Park Hotel

Call Now: 1-800-734-9104 Ext. 300

Dear Future Neighbor
At Edgewater every sunrise brings the opportunity for another fun filled, relaxing day, overlooking the most pristine lakes in the Lake Norman / Lake Wylie chain. This unique area, located 35 miles south of Charlotte - is one of the best kept secrets in the Carolinas. Over 12 miles of pristine, deep water, shoreline, Edgewater offers dockable homesites with deepwater access, 18 hole signature championship golf course, equestrian center, and full service marina. Walking trails, a private grand entrance and estate sized parcels along with an outstanding amenity package. This is your opportunity to literally turn back time. Purchase today at yesterday's prices.

*Edgewater Getaway Weekend Itinerary:**

- *Breakfast on the Lake at Edgewater*
- *VIP Property Preview Tours*
- *Special Financing - No payments the first year, interest only the 2nd and 3rd year, some of the lowest interest rates in the area*
- *Builders Showcase*
- *Golf Cart Discovery Rides*
- *Pontoon Excursions*
- *Helicopter tours of the property, music and more!***
- *Waterview Homesites from $49,900*

Edgewater Offers:

- Waterview Homesites from $49,900
- Deep Water Access
- Estate Sized Parcels
- Full Service Marina/Dry Storage
- No Payments for 1st Year
- Interest Only 2nd and 3rd Years
- Owner Clubhouse with Olympic Pool
- 18 hole Signature Championship Golf Course (planned future phases)
- Private Grand Entrance
- Developed Community with Pre-developed prices.
- Equestrian Center

Buy Now / Build Whenever

* *You must attend the Wine & Cheese Reception in your area to be eligible for the Getaway Weekend in March. Reservations required (See enclosed invitation)*
** *Weather permitting*

Edgewater

Inventory Pricesheet

Prices are subject to change without notice. 4/02/2006 10:05 AM

	Lot #	ACRES	A LIST PRICE	20% DISCOUNT	EVENT PRICE	MO. INT. PAYMENT	12 MO. INTEREST	Total NET	
	44	0.367	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	45	0.367	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	48	0.451	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	50	0.361	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
Sold	55	0.494	$99,875	$19,975	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	60	0.301	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	71	0.368	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	72	0.367	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	73	0.367	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	78	0.355	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	79	0.363	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	80	0.364	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	82	0.424	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	83	0.365	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	84	0.367	$62,375	$12,475	$49,900.00	$252.62	$3,031.43	$46,868.58	Int
	85	0.37	$62,375	$12,475	$49,900.00	$252.62	$3,031.43	$46,868.58	Int
	88	0.474	$87,375	$17,475	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	89	0.482	$87,375	$17,475	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	122	0.424	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
Sold	124	0.412	$53,625	$10,725	$42,900.00	$217.18	$2,606.18	$40,293.83	Int
Sold	136	0.407	$93,625	$18,725	$74,900.00	$379.18	$4,010.90	$70,889.11	Lv
Sold	141	0.403	$112,375	$22,475	$89,900.00	$455.12	$5,259.15	$84,640.85	Lv
Sold	143	0.363	$93,625	$18,725	$74,900.00	$379.18	$4,010.90	$70,889.11	Int
Sold	157	0.427	$88,625	$17,725	$70,900.00	$358.93	$3,988.13	$66,911.88	Int
Sold	166	0.39	$82,375	$16,475	$65,900.00	$333.62	$3,528.95	$62,371.06	Int
Sold	172	0.618	$74,875	14,975.00	59,900.00	$303.24	$3,638.93	$56,261.08	Int
Sold	181	0.367	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	186	0.348	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	187	0.439	$73,625	$14,725	58,900.00	$298.18	$3,578.18	$55,321.83	Int
	188	0.342	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	189	0.33	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	190	0.319	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	191	0.319	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	192	0.264	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	193	0.289	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	194	0.315	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	195	0.313	$62,375	$12,475	49,900.00	$252.62	$3,031.43	$46,868.58	Int
	196	0.323	$87,375	$17,475	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	197	0.334	$99,875	$19,975	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	198	0.498	$112,375	$22,475	89,900.00	$455.12	$5,461.43	$84,438.58	Int
	199	0.491	$162,375	$32,475	129,900.00	$657.62	$7,891.43	$122,008.58	Lv
	200	0.544	$212,375	$42,475	169,900.00	$860.12	$10,321.43	$159,578.58	Lv
	212	0.415	$137,375	$27,475	109,900.00	$556.37	$6,676.43	$103,223.58	Lv
	213	0.393	$124,875	$24,975	99,900.00	$505.74	$6,068.93	$93,831.08	Lv
Sold	214	0.473	$212,375	$42,475	169,900.00	$860.12	$10,321.43	$159,578.58	LFnd
Sold	215	0.627	$286,250	$57,250	229,000.00	$1,159.31	$12,881.25	$216,118.75	LFD
Sold	216	0.534	$212,375	$42,475	169,900.00	$860.12	$10,321.43	$159,578.58	LFnd
Sold	217	0.472	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	218	0.486	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	219	0.596	$261,250	$52,250	209,000.00	$1,058.06	$12,696.75	$196,303.25	LFD
Sold	220	0.49	$187,375	37,475.00	149,900.00	$758.87	$9,106.43	$140,793.58	Lv
Sold	221	0.475	$161,250	$32,250	129,000.00	$653.06	$7,836.75	$121,163.25	LFnd
	222	0.367	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
	223	0.367	$86,250	$17,250	69,000.00	$349.31	$4,191.75	$64,808.25	Int
	224	0.367	$87,375	$17,475	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	225	0.367	$87,375	$17,475	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	226	0.367	$87,375	$17,475	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	227	0.367	$91,125	$18,225	72,900.00	$369.06	$4,428.68	$68,471.33	Int
Sold	228	0.469	$112,375	$22,475	89,900.00	$455.12	$5,461.43	$84,438.58	Int
	229	0.369	$86,250	$17,250	69,000.00	$349.31	$4,191.75	$64,808.25	Int
	230	0.37	$78,625	$15,725	62,900.00	$318.43	$3,821.18	$59,078.83	Int
	231	0.37	$78,625	$15,725	62,900.00	$318.43	$3,821.18	$59,078.83	Int
	232	0.371	$79,875	$15,975	63,900.00	$323.49	$3,881.93	$60,018.08	Int
	233	0.371	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
	234	0.362	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
Sold	235	0.416	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
Sold	236	0.36	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv

3 YEAR INTEREST ONLY NOTE - LOAN AT A RATE OF 6.750%

12 MONTH INTEREST INCENTIVE WILL BE ESCROWED INTO AN ACCOUNT WITH BANK

THE PRICE AND INTEREST RATE ARE SUBJECT TO CHANGE WITHOUT NOTICE

Edgewater

Inventory Pricesheet

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	Lot #	ACRES	A LIST PRICE	20% DISCOUNT	EVENT PRICE	MO. INT. PAYMENT	12 MO. INTEREST	Total NET	
Sold	237	0.36	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
	238	0.323	$136,250	$27,250	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
Sold	239	0.367	$78,625	$15,725	62,900.00	$318.43	$3,821.18	$59,078.83	Lv
	240	0.367	$73,625	$14,725	58,900.00	$298.18	$3,578.18	$55,321.83	Int
	241	0.367	$73,625	$14,725	58,900.00	$298.18	$3,578.18	$55,321.83	Int
	242	0.363	$99,875	$19,975	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	244	0.366	$99,875	$19,975	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	245	0.367	$96,125	$19,225.00	76,900.00	$389.31	$4,671.68	$72,228.33	Int
	246	0.367	$96,125	19,225.00	76,900.00	$389.31	$4,671.68	$72,228.33	Int
	247	0.367	$97,375	19,475.00	77,900.00	$394.37	$4,732.43	$73,167.58	Int
	248	0.425	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Int
	249	0.399	$106,125	21,225.00	84,900.00	$429.81	$5,157.68	$79,742.33	Int
	250	0.367	$87,375	17,475.00	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	252	0.367	$87,375	17,475.00	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	253	0.481	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Int
	254	0.442	$137,375	27,475.00	109,900.00	$556.37	$6,676.43	$103,223.58	LV
	255	0.42	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	LV
	256	0.384	$93,625	18,725.00	74,900.00	$379.18	$4,550.18	$70,349.83	INT
	257	0.417	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	INT
	258	0.426	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	INT
	259	0.412	$124,875	24,975.00	99,900.00	$505.74	$6,068.93	$93,831.08	LV
	260	0.701	$249,875	49,975.00	199,900.00	$1,011.99	$12,143.93	$187,756.08	LFND
Sold	261	0.597	$324,875	64,975.00	259,900.00	$1,315.74	$15,788.93	$244,111.08	LFD
Sold	262	0.721	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	263	1.098	$412,375	82,475.00	329,900.00	$1,670.12	$20,041.43	$309,858.58	LFD
	264	0.603	$199,875	39,975.00	159,900.00	$809.49	$9,713.93	$150,186.08	LV
	265	0.47	$174,875	34,975.00	139,900.00	$708.24	$8,498.93	$131,401.08	LV
	266	0.465	$174,875	34,975.00	139,900.00	$708.24	$8,498.93	$131,401.08	LV
	267	0.469	$174,875	34,975.00	139,900.00	$708.24	$8,498.93	$131,401.08	LV
	268	0.484	$162,375	32,475.00	129,900.00	$657.62	$7,891.43	$122,008.58	LV
Sold	269	0.991	$362,375	72,475.00	289,900.00	$1,467.62	$17,611.43	$272,288.58	LFD
Sold	270	0.868	$362,375	72,475.00	289,900.00	$1,467.62	$17,611.43	$272,288.58	LFD
Sold	271	0.727	$362,375	72,475.00	289,900.00	$1,467.62	$17,611.43	$272,288.58	LFD
Sold	272	0.442	$174,875	34,975.00	139,900.00	$708.24	$8,498.93	$131,401.08	LV
Sold	273	0.544	$212,375	42,475.00	169,900.00	$860.12	$10,321.43	$159,578.58	LV
Sold	274	0.625	$374,875	74,975.00	299,900.00	$1,518.24	$18,218.93	$281,681.08	LFD
Sold	275	0.836	$437,375	87,475.00	349,900.00	$1,771.37	$21,256.43	$328,643.58	LFD
Sold	276	0.956	$449,875	89,975.00	359,900.00	$1,821.99	$21,863.93	$338,036.08	LFD
Sold	277	0.66	$362,375	72,475.00	289,900.00	$1,467.62	$17,611.43	$272,288.58	LFD
Sold	278	0.562	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	279	0.487	$337,375	67,475.00	269,900.00	$1,366.37	$16,396.43	$253,503.58	LFD
	280	0.491	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	281	0.525	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	282	0.495	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	283	0.482	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	284	0.68	$349,875	69,975.00	279,900.00	$1,416.99	$17,003.93	$262,896.08	LFD
Sold	285	0.636	$337,375	67,475.00	269,900.00	$1,366.37	$16,396.43	$253,503.58	LFD
Sold	286	0.489	$312,375	62,475.00	249,900.00	$1,265.12	$15,181.43	$234,718.58	LFD
	287	0.381	$174,875	34,975.00	139,900.00	$708.24	$8,498.93	$131,401.08	LFND
	288	0.514	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	INT
	289	0.392	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	INT
	290	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	INT
	291	0.383	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	INT
	292	0.43	$124,875	24,975.00	99,900.00	$505.74	$6,068.93	$93,831.08	LV
	293	0.47	$124,875	24,975.00	99,900.00	$505.74	$6,068.93	$93,831.08	LV
	294	0.491	$124,875	24,975.00	99,900.00	$505.74	$6,068.93	$93,831.08	LV
	295	0.599	$212,375	42,475.00	169,900.00	$860.12	$10,321.43	$159,578.58	LFND
	296	0.571	$212,375	42,475.00	169,900.00	$860.12	$10,321.43	$159,578.58	LFND
	297	0.49	$124,875	24,975.00	99,900.00	$505.74	$6,068.93	$93,831.08	LV
	298	0.432	$123,750	24,750.00	99,000.00	$501.19	$6,014.25	$92,985.75	LV
	299	0.465	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	300	0.367	$87,375	17,475.00	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	301	0.367	$87,375	17,475.00	69,900.00	$353.87	$4,246.43	$65,653.58	Int
	302	0.367	$87,375	17,475.00	69,900.00	$353.87	$4,246.43	$65,653.58	Int

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	Lot #	ACRES	A LIST PRICE	20% DISCOUNT	EVENT PRICE	MO. INT. PAYMENT	12 MO. INTEREST	Total NET	
	303	0.367	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Lv
	304	0.367	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Lv
	305	0.383	$91,125	18,225.00	72,900.00	$369.06	$4,428.68	$68,471.33	Int
Sold	306	0.481	$148,750	29,750.00	119,000.00	$602.44	$7,229.25	$111,770.75	Lv
Sold	307	0.442	$261,250	52,250.00	209,000.00	$1,058.06	$12,696.75	$196,303.25	LFD
Sold	308	0.57	$286,250	57,250.00	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	309	0.837	$312,375	62,475.00	249,900.00	$1,265.12	$15,181.43	$234,718.58	LFD
Sold	310	0.563	$286,250	57,250.00	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	311	0.576	$286,250	57,250.00	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	312	0.416	$161,250	$32,250	129,000.00	$653.06	$7,836.75	$121,163.25	Lv
Sold	313	0.602	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	314	0.453	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	315	0.414	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	316	0.398	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	317	0.38	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
	318	0.393	$286,250	$57,250	229,000.00	$1,159.31	$13,911.75	$215,088.25	LFD
Sold	319	0.403	$187,375	37,475.00	149,900.00	$758.87	$9,106.43	$140,793.58	LFnd
Sold	320	0.362	$148,750	29,750.00	119,000.00	$602.44	$7,229.25	$111,770.75	Lv
	321	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Lv
	322	0.371	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	323	0.375	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	324	0.409	$106,125	21,225.00	84,900.00	$429.81	$5,157.68	$79,742.33	Int
	325	0.476	$106,125	21,225.00	84,900.00	$429.81	$5,157.68	$79,742.33	Int
	326	0.459	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Int
	327	0.466	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Int
	328	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	329	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	330	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	331	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	332	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	333	0.367	$106,125	21,225.00	84,900.00	$429.81	$5,157.68	$79,742.33	Lv
	334	0.379	$136,250	27,250.00	109,000.00	$551.81	$6,621.75	$102,378.25	Lv
	335	0.396	$148,750	29,750.00	119,000.00	$602.44	$7,229.25	$111,770.75	Lv
Sold	336	0.396	$148,750	29,750.00	119,000.00	$602.44	$7,229.25	$111,770.75	Lv
	337	0.379	$148,750	29,750.00	119,000.00	$602.44	$7,229.25	$111,770.75	Lv
	338	0.367	$106,125	21,225.00	84,900.00	$429.81	$5,157.68	$79,742.33	Lv
	339	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	340	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	341	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	342	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	343	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Int
	344	0.367	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Lv
	345	0.39	$99,875	19,975.00	79,900.00	$404.49	$4,853.93	$75,046.08	Lv
	348	0.358	$62,375	12,475.00	49,900.00	$252.62	$3,031.43	$46,868.58	Int
Sold	352	0.391	$112,375	22,475.00	89,900.00	$455.12	$5,461.43	$84,438.58	Lv
Sold	359	0.303	$78,625	15,725.00	62,900.00	$318.43	$3,821.18	$59,078.83	Lv
Sold	364	0.325	$74,875	14,975.00	59,900.00	$303.24	$3,638.93	$56,261.08	Int
Sold	374	0.551	$162,375	$32,475	129,900.00	$657.62	$7,891.43	$122,008.58	LFnd
Sold	377	0.734	$74,875	14,975.00	59,900.00	$303.24	$3,638.93	$56,261.08	Int
	382	0.394	$74,875	14,975.00	59,900.00	$303.24	$3,638.93	$56,261.08	Int
Sold	383	0.457	$74,875	14,975.00	59,900.00	$303.24	$3,638.93	$56,261.08	Int
	384	0.545	$149,875	29,975.00	119,900.00	$606.99	$7,283.93	$112,616.08	LV

3 YEAR INTEREST ONLY NOTE - LOAN AT A RATE OF 6.750%

12 MONTH INTEREST INCENTIVE WILL BE ESCROWED INTO AN ACCOUNT WITH BANK

THE PRICE AND INTEREST RATE ARE SUBJECT TO CHANGE WITHOUT NOTICE

From: Jennifer Domila <jen[illegible]erdomila@yahoo.com>
To: Ron Pappas
Subject: Re: Touching Base
Date: Apr 4, 2006 12:49 PM

Yes you are right....The lenders will contact you. Hope you have a great day!!!

Ron Pappas <rpappas@earthlink.net> wrote:

> Hi Jennifer!
>
> Received your fax from Saturday regarding the "signed around" agreement.
>
> Immediately after you and I had talked on Friday, I also got a call from Dale asking about whether or not I was going to finance or do the 1031 exchange. I informed her of my conversation with you that we were going to use your preferred lender(s) to finance. She also said that she would forward that information to the lenders reps, but I have not heard anything from either of them.
>
> Am I correct in that they were going to make contact with me? Or?
>
> Thanks,
>
> Ron

Jennifer Domila
Edgewater
1137-D Hwy 9 By-pass West
Lancaster, SC 29720
888-220-2110 (office)
803-287-4397 (cell)
803-286-5024 (fax)

Yahoo! Messenger with Voice. Make PC-to-Phone Calls to the US (and 30+ countries) for 2¢/min or less.

From: Jennifer Domila <jen[illegible]erdomila@yahoo.com>
To: rpappas@earthlink.net
Subject: Touching base
[illegible]te: May 3, 2006 12:06 PM
[illegible]ood Afternoon Ron,

Just wanted to touch base with you and see if you had been given a closing date yet. I know the last time we talked Richard from Wachovia was out of the office for a week or so.

As far as the inventory not too much has changed. There have been more sales, but only one of them have been waterfront (#269). Just in case Dale wants an update. Hope all is well and have a wonderful afternoon!!

Jennifer Domila
Edgewater
1137-D Hwy 9 By-pass West
Lancaster, SC 29720
888-220-2110 (office)
803-287-4397 (cell)
803-286-5024 (fax)

[illegible]hoo! Messenger with Voice. PC-to-Phone calls for ridiculously low rates.

From: Jennifer Domila <jen .erdomila@yahoo.com>
To: Ron Pappas
Subject: Re: Touching base
te: May 5, 2006 2:46 PM
ello Ron,

There is someone who is a closing coordinator that is in our main office in Pawley's Island. Her name is Tina Elkins at 800-734-9104. I have left word for her, but have not gotten a call back. She is the one who can facilitate communication with the bank and they lawyer's office. If I could get all of that information I would, but she would be the one who would know exactly what is going on. Feel free to call her if you have any questions and if I hear anything I will let you know as soon as possible. Hope you have a great weekend!!

Ron Pappas <rpappas@earthlink.net> wrote:

> Hi Jennifer,
>
> I talked with Phil Murdock's office and to Richard Park last week. Both of them said that they were awaiting "something" from each other; not sure what that meant - but I put them in touch with each other by email and telephone. Richard left a message on my voice mail that we should be closing withing the next week or so.
>
> I'll also follow up later today. Is there someone at your office that tracks this? I seem to be out of the loop on who needs what from whom?
>
> Thanks,
>
> Ron

Jennifer Domila
Edgewater
1137-D Hwy 9 By-pass West
Lancaster, SC 29720
888-220-2110 (office)
803-287-4397 (cell)
803-286-5024 (fax)

How low will we go? Check out Yahoo! Messenger's low PC-to-Phone call rates.

Edgewater

To: Ron Pappas From: Bill Pope

Fax: 360-404-7925 Pages: 11 (Including This Page)

Phone: Date: 4-1-06

Re: CC:

☐ Urgent X For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Edgewater

[redacted]

Jennifer Domila
Agent

Office 803.286.5022
Cell 803.287.4397
jenniferdomila@yahoo.com
1137 D Hwy 9 Bypass West
Lancaster, SC 29720

EDGEWATER COMMUNITIES, LLC

Closing Date: May 1st 2006 Agent Jennifer Domico Co-Broke _____
Home Site # 311 Price: $229,000

Escrow Deposit:$ 22,900 Check# 3261 MC/Visa _____
Reservation Deposit:$ _____

Mail Away _____ In-House _____ Obtaining Mtg. _____ Cash _____

Purchaser(s) Name(s) as they are to appear on Deed and Mortgage:

Ronald P. Pappas and/or Assignee
JROS or TIC - circle one

Social Security Numbers:

568-88-3794 His _____ Hers

Mailing Address:

8004 Rockland Trail

Waxhaw, N.C. 28173

Home Phone: 704 243 1190 His/Her Cell: 704 942 7788
Work: _____ E-Mail: Rpappas@earthlink.net
Fax: _____

Lender Information: Ron wants faxed to Wachovia & Sunstrust to Compare
_____ Phone: _____
_____

Addendums to Contract:
____Interest ____Notice ____Landscape ____Golf Membership ____Other

Notes _____

AGREEMENT TO BUY AND SELL REAL ESTATE

THIS AGREEMENT TO BUY AND SELL REAL ESTATE ("Contract") is made this 29th day of March, 2006, by and between Ronald P. Pappas ("Purchaser") and CRAFT DEVELOPMENT, LLC, ("Seller"). This Contract shall become binding on the date of last execution by both of the parties hereto, subject to receipt of the required Earnest Money referenced herein.

WITNESSETH:

1. **Property Description**. In consideration of the mutual promises contained in this Contract, Purchaser agrees to buy and Seller agrees to sell, the real estate described in **Exhibit A** attached hereto and made a part of this Agreement, and more commonly known as Lot ___(" Property"), being a portion of the development known as Edgewater Communities, LLC, located in Lancaster County, South Carolina ("Project").

2. **Purchase Price**. Purchaser agrees to pay as the full Purchase Price of the Property the sum of $229,000 Purchase Price") payable as follows:

a. Earnest Money, as described in Section 3 below, to be applied to the Purchase Price at Closing.

Deposit Amount: $22,900.00, by confirmed funds within five (5) days of the date of this Contract.

b. The balance of the Purchase Price by certified funds to be paid at Closing.

Balance Amount: $206,100.00

3. **Earnest Money**: This offer is accompanied by an earnest money deposit (which shall include any prior deposit paid with Purchaser's reservation agreement, and transferred to Escrow Agent) equal to ten (10%) percent of the Purchase Price ("Earnest Money"), as indicated in Section 2(a) above, to be deposited with Phil Murdock, Jr., Constitution Law ("Escrow Agent") to be held and disbursed in accordance with the terms of this Contract.

4. **Closing Date**. The parties agree that the terms of this Contract shall be complied with and the closing of this transaction shall take place (the "Closing")

on the or before the earlier to occur of (i) three (3) business days following the preparation of Buyer's loan package; or (ii) May 1, 2006 ("Closing Date"). Closing shall be held at 10:00 AM on the Closing Date, in the offices of the Escrow Agent, unless the parties agree otherwise.

5. Financing Condition. Seller and Purchaser acknowledge that Seller, through its listing agent, has arranged for favorable financing terms for each purchaser, subject to approval under the terms of such financing. In the event Purchaser does not qualify for such financing, and, within three (3) business days of notice regarding such non-qualification, Purchaser shall have the right to terminate this Contract, by giving Seller and the Escrow Agent two (2) business days prior written notice, and upon such notice shall have the Earnest Money returned to the Purchaser with no further obligation on the part of Purchaser or Seller.

6. Conveyance of Property. At Closing, Seller shall convey marketable title to the Property to Purchaser in fee simple by general warranty deed, free from encumbrances except those of record in the county in which the Property is located, and those that Purchaser agrees under this Contract to assume. If an owner's title commitment can be issued by an ALTA title insurance company, without any unusual or extraordinary exceptions, at standard rates, Seller shall be deemed to have complied with the obligation to convey marketable title.

7. Closing Expenses. Seller shall be responsible for preparation of the deed, all brokerage fees and real estate commissions. Purchaser shall be responsible for their attorney fees, bank or mortgage fees, all revenue or tax stamps, all other Closing costs.

8. Prorations. All county property taxes, municipal taxes (if any), maintenance assessments and other applicable charges shall be prorated as of the closing date.

9. Mortgage Release. Seller agrees that it will obtain, following Closing, release of the Property from any mortgage lien, if any, which may cover the Property.

10. Association Covenants and Restrictions. Purchaser expressly understands and agrees that the Property shall be conveyed subject to the recorded plat, to the general easements, equitable restrictions, limitation on use, and affirmative obligations to pay charges, and the covenants and restrictions, as amended, referenced in and a part of the declaration attached hereto as **Exhibit B** (the "CCR's"). The CCR's may include, but shall not be limited to, restrictions and covenants regarding architectural standards, minimum home size, maintenance of common areas and assessment of fees related thereto.

11. Condition of Property. It is agreed that Purchaser purchases, and

seller sells the Property in an "as is" condition, and neither seller nor its agents has made any commitments or accepted any obligations for further work on the Property or in the neighborhood of the Property, other than completion of the roadways and utilities within the Project, except as may be expressly set forth in this Contract. Moreover, Purchaser acknowledges that neither seller nor its agents has made any pledges, covenants or commitments in regard to the development of the project which has induced the purchase of the Property except as stated in this Contract, the covenants, the recorded plat.

12. **Disclaimer by Brokers and Agents**. The parties acknowledge that the Listing and Cooperating Broker(s) and their Agent(s) give no guaranty or warranty of any kind, express or implied, as to the physical condition of the Property or as to the merchantability or fitness for a particular purpose of the Property, and that Purchaser has relied solely upon his own investigation and the opinion of the closing attorney in regards to the condition of the Property or the title thereof.

13. **Facsimile and Other Electronic Means**. The parties agree that the offer, any counteroffer and/or acceptance of any offer or counteroffer may be communicated by use of a fax or other secure electronic means, including but not limited to electronic mail and the internet, and the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the original signatures, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party. Notice to either party shall be effective when addressed to the respective notice address of each party provided in the Notice Addendum attached hereto.

Notwithstanding the above, any notice to Seller must be accompanied by a required notice to:

Phil Murdock, Jr., Constitution Law
1425 Constitution Blvd.
Rock Hill, SC 29732

Phone: (803)366-8999
Fax: (803)980-1158
Cell:(803)517-8998

14. **Default**. On Purchaser's failure to comply with the terms of this Contract within the stipulated time, and after receipt of notice of Purchaser's default with a five (5) day right to cure, Seller may either: (a) because of the difficulty in ascertaining actual
resulting damages, retain the Earnest Money deposit as liquidated and agreed damages; or (b) seek specific performance of the Contract; or (c) sue for damages.

On a default by Seller, and after notice with a five day right to cure, Purchaser may: (a) cancel the Contract and obtain a refund of the earnest money deposit; or (b) seek specific performance of the Contract.

15. Sole Agreement. This Contract supersedes any and all understandings and agreements between the parties and constitutes the sole and entire agreement between the parties. No oral statements or representations shall be considered a part of this Contract. Any modifications must be in writing and acknowledged by the parties. Nothing in this Contract shall be intended or construed to limit any right of Purchaser arising from the Interstate Land Sales Full Disclosure Act.**16. Binding Effect**. This Contract is binding on the heirs, personal representatives, successors and assigns of the parties.

17. Assignment. The rights of Purchaser pursuant to this Contract may not be assigned.

18. Enforceability. Should any provisions of this Contract be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and shall not in any manner be affected or impaired by the void or unenforceable provisions.

19. Multiple Counterparts. This Contract may be executed in multiple counterparts each of which shall be deemed an original and shall be given the same force and effect as if all parties had executed one and the same original.

20. No Waiver. No failure of a party to exercise any power or right granted under this agreement or to insist on strict compliance with any obligation specified in this Contract, and not practice at variance with the terms of this Contract, shall constitute a waiver of that power or right unless expressly authored in writing by the affected party.

21. Notice. The notice address provided by Purchaser below shall be deemed the appropriate address for notice or any return of deposit required hereunder. When deposited in the United States Postal Service, with applicable postage, the requirements for notice or return of deposit shall be deemed to have been satisfied.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been duly executed on the dates indicated below by the parties.

Witness:

PURCHASER:

Print Name: Rebecca R. Rogers
Date: 3-29-06

Print Name:
Date:

Purchaser Address:

8004 Rockland Trail
Waxhaw, N.C. 28173

SELLER:

Witnesses:

CRAFT DEVELOPMENT, LLC

By:
Its: Agent
Date: 4-1-06

ACKNOWLEDGED BY THE SELLING AGENT:
Jennifer Domila

ADDENDUM TO AGREEMENT TO BUY AND SELL REAL ESTATE

THIS ADDENDUM is attached to and made a part of that certain Agreement to Buy and Sell Real Estate dated the 29th day of March, , by and between Craft Development, LLC ("Sellers") and Ronald P. Pappas and Assignee ("Purchasers").

Seller agrees to deposit with the Settlement Agent, as a reduction of the proceeds due Seller, at Closing, an amount equal to the interest (interest only and not principal) during the twelve (12) month period following the Closing, calculated at an interest rate equal to the lessor of (i) Purchaser's actual interest rate under Purchaser's loan for the Property; or (ii) an amount equal to one year's interest under the loan package arranged by the listing agent, without regard to whether such loan package was actually accepted or approved for Purchaser, in Edgewater. This amount shall be disbursed by the Settlement Agent to Purchaser's lender, not later than five business days following the recording of Purchaser's deed.

CRAFT DEVELOPMENT, LLC.

BY: _____
its Manager, Seller

_____
Purchaser

_____
Purchaser

EDGEWATER

Featured Builder Program and Waiver Addendum

Pursuant to this Addendum, only a Featured Builder at Edgewater may construct your House and related improvements on the Land you are purchasing by way of the attached contract. To qualify as a featured Builder at Edgewater, a builder must satisfy certain criteria and requirements established by Waterpointe Realty, LLC as the Listing Broker and Craft Homes USA, LLC as the Seller. However, the criteria and requirements established by Edgewater for a builder to qualify as a Featured Builder at Edgewater are solely for the protection and benefit of Waterpointe Realty, LLC and Craft Homes USA, LLC and are not intended to, and shall not be construed to, benefit Purchaser. Furthermore, Purchaser hereby waives any and all claims and rights for monetary losses, property damages and personal injuries (including, without limitation all claims related to construction defects, grading/drainage defects, water intrusion/moisture damage, and mold or other microbiological or environmental contamination) or other damages known or unknown, Purchaser has or may have now or in the future, against either Waterpointe Realty, LLC as Listing Broker or Craft Homes USA, LLC as the Seller, or their agents or affiliates, which claims arise from the acts or omissions of the Featured Builder selected by the Purchaser. Furthermore, Waterpointe Realty LLC as Listing Broker and Craft Homes USA, LLC as Seller shall have no responsibility whatsoever for any sum that Purchaser may deposit with the Builder, including, without limitation, any earnest money or other deposit that Purchaser delivers to the Builder. Purchaser's selection of the Builder shall be conclusive evidence that Purchaser is independently satisfied with regard to any and all questions or concerns Purchaser may have about the Builder's qualifications, abilities and/or building product. Purchaser acknowledges that Purchaser has not relied on the advice or representations of Waterpointe Realty LLC, Craft Homes USA, LLC or their agents or affiliates, in arriving at this conclusion and decision; and all such advice and representations (if any) of Waterpointe Realty LLC, Craft Homes USA, LLC their agents or affiliates are merged herein. The terms and provisions in this paragraph shall survive the Closing of the sale and purchase of the Property to which this addendum is attached and shall remain binding upon Purchaser for the benefit of Waterpointe Realty, LLC indefinitely.

In recognition of the fact that the Edgewater development is a new and unique addition to the Lancaster Fishing Creek Lake Community and, as such, the Featured Builder List may not yet have been finalized, for any Purchaser that purchases a lot and then submits for review architectural plans for the construction of a home (pursuant to said requirement as further detailed in the Edgewater Declaration of Covenants, Conditions and Restrictions and Architectural Control Guidelines) prior to publication of the then current Featured Builder List, said Purchaser may also submit therewith a proposed Builder for approval by Waterpointe Realty LLC for inclusion as a "temporary" allowed Featured Builder. As above detailed, however, the approval of a Builder as a Featured Builder lies within the sole discretion of Waterpointe Realty, LLC, its successor and assigns and said approval shall be granted or denied upon the same criteria previously established. This Addendum shall take precedence over any previous documentation regarding Edgewater.

This Featured Builder Program and Waiver Addendum executed this 29th day of March,

Purchaser: _____ Purchaser: _____

BREAKDOWN OF PAYBACK/LOT CATEGORY OF A & B BONDS AT CLOSING EDGEWATER TAX DISTRICT

PHASE 1A	ORIGINAL B BONDS	PAID ON THE B BONDS	REMAINDER OF B BONDS	EST. ANNUAL ASSESSMENT	ORIGINAL A BONDS	PAID ON THE A BONDS	PLUS $50. ADM. FEE	REMAINDER OF A BONDS	EST. ANNUAL ASSESSMENT
LAKEFRONT	$ 22,886.00	$ 22,886.00	$ -	$ -	$ 20,612.63	$ 7,114.00	$ 50.00	$ 13,548.63	$ 931.47
			$ -	$ -				$ -	$ -
LAKEVIEW	$ 8,042.79	$ 8,042.79	$ -	$ -	$ 7,214.22	$ -	$ 50.00	$ 7,264.22	$ 499.42
			$ -	$ -				$ -	$ -
INTERIOR	$ 5,759.14	$ 5,759.14	$ -	$ -	$ 5,153.02	$ -	$ 50.00	$ 5,203.02	$ 357.71

PHASE 1B									
LAKEFRONT	$ 11,468.28	$ 11,468.28	$ -	$ -	$ 10,308.04	$ 1,031.72	$ 50.00	$ 9,824.32	$ 641.05
			$ -	$ -				$ -	$ -
LAKEVIEW	$ 5,759.14	$ 5,759.14	$ -	$ -	$ 4,797.24	$ -	$ 50.00	$ 4,847.24	$ 333.25
			$ -	$ -				$ -	$ -
INTERIOR	$ 4,617.31	$ 4,617.31	$ -	$ -	$ 3,847.00	$ -	$ 50.00	$ 3,897.00	$ 267.92

THIS ESTIMATE APPLIES TO ALL LOTS CLOSED PRIOR TO SEPTEMBER 10, 2005. AFTER THAT DATE THERE WILL BE ADDITIONAL INTEREST WILL BE ADDED TO THE PRINCIPAL BALANCE OF REMAINING ASSESSMENT.

Pay off at Lancaster County Tax office.

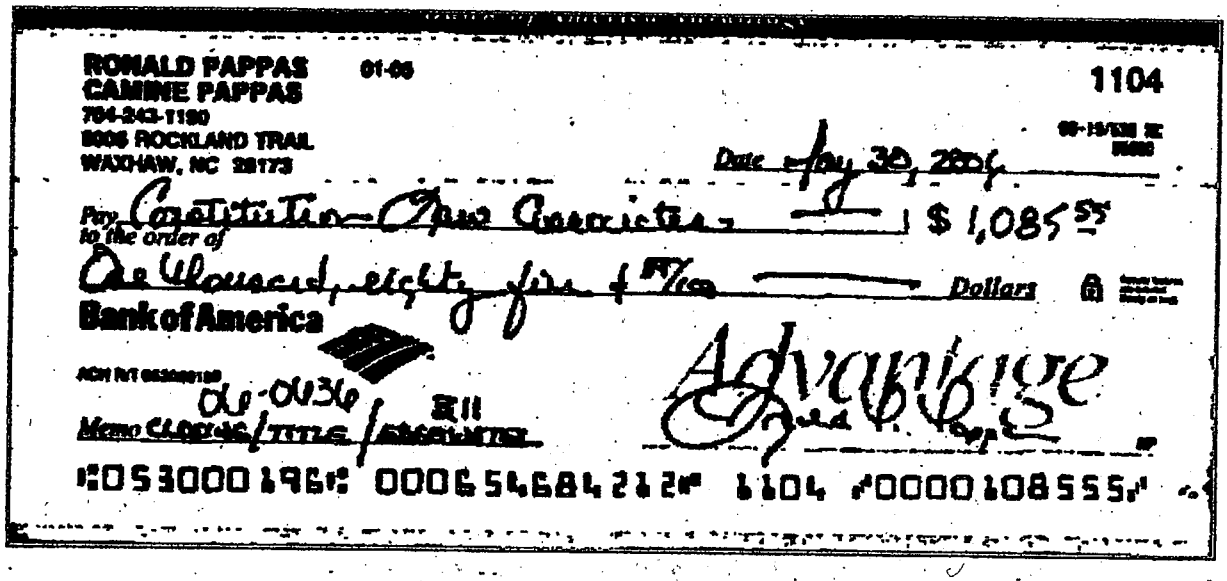
04-31-2006 12:36 EDGEWATER 8032863024

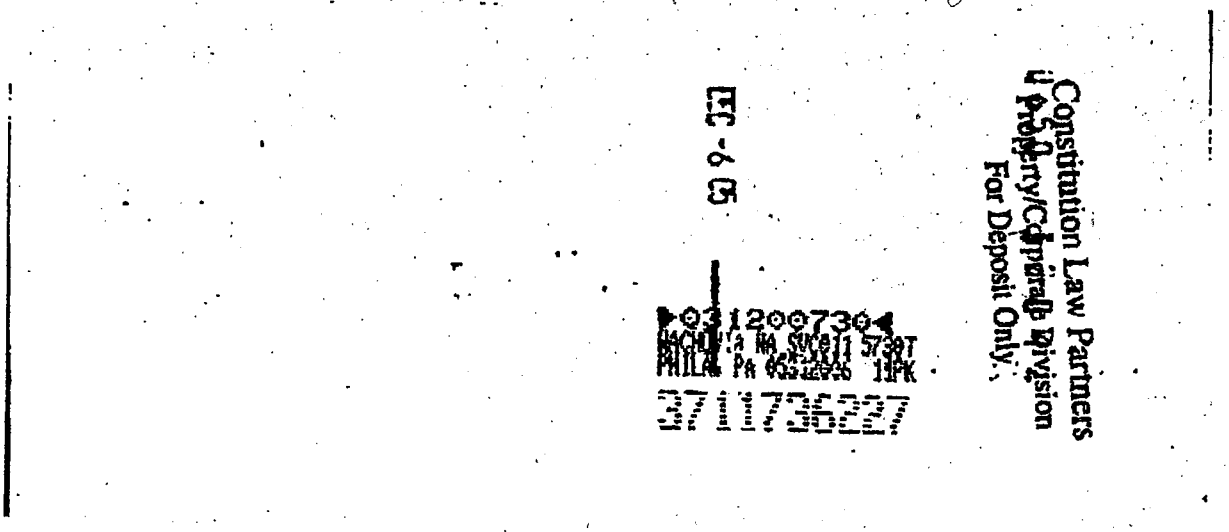
3841

Check Image – Front and Back

Posting Date: 06/01/2006 **Check #:** 1104 **Amount:** $1,085.55

Reference: 80892703676 **Account:** DDA-4212 **Nickname:**



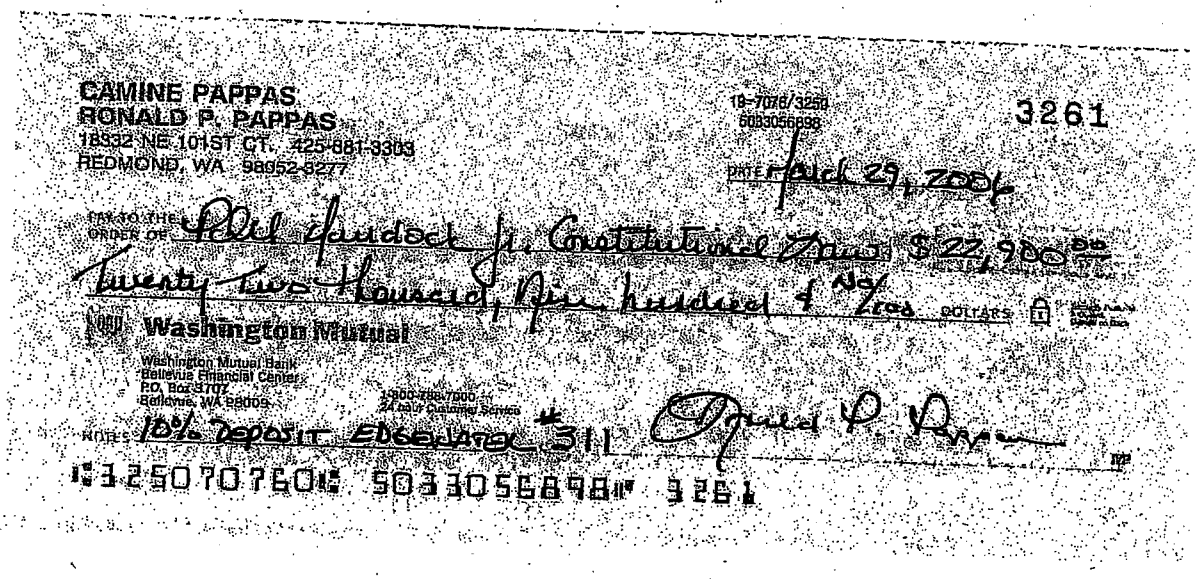


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Return to Account Activity

Lower your risk of identity theft
Because you can control the information you choose to release, you are the single best person to protect

Edgewater



CAMINE PAPPAS
RONALD P. PAPPAS
18332 NE 101ST CT. 425-881-3303
REDMOND, WA 98052-5277

19-7076/3250
5033056898

3261

DATE March 29, 2006

PAY TO THE ORDER OF Paul Goudock fr. Construction Zone $ 22,900.00

Twenty two Thousand, Nine hundred & No/100 DOLLARS

Washington Mutual

Washington Mutual Bank
Bellevue Financial Center
P.O. Box 91707
Bellevue, WA 98009

1-800-788-7000
24 hour Customer Service

NOTE: 10% Deposit Edgewater #311

Ronald P. Pappas

⑈325070760⑈ 5033056898⑈ 3261

CLOSING AGENT CLOSING INSTRUCTIONS

Scheduled Closing Date: 05/30/06
*****If all parties to the transaction are not able to close on this date, you MUST notify Lender as soon as possible and prior to the Scheduled Closing Date.**

A. TRANSACTION INFORMATION

1. Title Company or Closing Agent: _____

2. Borrower Information and Property:

Borrower: _____

Borrower: _____

Property Address: EDGEWATER LOT 311
LANCASTER SC 29720

County: LANCASTER

3. Lender: Wachovia Bank, National Association or Wachovia Bank of Delaware, National Association ("Lender")

Visit Number: 0610795962

Loan Amount: 206100.00

Lender Designated Representative for questions or approvals:

MARY HAMLEN
610-736-6709

Please note that the Lender Designated Representative is the ONLY party allowed to authorize changes.

Address for Return of Loan Documents: (See section D. 4.)
Return the executed loan documents in the reusable OVERNIGHT envelope to:

WACHOVIA BANK, NATIONAL ASSOCIATION
CONSUMER LOAN PROCESSING – NC8551
DUC 2ND FLOOR
12301 VANCE DAVIS DRIVE
CHARLOTTE, NC 28269

4. Title Insurance: ☐

☐ If checked here, funding of this loan or line of credit is contingent on issuance of Title Policy in conformance with the requirements and instructions in Part E of these closing instructions.

5. Type of Property: ☒ Residential Real Estate ☐ Lot Loan

6. For Fees or Charges see: ☐ PEL Agreement ☐ HUD 1A ☒ Other

7. Purpose of Loan: ☒ Purchase ☐ Refinance ☐ Other Personal

8. Lien Position: First

B. ENCLOSED CLOSING DOCUMENTS

Lender is enclosing the following documents for the captioned Loan. Please complete any necessary items and return these documents (Original and/or Certified Copies) to the Lender within 24 hours of closing except as otherwise instructed in writing.

PROMISSORY NOTE (PLEASE SIGN)

DEED OF TRUST OR MRTG (PLEASE SIGN AND NOTARIZE WHERE INDICATED)

CLERICAL ERROR AUTHORIZATION (PLEASE SIGN)

ITEMIZATION OF AMOUNT FINANCED (PLEASE SIGN AND DATE)

C. GENERAL CLOSING/FUNDING CONDITIONS

1. Enclosed are documents and instructions regarding the loan. Strict compliance with the instructions is required. DOCUMENTS MAY NOT BE ALTERED WITHOUT LENDER'S WRITTEN APPROVAL.
2. Loan disbursement will be subject to compliance with the requirements set forth in these instructions.
3. Please read all closing instructions thoroughly before commencing the closing, and contact lender's designated representative immediately if for any reason you cannot comply with them on the Scheduled Closing Date. If you cannot comply, the loan may not be closed and the loan package must be returned to lender.
4. All documents must be signed in person by all parties. The closing attorney or agent is responsible for determining the proper identification of all parties listed in these instructions and any party signing the mortgage/deed of trust or other applicable documents. Prior to executing any Loan documents, please verify the identification of the parties. You can establish proper identification using a driver's license with picture, a birth certificate, or a passport.
5. The fee charged to Borrowers for conducting or attending the closing by Closing Agent has been included as a prepaid finance charge in the Truth-In-Lending Disclosure pursuant to federal regulations effective October 1, 1998. Do not increase or decrease this fee or add additional fees without Lender's prior written consent. If no escrow fee is shown in these closing instructions, no escrow fee may or will be charged to Borrowers by Closing Agent without prior written consent of the Lender.
6. If a Title Policy is being issued, all Property descriptions, easements, building lines and other encumbrances or restrictions must be reported on both Survey and Commitment and must be described substantially the same on each.
7. Borrowers must sign IRS Form(s) 4506 and/or 8821, if included in the Loan documents.
8. If this is a purchase transaction, Closing Agent must prepare final HUD-1.
9. Taxes must be paid current at closing.
10. If a Title Insurance Policy is being issued, Title Company must clear Schedule C items.
11. If a Title Insurance Policy is being issued, final Title Insurance Policy must insure full Loan Amount with no Survey exceptions. Clear Schedule B and C of all liens and encumbrances. Amend Schedule A for coverage. Mortgagee to agree with Note or PEL Agreement.

D. GENERAL INSTRUCTIONS

1. **DO NOT CLOSE THIS LOAN IF:**
   a. You are not closing on the Scheduled Closing Date.
   b. Lender has not received and approved preliminary Commitment for Title Insurance, if applicable.
   c. Lender has not received and approved a HUD-1, HUD-1A, or PEL Agreement.
   d. If this is a purchase transaction, there has been any change to the original sales contract.
   e. Lender has not accepted a Hazard Insurance Binder.
2. All Truth-In-Lending disclosures must be executed prior to the execution of the Note, Security Instrument, or any other Loan documents.
3. All documents must be signed in person after you have obtained proper identification. A Notary Public must acknowledge signatures if an acknowledgement block is included in a document.
4. Signatures. Please insure that the Borrowers sign ALL Loan documents EXACTLY AS THEIR NAMES ARE TYPED ON THE DOCUMENT. Please pay special attention to middle initials and middle names, and Junior and Senior. You should review the signature on each document carefully.
5. All documents must be received by our office within 24 hours of closing (or in a rescindable transaction, upon execution of the documents). Please include ONE (1) CERTIFIED COPY OF THE SIGNED NOTE AND DEED OF TRUST, MORTGAGE, OR OTHER SECURITY INSTRUMENT (each a "SECURITY INSTRUMENT") and provide copies of all other executed documents for recording such as Warranty Deed, Quit Claim Deed, Buyer or Seller Power of Attorney, etc.

E. TITLE POLICY REQUIREMENTS

1. Unless approved by Lender in writing, the Title Insurance Policy must insure the Security Instrument as a **First** priority lien with coverage of not less than Loan Amount. THERE MUST BE NO OTHER LIENS AGAINST THE PROPERTY, unless approved by Lender in writing.
2. The Policy must recite full recording data pertinent to the Security Instrument.
3. Other than printed exceptions and restrictions, mineral interests, or taxes of which Lender has been advised in writing and to which Lender has not objected shall be shown on the Policy without Lender's written consent.
4. Any lien for financing subordinate to Lender's and approved by Lender must be listed on the Title Insurance Policy, and the Policy must expressly provide that such lien is subordinate to that of Lender's lien.
5. No past due taxes or special assessments are to be shown as exceptions. The Title Insurance Policy must show any and all taxes, assessments, liens, charges, obligations and fees as either "current," "paid," or "not yet due and payable."
6. Titleholder name spelling(s) must be identical to that shown on Security Instrument.
7. The mortgage transaction must include the proper execution and recording of all necessary instruments to assure the issuance of a Mortgagee Title Policy, in conformity with the approved Title Commitment.
8. Property Address must be shown as a part of the Policy or by endorsement in states where possible.
9. Plat or Survey must show correct street name or road name in full and must show all reference points used in legal description.
10. Insurance protection of insured must be provided against any unlocated easements, rights of way, encroachments, or protrusions and Policy must delete any Survey Exceptions.
11. The following endorsements or the equivalent must be included in the Mortgagee's Policy, if applicable to the Property: Environmental Protection Lien – ALTA 8.1 (TLTA T-36); Easements, Encroachments & Minerals – ALTA 9 (TLTA T-19); PUD – ALTA 5 (TLTA T-17); Condo – ALTA 4; Manufactured Housing – ALTA 7 (TLTA T-31.1); Leasehold – (TLTA T-5); ARM/Neg. Am. ARM – ALTA 6/6.2 (TLTA T-33); Balloon – (TLTA T-39); 8.1,100.
12. Forward Owner's Policy to Borrowers at their Property or mailing address.
13. Delete arbitration provisions if permitted by law.
14. Furnish 2 blue-line copies of Survey (if required) with certification against encroachments, protrusions, and violation of restrictions. Flood zone locations must be shown on Survey, if applicable.

F. HAZARD INSURANCE

1. A Homeowner's Insurance Declaration page must be furnished at the time of closing. The amount of coverage:
   a. Should match the value indicated on the Homeowner's Insurance Notice;
   OR,
   b. At a minimum, one of the following:
      i. 70% of the appraised value (The 70% assumes inherent value in the land, generally not exceeding 30% of the total market value.);
      ii. The sum of all liens (including proceeds from this transaction) on the subject Property, less the value of the land; or
      iii. 100% of the replacement value of the structure.
2. The following requirements must be met:
   a. If indicated on the Homeowner's Insurance Notice, provide endorsement with satisfactory replacement coverage as determined by the insurance carrier.
   b. Wachovia Bank, N.A. must be endorsed as the Mortgagee in the lien position specified in the Homeowner's Insurance Notice.
   c. Insurance coverage must be verified either by telephone or in writing prior to closing. Verification includes:
      i. The Policy address matches the address of the subject Property;
      ii. The Policy names at least one Borrower as the Policyholder;
      iii. The Policy coverage expiration date exceeds 30 days from the date of Loan closing;
      iv. Sufficient dwelling coverage to meet requirements stated in section F1; and
      v. The insurance agent, insuring company name, address, Policy number, and telephone number are all documented.
   d. Mortgagee or Homeowners' Policy Clause to read:
      Wachovia Bank, National Association
      P.O. Box 13687
      Retail Credit Ops VA0343
      Roanoke, VA 24036-0343
   e. Blanket Policies are acceptable on condominiums and townhomes. A Mortgagee Clause must be added to the association's copy of the policy identifying each of the following:
      i. Wachovia Bank, N.A., named as the Mortgagee; and
      ii. The address of the Property
3. Flood Insurance (if required):
   a. The minimum Flood Insurance acceptable for a 1-4 family dwelling must cover the lesser of:
      i. The total of all outstanding liens on the real Property, including proceeds from the new Loan transaction;
      OR,
      ii. The maximum coverage available under the National Flood Insurance Program (NFIP) for a 1-4 family dwelling which is $250,000;
      OR,
      iii. The replacement value of the improvements on the real Property securing the loan.
   b. The minimum Flood Insurance acceptable for a condominium must cover the lesser of:
      i. The total of all outstanding liens on the unit, including proceeds from the new Loan transaction;
      OR,
      ii. The maximum coverage available under the National Flood Insurance Program (NFIP) for a 1-4 family dwelling which is $250,000;
      OR,
      iii. Replacement value equal to 80% of the replacement value for the entire building.
   c. Evidence of insurance acceptable to Wachovia includes at least one of the following:
      i. A copy of the insurance application and the HUD-1, HUD-1A, or PEL Agreement reflecting payment of the premium to be paid at closing;

ii. Flood Insurance Declarations Page with an assigned Policy Number. At least one Borrower must be shown as Policyholder and the insured Property Address must match the subject collateral. Expiration date of the Policy must be at least 30 days beyond the Scheduled Closing Date.

iii. Application for Flood Insurance with Proof of Payment (Proof of Payment can be a copy of a paid check, credit card receipt, payment receipt, application stamped "paid" with paid date, or a State Farm flood application with payment section indicating payment was received.)

iv. Certificate of Insurance ('COI') or Evidence of Insurance ('EOI'). At least one Borrower must be shown as a Policyholder and the insured Property Address must match the subject collateral. Expiration date of the Policy must be at least 30 days beyond the Scheduled Closing Date.

d. For Purchase Money Loans, the HUD-1, HUD-1A, or PEL Agreement must reflect the payment of the insurance premium to the insurer.

G. ADDITIONAL CLOSING DOCUMENTS

If applicable, also provide:

1. HUD-1 (for purchase money only).
2. Policy of Title Insurance – see Requirements.
3. Policies of Hazard Insurance.
4. Copy of Conveyance Instrument(s).
5. Copy of your Closing order to Title Issuer.

H. HUD-1 REQUIREMENTS

1. Comply with all provisions of RESPA and Regulation X, as amended, in preparing this form. MUST BE TYPED.
2. Lender must approve HUD-1 prior to closing.

I. DOCUMENT REQUIREMENTS

1. Be certain that all Loan documents that were not dated when received are dated by the person(s) who is to sign them.
2. Make no changes on the Loan documents. If changes are needed, call Lender Designated Representative for instructions.
3. Do not use Power-of-Attorney without prior approval by Lender in writing.
4. If Lender allows the use of a Power-of-Attorney, the person using that authority must sign in cursive, as, for example, "Jane Doe by John Doe, her attorney-in-fact."
5. If Notice of Right to Cancel is enclosed, each Property Owner must receive TWO copies of the Notice of Right to Cancel.
6. Filing of recordable documents must be in the following order:
   a. Power-of-Attorney
   b. Warranty Deed
   c. Security Instrument with any riders
   d. Other recordable documents

J. DISBURSEMENT

1. It shall be the responsibility of the Closing Agent to request proceeds from the Lender at such time as the Closing Agent is prepared to comply with all the terms and conditions of the Purchase/Sale Agreement and/or our Closing Instructions. Closing Agent's acceptance of Lender's funds shall be deemed to be a certification to Lender that these Closing Instructions have been complied with, that all terms and conditions have been met, and that the documents will be properly recorded not later than the next business day after the day the Closing Agent has received the proceeds check. In the event that the documents are not recorded within 24 hours, the Closing Agent will immediately return the funds to the Lender in the form of a certified or cashier's check or wire transfer, at the Lender's discretion.

2. HUD-1, HUD-1A, or PEL Agreement Settlement Date.
The settlement date on the HUD-1, HUD-1A, or the PEL Agreement must reflect the date on which the Closing Agent disburses the proceeds unless the Loan is subject to the right of rescission. If the Loan is subject to the right of rescission, the settlement date must reflect the date the Loan documents are executed by the parties and the date the Notice of Right to Cancel is delivered to the Property Owners.

3. If the loan is a Prime Equity Line, the following responsibilities apply:
   a. Update all payoffs prior to closing. The Closing Agent will be responsible for any payoff shortages.
   b. Existing debts and or liens are to be paid as indicated on the Prime Equity Line Payoff Statement.
   c. All payoffs are to be mailed or wired directly to the respective creditors. Borrower is responsible for providing the Closing Agent with mailing addresses and telephone numbers for the debts listed on the PEL Payoff Statement.
   d. If Lender is to pay closing fees, Closing Agent should have received a check or wire for such fees. If not received, please call 704-593-2867.

K. ADDITIONAL REQUIREMENTS

1. All blanks contained in any document must be completed at settlement before execution. Do not allow any party to execute any Loan document before the date indicated on the Note or PEL Agreement. No documents can leave your office for execution without Lender's approval.
2. Borrowers/Owners must be given copies of all documents Borrowers/Owners sign at closing before leaving the closing. All fees and charges required to be paid by Borrowers or Lender must be reflected on the HUD-1, HUD-1A, or PEL Agreement. The HUD-1, HUD-1A, or PEL Agreement must be faxed to Lender for approval prior to closing. After Lender approval, no fees or charges can be added to the HUD-1, HUD-1A, or PEL Agreement or changed at settlement. If changes are required, call Lender prior to closing for instructions.
3. Closing Package – Closing Agent is to return the original closing package to Lender immediately after execution by Borrowers/Owners and prior to the end of the rescission period. You may not fund this Loan until the original closing package has been executed by the Borrowers/Owners and thoroughly examined by you for compliance with the applicable. There will be no exceptions.
4. Signature and Dates – Closing Agent must ensure that each Borrower/Owner and Owner's spouse, if any, signs and dates every applicable lien document and that there are no blanks left unsigned before the Borrowers leave the closing table. No party is to execute any document with blanks other than the signature line. Call Lender immediately if you find any documents that contain blanks.
5. If any of the parties with a right to cancel the loan do so, please notify the Loan Review/Funding Department immediately at 704-593-2867 and fax the signed Notice of Right to Cancel to 704-593-2845.

L. OTHER MATTERS

1. Any losses incurred by Lender because of your failure to comply fully with these Closing Instructions will be your responsibility to pay.
2. Lender reserves the right to cancel or amend the Loan or these Closing Instructions at any time prior to closing.
3. A delay in funding and booking of the loan will result if any of the following occur:
   - Right of Cancel notice(s) is not on file;
   - Right to Cancel not provided to ALL owners and interested parties;
   - Right to Cancel is signed in error; or
   - The loan documents are signed on a date other than the Scheduled Closing Date.

****

CLOSING AGENT'S ACKNOWLEDGEMENT

The undersigned hereby acknowledges and agrees to comply with these Closing Instructions and accepts responsibility for satisfying all conditions and requirements thereof.

By: _____

Date: _____ For: _____

WACHOVIA

Itemization of Amount Financed

Visit No.: **0610795962**

CREDITOR:
WACHOVIA BANK, NATIONAL ASSOCIATION
2110 OAK STREET
MYRTLE BEACH SC 295770000

BORROWER(S):
RONALD P PAPPAS
CAMINE PAPPAS
8006 ROCKLAND TRAIL

WAXHAW, NC 28173

(1)	Amount given to me directly:	$	**206100.00**
(2)	Amount paid on my account:	$	
(3)	Amount paid to you for appraisal:	$	
(4)	Amount paid to you for _____	$	
(5)	Amounts paid to others on my behalf: (You may retain a portion of these Amounts)*		
	(A) Amount paid to Public Officials:	$	
	*(B) Amount paid to Insurance Company:	$	
	(C) Amount paid to Appraiser:	$	
	*(D) Amount paid to:	$	
	*(E) Amount paid to:	$	
	*(F) Amount paid to:	$	
	*(G) Amount paid to:	$	
	*(H) Amount paid to:	$	
(6)	Subtotal of Items (1) through (5), above:	$	**206100.00**
(7)	Less: Prepaid Finance Charge:	$	**0.00**
(8)	Amount Financed (Total)(Item 6 minus Item 7):	$	**206100.00**

I acknowledge receipt of a copy of this Itemization of Amount Financed on the date written below.

(Borrower Signature)	(Borrower Signature)	(Date)
RONALD P PAPPAS	**CAMINE PAPPAS**	

Wachovia Bank, N.A.
Myrtle Beach-Oak Street ncial Center
SC8572
2110 Oak Street
Myrtle Beach, SC 29577

Tel 843 448-2686

WACHOVIA

June 9, 2006

Mr. And Mrs. Ronald Pappas
8006 Rockland Trail
Waxhaw, NC 28173

Dear Mr. And Mrs. Pappas,

I want to personally thank you for choosing Wachovia for your financial needs.

Our goal is to provide you with the service and expertise to help you make the very most of your money. If we ever fail to measure up to your expectations, I hope that you will let me know.

I have enclosed the Customer Access Agreement and Personal Schedule of Fees. Please sign the bottom of the Customer Access Agreement and return in the enclosed postage paid envelope.

Again, thank you for choosing Wachovia. I look forward to helping you with all your financial needs, both now and in the years to come.

Sincerely,

Richard Park
Licensed Financial Specialist
843-448-7654

Member FDIC

WACHOVIA

Customer Access Agreement

CAA Number Internal Use Only (Required from CAAI Screen)

0166058827

To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

This Agreement (Signature Card) is designed to eliminate most subsequent signature cards and authorizations when opening future accounts. Your signature on this Agreement will give you the convenience of banking anywhere and anytime over the phone.

This Agreement, both now and as it may be amended from time to time by Wachovia, is applicable to any deposit account that you open with any Wachovia Bank either now or in the future for yourself or jointly with another person or authorized signer. I understand this agreement does not apply to accounts on which my name may appear and I am not the authorized signer. However, if you open an account on behalf of another person (for example, if you open an account as custodian, guardian, trustee), you will need to complete a separate Agreement for that account. If you have any questions, please call a Wachovia Specialist toll- free at **1-800-WACHOVIA (800-922-4684).**

Instructions:

By signing this Agreement, I authorize any Wachovia Bank ("Wachovia") with which I open an account now or in the future to accept and act upon instructions from me to do the following:

- to open deposit accounts with Wachovia;
- to transfer all or any portion of the balance of my accounts (including credit
- to close deposit accounts, process changes of account information or otherwise service any of my Wachovia accounts;
- to obtain related services offered by Wachovia.

As used in this Agreement, the terms "products", "services" and "accounts" include various deposit products, services and accounts made available to you by Wachovia.

If more than one person is named in the title for any account, such account will be considered a joint account. Instructions which affect any of my joint accounts may be given by any joint account owner. References to me in this Instructions section shall also refer to the joint account holder(s).

I may give instructions orally or in writing, in person, by mail, messenger, telephone, facsimile, computer terminal, wire service, automated teller machine, or by any other reasonable method. Wachovia may accept and act upon such instructions which do not contain my signature with the same effect as if such instructions were signed by me. However, I acknowledge that Wachovia may, at its option, require my original signature or any other documentation before accepting and acting upon any instructions. Your signature on this Agreement authorizes Wachovia to honor verbal stop payment orders up to six (6) months. To extend stop payment orders, Wachovia must receive a verbal order for such extension before the expiration of this six month period. I authorize Wachovia to record and monitor any telephone calls for various purposes, including to ensure accuracy, to provide a record of such conversations and to improve the quality of service to me.

I agree to follow such security procedures as Wachovia may require. The security procedure agreed upon for verifying the authenticity of instructions which are not delivered in person by me for any purpose (including, but not limited to, the wire transfer of money from any of my accounts) is one or more of the following at the option of Wachovia: (1) delivery of a personal identification code by me or a person purporting to be me, (2) a callback, (3) a recitation by me or a person purporting to be me of one or more items of my personal information which Wachovia has in its records about me, or (4) voice recognition of me combined with the use of certain probing questions. The telephone number(s) to which callbacks shall be made shall be any telephone number(s) Wachovia may have for me in its records or any telephone number assigned to me by a telephone service provider. I agree that this security procedure constitutes a commercially reasonable method of providing security against unauthorized instructions. I agree to maintain the confidentiality of any personal identification code and will prevent the unauthorized dissemination of such code.

I agree to indemnify and hold Wachovia harmless from any losses, damages, suits and expenses, of whatever kind, including any reasonable attorneys' fees, that Wachovia may incur as a result of relying upon instructions from me, or anyone purporting to be me, provided that Wachovia has complied with the applicable security procedures.

I acknowledge receipt of the Wachovia rules and regulations governing money transfer requests and agree to be bound by its terms as may be amended from time to time.

Acceptance of Terms and Conditions:

I agree to be bound by the terms and conditions including, but not limited to Wachovia's Deposit Agreement and Disclosures, applicable to each product or service which I obtain from Wachovia now or in the future, which terms and conditions will be provided to me. I also agree to pay all fees associated with such products, accounts and services in accordance with the fee schedules which will be provided to me by Wachovia.

If you are claiming Foreign Exemption Status, the appropriate W-8 Foreign Certification Form must be completed for each account owner.

RIGHT OF SURVIVORSHIP (NC and TN ACCOUNTS ONLY):

I understand that by signing below and establishing a joint account under the provisions of: **North Carolina General Statute 53-146.1 and Tennessee Code 42-2-703 that:**

1. Wachovia may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the bank that withdrawals require more than one signature; and
2. **Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.**

I DO elect to create the Right of Survivorship for any joint account.

Signature

FORM W9 SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER CERTIFICATION (Not applicable for Non-Resident Aliens):

(The Social Security Number or Employer Identification Number should match the first name listed on the account and will be used for tax reporting purposes.)

I. **Social Security Number or Employer Identification Number:**

565946068

II. If exempt from backup withholding check this box: ☐ EXEMPT

III. Certification - Under penalties of perjury, I certify that:

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

Certification Instructions - You must cross out item 2. above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return.

☐ By checking this box I am requesting issuance of an ATM Card or CheckCard.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Camine Pappas

Customer Signature (above line) — Only one signature per agreement

06/12/2006

Date

Print Name CAMINE PAPPAS

Address 8006 ROCKLAND TRAIL
WAXHAW NC 28173

562279 (Rev 02)

DOCUMENT STORAGE COPY
SEND TO: NC8538

WACHOVIA

Customer Access Agreement

CAA Number Internal Use Only (Required from CAAI Screen)

0166058827

To help fight the funding of terrorism and money laundering activities, Federal law ...uires all financial institutions to obtain, verify and record information that identifies ...person who opens an account.

...s Agreement (Signature Card) is designed to eliminate most subsequent signature cards and authorizations when opening future accounts. Your signature on this Agreement will give you the convenience of banking anywhere and anytime over the phone.

This Agreement, both now and as it may be amended from time to time by Wachovia, is applicable to any deposit account that you open with any Wachovia Bank either now or in the future for yourself or jointly with another person or authorized signer. I understand this agreement does not apply to accounts on which my name may appear and I am not the authorized signer. However, if you open an account on behalf of another person (for example, if you open an account as custodian, guardian, trustee), you will need to complete a separate Agreement for that account. If you have any questions, please call a Wachovia Specialist toll- free at **1-800-WACHOVIA (800-922-4684).**

Instructions:

By signing this Agreement, I authorize any Wachovia Bank ("Wachovia") with which I open an account now or in the future to accept and act upon instructions from me to do the following:

- to open deposit accounts with Wachovia;
- to transfer all or any portion of the balance of my accounts (including credit
- to close deposit accounts, process changes of account information or otherwise service any of my Wachovia accounts;
- to obtain related services offered by Wachovia.

As used in this Agreement, the terms "products", "services" and "accounts" include various deposit products, services and accounts made available to you by Wachovia.

If more than one person is named in the title for any account, such account will be considered a joint account. Instructions which affect any of my joint accounts may be given by any joint account owner. References to me in this Instructions section shall also refer to the joint account holder(s).

I may give instructions orally or in writing, in person, by mail, messenger, telephone, facsimile, computer terminal, wire service, automated teller machine, or by any other reasonable method. Wachovia may accept and act upon such instructions which do not contain my signature with the same effect as if such instructions were signed by me. However, I acknowledge that Wachovia may, at its option, require my original signature or any other documentation before accepting and acting upon any instructions. Your signature on this Agreement authorizes Wachovia to honor verbal stop payment orders up to six (6) months. To extend stop payment orders, Wachovia must receive a verbal order for such extension before the expiration of this six month period. I authorize Wachovia to record and monitor any telephone calls for various purposes, including to ...ire accuracy, to provide a record of such conversations and to improve the quality of ...e to me.

...ree to follow such security procedures as Wachovia may require. The security procedure agreed upon for verifying the authenticity of instructions which are not delivered in person by me for any purpose (including, but not limited to, the wire transfer of money from any of my accounts) is one or more of the following at the option of Wachovia: (1) delivery of a personal identification code by me or a person purporting to be me, (2) a callback, (3) a recitation by me or a person purporting to be me of one or more items of my personal information which Wachovia has in its records about me, or (4) voice recognition of me combined with the use of certain probing questions. The telephone number(s) to which callbacks shall be made shall be any telephone number(s) Wachovia may have for me in its records or any telephone number assigned to me by a telephone service provider. I agree that this security procedure constitutes a commercially reasonable method of providing security against unauthorized instructions. I agree to maintain the confidentiality of any personal identification code and will prevent the unauthorized dissemination of such code.

I agree to indemnify and hold Wachovia harmless from any losses, damages, suits and expenses, of whatever kind, including any reasonable attorneys' fees, that Wachovia may incur as a result of relying upon instructions from me, or anyone purporting to be me, provided that Wachovia has complied with the applicable security procedures.

I acknowledge receipt of the Wachovia rules and regulations governing money transfer requests and agree to be bound by its terms as may be amended from time to time.

Acceptance of Terms and Conditions:

I agree to be bound by the terms and conditions including, but not limited to Wachovia's Deposit Agreement and Disclosures, applicable to each product or service which I obtain from Wachovia now or in the future, which terms and conditions will be provided to me. I also agree to pay all fees associated with such products, accounts and services in accordance with the fee schedules which will be provided to me by Wachovia.

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1. Wachovia may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the bank that withdrawals require more than one signature; and
2. **Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.**

I DO elect to create the Right of Survivorship for any joint account.

Signature

FORM W9 SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER CERTIFICATION (Not applicable for Non-Resident Aliens):

(The Social Security Number or Employer Identification Number should match the first name listed on the account and will be used for tax reporting purposes.)

I. **Social Security Number or Employer Identification Number:**

565946068

II. If exempt from backup withholding check this box: ☐ EXEMPT

III. Certification - Under penalties of perjury, I certify that:

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

Certification Instructions - You must cross out item 2. above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return.

☐ By checking this box I am requesting issuance of an ATM Card or CheckCard.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

	06/12/2006

Customer Signature (above line) **Only one signature per agreement** **Date**

Print Name CAMINE PAPPAS

Address 8006 ROCKLAND TRAIL
WAXHAW NC 28173

WACHOVIA

Customer Access Agreement

CAA Number Internal Use Only (Required from CAAI Screen)

0166058819

To help fight the funding of terrorism and money laundering activities, Federal law ...uires all financial institutions to obtain, verify and record information that identifies ...l person who opens an account.

...s Agreement (Signature Card) is designed to eliminate most subsequent signature cards and authorizations when opening future accounts. Your signature on this Agreement will give you the convenience of banking anywhere and anytime over the phone.

This Agreement, both now and as it may be amended from time to time by Wachovia, is applicable to any deposit account that you open with any Wachovia Bank either now or in the future for yourself or jointly with another person or authorized signer. I understand this agreement does not apply to accounts on which my name may appear and I am not the authorized signer. However, if you open an account on behalf of another person (for example, if you open an account as custodian, guardian, trustee), you will need to complete a separate Agreement for that account. If you have any questions, please call a Wachovia Specialist toll- free at **1-800-WACHOVIA (800-922-4684).**

Instructions:

By signing this Agreement, I authorize any Wachovia Bank ("Wachovia") with which I open an account now or in the future to accept and act upon instructions from me to do the following:

- to open deposit accounts with Wachovia;
- to transfer all or any portion of the balance of my accounts (including credit
- to close deposit accounts, process changes of account information or otherwise service any of my Wachovia accounts;
- to obtain related services offered by Wachovia.

As used in this Agreement, the terms "products", "services" and "accounts" include various deposit products, services and accounts made available to you by Wachovia.

If more than one person is named in the title for any account, such account will be considered a joint account. Instructions which affect any of my joint accounts may be given by any joint account owner. References to me in this Instructions section shall also refer to the joint account holder(s).

I may give instructions orally or in writing, in person, by mail, messenger, telephone, facsimile, computer terminal, wire service, automated teller machine, or by any other reasonable method. Wachovia may accept and act upon such instructions which do not contain my signature with the same effect as if such instructions were signed by me. However, I acknowledge that Wachovia may, at its option, require my original signature or any other documentation before accepting and acting upon any instructions. Your signature on this Agreement authorizes Wachovia to honor verbal stop payment orders up to six (6) months. To extend stop payment orders, Wachovia must receive a verbal order for such extension before the expiration of this six month period. I authorize Wachovia to record and monitor any telephone calls for various purposes, including to ...re accuracy, to provide a record of such conversations and to improve the quality of ...ce to me.

...gree to follow such security procedures as Wachovia may require. The security procedure agreed upon for verifying the authenticity of instructions which are not delivered in person by me for any purpose (including, but not limited to, the wire transfer of money from any of my accounts) is one or more of the following at the option of Wachovia: (1) delivery of a personal identification code by me or a person purporting to be me, (2) a callback, (3) a recitation by me or a person purporting to be me of one or more items of my personal information which Wachovia has in its records about me, or (4) voice recognition of me combined with the use of certain probing questions. The telephone number(s) to which callbacks shall be made shall be any telephone number(s) Wachovia may have for me in its records or any telephone number assigned to me by a telephone service provider. I agree that this security procedure constitutes a commercially reasonable method of providing security against unauthorized instructions. I agree to maintain the confidentiality of any personal identification code and will prevent the unauthorized dissemination of such code.

I agree to indemnify and hold Wachovia harmless from any losses, damages, suits and expenses, of whatever kind, including any reasonable attorneys' fees, that Wachovia may incur as a result of relying upon instructions from me, or anyone purporting to be me, provided that Wachovia has complied with the applicable security procedures.

I acknowledge receipt of the Wachovia rules and regulations governing money transfer requests and agree to be bound by its terms as may be amended from time to time.

Acceptance of Terms and Conditions:

I agree to be bound by the terms and conditions including, but not limited to Wachovia's Deposit Agreement and Disclosures, applicable to each product or service which I obtain from Wachovia now or in the future, which terms and conditions will be provided to me. I also agree to pay all fees associated with such products, accounts and services in accordance with the fee schedules which will be provided to me by Wachovia.

If you are claiming Foreign Exemption Status, the appropriate W-8 Foreign Certification Form must be completed for each account owner.

RIGHT OF SURVIVORSHIP (NC and TN ACCOUNTS ONLY):

I understand that by signing below and establishing a joint account under the provisions of: **North Carolina General Statute 53-146.1 and Tennessee Code 42-2-703** that:

1. Wachovia may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the bank that withdrawals require more than one signature; and
2. **Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.**

I DO elect to create the Right of Survivorship for any joint account.

Signature

FORM W9 SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER CERTIFICATION (Not applicable for Non-Resident Aliens):

(The Social Security Number or Employer Identification Number should match the first name listed on the account and will be used for tax reporting purposes.)

I. **Social Security Number or Employer Identification Number:**

568883794

II. If exempt from backup withholding check this box: ☐ EXEMPT

III. Certification - Under penalties of perjury, I certify that:

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

Certification Instructions - You must cross out item 2. above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return.

☐ By checking this box I am requesting issuance of an ATM Card or CheckCard.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

06/12/2006

Customer Signature (above line) **Only one signature per agreement** **Date**

Print Name RONALD P PAPPAS

Address 8006 ROCKLAND TRAIL
WAXHAW NC 28173

WACHOVIA

April 20, 2006

Visit Number: 0610785962

RONALD P PAPPAS
CAMINE PAPPAS
8006 ROCKLAND TRAIL
WAXHAW, NC 28173

Dear RONALD PAPPAS and CAMINE PAPPAS:

Thank you for choosing Wachovia Bank, National Association for your borrowing needs. I have enclosed 1 documents that Federal or State law requires I send you:

Important Information about your Wachovia Loan

IMPORTANT NOTE: The documents identified with an asterisk must be signed and returned in the enclosed envelope or you may fax the signed disclosures to Attn: Retail Credit Sales Support, 1-866-222-5116. Failure to return these documents can potentially delay your closing.

Please take a few moments to review these documents, **sign and return those identified with an asterisk,** and then file the remaining document(s) with your financial records.

While I am reviewing your application, I would also like you to know that prior to closing we will need to verify that you have a current Homeowner's Insurance policy in place showing sufficient coverage. You may also be required to provide us with verification of your income and/or flood insurance coverage.

If the purpose of this loan request through Wachovia Bank is to refinance and pay off another loan, please continue to make any payments due on the existing loan until your Wachovia loan has closed and the existing loan is paid off.

We would also like to take this opportunity to introduce you to our full line of deposit products. These accounts offer you many choices for managing your money on a daily basis.

I will keep you informed of the status of your application as well as any additional information I will need from you. In the meantime, if you have questions or need assistance, please call me at 843-448-7654. I look forward to assisting you and introducing you to our deposit product line.

Sincerely,

Richard Park
Financial Specialist

NOTE: If an appraisal is used in evaluating this application, you have a right to a copy of it. To obtain a copy, please write to us at Wachovia Bank, National Association, Attn: Vendor Management, NJ 2203, P.O. Box 6006, North Brunswick, NJ 08902-9982. Be sure to include the application number shown above.

We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application. We will provide you a copy of the appraisal within 30 days of receiving your request. If you have not already paid an appraisal fee, you may be required to reimburse us for the cost of the appraisal.

Wachovia Bank, National Association Member FDIC

Impor..it Information about Your W..hovia Loan

Thank you for selecting Wachovia Bank for your mortgage needs. We believe that you will find the many advantages of working with Wachovia will be of great benefit to you. As you complete this loan transaction, we believe it is important for you to understand two aspects of this loan that differ from many traditional mortgage loans.

Daily Simple Interest

Interest on your Wachovia loan will be calculated using the daily simple interest method. Under this method, interest accrues daily on the principal balance outstanding. The portion of each payment applied to principal will depend on the amount of interest that has accrued. The amount of interest accrued will vary from month to month based upon changes in the principal balance and the actual number of days between payments. Unlike many traditional mortgage loans, your payments will be allocated between principal and interest as of the day the payment is applied by Wachovia rather than on the due date of the payment.

Making your scheduled full monthly payments before the actual due date will reduce the amount of interest you will pay.

Making your scheduled full monthly payments after the actual due date will increase the amount of interest you will pay and the amount of your final payment. This is true even if your payment is received before the date a late charge applies.

If you skip or defer a payment (with Wachovias permission), interest continues to accrue and the principal balance has not been reduced.

If your scheduled full payments are not consistently received on or before the due date, you may owe additional and substantial money at the end of the loan term.

Escrow (Impound) Account for Taxes and Insurance

Your Wachovia loan does not offer an escrow account for the purpose of accumulating funds for the purpose of paying state and local property taxes, homeowners hazard insurance or flood insurance (if required).

You will be responsible for the payment of property taxes, homeowners insurance and flood insurance (if required) when they are due.

BK: 41 LOC: LN TP: 96 Ref. No. 0610795962
RC: 0003088 0206100/00 Date: 05/30/06 Acct. No.

Note

BORROWER(S):
RONALD P PAPPAS
CAMINE PAPPAS
8006 ROCKLAND TRAIL
WAXHAW, NC 28173

Amount Financed $ 206100.00

1. BORROWER(S) PROMISE TO PAY. In return for a loan that I have received, the undersigned Borrower(s) (hereinafter referred to as "I," "me," or "my") jointly and severally promise to pay to Wachovia Bank, National Association, a national banking association organized and existing under the law of the United States of America ("Lender"), the sum of $ 206100.00 (this amount will be called "Principal"), plus daily simple interest ("Interest") beginning on the date that Principal is advanced. The Principal may include points, origination fees and other amounts permitted by applicable law. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note and who is entitled to receive payments under this Note will be called the "Note Holder."

2. INTEREST. Interest will accrue on the entire Principal balance outstanding at any time. Notwithstanding anything to the contrary, I do not agree to pay and the Note Holder does not intend to charge any interest at a rate that is higher than the maximum rate of interest that could be charged under applicable law for the extension of credit that is agreed to under this Note (either before or after maturity). If any notice of interest accrual is sent and is in error, and if the Note Holder actually collects more Interest than allowed by law or this Note, the Note Holder agrees to refund any such excess interest.

I agree to pay Interest on the unpaid Principal balance of this Note owing after maturity, and until paid in full at the same rate in effect before maturity. I agree that any loan origination fee paid to the Note Holder is earned as of the date of this Note.

Interest accrues on the Principal remaining unpaid from time to time, until paid in full. The Interest Rate, as defined in this Section 2 below, will be charged at a rate of 1/365th of the Interest Rate for each day, or 1/366th of the Interest Rate for each day in any leap year, applied against that day's outstanding Principal balance. The dollar amount of the finance charge and the payments disclosed to me for this credit transaction are based upon my payments being received by the Note Holder on the date payments are due. If my payments are received after the due date, even if received before the date a Late Charge as permitted by Section 4 applies, I may owe additional and substantial money at the end of the credit transaction and there may be little or no reduction of Principal. This is a result of the accrual of daily Interest.

If the governing law which applies to this Note sets maximum loan charges and is finally interpreted so that the Interest and other charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such Interest or other charge shall be reduced by the amount necessary to reduce the Interest or other charge to the permitted limit and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial payment.

Check One:

☒ **Fixed Rate:**
I agree to pay Interest on the outstanding Principal balance at a fixed annual rate of 6.75 % ("Interest Rate").

☐ **Adjustable Rate:**
(A) Interest Rate: I agree to pay Interest on the outstanding Principal balance at the initial annual rate of N/A % ("Interest Rate") until the first Change Date as defined in Paragraph (B) below. Thereafter, the Interest Rate I pay may change as of each Change Date and will be calculated pursuant to Paragraph (D) below. My initial annual rate may not be related to the formula used to determine later rates.
(B) Date Definitions:
(i) Change Date: Each date on which the Interest Rate may change is called the Change Date. The Interest Rate may change _____ and every _____ month(s) thereafter.
(ii) Index Date: The 25th day of each month is an "Index Date." If the Index is not published on the 25th day of the month, then the Index Date shall be the first day prior to the 25th day of the month on which the Index is published.
(iii) Look-back Date: The date that is 30 days prior to a Change Date is called the "Look-back Date."
(C) The Index: Check One:

☐ The "Index" is the "Prime Rate" as published on the Index Date in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. If there is more than one Prime Rate published on an Index Date, then the Note Holder will use the higher of such prime rates. If this Index ceases to exist, the Note Holder may substitute another Index (and Margin, as described in Paragraph (D) below) which movement approximates the movement of the Prime Rate.

☐ The "Index" is the average of interbank offered rates for ____ month U.S. dollar-denominated deposits in the London market ("LIBOR") as published on the Index Date in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. If there is more than one LIBOR published on an Index Date, then the Note Holder will use the higher of such LIBOR rates. If this Index ceases to exist, the Note Holder may substitute another Index (and Margin, as described in Paragraph (D) below) which movement approximates the movement of LIBOR.

(D) Calculation of New Interest Rate: The new annual Interest Rate that will be applicable beginning on each Change Date will be determined as follows:

Check One:

☐ The new annual Interest Rate will be equal to the Index published on the Index Date for the calendar month immediately preceding the Look-back Date for that Change Date, rounded down to the nearest .01%, plus _____ percentage point(s) ("Margin"). Subject to any applicable limitations set forth in Paragraph (E), this new Interest Rate will become effective on each Change Date.

☐ The new annual Interest Rate will be equal to the Index published on the Index Date for the calendar month immediately preceding that Change Date, rounded down to the nearest .01%, plus _____ percentage point(s) ("Margin"). Subject to any applicable limitations set forth in Paragraph (E), this new Interest Rate will become effective on each Change Date.

(E) Limits on Interest Rate Changes: My Interest Rate will never be greater than _____% or less than 0%.

☐ If this box is checked, the Interest Rate will be subject to the additional limitations on increases. The Interest Rate I am required to pay at the first Change Date will never be greater than _____%. Thereafter increases will be subject to an additional limitation on each Change Date such that the Interest Rate I pay will never be increased on any single Change Date by more than 2% from the Interest Rate I have been paying for the preceding 12 months.

☐ If this box is checked, there will be no additional limitation on increases in my Interest Rate.

(F) Notice of Changes: The Note Holder will deliver or mail to me a notice of any changes in my Interest Rate as required by applicable law. The notice will include information about any changes to my payment amount.

3. PAYMENTS.

(A) Payment Options and Schedule:

Check One:

☒ **Interest Payments:** I will pay accrued interest beginning on 07/01/06 as follows: check one: ☒ monthly or ☐ quarterly ("Interest Payments"). The amount of each Interest Payment will vary depending upon the amount of principal outstanding, the date principal payments or installment payments are received and if Section 2 of this Note provides for an Adjustable Rate, the Interest Rate then in effect. In addition, I will make the following Payments:

Check One:

☒ **Principal Reduction Payments and/or a Balloon Payment:** In addition to the Interest Payments, I will make Principal Payments as set forth in the Payment Schedule below:

☐ **Installment Payments:** For purposes of this Section 3, the "Payment Change Date" is the first payment due date that is at least 26 days after the "Anniversary Date." The Anniversary Date is the date that is _____ year(s) after the Note Date. Beginning on the Payment Change Date, in place of Interest Payments, I will make installment payments of Principal and Interest. On the Anniversary Date, the Note Holder will determine the ☐ monthly or ☐ quarterly payment amount that would be sufficient to repay the unpaid principal balance in full over the of a period of time ending on the Maturity Date as defined in Paragraph (D) with interest at the rate set in accordance with Section 2. The result of this calculation will be my new payment amount. The Note Holder will give me notice of this new payment amount. This payment amount is estimated in the Payment Schedule below. If Section 2 of this Note provides for an Adjustable Rate, this payment amount may change. On each subsequent Change Date, the Note Holder will determine the ☐ monthly or ☐ quarterly payment amount that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date in full over the remaining portion of a period of time ending on the Maturity Date as defined in Paragraph (D), below, at my new Interest Rate. The result of this calculation will be the new payment amount beginning on the first payment due date which is at least 26 days after the Change Date. I will pay my new payment amount until the payment amount changes again or until the Maturity Date as described in Paragraph (D).

☐ **Installment Payments or Installment Payments with a Balloon Payment:** I will pay the unpaid Principal and Interest in installment payments as set forth in the Payment Schedule below. If Section 2 of this Note provides for an Adjustable Rate, the payment amounts, including the final payment, as set forth in the Payment Schedule may change. On each Change Date, the Note Holder will determine the ☐ monthly ☐ quarterly ☐ semi-annual or ☐ annual payment amount that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date in full over the remaining portion of a period of time ending on the Maturity Date as defined in Paragraph (D), below, at my new Interest Rate. The result of this calculation will be the new payment amount. I will pay my new payment amount beginning on the first payment due date after the Change Date until the payment amount changes again or until the Maturity Date as described in Paragraph (D).

Payment Schedule:

Number of Payments	Payment Amount	Frequency	Start/Due Date	Number of Payments	Payment Amount	Frequency	Start/Due Date
36	$ Interest Only	M	07/01/06		$		
1	$ 206100.00	M	06/01/09		$		
Frequency Legend: M = Monthly Q = Quarterly S = Semi Annually A = Annually							

(B) Place of Payments: I will make my payments in U.S. funds payable to the Note Holder at the address provided to me by the Note Holder or at a different address if required by the Note Holder.
(C) Application of Payments: Unless otherwise prohibited by the law governing this Note, each payment I make on this Note will first reduce the amount of accrued unpaid interest, then any optional insurance premiums due, then any applicable unpaid charges and then unpaid Principal. I will make payments until I have paid all of the Principal and interest and any other fees or charges that I may owe under the terms of this Note.
(D) Maturity Date: If on 06/01/09, I still owe any amount under this Note, I will pay those amounts in full on that date which is called the "Maturity Date."
(E) Optional Credit Insurance: If I have selected optional credit insurance offered by the Note Holder in connection with this loan, the payment amount(s) shown in the Payment Schedule include the premiums for the insurance coverage(s) that I have selected. I understand that the actual total premium amount I pay will depend upon my payment record.

I understand that credit life and credit disability (accident and health) insurance are not required, and that I may cancel them at any time by giving written notice to you. If my credit insurance is canceled, no further portion of any payments I make will be applied to credit insurance premiums. At my request, you will adjust my payment amount to reflect the cancellation of the credit insurance. If my credit insurance is cancelled and Section 2 of this Note provides for an Adjustable Rate, on the next Change Date the cancellation of the credit insurance will be considered in determining my new payment amount.
(F) Balloon Payment: If the Payment Schedule requires me to make a final payment that is significantly larger than any other payment ("Balloon Payment"), I understand that I may be required to make this Balloon Payment on the Maturity Date. I understand that the law governing this Note may provide me with a right to refinance any Balloon Payment. If I have a right to refinance any Balloon Payment, the Note Holder will advise me as to whether I have a limited right to refinance and the terms surrounding such refinance. Otherwise, I understand that the Balloon Payment disclosed above will be due and payable on the Due Date disclosed above.

4. FEES AND CHARGES. In addition to interest and other amounts I may agree to pay, I agree to pay the Note Holder the following additional fees and charges:
(A) Late Charges: The following late charges will apply to the extent the Note is governed by the laws of the jurisdiction referenced in the subsection header or text:
(i) Alabama: If a payment is not received in full within 10 days of the date it is due, I will pay a late charge equal to of 5% of the unpaid portion of the scheduled payment amount or $10.00, whichever is greater. However, the late charge will never be greater than $100.00.
(ii) Connecticut: If a payment is not received in full within 10 days of the date it is due, I will pay a late charge equal to 5% of the unpaid portion of the scheduled payment amount or $10.00, whichever is less.
(iii) Delaware: If a payment is not received in full within 10 days of the date it is due, I will pay a late charge equal to 5% of the scheduled payment amount.
(iv) District of Columbia, Florida, Georgia, Maryland, Tennessee, Texas, or Virginia: If a payment is not received in full within 10 days of the date it is due, I will pay a late charge equal to 5% of the unpaid portion of the scheduled payment amount.
(v) Mississippi: If a payment is not received in full within 15 days of the date it is due, I will pay a late charge equal to 4% of the unpaid portion of the scheduled payment amount or $5.00, whichever is greater. However, the late charge will never be greater than $50.00.
(vi) New Jersey: If a payment is not received in full within 15 days of the date it is due, I will pay a late charge equal to 5% of the unpaid portion of the scheduled payment amount.
(vii) North Carolina: If a payment is not received in full within 15 days of the date it is due, I will pay a late charge equal to 4% of the unpaid portion of the scheduled payment amount.
(viii) Pennsylvania: If a payment is not received in full within 15 days of the date it is due, I will pay a late charge equal to 5% of the scheduled payment amount.
(ix) South Carolina: If a payment is not received in full within 10 days of the date it is due, I will pay a late charge equal to 5% of the unpaid portion of the scheduled payment amount. However, the late charge will never be less than $5.80 or more than $14.50. These amounts may change so as to always be the maximum amount allowed by law.
(B) Returned Payment Fee: Unless otherwise limited or prohibited by the law governing this Note, I will pay a charge of up to $25.00 for each payment (check or automatic payment) that I make that is returned or dishonored for any reason.
(C) Prepayment Charge: If this Note is governed by the laws of Connecticut, Delaware, Florida, Georgia, Tennessee or Virginia, and I prepay this Note in full at any time prior to the expiration of 2/3rds of the term of this Note, I will pay a prepayment penalty of $100.00. If this Note is governed by Maryland law and Lender will be secured in the first lien position as of the date of this Note, and if I make a full prepayment of the Principal at any time prior to the expiration of 2/3rds of the term of this Note, I will pay a prepayment penalty of $100.00. If this Note is governed by the laws of a jurisdiction other than those referenced in this subsection above, I will not have to pay a prepayment penalty.
(D) Origination Fee: If an origination fee or other fee or charge is charged as included on the HUD-1, HUD-1A, or Itemization of Amount Financed prepared in connection with this loan transaction, I agree to pay such fees and charges. Except as otherwise required by law, I agree that such fees and charges are fully earned as of the date of this Note and are nonrefundable upon prepayment.
(E) Additional Charges: I agree that if, during the term of this Note, I request other services related to servicing or administering my loan for which the Note Holder has a scheduled charge, I will, to the extent permitted by the law governing this Note, pay the Note Holder the then current fee for such services or request if the Note Holder agrees to perform such service or request. I understand that any such fees are fully earned when charged and are nonrefundable upon prepayment.

5. BORROWER'S FAILURE TO PAY AS REQUIRED AND TERMS OF DEFAULT.
(A) Terms of Default: I will be in Default under this Note if any of the following things happen:
(i) If I fail to make any payment or comply with any of the terms of this Note or any other note with the Note Holder now or in the future; or
(ii) If I make any false, incorrect or misleading representation or warranty at any time during the application process; or
(iii) If I die; or
(iv) If I become involved in any bankruptcy or insolvency proceeding; or

(v) If the collateral described in Section 6 or any schedule to this Note is used in violation of any law or regulation or if a judgment or lien is filed or levied against me or the collateral or the collateral is impaired, damaged, or removed from the custody of the Note Holder; or

(vi) If I fail to abide by the term(s) of any Security Instrument or other documents described in Section 6 which secure payment of this Note.

(B) Notice of Default: If I am in Default, then the entire Principal balance, accrued Interest, fees, and collection costs permitted to be collected under applicable law will be immediately due and payable. At its option or if required by law, the Note Holder may send me a written notice informing me of said Default and acceleration. If I make any payment after the Note Holder has demanded payment of the entire balance due, my payment will be applied to the unpaid balance due under this Note. The unpaid balance consists of the Principal Amount remaining due, plus accrued finance charges, unpaid Late Charges, collection costs, and all other amounts due to the Note Holder under this Note. The Note Holder shall also have other rights and remedies provided by law. If the net proceeds of collateral sold do not pay my indebtedness in full, I will pay the Note Holder the difference, plus Interest at the Note Interest Rate until the unpaid balance is paid in full. Any Default of this Note will also constitute an event of Default of any separate Mortgage, Deed of Trust or Security Deed securing this Note ("Security Instrument") or Pledge Agreement securing this Note. Upon Default, the Note Holder may proceed to enforce the terms of this Note or enforce any rights that it may have under the Security Instrument or Pledge Agreement.

(C) No Waiver by Note Holder: Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in Default at a later time. Any failure to enforce any provision of this Note by the Note Holder shall not constitute any waiver of such rights of the Note Holder to subsequently enforce such rights or remedies.

(D) Payment of the Note Holder's Costs and Expenses: If the Note Holder has required me to pay immediately in full as described above, and I fail to do so and such failure causes the Note Holder to incur additional expenses, the Note Holder will have the right to a refund of all of its costs and expenses to the extent not prohibited by the law governing this Note. Those expenses include, for example, reasonable attorneys' fees for an attorney who is not the Note Holder's salaried employee, foreclosure fees and court costs. In no event shall these expenses exceed fifteen percent (15%) of the unpaid balance plus Court Costs.

6. THIS NOTE IS SECURED BY A SECURITY INSTRUMENT. In addition to the protections given to the Note Holder under this Note, a separate Security Instrument(s), on real property (the "Property") described in the Security Instrument and dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. The Security Instrument describes how and under what conditions I may also be required to make immediate payment in full of all amounts I owe under this Note. I agree to these conditions. Subject to applicable law, I understand that this loan is subject to repayment in full in the event the Property securing this debt is sold, conveyed or otherwise transferred.

If in addition to a Security Instrument, I pledge securities, cash accounts or other liquid collateral (the "Other Collateral") as Other Collateral for this Note, then I grant to the Note Holder a perfected security interest in such Other Collateral and all additions or replacements to, or proceeds of as is more fully described in the separate Collateral Pledge Agreement (the "Pledge Agreement") executed as of the same date as this Note. The Pledge Agreement describes the Other Collateral in detail and protects the Note Holder from possible losses which might result if I do not keep the promises that I make in this Note. The Pledge Agreement also describes how and under what conditions I may also be required to make immediate payment in full of all amounts that I owe under this Note. I agree to these conditions. If the Other Collateral includes securities, I agree to deliver immediately to the Note Holder, fully endorsed, any certificates for shares representing any stock dividend, stock split or right to subscribe. I further pledge and agree to deliver to the Note Holder, upon demand, additional Other Collateral satisfactory to the Note Holder and in accordance with all margin requirements. If I do not provide the Note Holder with a perfected security interest in the Other Collateral and the Note Holder incurs any expenses, including attorneys' fees, in order to obtain a perfected security interest, I will be responsible for such expenses.

If I do not provide or assist the Note Holder in obtaining a perfected security interest in the Property or Other Collateral and the Note Holder incurs any expenses, including attorney's fees, in order to obtain a perfected security interest in such Property or Other Collateral, to the extent not otherwise prohibited by the law governing this Note, I agree that the Note Holder may add the amount of such expenses to the Principal and that such expenses will accrue interest at the Note Interest Rate until paid in full.

7. PREPAYMENT.

(A) Subject to the order of application of payments described in Section 3, I have the right to make payments of Principal at any time before they are due. A prepayment of all unpaid Principal is known as a "full prepayment." A prepayment of only part of the unpaid Principal is known as a "partial prepayment."

(B) If I make a partial prepayment, my next due date may be advanced. If I make a payment that is more than the amount that is due, the amount in excess of the amount due is called an "Excess Payment." If I make an Excess Payment, the Note Holder will assume that I want to reduce or skip my next scheduled payment or payments. If the Excess Payment is less than or equal to the next scheduled payment, the next scheduled payment will be reduced by the amount of the Excess Payment. If the Excess Payment exceeds the amount of my next scheduled payment, the number of payments that may be skipped will be determined by subtracting each subsequently scheduled payment from the Excess Payment. So long as the remaining portion of the Excess Payment exceeds the next scheduled payment amount, that payment may be skipped. When the remaining portion of the Excess Payment is equal to or less than my next scheduled payment, that remaining portion will be used to reduce the amount of the next scheduled payment. If I want the Note Holder to handle an Excess Payment differently, I will tell the Note Holder in writing. I understand that Interest will continue to accrue on the outstanding principal balance and that if I want maximum Interest savings from Excess Payments, I should continue to make payments on or before the scheduled due date.

8. BORROWER'S WAIVERS. I waive my rights to require the Note Holder to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (c) to obtain an official certification of non-payment (known as "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to the Note Holder if I fail to keep my promises under this Note, or who signs this Note to transfer it to someone else, also waives these rights. These persons are known as "Guarantors," "Sureties," "Co-Signers" and "Endorsers."

9. GIVING OF NOTICES.

(A) Any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail addressed to me at the address contained in this Note. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice of my different address.

(B) Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address provided to me by the Note Holder. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

10. PAYMENT IN FULL. I AGREE THAT THE NOTE HOLDER MAY ACCEPT PAYMENTS MARKED "PAID IN FULL" WITHOUT ANY LOSS OF THE NOTE HOLDER'S RIGHTS UNDER THIS NOTE UNLESS I SEND THEM FOR SPECIAL HANDLING TO WACHOVIA BANK, NATIONAL ASSOCIATION, SPECIAL PAYOFFS, PO BOX 10723, ROANOKE, VA 24022. ACCEPTANCE OF ANY PAYMENT SENT TO THE SPECIAL HANDLING ADDRESS DOES NOT WAIVE THE NOTE HOLDER'S RIGHT TO SUBSEQUENTLY REJECT SUCH PAYMENT IN ACCORDANCE WITH APPLICABLE LAW.

11. EXTENSIONS AND MODIFICATIONS. All Guarantors, Sureties, Co-Signers, Endorsers and I consent to any and all extensions of time, renewals, waivers or modifications which may be granted or consented to by the Note Holder as to the time of payment or any other provision of this Note. If in its sole discretion, the Note Holder permits an extension, renewal or modification to this Note, I agree to pay a charge not to exceed an amount permitted by the law governing this Note. All Guarantors, Sureties, Co-Signers, Endorsers and Makers hereby waive presentment, notice of dishonor, and protest hereof. This Note is the joint and several obligation of each Maker and shall be binding upon them and their heirs, successors and assigns.

12. INSURANCE REQUIREMENTS. I agree to purchase property/hazard insurance insuring the Property against loss and as required by the Security Instrument. I acknowledge that I may obtain property/hazard insurance from any insurance company of my choice, subject to the Note Holder's right of approval which shall not be unreasonably withheld. Unless I provide the Note Holder with evidence of the insurance coverage required by my agreement with the Note Holder, the Note Holder may purchase insurance at my expense to protect the Note Holder's interests in the Property. This insurance may, but need not, protect my interests. The coverage that the Note Holder purchases may not pay any claim that I make or any claim that is made against me in connection with the Property. I may later cancel any insurance purchased by the Note Holder, but only after providing the Note Holder with evidence that I have obtained insurance as required by our agreement. If the Note Holder purchases insurance for the Property, I will be responsible for the costs of the insurance, including interest and any other charges the Note Holder may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added to the Principal and will accrue interest at the Note Interest Rate. I understand that the costs of the insurance obtained by the Note Holder may be more than the cost of insurance I may be able to obtain on my own.

13. RESPONSIBILITY OF PERSONS UNDER THIS NOTE. If more than one person signs this Note, each of us is jointly and severally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any Guarantor, Surety, Co-Signer or Endorser of this Note (as described in Section 8 above) jointly and severally guarantee the payment, when due, to any Note Holder hereof of all amounts from time to time owing on this Note. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. I and any Guarantor, Surety, Co-Signer or Endorser of this Note further agree that the failure by the Note Holder to perfect any security interest granted by this Note shall not affect my liability or the liability of any Guarantor hereon.

14. GOVERNING LAW. This Note shall be governed by federal law and, to the extent not preempted by federal law, the laws of the State where the Property securing this loan is located. If the Property securing this debt is located in Maryland, to the extent this Note is governed by Maryland law, this Note is governed by *Md. Code Ann., Commercial Law §12-1001 et. seq.* and applicable federal law.

15. GENERAL PROVISIONS. I agree that I may not sell, assign or otherwise transfer my rights or obligations under this Note and that such action will be void. Any person who takes over my rights or obligations under this Note by operation of law will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of any Guarantor, Surety, Co-Signer or Endorser of this Note is also obligated to keep all of the promises made in this Note. This Note is intended by the Note Holder and me as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Note. This Note may not be supplemented or modified except in writing signed by the Note Holder and me. This Note benefits the Note Holder, its successors and assigns, and binds me and my heirs, personal representatives and assigns. If any provision of this Note shall for any reason be held to be invalid or unenforceable, such determination shall not affect the enforceability of the remaining provisions of this Note. Headings are for convenience of reference only and shall not affect the construction of this Note or any other document associated with this loan.

16. SAVINGS AND COMPLIANCE. It is the intention of you and me to comply with applicable law. In each and every instance, our rights shall be limited by applicable law (to the extent such laws may not be effectively waived), construed so as to comply with such laws, and our rights may not be exercised except to the extent permitted by applicable law. No part of this agreement, nor any charge or receipt by you, is supposed to permit you to impose interest or other amounts in excess of lawful amounts. If an excess occurs, you will apply it as a credit or otherwise refund it and the rate or amount involved will automatically be reduced to the maximum lawful rate or amount. To the extent permitted by law, for purposes of determining your compliance with law, you may calculate charges by amortizing, prorating, allocating and spreading any such charges.

17. DOCUMENTARY TAX. For loans secured by real property located in Florida, the state documentary tax due on this Note has been paid on the mortgage securing this indebtedness.

NOTICE TO BORROWER:

1. **CAUTION: IT IS IMPORTANT THAT THE BORROWER THOROUGHLY READS THIS NOTE BEFORE THE BORROWER SIGNS IT.**
2. **THIS NOTE IS SECURED BY EITHER A FIRST OR SUBORDINATE LIEN ON REAL PROPERTY.**
3. **THIS NOTE MAY PROVIDE FOR THE PAYMENT OF A PENALTY IF THE BORROWER WISHES TO REPAY THIS NOTE PRIOR TO THE DATE PROVIDED FOR REPAYMENT IN THIS NOTE.**
4. **THE BORROWER IS ENTITLED TO A COPY OF THIS NOTE.**
5. **DO NOT SIGN THIS NOTE IF IT CONTAINS ANY BLANK SPACES.**
6. **THE BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.**

For Texas residents only: NOTICE TO CONSUMER: UNDER TEXAS LAW, IF YOU CONSENT TO THIS AGREEMENT, YOU MAY BE SUBJECT TO A FUTURE RATE AS HIGH AS _____ PERCENT PER YEAR.

By signing and sealing this Note, I agree under seal to the terms set forth above.

_____[SEAL]
Borrower RONALD P PAPPAS

_____[SEAL]
Borrower CAMINE PAPPAS

Any Guarantor, Surety, Co-Signer or Endorser of this Note acknowledges receipt and execution of the Co-Signer's Notice.

_____[SEAL]
Guarantor - Co-Signer

_____[SEAL]
Guarantor - Co-Signer

FOR OFFICE USE ONLY

Endorsement.
Pay to the Order of _____

Without Recourse
_____

By: _____
Name: _____
Title: _____

TRUTH-IN-LENDING DISCLOSURE STATEMENT

Date of Disclosure Statement: **05/30/06** Visit No.: **0610795962**

Borrower(s): RONALD P PAPPAS
CAMINE PAPPAS

Creditor: Wachovia Bank, National Association
2110 OAK STREET
MYRTLE BEACH SC 295770000

The words "I," "me," and "my," refer to Borrower(s) and "you" and "your" refer to Wachovia Bank, National Association.

ANNUAL PERCENTAGE RATE: The cost of my credit as a yearly rate.	FINANCE CHARGE: The dollar amount the credit will cost me.	Amount Financed: The amount of credit provided to me or on my behalf.	Total of Payments: The amount I will have paid after I have made all payments as scheduled.
% 6.90	$ 42639.49	$ 205309.40	$ 247948.89

My payment schedule will be:

No. of Payments	Payment Amount*	Frequency	Start/Due Date	No. of Payments	Payment Amount*	Frequency	Start/Due Date
36	$1067.19 To $ 1257.76	M	07/01/06		$		
1	$206100.00	M	06/01/09		$		

* If my Payment Amount shows a range, my payment will vary between these two amounts.

Frequency Legend: M = Monthly Q = Quarterly S = Semi Annually A = Annually

☐ **Variable Rate:**

Check One:

☐ My loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to me earlier.

☐ The annual percentage rate may increase during the term of this transaction if the index increases. The index is:

Check One:

☐ the "Prime Rate"
☐ the average of interbank offered rates for _____ month U.S. dollar-denominated deposits in the London market ("LIBOR").

The index is published in the "Money Rates" section of *The Wall Street Journal*, Eastern Edition. Any increase in my rate will increase the amount of my scheduled payments. The rate may not increase more than once every _____ month(s). My rate will not increase above _____%.

☐ If checked, my rate will not increase more than 2 percentage points annually.

Check One:

☐ If my loan were for $10,000 at an initial interest rate of 8.00% and the interest rate increased to 10.00% in one month, my interest payment amounts would increase from $67.94 to $84.94 if my interest payments were due monthly, and from $203.82 to $252.05 if my interest payments were due quarterly.

☐ If my loan were for $10,000 with 60 monthly payments at an initial interest rate of 8.00% and the interest rate increased to 10.00% in one year, my payment amount would increase from $202.62 to $210.72 if my payments were due monthly; from $611.72 to $636.23 if my payments were due quarterly; from $1,233.24 to $1,284.70 if my payments were due semiannually; and from $2,505.11 to $2,617.56 if my payments were due annually.

Security: I am giving a security interest in:

X The goods or property being purchased.

___ Other (describe): **REAL ESTATE**

Collateral securing other loans with you, except my principal dwelling or household goods, may also secure this loan.

Insurance: If this loan is secured, I may obtain property insurance from any insurer I choose.
Filing Fees and Taxes: $ **75.00**
Late Charges: If a payment is not received in full within 10 days of the date it is due, I will pay a late charge equal to 5% of the unpaid portion of the scheduled payment amount. However, the late charge will never be less than $5.80 or more than $14.50. These amounts may change so as to always be the maximum amount allowed by law.
Prepayment: If I pay off early, I will not have to pay a penalty.
Assumption: Someone buying the property securing my loan cannot assume the remainder of my loan on the original terms.

I may see my contract documents for any additional information about non-payment, default, any required payment in full before the scheduled due date, and prepayment refunds and penalties.

By signing below, I acknowledge receipt of a copy of this Disclosure on the date indicated above.

Borrower **RONALD P PAPPAS**

Borrower **CAMINE PAPPAS**

Borrower

Borrower

567414 (Rev 03)

(12/05) SC TIL
0610795962

CREDIT INSURANCE DISCLOSURES

I UNDERSTAND THAT CREDIT LIFE AND CREDIT DISABILITY (ACCIDENT AND HEALTH) ARE NOT REQUIRED TO OBTAIN CREDIT AND YOU WILL NOT PROVIDE THEM UNLESS I SIGN AND AGREE TO PAY THE ADDITIONAL COST. If I want any of these insurance coverages, I must be sure that the insurance coverage I want is indicated, that the premium amount is filled in, and that I have signed below. The term and amount of any insurance I request is as follows:

INSURED #1	INSURED #2	TYPE	PREMIUM	TERM IN MOS.	AMT. OF COVERAGE	DISABILITY MONTHLY BENEFIT
____	____	Credit Life	$_____	_____	$_____	
____	____	Credit Disability	$_____	_____	$_____	$_____

The payment amount disclosed in the Truth in Lending Disclosure Statement reflects the premiums for the insurance coverage(s) that I have selected.

Signature. My signature below means I request the coverage(s) checked and quoted above.

_____ Signature of Insured #1

_____ Signature of Insured #2

SOUTH CAROLINA

NOTARY REQUIREMENTS, REVIEW PRIOR TO NOTARIZATION

This document is not meant to replace notary laws or manuals. The notary is responsible for complying with applicable state notary laws and requirements in addition to Wachovia policies.

1. Parties signing document(s) that must be notarized **MUST sign in the presence of a notary public and present valid identification** at the time of signing.
2. All parties **must** sign the document exactly as his/her name appears on the document.
3. Do not allow parties to sign a document that contains any blank spaces (other than signature blocks) and do not notarize a document that contains any blank spaces.
4. The notarization date and the date on the face of the document **must** match.
5. The notary **MUST** fill out the notary acknowledgment section. No portion may be left blank.
6. If multiple parties are signing the document and they will not all be present at the same time, use separate notary acknowledgments.
7. Notary Acknowledgment:
   - A. Must include the following:
     - a. Notary seal,
     - b. Notary expiration date,
     - c. Notary name listed on the seal,
     - d. State and County where the notarization occurred, and
     - e. Parties' names exactly as typed and signed on document.
   - B. Notary signature, stamp, and seal must all match.
   - C. Notary stamps must be:
     - a. Legible for microfilming by the county,
     - b. Dark, clear, and complete with no smudged ink, and
     - c. Unaltered and not placed over printed material.
8. It is recommended that a notary log be kept and an entry be made.
9. **If any of the above requirements are not complied with, the loan may not be funded.**

SAMPLE NOTARY ACKNOWLEDGMENT:

STATE OF SOUTH CAROLINA

COUNTY OF YORK

State and county in which notarization occurs.

Before me, the undersigned Notary Public, personally appeared First Witness' Name
who being duly sworn, deposed and said that (s)he saw Borrower Name(s) (must match borrower signature/names on mortgage face exactly)
sign, seal and deliver the foregoing Mortgage and that (s)he, together with Second Witness' Name
Witnessed the execution thereof.

SWORN to and subscribed before me this 15 day of September, 2005.

Must match document/signing date.

SAMPLE

Witness
Stacy P. Notary [SEAL]
Notary Public for South Carolina

Stacy P. Notary
Notary Public Name (Typed or Printed)
My Commission Expires: December 31, 2006

Return To:
Wachovia Bank, National Association
Retail Credit Servicing
P.O. Box 50010
Roanoke, VA 24022
Parcel No:

Prepared By:

MORTGAGE

THIS MORTGAGE made this day 30 May, 2006 between the Mortgagor,

(herein "Borrower"), and the Mortgagee, Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States of America, whose address is Wachovia Bank, National Association, 301 South College Street, NC 0630, Charlotte, North Carolina 28288-0630 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S.$ 206100.00 which indebtedness is evidenced by Borrower's Note dated 05/30/06 and extensions, modifications and renewals thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on 06/01/09.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described Property located in the County of LANCASTER, State of South Carolina:

which has the address of EDGEWATER LOT 311
LANCASTER SC 29720
and Parcel No. (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances and rents all of which shall be deemed to be and remain a part of the Property covered by this Mortgage; and all of the foregoing, together with said Property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

Any Rider ("Rider") attached hereto and executed of even date is incorporated herein and the covenants and agreements of the Rider shall amend and supplement the covenants and agreements of this Mortgage, as if the Rider were a part hereof.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and, convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note. This Mortgage secures payment of said Note according to its terms, which are incorporated herein by reference.

2. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations, under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

3. Hazard Insurance. a) Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards, including but not limited to floods, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with section 5.

b) All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

c) Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

d) Except as provided in subsection 3(e) below, should partial or complete destruction or damage occur to the Property, Borrower hereby agrees that any and all instruments evidencing insurance proceeds received by Lender as a result of said damage or destruction, shall be placed in a non-interest bearing escrow account with Lender. At Lender's discretion, Lender may release some or all of the proceeds from escrow after Borrower presents Lender with a receipt(s), invoice(s), written estimates(s) or other document(s) acceptable to Lender which relates to the repair and/or improvements of the Property necessary as a result of said damage and/or destruction. Absent an agreement to the contrary, Lender shall not be required to pay Borrower any interest on the proceeds held in the escrow account. Any amounts remaining in the account after all repairs and/or improvements have been made to Lender's satisfaction, shall be applied to the sums secured by this Mortgage. Borrower further agrees to cooperate with Lender by endorsing all checks, drafts and/or other instruments evidencing insurance proceeds and any necessary documents. Should Borrower fail to provide any required endorsement and/or execution within 30 days after Lender sends Borrower notice that Lender has received an instrument evidencing insurance proceeds, or document(s) requiring Borrower's signature, Borrower hereby authorizes Lender to endorse said instrument and/or document(s) on Borrower's behalf, and collect and apply said proceeds at Lender's option, either to restoration or repair of the Property or to sums secured by this Mortgage. It is not the intention of either party that this escrow provision, and/or Lender's endorsement or execution of an instrument(s) and/or document(s) on behalf of Borrower create a fiduciary or agency relationship between Lender and Borrower.

e) Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in section 1 or change the amount of the payments. If under section 15 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage.

4. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the Declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

5. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such actions as is necessary to protect Lender's interest.

Any amounts disbursed by Lender pursuant to this section 5, with interest thereon from the date of disbursal, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this section 5 shall require Lender to incur any expense or take any action hereunder.

6. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

8. Borrower Not Released; Forbearance By Lender Not a Waiver. Borrower shall remain liable for full payment of the principal and interest on the Note (or any advancement or obligation) secured hereby, notwithstanding any of the following: (a) the sale of all or a part of the premises; (b) the assumption by another party of Borrower's obligations hereunder; (c) the forbearance or extension of time for payment or performance of any obligation hereunder, whether granted to Borrower or a subsequent owner of the Property; and (d) the release of all or any part of the premises securing said obligations or the release of any party who assumes payment of the same. None of the foregoing shall in any way affect the full force and effect of the lien of this Mortgage or impair Lender's right to a deficiency judgment (in the event of foreclosure) against Borrower or any party assuming the obligations hereunder, to the extent permitted by applicable law. Any forbearance by Lender in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

9. Successors and Assigns Bound; Joint and Several Liability; Co-signers. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Mortgage but does not execute the Note (a "co-signer"): (a) is co-signing this Mortgage only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without the co-signer's consent.

Subject to the provisions of section 14, any Successor in Interest of Borrower who assumes Borrower's obligations under this Mortgage in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Mortgage. Borrower shall not be released from Borrower's obligations and liability under this Mortgage unless Lender agrees to such release in writing. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender.

10. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by first class mail addressed to Borrower or the current owner at the Property Address or at such other address as Borrower may designate in writing by notice to Lender as provided herein, and any other persons personally liable on the Note as their names and addresses appear in Lender's records at the time of giving notice and (b) any notice to Lender shall be given by first class mail to Lender's address at Wachovia Bank, National Association, Retail Credit Servicing, P.O. Box 50010, Roanoke, VA 24022 or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

11. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflicts shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

12. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note, this Mortgage and Rider(s) at the time of execution or after recordation hereof.

13. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

14. Transfer of the Property or a Beneficial Interest in Borrower; Assumption. As used in this section 14, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with section 10 within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies by this Mortgage without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

15. Default; Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this entire Mortgage, including the covenants to pay when due any sums under the Note secured by this Mortgage, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without demand or notice, notice of the exercise of such option being hereby expressly waived. Lender may invoke the power of sale hereby granted. Lender shall have the right to enter upon and take possession of the Property hereby conveyed or shall without taking such possession have the right to sell the same at public auction for cash, after first giving notice of the time, place and terms of such sale by publication once a week for three consecutive weeks prior to said sale, in some newspaper published in said county, and upon payment of the purchase money, Lender, or owner of the debt and this Mortgage, or auctioneer, shall execute to the purchaser for and in the name of Borrowers, a good and sufficient deed to the Property sold. Lender shall apply the proceeds of said sale: first, to the expense of advertising, selling and conveying said Property, including a reasonable attorney's fee; second, to the payment of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes and other encumbrances, with interest thereon; third, to the payment in full of the principal indebtedness and interest thereon, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the date of said sale; and fourth, the balance, if any, shall be paid over to said Borrowers or to whomever then appears of record to be the owner of said Property. Lender may bid and become the purchaser of the Mortgaged Property at any foreclosure sale hereunder.

16. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued if: (a) Borrower pays Lender all sums which then would be due under this Mortgage, the Note and Notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in section 15 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action, as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that so long as Borrower is not in default hereunder, Borrower shall, prior to acceleration under section 15 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration and/or foreclosure under section 15 hereof, or abandonment of the Property, Lender, in person or by agent, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Lender shall be liable to account only for those rents actually received prior to the foreclosure sale as provided in section 15. Lender shall not be liable to account to Borrower or to any other person claiming any interest in the Property for any rents received after foreclosure.

18. Loan Charges. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (a) any such loan charges shall be reduced by the amount necessary to reduce the charge to the permitted limit and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by mailing a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

19. Legislation. If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note, this Mortgage or any Rider, unenforceable according to their terms, or all or any part of the sums secured hereby uncollectible, as otherwise provided in this Mortgage or the Note, or of diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by this Mortgage to be immediately due and payable.

20. Satisfaction. Upon payment of all sums secured by this Mortgage, the conveyance of the Property pursuant to this Mortgage shall become null and void and Lender shall release this Mortgage. Borrower shall pay all costs of recordation, if any. Lender, at Lender's option, may allow a partial release of the Property on terms acceptable to Lender and Lender may charge a release fee.

21. Waiver of Homestead. Borrower hereby waives all rights of homestead exemption in the Property and relinquishes all rights of dower and curtesy in the Property.

22. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any

Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal, or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this section 22, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this section 22, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender at Wachovia Bank, National Association, Retail Credit Servicing, P.O. Box 50010, Roanoke, VA 24022 of any default under the superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Mortgage and adopted as his seal the word ("SEAL") appearing beside his name.

Signed, sealed and delivered in the presence of:

_____ _____[SEAL]
Witness Borrower

_____ _____[SEAL]
Witness Name Typed or Printed Borrower

_____ _____[SEAL]
Witness Borrower

_____ _____[SEAL]
Witness Name Typed or Printed Borrower

State of _____

County of _____

Before me, the undersigned Notary Public, personally appeared _____
_____
who being duly sworn, deposed and said that (s)he saw _____
_____
_____
_____
_____
sign, seal and deliver the foregoing Mortgage and that (s)he, together with _____
_____
_____
witnessed the execution thereof.

SWORN to and subscribed before me this _____ day of _____, _____.

_____
Witness

_____[SEAL]
Notary Public for South Carolina

_____
Notary Public Name (Typed or Printed)

My Commission Expires: _____

Borrowers/Guarantors:

RONALD P PAPPAS

CAMINE PAPPAS

Dear Wachovia Customer(s):

Thank you for choosing Wachovia Bank, N.A. ("Wachovia") to help you with your financing needs. We appreciate the opportunity to have you as our customer. Wachovia reports your credit history, including your balance and how payments have been paid, to the credit bureaus each month. As required by federal law under the Fair and Accurate Credit Transactions Act, we must provide you with the following important information:

> We may report information about your account to credit reporting bureaus, including information that reflects regular payments made when due. Late payments, missed payments, or other defaults on your account may also be reflected on your credit report.

Thank you for this opportunity to be of service to you.

Wachovia Bank, N.A.

Borrowers/Guarantors:

RONALD P PAPPAS

CAMINE PAPPAS

Dear Wachovia Customer(s):

Thank you for choosing Wachovia Bank, N.A. ("Wachovia") to help you with your financing needs. We appreciate the opportunity to have you as our customer. Wachovia reports your credit history, including your balance and how payments have been paid, to the credit bureaus each month. As required by federal law under the Fair and Accurate Credit Transactions Act, we must provide you with the following important information:

> We may report information about your account to credit reporting bureaus, including information that reflects regular payments made when due. Late payments, missed payments, or other defaults on your account may also be reflected on your credit report.

Thank you for this opportunity to be of service to you.

Wachovia Bank, N.A.

HOMEOWNER'S INSURANCE NOTICE

Account Number: _____

Borrowers: RONALD P PAPPAS
CAMINE PAPPAS

Owners: . . .
. . .

Insured Property: EDGEWATER LOT 311 LANCASTER SC 29720

It is the responsibility of the closing attorney or agent to determine that coverage as specified is in force on or prior to the date of closing. Do not close this loan without proper insurance coverage as indicated below.

__ Homeowner's Hazard Insurance Requirement: $ _____
NOTE TO AGENT: If you cannot bind coverage requested above call MARY HAMLEN immediately.

__ Provide endorsement with satisfactory replacement coverage as determined by the insurance carrier.

[X] Wachovia Bank, N.A. must be endorsed as First mortgagee.

The loss payable clause should read:

Wachovia Bank, National Association
P.O. Box 13687
Retail Credit Ops VA3687
Roanoke, VA 24036-3687

A copy of the declaration page should be mailed to the above Wachovia address.

Insurance Company: _____

Insurance Agency: _____

Insurance Address: _____

_____

Policy #: _____

Insurance Phone #: 000-000-0000

These requirements may be changed only upon receipt of written communication from Retail Credit Support. If you determine that the loan cannot be closed in accordance with these insurance instructions, do not proceed to close without further instructions from Retail Credit Support.
Please call MARY HAMLEN at 610-736-6709.

548449 (Rev 01)

(12/01) Homeowners Ins Notice
0610795962

ERRORS AND OMISSIONS AGREEMENT AND CLERICAL ERROR AUTHORIZATION

DATE:	05/30/06
VISIT NUMBER:	0610795962
LENDER:	WACHOVIA BANK, NATIONAL ASSOCIATION
BORROWERS:	RONALD P PAPPAS CAMINE PAPPAS
OWNERS:	. . . . . .
PROPERTY:	EDGEWATER LOT 311 LANCASTER SC 29720

The undersigned parties acknowledge the making of a certain loan by Lender to Borrower(s) in the amount of $ 208100.00, which is evidenced by a promissory note/line of credit agreement and is secured by a Deed of Trust, Mortgage, or Deed to Secure Debt against the above Property.

In consideration of the closing of the loan, the undersigned parties agree to fully cooperate in the correction and/or execution, if necessary, of any and all loan closing documents so that all documents accurately describe the loan and the Deed of Trust, Mortgage, or Deed to Secure Debt are properly executed.

All of the undersigned parties, including all owners of the Property described above agree to comply with all reasonable requests by the Lender. The undersigned parties agree to assume all costs including, but not limited to, actual expenses, legal fees and marketing losses for failing to reasonably comply with the Lender's requests within thirty (30) days.

The undersigned parties also hereby authorize Lender to correct any minor typographical and/or clerical errors, including without limitation, inserting missing dates, on any and all closing documentation executed in connection with the above-referenced visit number.

This authorization does not authorize any changes to the provisions of the promissory note/line of credit agreement, including, loan amount, interest rate, monthly payment or the amount of any fees due at the time of closing.

Borrower RONALD P PAPPAS	Property Owner . . .
Borrower CAMINE PAPPAS	Property Owner . . .
Borrower	Property Owner
Borrower	Property Owner

Affiliated Business Arrangement Disclosure

This is to give you notice that Wachovia Bank, National Association has a business relationship with GreenLink, LLC ("GreenLink"). Both Wachovia Bank, National Association and GreenLink are wholly-owned subsidiaries of Wachovia Corporation. Because of this relationship, this referral may provide Wachovia Bank, National Association a financial or other benefit.

Set forth below is the estimated charge or range of charges for settlement services provided by GreenLink. You are NOT required to use GreenLink as a condition for settlement of your loan on the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Name & Address of Provider

GreenLink, LLC
12854 Kenan Drive
Suite 201
Jacksonville, FL 32258
(877) 247-0099

Provider and Settlement Service	*Estimated Range of Charges*
Title Service – one of the following types if needed: Property Report Title Search	 $25.00 - $87.00 $155.00 - $220.00
Lender's Title Insurance – includes title search and (if applicable) a title insurance binder or commitment.	$850.00 for $130,000.00 coverage on a sample first lien purchase transaction in Florida. Prices vary by loan amount and state ranging from $1.50 to $7.25 per $1,000.00 of coverage. Minimum charges may apply depending on state.
Flood Zone Determination Fee	$15.00

Set Forth below is the estimated charge or range of charges for the settlement services of a real estate appraiser that we, as your lender, will require you to use as a condition of your loan on this property, to represent our interests in the transaction.

Provider and Settlement Service	**Estimated Range of Charges**
Appraisal – one of the following types if needed: Single Family Appraisal Multi-Family Appraisal (3-4 family) Drive-By Appraisal Desktop Appraisal	 $225.00 - $350.00 $400.00 - $550.00 $95.00 - $300.00 $25.00 - $75.00

Note: Some of the services listed on this form may not be available in your state and may not be required for your loan. Please refer to your Good Faith Estimate for specific settlement services and charges required in connection with your loan.

Acknowledgement: I/we have read this disclosure form, and understand that Wachovia Bank, National Association is referring me/us to purchase the above-described settlement service(s), if needed, to process my/our application, and may receive a financial or other benefit as the result of this referral.

Please sign and return with your closing documents.

Signature
RONALD P PAPPAS

Date

Signature
CAMINE PAPPAS

Date

Reference Number: 0610795962

Property Address: RONALD P PAPPAS
CAMINE PAPPAS
EDGEWATER LOT 311
LANCASTER
SC 29720

Transfer of Servicing Disclosure Statement

NOTICE TO FIRST-LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RIGHTS. READ THIS STATEMENT AND SIGN IT ONLY IF YOU UNDERSTAND ITS CONTENTS. IF YOUR LOAN IS MADE, SAVE THIS STATEMENT WITH YOUR LOAN DOCUMENTS.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C sec. 2601 et. Seq.) you have certain rights under that Federal Law. This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest and escrow account payments. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

Transfer Practices and Requirements. If the servicing of your loan is assigned, sold or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. A notice of prospective transfer may instead be provided to you at settlement (when title of your new property is transferred to you) to satisfy these requirements. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by the Federal agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing for your loan to the new servicer, the name, address and toll-free number or collect call telephone number of the new servicer, and toll-free or collect call telephone number of a person or department for both your present servicer and your new servicer to answer your questions about the transfer of servicing. During the 60-day period beginning on the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Complaint Resolution. Section 6 of RESPA (12 U.S.C sec. 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 business days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on a payment coupon or other medium supplied by the servicer, which includes your name and account number, and your reasons for the request. Not later than 60 business days after receiving your request, your servicer must make any appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During the 60-day period, your servicer may not provide information to a consumer-reporting agency concerning any overdue payment related to such period or qualified written request.

Damages and Costs. Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated requirements of that Section.

Servicing Transfer Estimates by Original Lender. The following is the best estimate of what will happen to the servicing of your mortgage loan:

_____ 1. We do not service mortgage loans. We intend to assign, sell or transfer the servicing of your loan to another party. You will be notified at settlement regarding the servicer.

OR

__X__ 2. We are able to service this loan and presently intend to do so. However, that may change in the future. For all loans that we make in the 12-month period after your loan is funded, we estimate that the chances that we will transfer the servicing of those loans is between:

__X__ 0 to 25% _____ 26 to 50% _____ 51 to 75% _____ 76 to 100%

This is only our best estimate and it is not binding.
Business conditions or other circumstances may affect our future transferring decisions.

The estimate in 2. above does not include transfers to affiliates or subsidiaries. If the servicing of your loan is transferred to an affiliate or subsidiary in the future, you will be notified in accordance with RESPA.

3. We have previously assigned, sold, or transferred the servicing of federally related mortgage loans.

Acknowledgment of Borrower

I/we have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below.

_____ _____
Date **RONALD P PAPPAS**

_____ _____
Date **CAMINE PAPPAS**

Date: **May 22, 2006**
Reference Number: **0610795962**
Borrower(s): **RONALD P PAPPAS** **CAMINE PAPPAS**
Property Address: **EDGEWATER LOT 311**
LANCASTER SC 29720

0610795962
(10/02)

547877 (Rev 01)

WACHOVIA

A Summary of Your Wachovia Loan

Please read your NOTE carefully. This summary is for informational purposes and is not intended to supplement or amend the NOTE that governs your account.

Borrower(s) RONALD P PAPPAS CAMINE PAPPAS					
Product ☐ Non-Real Estate ☒ Real Estate	**Start Date** 05/30/06	**Number of Payments** 36	**Original Amount** $206100.00	**APR** 6.90 %	**Interest Type** ☒ Fixed ☐ Adjustable
Loan Collateral ☐ Unsecured ☒ Secured	**Collateral Description (leave blank if unsecured)** EDGEWATER LOT 311 LANCASTER SC 29720				
Due Date	☒ Monthly ☐ Quarterly ☐ Annually ☐ Semi Annually		**Late Charge**		**Pre-Payment Penalty** ☐ Yes ☐ No

How to Contact Wachovia About Your Loan

- Online at wachovia.com
- By phone at 800-347-1131, Monday through Friday, 8:30 a.m. - 5:00 p.m. ET
- By fax at 540-563-6324
- By mail: Wachovia Bank, N.A.
  Retail Credit Servicing
  P.O. Box 50010
  Roanoke, VA 24022

If your address changes please notify Wachovia so that all your accounts can be updated

Understanding Your Loan

Daily Simple Interest
- Interest accrues daily on the unpaid principal balance.
- Interest begins to accrue from your Note date or from the end of your rescission period, if applicable, and will continue to accrue on the unpaid balance until your Loan is paid in full.
- Changes to the Interest Rate, variations in the number of days between payments and any extensions will affect the interest that will accrue on your account.
- You will owe additional interest and increase the final payoff amount if your payment is not consistently received by the Due Date each month.

Payment Record Book (Coupon Book) Delivery
- You should receive your Coupon Book within 20 days.
- Your first Coupon Book will contain up to 60 months of payment coupons.
- If your Loan term is greater than 60 months, you will receive another Coupon Book before the 61st payment.

Interest Type

If you have a Fixed Interest Rate Loan
- The Interest Rate will remain the same throughout the term of your Loan.

If you have an Adjustable Interest Rate Loan
- The Interest Rate is calculated based on the Prime Rate, as published in *The Wall Street Journal,* Eastern Edition.
- The Interest Rate will remain "fixed" for a 12 month period beginning from your Note date.
- The Interest Rate will adjust based on changes, if any, in Prime Rate on the anniversary date, unless a different date is specified.
- The new Interest Rate will remain in effect for a 12 month period and adjust based on Prime Rate each 12 months thereafter until the Loan is paid in full.

How to Repay Your Loan

You have four payment options:
1. Mail your payment along with a payment coupon.
2. Automatic Debit - 1st Draft Date (___/___/___) *(If you choose this option, this form will serve as your confirmation).*
3. Make your payment at a Wachovia Financial Center.
4. Pay by phone, call 800-347-1131:
   - With a Wachovia checking or savings account, at no charge.
   - With a non-Wachovia checking account, $8.00 fee. This fee is subject to change without notice.

Principal Payments
- You may make payments to decrease the principal of your Loan by using a Decrease-to-Principal coupon. To request this special Coupon Book call 800-347-1131.
- You may also make a principal payment by automatic debit.

Other Important Information

- Make your payment by the Due Date to avoid additional interest charges. There is no grace period.
- Any payment received after the Late Charge Date referenced above, will be assessed a late charge penalty. The amount of the late charge varies by state. We will report information about your account to credit reporting bureaus, including information that reflects regular payments made when due. Late payments, missed payments, or other Defaults on your account will also be reflected on your credit report if they occur.
- If you accept or request a payment extension or skip-payment offer, interest will continue to accrue on that payment until it is paid.
- If your Loan carries a pre-payment penalty and you make a pre-payment that triggers the penalty, it will be included in your payoff.

Preparing for Your Loan Payoff

- To receive payoff information, call 800-347-1131.
- Your final payment could be affected by late payments, payment extensions/skip-payments, Due Date changes or variation in the number of days between payments.
- If additional amounts are owed after your last scheduled payment, you will receive a bill.

Collateral Release

Non-Real Estate
- Your collateral will be released 10 days after payoff.
- You may expect to receive the documentation 15 days after payoff.
- Negotiable collateral is sent overnight, customer signature required.

Real Estate
- If you sell your home, this Loan must be paid in full at that time.
- Wachovia will forward the Mortgage lien release to the appropriate county 15 days after payoff.
- The county determines when the release is recorded.

WACHOVIA

PRIVACY STATEMENT

Privacy At A Glance

Wachovia[1] is your partner in helping you achieve your financial goals. We are dedicated to protecting your privacy and providing you with the highest level of service. As technology continues to transform the way information is collected and distributed, we want you to know that we have implemented important procedures and practices designed to safeguard the privacy and security of financial information about you.

- We employ safeguards to protect information about our customers and to prevent fraud.
- We carefully manage information about you among the companies that make up Wachovia. By understanding your complete relationship with us, we can provide you with more personalized and efficient service.
- We do not provide information about our customers to other companies for their own marketing purposes. However, we have agreements with a limited number of companies to jointly offer financial products and services to you.

You Have Choices

- You may direct us not to contact you for marketing purposes by:
  - Telephone,
  - Direct mail or
  - E-mail.
- You may direct us not to share, within Wachovia, credit information about you that we receive from you or others.

How to Reach Us to Exercise Your Choices

- Visit a Wachovia financial center.
- Call us at 866-203-5722 to speak to a representative (Command Asset Program, IRA, Brokerage and Insurance customers should call 877-358-1114).
- Complete our Consumer Privacy Preferences form at wachovia.com/privacy.

How You Can Help Protect Your Privacy

- Do not share your account information, passwords, user ID's, PINs, code words or other confidential information with others.
- Do not provide confidential information by telephone to unknown callers.
- Do not provide confidential information online unless you initiated the contact, know the party with whom you are dealing, and provide the information through a secure channel.
- When conducting business over the Internet, always use a secure browser, exit online applications as soon as you finish using them, and make sure you have virus protection and a firewall and update them regularly.
- Protect and properly dispose of your account records.
- If you believe you are a victim of fraud or identity theft, please contact us at 888-647-3648 for assistance, which may include placing holds on your accounts. Also, see the "Identity Theft Assistance" section of our Privacy Statement for additional information.

Since this page is a summary, it is important that you read the rest of this Privacy Statement.

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[1] Wachovia Corporation, or Wachovia, includes multiple companies, such as Wachovia Bank, N.A., Wachovia Mortgage Corporation, Wachovia Insurance Services, Inc. and Wachovia Securities, LLC. This Privacy Statement applies to all Wachovia companies unless the Wachovia company provides notice that a separate Privacy Statement applies to that company. This Privacy Statement explains how we handle and protect information and replaces any Privacy Statements previously provided. The Privacy Statement applies only to consumers who are customers or former customers of Wachovia companies and have established relationships with Wachovia in the United States. The policies and practices described in this Privacy Statement are subject to change, but we will notify you of any significant changes. This Privacy Statement is issued as of January 2006.

How We Protect Information About You

- We train our employees to protect information about our customers.
- We continually enhance our security tools and processes.
- We protect customer data and accounts by asking you for information that only you should know when you contact us. We follow these and other procedures in our financial centers, on the phone and via the Internet.

How We Protect Your Privacy Online

Protecting information about our customers online is an essential part of our service to you.

- Our systems use technologies such as firewalls (which are designed to protect systems from intrusion) and encryption (scrambling of information).
- We validate your identity through confidential access codes before we allow online access to your accounts.

For more information on our Internet Security and Privacy policies, please visit wachovia.com/privacy.

How We Gather Information to Understand Your Financial Needs

The information we gather about you helps us to better understand your financial needs and to provide more personalized, efficient service to you. For example, this information may prompt us to suggest overdraft protection for your checking account, or recommend an investment product that has the potential to pay you higher earnings.

The information we gather comes from a variety of sources, including:

- Information you provide to us (such as information on applications about assets and income).
- Information related to your transactions with Wachovia (such as account balance and payment history).
- Information we receive from credit reporting agencies and other companies (such as your credit history).
- Information we obtain from others at your request (such as information about assets held at another institution for inclusion in a financial plan).
- Information obtained when you use Internet products and services (such as application and transaction information and information contained in e-mails you send us).

We carefully manage all the information gathered about you as described in the following section.

How We Manage Information to Serve Your Needs

Within Wachovia Corporation
We consolidate information about customers within the companies that make up Wachovia Corporation, including:

- Information based on your transactions with us (for example, information that we would collect about your loan amounts and deposits with us in order to offer you a rate based on total balances) and contact information (such as your name and address).
- Credit information received from you or others (such as information from your credit application or your employment or credit history) to evaluate your eligibility for various financial services (for example, a line of credit at a special rate).

You may tell us not to share credit information with Wachovia companies*. For more information, see the section below entitled, "Your Choices as a Customer."

Outside of Wachovia Corporation
Other than limited exceptions like those below, we do not provide information about our customers to companies outside of Wachovia Corporation. You do not need to request this confidentiality; it is our standard practice.

In order to serve your needs, we may provide all of the information we gather to:

- Service providers that perform business operations for us (such as check printing).
- Companies that act on our behalf to market our services, or companies with whom we have entered into a joint marketing agreement in order to provide you with valuable financial products and services (such as credit cards).*
- Others as permitted or required by law (such as to protect against fraud or in response to a subpoena).

We select very carefully the companies that provide services on our behalf, or offer you financial products and services. Also, we only provide them with information that we believe is necessary to fulfill their responsibilities or to provide a financial service to you. These companies are prevented by legal agreement from using this information for their own purposes or selling this information to others.

***Other Applicable Laws**

The practices described above are in accordance with federal law. You may have other protections under applicable state laws, such as Vermont and California. To the extent these state laws apply, we will comply with them when we share information about you. For example, Vermont law places additional limits on sharing information about Vermont residents. As long as they remain residents of Vermont, we will not share information we collect about Vermont residents to companies outside of Wachovia, except:

- To companies that perform marketing or other services on our behalf;
- Contact information (like name and address), and transaction information (such as your payment history) to other financial institutions with which we have joint marketing agreements;
- With the authorization or consent of the Vermont resident; or
- As permitted or required by law.

We also will not share credit information about Vermont residents received from others within Wachovia except with the authorization or consent of the Vermont resident.

Your Choices as a Customer

We are committed to helping you manage your finances in the most effective way, and helping you maximize the return on your financial investments. For these reasons, we may contact you to offer financial advice and inform you of different options that may be of value to you. If you are comfortable with the ways in which we contact you currently, there is no need to indicate your preferences. We recognize, however, that you may wish to limit the ways in which we contact you for marketing purposes, and we offer the options listed below:

1. Please do not contact me by telephone for marketing purposes.
2. Please do not contact me by mail for marketing purposes.
3. Please do not contact me by e-mail for marketing purposes.

You also have a choice about how information about you is managed within Wachovia. If you prefer that we not share credit information about you with Wachovia companies, you may choose the following option:

4. Please do not share, among Wachovia companies, credit information about me that you receive from me or others.

Whatever your preferences, we will honor your wishes and respect your privacy. Your preferences will remain in effect until you tell us otherwise. You do not need to notify us if you have already indicated your preferences to us.

To discuss your options, inform us of a preference, or provide us with feedback, call us at 866-203-5722 (Command Asset Program, IRA, Brokerage and Insurance customers should call 877-358-1114), visit a Wachovia financial center or visit us on the Web at wachovia.com/privacy.

If you contact us, we will assume your preferences apply to you only - unless you tell us that they also apply to other individuals listed on your accounts.

Please note that we are committed to providing you with superior service. Occasionally, we may contact you to resolve a problem or to service your accounts even if you have asked us not to contact you by telephone, mail or e-mail for marketing purposes. For example, if we observe unusual activity on your debit card, we may contact you to verify your purchases and confirm that they are authorized. If you choose not to be contacted by mail for marketing purposes, you will continue to receive marketing information included with your usual account mailings and statements.

Identity Theft Assistance

Monitoring your credit for accuracy is an important step to take in protecting yourself from fraud and identity theft. By law, you are entitled to receive one free credit file disclosure every 12 months from each of the nationwide consumer credit reporting companies. To learn more or request a copy of your credit report, visit annualcreditreport.com or call 877-322-8228.

If you believe you may be a victim of identity theft:

1. Contact us at 888-647-3648 to place holds on your accounts, obtain a free copy of Wachovia's Customer Fraud Assistance Package or for other assistance. The materials in the Customer Fraud Assistance Package are also available at wachovia.com/privacy.
2. Contact the Social Security Administration's Fraud Hotline at 800-269-0271 to report fraudulent use of your identification information.
3. Report the incident as quickly as possible to any one of the credit reporting agencies:
   Experian 888-397-3742
   Equifax 800-525-6285
   Trans Union 800-680-7289
   You should review a current credit bureau report to identify any unauthorized accounts or inquiries and ask the credit reporting agency about placing a Victim Alert Flag on your files.
4. File a police report in your local jurisdiction and retain the report number and the name of the officer who took the report.
5. File a complaint with the Federal Trade Commission (FTC) by contacting the FTC's Identity Theft Hotline: 877-IDTHEFT.

How to Limit Direct Marketing from Other Companies

To limit the instances in which credit reporting agencies share your information with companies wishing to offer you pre-approved credit solicitations, you can call 888-567-8688 (the Credit Reporting Industry Pre-screening Opt Out Number) or visit optoutprescreen.com.

To limit the marketing you receive by mail and by e-mail from companies outside of Wachovia, you may contact the Direct Marketing Association (DMA) at the addresses below and request that your information be placed on its do not contact lists. You must include your name, address, telephone number and signature with your request.

Mail Preference Service
Direct Marketing Association
P.O. Box 643
Carmel, NY 10512

DMA Email Preference Service: dmaconsumers.org/optoutform_emps.shtml

To limit telemarketing calls from companies outside of Wachovia, you may add your telephone number to the National Do Not Call list through the following Web site: donotcall.gov.

If you are a Wachovia customer, some Wachovia companies may contact you by telephone about Wachovia products and services even if you have registered your telephone number with the National Do Not Call list. To direct Wachovia not to contact you by telephone to offer its products or services, please see the section titled "Your Choices as a Customer."

We Strive to Maintain Accurate Information

We strive to maintain complete and accurate information about you and your accounts. If you ever believe that our records contain inaccurate or incomplete information about you, please let us know immediately. We are committed to resolving any inaccuracies as quickly as possible.

Credit Reporting Agencies
If you believe we have reported inaccurate information about your account to any credit reporting agency, please let us know in writing. Be sure to include your complete name, current address, Social Security Number, telephone number, account number, type of account, specific item of dispute and the reason you believe the information is wrong. Send your notice to: Wachovia Bank, N.A., P.O. Box 3117, Winston-Salem, NC 27102. We will investigate your concern and correct any inaccuracies we find. We will inform you of any actions we take.

If You Have Questions, Contact Us

We welcome the opportunity to answer any questions you may have about this statement or the safeguarding and confidentiality of information about our customers. Please visit our Web site at wachovia.com/privacy, visit a Wachovia financial center, or call us at 866-203-5722 (Command Asset Program, IRA, Brokerage and Insurance customers should call 877-358-1114) to speak to a representative.

From: richard.park@w[illegible]ovia.com
To: rpappas@earthlink.net
Subject: Edgewater Lot 311
Date: Apr 5, 2006 2:33 PM
Attachments: 532823[1].PDF 555588[1].PDF 301533[1].PDF

Member FDIC

April 5, 2006

Ronald P. Pappas
8006 Rockland Trail
Waxhaw, NC 28173

Dear Ms. Pappas,

I want to personally thank you for choosing Wachovia for your financial needs.

Our goal is to provide you with the service and expertise to help you make the very most of your money. If we ever fail to measure up to your expectations, I hope that you will let me know.

We offer 6.75% interest only for 36 months with 10% down and no origination fee.

I have enclosed the loan application and Attorney /Insurance Preference Checklist.
Please complete the application and sign the bottom of the Attorney /Insurance Preference Checklist. If you are buying more than one lot, include both lot numbers on the application.

Please include a copy of a driver license for each applicant. We will also need copies of your latest pay stub and or the last two years tax returns if self employed.

For verification of down payment, please include last two months of bank statements from where the down payment is coming from.

Appraisals are $250.00 per lot paid at closing.

Again, thank you for choosing Wachovia. I look forward to helping you with all your financial needs, both now and in the years to come.

Sincerely,

Loan Application Attorney PreferenceAuth to Draft

Richard Park

Licensed Financial Specialist
2110 N Oak St SC8527
Myrtle Beach, SC 29577
Wachovia Bank, NA
843-448-7654
843-448-6447 Fax
Richard.Park1@Wachovia.com

4/5/4

AS of 4/5/04

BOFA 60,591.87

WAMU 50,900 —

WACHOVIA

for EDGEWATER

South Carolina —

telephone call

from RICHARD PACK

WACHOVIA

MYRTLE BEACH

843-448-7654

RICHARD.PACK@WACHOVIA.COM

MYRTLE BEACH.

RICHARD PACK = FINANCIAL SPECIALIST.

WACHOVIA —

— NO DOC LOAN —

IF.

— 700 BEACON →

offer is

3 yr LIBOR ONLY

6.75%

90% of VAL

NO ORIG FEE, POINTS.

— FEE 250 Appraisal = paid @ closing

—

1st yrs - interest pmt paid by seller.

* Seller deposits $ to cover 1st yrs interest only pmts @ close; in Wachovia acct - then $ are debited

fee NO

NEED —

SIGNED AUTHORIZATION FOR AUTO DRAFT. (TO SHOW WHERE $ CAME FROM..)

2 MOS - BANK STMTS.

DRIVERS LICENSE.

OMB NO. 2502-0265

A.

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

SETTLEMENT STATEMENT

B. TY. OF LOAN:
1. ☐ FHA 2. ☐ FmHA 3. ☒ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS.

6. FILE NUMBER: PAPPAS,RONALD.09.JO
7. LOAN NUMBER: 0914000080
8. MORTGAGE INS CASE NUMBER:

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

1.0 3/98 (PAPPAS,RONALD.09.JO.PFD/PAPPAS,RONALD.09.JO/15)

D. NAME AND ADDRESS OF BORROWER:	E. NAME AND ADDRESS OF SELLER:	F. NAME AND ADDRESS OF LENDER:
RONALD P. PAPPAS and CAMINE PAPPAS 17315 Yachtsman Court Lancaster, SC 29720		WACHOVIA BANK, NA 12301 Vance Davis Drive Charlotte, NC 28269

G. PROPERTY LOCATION:	H. SETTLEMENT AGENT: 56-1923596	I. SETTLEMENT DATE:
17315 Yachtsman Court Lancaster, SC 29720 Lancaster County, South Carolina Lot 311 Edgewater	McMillan & Terry, P.A. PLACE OF SETTLEMENT 6101 Carnegie Boulevard, Suite 310 Charlotte, NC 28209	July 22, 2009

J. SUMMARY OF BORROWER'S TRANSACTION			K. SUMMARY OF SELLER'S TRANSACTION		
100. GROSS AMOUNT DUE FROM BORROWER:			**400. GROSS AMOUNT DUE TO SELLER:**		
101. Contract Sales Price			401. Contract Sales Price		
102. Personal Property			402. Personal Property		
103. Settlement Charges to Borrower (Line 1400)		1,028.75	403.		
104. Payoff First Mortgage to Wachovia Bank/32410100024		209,925.94	404.		
105. Payoff Second Mortgage			405.		
Adjustments For Items Paid By Seller in advance			*Adjustments For Items Paid By Seller in advance*		
106. City/town Taxes	to		406. City/town Taxes	to	
107. County Taxes	to		407. County Taxes	to	
108. Assessments	to		408. Assessments	to	
109.			409.		
110.			410.		
111.			411.		
112.			412.		
120. GROSS AMOUNT DUE FROM BORROWER		210,954.69	*420. GROSS AMOUNT DUE TO SELLER*		
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:			**500. REDUCTIONS IN AMOUNT DUE TO SELLER:**		
201. Deposit or earnest money			501. Excess Deposit (See Instructions)		
202. Principal Amount of New Loan(s)		210,954.69	502. Settlement Charges to Seller (Line 1400)		
203. Existing loan(s) taken subject to			503. Existing loan(s) taken subject to		
204.			504. Payoff of first Mortgage		
205.			505. Payoff of second Mortgage		
206.			506.		
207.			507.		
208.			508.		
209.			509.		
Adjustments For Items Unpaid By Seller			*Adjustments For Items Unpaid By Seller*		
210. City/town Taxes	to		510. City/town Taxes	to	
211. County Taxes	to		511. County Taxes	to	
212. Assessments	to		512. Assessments	to	
213.			513.		
214.			514.		
215.			515.		
216.			516.		
217.			517.		
218.			518.		
219.			519.		
220. TOTAL PAID BY/FOR BORROWER		210,954.69	*520. TOTAL REDUCTION AMOUNT DUE SELLER*		
300. CASH AT SETTLEMENT FROM/TO BORROWER:			**600. CASH AT SETTLEMENT TO/FROM SELLER:**		
301. Gross Amount Due From Borrower (Line 120)		210,954.69	601. Gross Amount Due To Seller (Line 420)		
302. Less Amount Paid By/For Borrower (Line 220)		(210,954.69)	602. Less Reductions Due Seller (Line 520)		( )
303. CASH (FROM) (TO) BORROWER		0.00	*603. CASH (TO) (FROM) SELLER*		0.00

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

I HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. I FURTHER CERTIF THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

Borrower

RONALD P. PAPPAS

CAMINE PAPPAS

Seller

TO THE BEST OF MY KNOWLEDGE, THE HUD-1 SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS A TRUE AND ACCURATE ACCOUNT OF TH FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

McMillan & Terry, P.A.
Settlement Agent

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY SIMILAR FORM. PENALTIES UPO CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE: TITLE 18 U.S. CODE SECTION 1001 & SECTION 1010.

L. SETTLEMENT CHARGES

		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %			
Division of Commission (line 700) as Follows:			
701. $ to			
702. $ to			
703. Commission Paid at Settlement			
704. to			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee % to			
802. Loan Discount % to			
803. Appraisal Fee to WACHOVIA BANK, NA			
804. Credit Report to		75.00	
805. Lender Title Search Fee to WSS			
806. Lender Recording Fee to WACHOVIA BANK, NA		90.00	
807. Document Preparation to		20.00	
808. Courier / Express Mail			
809. Flood Certification Fee			
810. Application Fee			
811. Commitment Fee			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest From 07/22/09 to 08/01/09 @ $ /day (10 days %)			
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for 1.0 years to			
904.			
905.			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance months @ $ per month			
1002. Mortgage Insurance months @ $ per month			
1003. City/town Taxes months @ $ per month			
1004. County Taxes months @ $ per month			
1005. Assessments months @ $ per month			
1006. months @ $ per month			
1007. months @ $ per month			
1008. AGGREGATE ADJ CREDIT months @ $ per month			
1100. TITLE CHARGES			
1101. Settlement or Closing Fee to			
1102. Abstract or Title Search to Bentwood Title Services		147.75	
1103. Title Examination to			
1104. Title Insurance Binder to			
1105. Document Preparation to			
1106. Document Retrieval to McMillan & Terry, P.A.		35.00	
1107. Attorney's Fees to McMillan & Terry, P.A.		450.00	
(includes above item numbers:)			
1108. Title Insurance to NONE PER LENDER			
(includes above item numbers:)			
1109. Lender's Coverage $			
1110. Owner's Coverage $			
1111. Copying/faxing/file storage to McMillan & Terry, P.A.		45.00	
1112. Shipping & Handling Charge to FedEx/McMillan & Terry, PA		50.00	
1113. CANCEL DEED OF TRUST to McMillan & Terry, P.A.		25.00	
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording Fees: Deed $; Mortgage $ 26.00; Releases $		26.00	
1202. City/County Tax/Stamps: Deed ; Mortgage			
1203. State Tax/Stamps: Revenue Stamps ; Mortgage			
1204.			
1205. Record & Update to McMillan & Terry, P.A.		65.00	
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey to			
1302. Pest Inspection to			
1303.			
1304.			
1305.			
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)		1,028.75	

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

McMillan & Terry, P.A.
Settlement Agent

PLEASE RETAIN A COPY OF THIS DOCUMENT FOR TAX PURPOSES. THERE WILL BE AN ADDITIONAL FEE FOR ANY SETTLEMENT STATEMENTS REQUESTED MORE THAN 90 DAYS AFTER CLOSING.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into by the Department of Housing and Urban Development ("HUD") and Craft Development, L.L.C. ("Craft Development"), a North Carolina limited liability company. Craft Development and HUD shall be collectively referred to in this Agreement as the "Parties."

WHEREAS the Secretary of HUD ("Secretary") is authorized to enforce the Interstate Land Sales Full Disclosure Act ("Act"), 15 U.S.C. §§ 1701 *et seq.*, and its implementing regulations at 24 C.F.R. § 1710 *et seq.*; and

WHEREAS the Act prohibits any developer or agent from directly or indirectly making use of any means or instruments of transportation or communication in interstate commerce or the mails to sell or lease any non-exempt lot in any subdivision unless a Statement of Record with respect to such lot is in effect in accordance with 15 U.S.C. § 1707 is furnished to the purchaser in advance of the signing of any contract or agreement for sale or lease by the purchaser or lessee; and

WHEREAS the Secretary is authorized by 15 U.S.C. § 1714(b) to investigate any facts, conditions, practices, or matters deemed necessary to determine if there has been or is about to be a violation of the Act or of any rule or regulation prescribed pursuant thereto; and

WHEREAS Craft Development is engaged in the business of developing subdivisions; and

WHEREAS Craft Development is the developer of the Edgewater subdivision ("Edgewater") in Lancaster, South Carolina; and

WHEREAS HUD has determined that:

(a) Edgewater is comprised of 848 lots,

(b) Craft Development sold a total of 321 lots in Edgewater without having first filed a statement of record with HUD and providing purchasers with property reports, and

(c) Craft Development did not qualify for an exemption from the Act; and

WHEREAS Craft Development has represented that upon learning that it was subject to the Act's registration and disclosure requirements, it notified HUD of its sales in violation of the Act and, as of January 2007, voluntarily suspended its sales of lots in Edgewater; and

WHEREAS Craft Development thereafter submitted a statement of record for Edgewater, which HUD declared effective on March 30, 2007; and

WHEREAS Craft Development cooperated fully with HUD in this matter; and

WHEREAS the Parties agree that this Agreement constitutes the settlement of the disputed claims between the Parties; and

WHEREAS this Agreement does not constitute an admission of wrongdoing, liability or legal fault on the part of Craft Development for any conduct underlying this Agreement, nor shall it be construed as an admission that any person or entity acted wrongfully; and

WHEREAS the Parties desire to avoid formal proceedings and any further expense, as well as to finally resolve this matter under the terms and conditions set forth below; and

WHEREAS the terms of this Agreement are an appropriate disposition of this case and are in the public interest.

NOW THEREFORE in consideration of the mutually negotiated promises, covenants, and obligations in this Agreement, the Parties reach a final settlement as stated below:

1. The "Effective Date" of this Agreement means the date on which it has been signed by HUD.

2. Based on Craft Development's compliance with this Agreement, HUD will terminate its investigation into the business practices of Craft Development that gave rise to this investigation and agree to take no further enforcement action under the Act with respect to Craft Development's conduct described herein, unless such practices recur.

3 If Craft Development fails to comply with the terms and conditions of this Agreement, HUD may take appropriate enforcement action and refer the matter to other government authorities for additional action.

4. Within sixty (60) business days of the Effective Date, Craft Development will send a notification letter ("Notification Letter") to each eligible purchaser, for whom the sale of lots does not meet an exemption under 15 U.S.C. § 1702 or 24 C.F.R. § 1710.14 ("Eligible Purchaser"). The Notification Letter will specify that Craft Development violated the Act's registration and disclosure requirements and that Craft Development is required under the Act to offer the purchaser the option of rescinding the contract for his or her lot purchase(s).

5. Each Eligible Purchaser will have twenty-one (21) days after his or her receipt of the Notification Letter to rescind his or her contract(s) with Craft Development.

6. Within thirty (30) business days of the Effective Date of this Agreement, Craft Development will remit twenty-four thousand dollars ($24,000) payable to the U.S. Treasury and delivered to counsel for HUD.

7. Craft Development hereby waives, releases, and remits any and all claims, directly or indirectly, against HUD or any of its employees, agents or representatives with respect to HUD's investigation and this Agreement.

8 Craft Development agrees hereafter to fully comply with all provisions of the Act and its implementing regulations.

9. This Agreement is the complete agreement between the Parties as to the matters addressed herein. This Agreement may not be amended except by written consent of the Parties.

10. Each of the Parties shall bear its own attorney's fees and costs, including the preparation and performance of this Agreement.

This Agreement applies to and binds Craft Development and its predecessors, successors, directors, officers, employees, representatives, and assigns.

12 The Parties agree and stipulate that this Agreement is freely and voluntarily entered into without any duress or compulsion whatsoever. No provision of this Agreement shall be construed against any of the Parties solely for having drafted such provision of this Agreement.

13. By this Agreement, the Parties do not waive, compromise, or release any claims or causes of action against any other person or entity not expressly released by this Agreement.

14. Failure by any party to enforce any provision of this Agreement shall not be construed as a waiver by any such party of any provision of this Agreement, nor in any way affect the validity of this Agreement or any part thereof.

16. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitutes the same agreement.

7. Each person who signs this Agreement in a representative capacity warrants that his or her execution of this Agreement is duly authorized, executed and delivered by and for the entity for which he or she signs.

Craft Development, L.L.C.

By: _____ 5/12/08
Signature Date

David Cuthbertson Manager
Name printed Title

U.S. Department of Housing and Urban Development

By: _____ 8/4/08
Date

Brian D. Montgomery
Assistant Secretary for Housing –
Federal Housing Commissioner

EDGEWATER SETTLEMENT ADMINISTRATOR
309 POST OFFICE DRIVE
INDIAN TRAIL, NC 28079
(704)684-0031

January 28, 2011

Property Owner

Re: Edgewater Lot Purchase

Dear Property Owner:

Prior to signing the contract for the purchase of your lot in Edgewater Subdivision from Craft Development, LLC ("Craft"), you were given a substantial amount of information about Edgewater, but you were not provided with a Property Report. A Property Report is required to be given to prospective purchasers before they sign a contract to purchase a lot if the lot is required to be registered with the United States Department of Housing and Urban Development ("HUD") pursuant to the provisions of the Interstate Land Sales Full Disclosure Act ("ILSA"). There are a number of exemptions from ILSA's registration requirements. Edgewater Sales, which handled the marketing of Edgewater for Craft, was under the impression that the lot you purchased was exempt from registration under ILSA and therefore did not provide you with the Property Report at the time you signed the contract.

After a number of lots were sold, Edgewater Sales was informed by their current legal counsel that, in fact, Edgewater was subject to the provisions of ILSA, that a registration with HUD should have occurred, and that a Property Report should have been provided to you prior to the signing of the contract to purchase your lot. Therefore, there was an unintentional violation of ILSA by Craft's agent, Edgewater Sales.

As a result of this unintentional violation of ILSA, HUD has required, pursuant to the terms of a Modified Settlement Agreement entered into between Craft and HUD, that you are to be provided with a copy of the HUD Property Report, and notification and details of the right to rescind your purchase contract, both of which are attached.

Sincerely,

Edgewater Settlement Administrator

Lot _____

DAVIS, FRAWLEY, ANDERSON, MCCAULEY, AYER, FISHER & SMITH, LLC
ATTORNEYS AND COUNSELORS AT LAW

Legal Services Engagement and Fee Agreement

Client Information	
Name(s)	
Street Address	
City ST ZIP Code	
Home & Work Phone	
E-Mail Address	
Edgewater Information	
Lot Number	
Date received Edgewater Settlement Administrator's Letter	

Legal Services and Fees

The undersigned Client enters into this engagement and fee agreement with the law firm of *Davis, Frawley, Anderson, McCauley, Ayer, Fisher & Smith, LLC* of 140 East Main Street, Lexington, SC ("Counsel").

SCOPE: Counsel agrees to perform legal services for the Client with regard to efforts to rescind the Client's purchase of the referenced Lot – involving the Settlement Agreement between Craft Development, LLC ("Craft"), and the Department of Housing and Urban Development ("HUD"). The scope does not include the prosecution of the Client's claims in Bankruptcy Court, but such representation must be undertaken, if at all, by separate fee agreement.

FEES & COSTS: Client agrees to pay for the performance of such legal services, and to pay for all costs & expenses incurred in connection therewith in a modified contingency fee arrangement described as follows and further in a letter to client dated February 8, 2011 (incorporated herein).

(1) Client agrees to pay, for Client's portion of the **"Group" fees**, to be invoiced by Counsel approximately monthly, for work benefiting the "Group", including costs and hourly rate fees as follows: Associates ($150.00); Partners ($250.00); Paralegals ($85.00). "Group" fees include those services of a general or common nature to most or all of the "Group" of clients represented by Counsel in these matters. Client agrees to pay Counsel for Client's pro rata portion of the Group cost. Group cost include, but are not limited to, charges for serving and filing papers, courier or messenger services, recording and certifying documents, depositions, transcripts, investigations, long-distance telephone calls, copying materials, travel expenses, postage and expert witnesses. Client understands Client is responsible for his/her/their pro rata portion of the Group cost even if there is no recovery.

(2) Client agrees to pay Counsel an **"Individual"** fee amounting to a contingency fee of 15% of the gross amount obtained from Craft in the rescinding of the Client's purchase of Client's Lot, plus reimbursement to Counsel for costs associated with Client's individual costs. Counsel's services which are focused on Client's individual Lot and individual factual situation (as opposed to the common "Group" issues) will not be included in "Group" fees set forth above. Client agrees to pay counsel for Client's individual cost. Client's individual cost include, but are not limited to, charges for serving papers, courier or messenger services, recording and certifying documents, depositions, transcripts, investigations, long-distance telephone calls, copying materials, travel expenses, postage and expert witnesses. Client understands Client is responsible for his/her/their individual cost even if there is no recovery. If a lawsuit is filed at the trial court level, then our firm's contingency fee for individual work will increase to 25% of the individual Client's gross recovery.

Lot _____

DAVIS, FRAWLEY, ANDERSON, MCCAULEY, AYER, FISHER & SMITH, LLC

ATTORNEYS AND COUNSELORS AT LAW

Client acknowledges that Counsel has made no promises or guarantees regarding the outcome of these matters.

Counsel reserves the right to withdraw from this matter if Client fails to honor this Agreement. Notification of withdrawal shall be made in writing to Client. In the event of such withdrawal, Client agrees to promptly pay Counsel for all services rendered by Counsel and all other fees, charges, and expenses incurred by Counsel prior to the date of such withdrawal. If in the event Counsel withdraws from representation, Client agrees to sign a Consent Order acknowledging same, to be submitted to a Court of competent jurisdiction relieving counsel from further representation in this or any related matter.

Client reserves the right to terminate the representation for cause if Counsel fails to honor this Agreement. Notification of the termination shall be made in writing to Counsel. In the event of such termination by the Client, Client agrees to pay Counsel fees for services due and reimburse Counsel for all other fees, charges, and expenses incurred prior to the date of such termination.

Counsel agrees to use best efforts in representing Client in this matter; however, Client acknowledges that Counsel has given no assurances regarding the outcome of this matter.

Agreement and Signature	
By submitting this application, I affirm my agreement to engage Counsel for legal representation and to comply with the terms of the fee agreement. Further if signing for an entity, I affirm that specific authorization from the entity has been obtained, a copy of which I will provide upon request of Counsel.	
Name (printed)	
Signature	
Date	

Name (printed)	
Signature	
Date	

Name (printed)	
Signature	
Date	

DAVIS, FRAWLEY, ANDERSON, MCCAULEY, AYER, FISHER & SMITH, LLC

ATTORNEYS AND COUNSELORS AT LAW

ELECTION OF OPTIONS

I/We_____, owner(s)

(Print name of each owner)

of Lot Number_____, in Edgewater Subdivision understand that the Settlement Agreement between the Department of Housing and Urban Development ("HUD") and Craft Development, LLC ("Craft Development") as executed August 9, 2008 provides all owners with the option to rescind the purchase contract entered into with Craft Development and indicate their desires to counsel below:

Elect to Rescind	☐
Elect NOT to Rescind	☐

Owners that have chosen "Elect to Rescind" indicate their desires to counsel below regarding membership in the Home Owners Association:

Opting out of the Home Owners Association	☐
NOT opting out of the Home Owners Association	☐

_____

(Signature 1) Date

_____

(Signature 2) Date

PLEASE RETURN NO LATER THAN FEBRUARY 11, 2011

MODIFIED SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into by the Department of Housing and Urban Development ("HUD") and Craft Development, L.L.C. ("Craft Development"), a North Carolina limited liability company. Craft Development and HUD shall be collectively referred to in this Agreement as the "Parties."

WHEREAS Craft Development is the developer of the Edgewater subdivision located in Lancaster, South Carolina; and

WHEREAS the Parties entered into a settlement agreement on August 4, 2008, to settle alleged violations of the Interstate Land Sales Full Disclosure Act ("Act"), 15 U.S.C. §§ 1701 *et seq.*, and its implementing regulations at 24 C.F.R. § 1710 *et seq.* related to the development of the Edgewater subdivision; and

WHEREAS the Parties now agree to amend the August 4, 2008, settlement agreement.

NOW THEREFORE in consideration of the mutually negotiated promises, covenants, and obligations in this Agreement, the Parties reach an amended settlement as stated below:

1. The "Effective Date" of this Agreement means the date on which it has been signed by HUD.

2. Within 30 days of the Effective Date of this Agreement, Craft Development will provide HUD Property Reports to all purchasers who bought lots in the Edgewater subdivision without the benefit of a HUD Property Report. This clause only applies to purchasers who bought from the developer and who are still the owners of the lots.

3. Craft Development will prepare a notification letter that will be approved by HUD that will at a minimum inform purchasers of their option to rescind their purchase contracts, set forth the manner in which rescission will be offered, and the steps necessary to elect rescission as reflected in this settlement agreement.

4. Within thirty (30) days of the Effective Date, Craft Development will send the notification letter to all purchasers who bought lots in the Edgewater subdivision without the benefit of a HUD Property Report. Purchasers will be given thirty (30) days from the time the notification letter is mailed to the purchasers' last known address to make an election and to inform Craft Development of whether they intend to rescind their purchase contracts or keep their lots.

5. Craft Development will have eighty (80) days from the date the notification letters are mailed to purchasers to determine the economic feasibility of repurchasing the lots. Craft Development will provide HUD within ten (10) days of the completion of the economic feasibility study: 1) Number of purchasers requesting rescission; 2) A financial statement showing assets and liabilities; 3) Anticipated revenues; and 4) A justification for the results reached. Purchasers must be notified within 21 days of the completion of the economic feasibility study of the results as they pertain to their request.

6. If a purchaser elects to rescind his or her purchase contract and Craft Development determines that it is economically feasible to return the entire price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, Craft Development will do so within thirty (30) days of the completion of the economic feasibility assessment.

7. If a purchaser elects to rescind his or her purchase contract and Craft Development determines that it is not economically feasible to immediately provide the purchaser with a refund, the purchaser will be given immediate notice to inform Craft Development in writing within fourteen (14) days of which of the following options he or she elects to utilize:

    a. Craft Development will market the lot at the original purchase price. The lot will be placed for sale for at least three hundred sixty-five (365) days. Upon resale of the lot, the entire resale price, less any previously paid cash payment Craft Development escrowed for prepaid interest or previously paid financing incentives paid at closing by Craft Development, will be remitted to the purchaser. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted from the refunded amount except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker; or

    b. Craft Development will market the lot at a price stipulated or agreed upon by the purchaser. The lot will be placed for sale for up to three hundred sixty-five (365) days. If upon resale of the lot, the resale price is less than the original purchase price minus any previously paid funds held in escrow for prepaid interest or previously paid financing incentives paid at closing by Craft Development, then the purchaser will receive the entire resale purchase price and the previously paid interest and incentives will not be deducted from the amount the purchaser receives. No real estate commissions, closing costs, or fees of any kind for the resale of the property will be deducted except in the event that an unaffiliated co-broker brings a purchaser, in which event, a commission of not more than 5% of the purchase price may be deducted from the sale proceeds and paid to the unrelated co-broker.

    If the lot does not sell after 365 days on the market, Craft Development will buy back the lot upon delivery by the owner of a general warranty deed conveying clear title. Craft Development will execute a purchase money promissory note to the purchaser in the amount of the original purchase price, less any case payment from Craft Development escrowed for prepaid interest or financing incentives paid at closing by Craft Development. The note will provide that it will be paid in full within twenty-four (24) months from its dates and will be secured by a first lien purchase money mortgage.

8. Craft Development will endeavor to sell lots at a ratio of 3:2 with three (3) rescinded lots being sold for each two (2) inventory lots; provided, however, that Craft may deviate from the required ratio in the event that, because of the ratio requirement, Craft would not be able to accept an offer to purchase an inventory lot. Craft Development agrees not to direct prospective buyers to inventory lots as opposed to rescinded lots.

9. Craft Development agrees that neither it nor any of its affiliates will be permitted to purchase a rescinded lot for less than the price the purchaser originally paid for the lot less any cash payment made by Craft Development for prepaid interest or financing incentives paid at closing by Craft Development.

10. Purchasers who elect to rescind their purchase contracts, may elect to stay in Edgewater's homeowners association and use the amenities at the Edgewater subdivision until they receive full payment from Craft Development, provided the purchaser remains in good financial standing with Edgewater' s homeowners association. Purchasers who elect to rescind may also elect to withdraw, at no charge, from the homeowners association and stop using subdivision amenities.

11. Craft Development will provide HUD with quarterly reports on the state of its progress until full payment to rescinding purchasers has been accomplished.

12. Craft Development agrees hereafter to fully comply with all provisions of the Act and its implementing regulations.

13. This Agreement is the complete agreement between the Parties as to the matters addressed herein. This Agreement may not be amended except by written consent of the Parties.

14. Each of the Parties shall bear its own attorney's fees and costs, including the preparation and performance of this Agreement.

15. This Agreement applies to and binds Craft Development and its predecessors, successors, directors, officers, employees, representatives, and assigns.

16. The Parties agree and stipulate that this Agreement is freely and voluntarily entered into without any duress or compulsion whatsoever. No provision of this Agreement shall be construed against any of the Parties solely for having drafted such provision of this Agreement.

17. By this Agreement, the Parties do not waive, compromise, or release any claims or causes of action against any other person or entity not expressly released by this Agreement.

18. Failure by any party to enforce any provision of this Agreement shall not be construed as a waiver by any such party of any provision of this Agreement, nor in any way affect the validity of this Agreement or any part thereof.

19. Should Craft Development or their agents fail to comply with the terms set out above, or should any of their representations prove to be false or incomplete in any material manner, HUD may take appropriate enforcement action, and/or refer the matter to other governmental authorities for further action.

20. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitutes the same agreement.

21. Each person who signs this Agreement in a representative capacity warrants that his or her execution of this Agreement is duly authorized, executed and delivered by and for the entity for which he or she signs.

Craft Development, LLC

By: _____ 10-27-10
Signature Date

David Cuthbertson member/Manager
Name printed Title

U.S. Department of Housing and Urban Development

By: _____ DEC 22 2010
David H. Stevens Date
Assistant Secretary for Housing-Federal

HTPL: 441281 v2

EXHIBIT A

HUD APPROVED PROPERTY REPORT

EXHIBIT "A"

accept the limitations upon the attorney client privilege that result from common representation. Our firm will disclose any other potential conflicts of interest as they may arise.

If you have any questions regarding anything in this letter or any enclosure, please let me know. Also, on Friday, February 11, 2011 we are having two meetings in our office at 140 East Main Street, Lexington, SC: the first meeting will be at 1:00 p.m. for anyone who has been a part of our group of clients prior to January 28, 2011; the second meeting will be at 3:00 p.m. for those who have expressed interest in joining our group of clients on or after January 28, 2011.

Sincerely,

Ryan M. Wingard

RMW/crm
Enclosures

ACKNOWLEDGEMENTS AND WAIVER:

I acknowledge that I have read this letter and I am informed understand the potential for conflicts of interest and the impact upon the "attorney client privilege." I acknowledge and approve that the Davis Law Firm will represent multiple clients in this matter and I hereby waive any potential claim for conflict of interest related to the Davis Law Firm's representation of multiple clients.

_____
Edgewater Property Owner

_____
Print Name

_____
Date

_____
Edgewater Property Owner

_____
Print Name

_____
Date

_____
Lot Number(s)

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this subdivision. It is not prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement you may cancel the contract or agreement any time within two years from the date of signing.

Name of Subdivision: Edgewater
Name of Developer: Craft Development, LLC
Date of This Report: 3/24/08

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In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer.

RISKS OF BUYING LAND

(1) The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

(2) Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

(3) Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

(4) Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

(5) In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

WARNINGS

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFICE WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This Report covers 848 lots located in Lancaster County, South Carolina. See Page 22 for a listing of these lots. It is estimated that this subdivision will eventually contain 3,561 lots.

The developer of this subdivision is:

CRAFT DEVELOPMENT, LLC
2649 BREKONRIDGE CENTRE DR.
MONROE, NC 28110

Phone: 704-238-9520

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use and enjoy the property. A contract to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract And Delivery of Deed

An Agreement to Buy and Sell Real Estate will be executed between the Buyer and Developer. This Agreement will not contain provisions for a purchase money, installment or credit sale. This Agreement will provide that a warranty deed will be delivered to the Buyer at the Closing on the Closing Date. This Agreement will further provide that the Closing will occur and the deed be delivered to the Buyer not later than one hundred eighty (180) days after the Buyer signs the Agreement.

Type of Deed

A General Warranty Deed will be used to convey title to the lots in the subdivision.

ENCUMBRANCES, MORTGAGES AND LIENS

In General

There is currently a mortgage in favor of Paragon Commercial Bank on 141 Lots in Edgewater Phase 1. The lots used as collateral for this loan are as follows: 199, 200, 222, 233, 254, 255, 265, 266, 267, 268, 287, 292, 293, 294, 334, 337, 338, 344, 384, 398, 399, 400, 401, 402, 403, 404, 405, 406, 424, 425, 440, 441, 442, 443, 444, 446, 447, 448, 449, 450, 452, 454, 455, 456, 457, 458, 459, 460, 461, 463, 464, 466, 469, 470, 471, 472, 473, 477, 490, 491, 531, 533, 534, 535, 536, 537, 538, 539, 540, 541, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 576, 577, 578, 579, 580, 581, 591, 592, 593, 594, 595, 596, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642 and 643.

There are currently mortgages on vacant land that will eventually be developed into recreational facilities for the community. These mortgages are not secured by lots within the subdivision. The payment and term on all mortgages are is current.

Release Provisions

The mortgage on the 141 lots in Edgewater Phase 1 has provisions for the release of the141 lots upon the Developer's sale of each lot to a lot purchaser. At the time of sale the

Developer is to pay the lender a release fee in exchange for the sold lot being released from the mortgage. The release provisions for the 141 lots in Edgewater Phase 1 have not been recorded. Therefore, they may not be honored by subsequent holders of the mortgage. If they are not honored, you may not be able to obtain clear title to a lot covered by this mortgage until we have paid the mortgage in full, even if you have paid the full purchase price of the lot. If we should default on the mortgage prior to obtaining a release of your lot, you may lose your lot and all monies paid. The release provisions in the mortgage on the 141 lots in Edgewater Phase 1 may be exercised only by us. Therefore, if we default on the mortgage before obtaining a release of your lot, you may lose your lot and any money you have paid for it.

The mortgages on vacant land that will eventually be developed into recreational facilities for the subdivision do not contain any provisions for the release of individual lots because lots are not part of the collateral used in securing the mortgages

RECORDING THE CONTRACT AND DEED

Method Or Purpose Of Recording

The Agreement to Buy and Sell Real Estate will not be recorded in the Lancaster County Public Registry because it will not protect the Buyer from claims on the land.

A General Warranty Deed will be recorded in the Lancaster County Public Registry by the closing attorney once the buyer has provided the closing attorney with the funds necessary to pay the developer in full for the purchase of the lot. The recording of this document will transfer the title to the buyer and prevent the seller from placing future liens against the property.

UNLESS YOUR DEED IS RECORDED YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

Title Insurance

The purchaser should obtain an attorney's opinion of title or a title insurance policy which will describe the rights of ownership which are being acquired in the lot. The Developer recommends that the buyer have an appropriate professional interpret the opinion or policy.

PAYMENTS

Escrow

The purchasers' deposits are to be placed in an escrow or similar account, with Blackwell, Trimnal, LLC located at 201 W. Dunlap Street, Lancaster, SC 29720. This is an attorney's escrow account, which is regulated by the laws of South Carolina and fully protects the purchaser by allowing a purchaser to receive a return of all money paid in the event of the developer's failure to convey title or the developer's default on any obligation which would otherwise result in the purchaser's loss of that money.

You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayments

There are no prepayments related to these sales. All monies are due at the time of the lot sale.

Default

On Purchaser's failure to comply with the terms of this Contract within the stipulated time, and after receipt of notice of Purchaser's default with a five (5) day right to cure, Seller may either: (a) because of the difficulty in ascertaining actual resulting damages, retain the Earnest Money deposit as liquidated and agreed damages; or (b) seek specific performance of the Contract; or (c) sue for damages.

Under Federal law you may cancel your contract or agreement of sale any time within two years from the date of signing.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive Covenants have been recorded against the land in this subdivision. These Restrictions require the purchaser to have their building plans approved by an Architectural Control Committee prior to building on his/her lot. Certain requirements must be followed in order to receive approval from the Architectural Control Committee. These requirements include, but are not limited to, square footage, house elevations, exterior materials, exterior color, roof types, window type, door type, porch dimensions, balcony an deck materials, building heights, garage door and garage panel type, landscaping criteria, fencing type, mechanical equipment and antenna type, accessory building location and material type, driveway construction material, and exterior lighting type.

A complete copy of these restrictions is available upon request.

Easements

Easements are located thorough the subdivision for general utilities and road right of ways. Lots located on the Fishing Creek Reservoir have a fifty foot (50') undisturbed buffer. Some lots may contain wetlands.

The majority of general utility easements, road right of ways, buffers and wetlands are located outside the building area and would not affect the purchaser's building or lot use plan. Lots that have these conditions located in the building area are as follows: 29, 30, 32 through 41, 47 through 54, 90 through 111, 346, 349, 350, 352-358, 375-389, 79-89, 194, 195, 199-210, 213-223, 303, 304, 306-323, 258-264, 268-271, 273-288, 294-296, 392, 393, 398-402, 441-451, 455-459, 462-472, 475-478, 596-602, 606-610, 612-628, 632-645, 760-761, 764-765, 773-774, 776-778, 786-787, 791-793, 803-804, 840-841, 864-847, 849-850, 924-925, 940-942, 957-958, 963-966, 980-981, 984. The existence of these conditions within the building area could cause a purchaser to be unable to utilize the entire building space on the lot.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

Plats for the existing lots covered within this report are recorded in Lancaster County Register of Deeds in the following locations: Plat Book 2006, Page 593; Plat Book 2006, Page 247; Plat Book 2004, Page 600; Plat Book 2004, Page 601; Plat Book 2005, Page 512; Plat Book 2005, Page 408; Plat Book 2005, Page 513; Plat Book 2006, Page 246; Plat Book 2006, Page 593; Plat Book 2007, Page 265; Plat Book 2007, Page 470 and Plat Book 2007, Page 689; Plat Book 2007, Page 477, Plat Book 2007, Page 1209 and Plat Book 2008, Page 160.

Zoning

This property is zoned for residential purposes and the current use conforms to the zoning requirements and restrictive covenants. The zoning and development of this property is dictated by Catawba District Development Ordinance #356.

Surveying

Each lot has been surveyed and the four corners of the lot have been marked for identification.

Permits

The purchaser must obtain a building permit from Lancaster County. The building permit will only be issued if an approval letter from the Architectural Control Committee is attached to the application.

Environment

An environmental impact study that would consider the effect of the subdivision on the environment has not been prepared. However, a protected species habitat assessment was performed and found that there would be no adverse effects on the habitat within and surrounding the subdivision.

ROADS

ACCESS TO THE SUBDIVISION

Access to the Edgewater Community is provided by a two lane asphalt paved public road and an approximately 1 mile section of asphalt paved private road. The public road has a minimum pavement width of approximately 20 feet and the private road has a minimum width of approximately 18 feet.

The public roads are being maintained by Lancaster County. At present the approximately 1 mile section of private road runs through another owner's property, but there is a 100' wide right of way that has been dedicated to Lancaster County upon completion of the planned future road. There will be no cost to lot purchasers for any cost associated with the maintenance of these access roads.

ACCESS WITHIN THE SUBDIVISION

Access within the subdivision is provided through rights of way dedicated to the public. The road construction in these rights of way is the responsibility of the developer. Financial Assurance of the road completion in Phase I is provided under the Edgewater Improvement District Series 2003 A & Series 2003 B bonds, which is to be repaid by the developer and lot purchaser. A total of $1,709,171.20 of the bond money was budgeted specifically for the roads accessing the Phase I lots. Financial Assurance of the road completion is Phase 2 is provided under the Edgewater Improvement District Series 2007 A & Series 2007 B bonds, which is to be repaid by the developer and lot purchaser. A total of $2,038,777.00 of the bond money was budgeted specifically for the roads accessing the Phase 2 lots. As lots are sold the Developer pays off the short term B Bond and the remaining long term A Bond stays with the lot and may be paid off at any time by the purchaser or be paid yearly as an assessment along with the yearly Real Estate Tax Bill. The Developer's contribution amounts to approximately 50% of the total bond assessment (A Bond assessment + B Bond Assessment). The amount of the remaining A Bond Assessment depends on what category of lot the purchaser owns. The total yearly A Bond assessments range from approximately $450.00 per year for the Cottage Interior Lots to approximately $5500.00 per year for the Estate Lake Front Lots. Included in those figures are interest and principal payments. As time passes the amount of the assessments is reduced, because the amount is based on the remaining balance. The total amount of the A Bonds was approximately $16,229,000, so approximately 24.4% of the assessment would be paid toward the road construction. On all lots that are not sold, the Developer is responsible for the payment of the A Bond and the B Bond Assessments.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT AND THERE ARE NO OTHER FINANCIAL ARRANGEMENTS TO ASSURE COMPLETION OF THE ROADS.

The interior roads will contain 2 lanes. The following chart outlines the current status and projected completion date of these roads.

Roads

Phase	Present Surface	Finished Surface	Estimated Final Surface Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Completion Date (mo/yr)
1A-1	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-2	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-3	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-6	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-7	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-8	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1A-9	ASPLALT	ASPHALT	N/A	100%	COMPLETED
1B-1	ASPHALT	ASPHALT	N/A	100%	COMPLETED
1B-2	GRAVEL	ASPHALT	8/06	100%	COMPLETED
2-1	DIRT	ASPHALT	5/08	0%	9/08
3-1	DIRT	ASPHALT	11/08	0%	12/08

The developer is responsible for road maintenance on all completed roads until such time they are taken over by Lancaster County. The purchaser will not incur costs for the maintenance of these roads before or after they are taken over by the County. All completed roads will allow full access to lots year round.

Nearby Communities

	City of Lancaster (County Seat)	Town of Great Falls	Town of Irwin
Population	8,177	2,109	1,343
Distance Over Paved Roads	7 miles	8 miles	4 miles
Distance Over Unpaved Roads	0 miles	0 miles	0 miles
Total	7 miles	8 miles	4 miles

UTILITIES

WATER

Water to each lot will be supplied through a central system overseen by Lancaster County Water and Sewer Authority, P.O. Box 1009, Lancaster, SC 29721.

The water mains have been extended in front of or adjacent to all of the lots in the Phases below, as indicated.

Water

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	N/A	100%	SERVICE AVAILABLE NOW
1A-7	N/A	100%	SERVICE AVAILABLE NOW
1A-8	N/A	100%	SERVICE AVAILABLE NOW
1A-9	N/A	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	11/07	0%	7/08

3-1	4/08	0%	1/09

Lancaster County Water and Sewer Authority built a 750,000 gallon water storage tower which was paid for as part of the Edgewater Improvement District Series A and Series B Bonds to supply water to the total Edgewater Project. There is capacity, presently, for the entire project now and in the future, which will ultimately consist of 3561 residential units.

The Lancaster County Water and Sewer Authority draw its water from the Catawba River and it is treated in the City of Lancaster. The water is continuously tested for purity and chemical content. The water presently meets all standards for a public water supply.

The water lines are owned by The Lancaster County Water and Sewer Authority, which plans ahead for future expansion and applies for the various required permits, as needed, ahead of schedule.

Some of the offsite costs and all of the onsite costs of materials and the installation the water lines to and in the Edgewater Project were included in the Edgewater Improvement District Series 2003A and 2003B Bonds and Series 2007A and 2007B Bonds. A pro-rata portion of that cost is to be paid as a special tax assessment, the amount is determined by the category of the lot by each lot purchaser on a yearly basis along with their yearly real estate tax bill, until the tax assessment is paid off. Craft Development also pays a tax assessment on each lot that it owns, just the same as the lot purchasers.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE WATER SYSTEM.

The Lancaster County Water and Sewer Authority, at present, charges a $1075.00 availability fee and a $268.47 meter & MXU fee to every individual new service account in the county, when the new service is requested. The MXU fee is for a radio controlled devise that allow meter readers to read to read the water meters from their vehicles. The fee is paid by the Purchaser at the time that they request a water meter. The water meter and the MXU unit are not considered a tax or an assessment. They are simply a requirement of the Water Utility Dept. to have water service. Connection to public water is not voluntary. It is required.

The developer is to construct the remaining water lines and turn it over in phases to Lancaster County when completed and tested.

SEWER

Sewage disposal will be handled through a central system overseen by Lancaster County Water and Sewer Authority. All sewage will be treated at the City of Lancaster's Wastewater Treatment Plant. The developer is responsible for the construction of the system. The sewer mains are installed in front of or adjacent to all of the lots in the Phases below, as indicated

Sewer

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	8/06	100%	SERVICE AVAILABLE NOW
1A-7	N/A	100%	SERVICE AVAILABLE NOW
1A-8	N/A	100%	SERVICE AVAILABLE NOW
1A-9	N/A	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	12/07	0%	7/08
3-1	4/08	0%	1/09

Construction of the sewer lines, along with sewer taps, in front, rear or adjacent to each lot in all phases are complete, except for phase 2-1 and 3-1. As soon as the water line construction is completed and tested and the electric lines are completed by Duke Energy

Carolinas, LLC sewer will be available lots shown on recorded plat 2-1 and 3-1. Sewer to all lots in phase 2-1 should be available by 7-08 and phase 3-1 by 1-09.

Some of the offsite costs and all of the onsite costs of materials and installation of the sewer lines and sewer pump stations to and in the Edgewater Project were included in the Edgewater Improvement District Series 2003A and 2003B Bonds and the Edgewater Improvement District Series 2007A and 2007B Bonds and a pro-rata portion of that cost is to be paid as a special tax assessment, the amount is determined by the category of the lot. Owners of each lot will pay this assessement on a yearly basis, along with their yearly real estate tax bill until the assessment is paid off. Craft Development also pays tax assessment of each lot that they own, just the same as a lot purchaser. The Lancaster County Water and Sewer Authority charges a $1350.00 availability fee and a $20.00 inspection fee to every individual new service account in the county, when they request service. Connection to the public sewer is not voluntary. It is required.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE THE COMPLETION OF THE CENTRAL SYSTEM; THEREFORE THERE IS NO ASSURANCE THAT IT WILL BE COMPLETED.

The sewer lines and pump stations are owned by The Lancaster County Water and Sewer Authority, which plans ahead for future expansion and applies for the various required permits, when needed, ahead of schedule.

ELECTRICITY

Electricity will be provided by Duke Energy Carolinas LLC, 667 Lancaster By Pass, Lancaster, S.C. 29270.

The primary electrical service lines have been extended in front of the lots or adjacent to the lots in the Phases below, as indicated.

Electric Service

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	N/A	100%	SERVICE AVAILABLE NOW

1A-7	N/A	100%	SERVICE AVAILABLE NOW
1A-8	N/A	100%	SERVICE AVAILABLE NOW
1A-9	N/A	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	5/08	0	7/08
3-1	12/08	0%	1/09

The extension of primary electricity to each lot is being done at no cost to the lot purchasers.

TELEPHONE

The service will be provided by Comporium Communications. Service lines have been extended in front of or adjacent to all lots as follows:

Telephone

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	8/06	100%	SERVICE AVAILABLE NOW

1A-7	8/06	100%	SERVICE AVAILABLE NOW
1A-8	8/06	100%	SERVICE AVAILABLE NOW
1A-9	8/06	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	5/08	0%	7/08
3-1	12/08	0%	1/09

There will no cost to lot purchasers for the extension of service lines to the front or adjacent to all of the lots noted in the previous paragraph.

FUEL OR OTHER ENERGY SOURCE

Natural Gas will be provided by Lancaster County Natural Gas, 1010 Kershaw Camden Hwy, Lancaster, SC. Mains have been extended in front of or adjacent to all lots as shown in the following table:

Gas

Phase	Estimated Starting Date (mo/yr)	Percentage of Construction Now Complete	Estimated Service Availability Date (mo/yr)
1A-1	N/A	100%	SERVICE AVAILABLE NOW
1A-2	N/A	100%	SERVICE AVAILABLE NOW
1A-3	N/A	100%	SERVICE AVAILABLE NOW
1A-6	8-06	100%	SERVICE AVAILABLE NOW

1A-7	2/07	100%	SERVICE AVAILABLE NOW
1A-8	2/07	100%	SERVICE AVAILABLE NOW
1A-9	2/07	100%	SERVICE AVAILABLE NOW
1B-1	N/A	100%	SERVICE AVAILABLE NOW
1B-2	N/A	100%	SERVICE AVAILABLE NOW
2-1	5/08	0%	7/08
3-1	12/08	0%	1/09

There is no cost to the lot purchaser for the installation of the gas main. Connection fees, at present, if the line does not have to be extended more than 175 feet, are $100.00, which is the normal fee that is charged for any other customer in the county.

FINANCIAL INFORMATION

A copy of our audited financial statements for the period ending December 31, 2006 is available from us upon request. Please note that these statements contain information for Craft Homes USA, LLC, Craft Development, LLC and Craft Holdings, LLC. Neither company is a parent company. Craft Development, LLC, Craft Homes USA, LLC and Craft Holdings, LLC are separate limited liability companies that are affiliates because they are owned 100% by the same individual and therefore have combined financials.

LOCAL SERVICES

FIRE PROTECTION

Fire protection is available to the subdivision year round.

POLICE PROTECTION

Police protection is available to the subdivision year round.

SCHOOLS

Elementary, junior high and senior high schools are available to residents of the subdivision. School bus transportation is available from within the subdivision.

HOSPITAL

The nearest hospital is Springs Memorial Hospital which is located in Lancaster, SC, approximately 8 miles from the subdivision. Ambulance Service is available.

PHYSICIANS AND DENTISTS

The nearest physician and dentist office is located in Great Falls, SC which is 7 miles from the subdivision.

SHOPPING FACILITIES

The nearest shopping facility is located in Great Falls, SC which is 7 miles from the subdivision.

MAIL SERVICE

Mail service is available to the subdivision.

PUBLIC TRANSPORTATION

Lancaster County does not provide public transportation. Public transportation is not available from the subdivision to nearby towns. The nearest public transportation is located 93 miles from Edgewater Subdivision in Florence, South Carolina and is provided by Pee Dee Regional Transportation Authority, 313 Stadium Road, Florence, SC 29503.

RECREATIONAL FACILITIES

RECREATIONAL FACILITIES TO BE COVERED

Facility	Percent of Construction now Complete	Estimated Date of Start of Construction	Estimated Date Available for Use	Financial Assurance of Completion	Buyers Annual Cost or Assessments
1. *Golf Course* 1A. *Cabana, Athletic Club, Tennis Courts, Pro Shop*	10% 0%	9-06 6-08	11-08 11-08	There is no financial assurance this will be completed.	No annual cost or assessments will be charged to Buyers unless they desire to join the Club. The club will be semiprivate.
2. *Marina Complex Boat Slips*	0%	6-09	6-10	There is no financial assurance this will be completed	The marina will be open to the general public and will run as a for profit enterprise. No cost or assessments to Buyers unless they desire to use the marina and will be a for profit venture.
3. Phase 1B-1 Clubhouse Pool/ Water Slide	0% 0%	1-08 6-08	9-08 5-09	There is no financial assurance this will be completed	Maintenance after construction to be paid for thru Phase 1B neighborhood's HOA Dues.
4. Phase 1A Pool and Cabana	0%	2-08	5-09	There is no financial assurance this will be completed	Maintenance after construction is to be paid for thru Phase 1B neighborhood's HOA Dues.
5.. *Paved walking Trails* Unpaved Nature Trails & Timber *Bridges over sensitive areas.	0%	12-06	6-08	There is no financial assurance this will be completed	Maintenance after construction of the unpaved nature trails is to be paid for thru Edgewater Master HOA Dues. Maintenance of the paved trails and the timber bridges will be paid for by developer.
6. Entry Gate House	0%	1-08	6-08	There is no financial assurance this will be completed	Maintenance and Guard Salary to be paid for by the Master Homeowners Association.

** Note: These facilities are not a part of the area covered in this property report, but will be a part of the overall project.*

Constructing The Facilities

The facilities will be constructed by the developer and or assigns. None of the cost of construction of any of the above mentioned recreational facilities will be the responsibility of the buyers of the lots.

Maintaining The Facilities

The cost of maintenance and operation of facilities 2-5 will be the responsibility of the sub-association with the phases these facilities are located with the exception of the paved walkways and timber bridges, which will be maintained by the developer and or assigns.

Transfer Of The Facilities

The title facility number 2 through 4, mentioned in the chart above, will be deeded from the developer, fee simple, free and clear of encumbrances, to the respective sub-association within the phase the facility is located. This will take place as soon as the construction of each facility is completed. The Developer feels that the proposed transfer will not have an adverse affect on the sub-associations.

Permits

The building permits for buildings, pools, tennis courts, the fishing dock and the walking trails have not been obtained at this time, therefore there is no assurance that the lot owners will be able to use the facilities noted in the chart above until the permits have been obtained and the projects have been completed.

Who May Use The Facilities

The individual neighborhood sub-associations will set the policy of who will be allowed to use each facility. The developer will urge the associations to only allow the facilities to be available to the lot owners and their families and guests, but the sub-associations will make the final decision.

The paved walkways and the timber bridges owned by the developer and/or assigns will be included in walking trail system of Edgewater and will be open to all residents of Edgewater and guests and to the general public. The golf course and marina will be open to the general public and their use of the facilities may limit the use by lot owners.

SUBDIVISION CHARACTERISTICS AND CLIMATE

GENERAL TOPOGRAPHY

The general topography of the area is rolling to hilly with a few steep slopes. Upon completion of the entire development, approximately 35 % of the development will be open space, lakes, golf course or right-of -way.

SOME LOTS IN THIS SUBDIVISION HAVE A SLOPE OF 20%, OR MORE. THIS MAY AFFECT THE TYPE AND COST OF CONSTRUCTION.

Lots which contain a slope of 20% or more are as follows: 73-89, 131, 187, 189-203, 206, 208, 210-212, 214-221, 223-224, 226-227, 229-233, 239-242, 255-260, 264, 269-271, 237-274, 279-282, 286-289, 293, 296, 300, 314-315, 319-320, 350-353, 366, 369-371, 373-377, 400-401, 451-452, 455, 460, 466, 477-478, 634-635, 642, 754-779, 787-788, 791-794, 946-954, 957-962, 968-969 and 1050-1053.

Corrective action can include filling, basements, crawl spaces, piles, or retaining walls.

WATER COVERAGE

All lots adjacent to the base flood fringe are subject to a portion of the lot being covered by water. Lots adjacent to the flood fringe will be covered by water potentially after a 100 yr storm frequency event or greater.

All building foundations and appurtenances should be built to an elevation above the 100 year flood elevation as per local regulations. The cost of building the foundation and appurtenances will vary with the house type and size.

DRAINAGE AND FILL

There are no lots in the subdivision that would require to be drained prior to being used for residential purposes. Lots located below the flood protection elevation, as dictated by the local agency, are subject to being filled. The purchaser is responsible for providing adequate fill. The cost for fill will vary depending on the amount of fill needed.

FLOOD PLAIN

A portion of the subdivision is located adjacent to or within the FEMA regulated floodways of the Catawba River or Bear Skin Creek. All lots adjacent to the base flood fringe may be affected by the flood plain. Flood insurance can be obtained on these properties and may be necessary for financing improvements on the lot, depending on the lender's requirements. The cost of flood insurance will vary with the amount of insurance needed. It is estimated that this insurance will run from $650 annually to $7,500 annually depending on the location and amount of insurance needed.

FLOODING AND SOIL EROSION

The developer currently has an erosion control plan for public infrastructure construction in Phases 1-A, 1-B, 2-1 and 3-1. The plan has been approved by the permitting agencies. The erosion control measures will be removed as upstream areas denuded for public infrastructure are stabilized, which should be the end of April, 2009. The developer is obligated to comply with this plan, however there is no financial assurance that this will be completed.

All individual lot owners are to provide erosion control measures for their respective lots as required by the local agencies.

NUISANCES

There are no nuisances which affect the subdivision.

HAZARDS

There are no existing or possible future hazards that the developer is aware of.

CLIMATE

The average temperature ranges from 88 high to 67 low in the summer months and 57 high to 37 low in the winter months. The average annual rainfall is forty-eight (48) inches and the average annual snowfall is one (1) inch.

OCCUPANCY

As of the date of submission there is one (1) home occupied on a full or part-time basis.

PROPERTY OWNER'S ASSOCIATION

A master property owners' association has been formed by the developer and is currently operating. The name of the association is Edgewater Homeowner's Association, Inc.

The developer currently has control of the Association. The developer's control will terminate on the first to occur of the following: 2 years after seventy-five percent (75%) of the acreage in the Master Plan has been conveyed to persons other than the developer or the developer's affiliate and seventy-five percent (75%) of the number of residential units have been permitted by applicable zoning and certificates of occupancy have been issued, or November 16, 2026, or when, in its discretion, the developer so determines.

Membership in the association is mandatory. Currently all buyers are required to pay a Two Hundred Fifty Dollar ($250.00) capital contribution fee as well as the prorated amount of the One Hundred Eighty Dollar ($180.00) annual assessment at the time of closing on the lot. This assessment will be billed to each lot owner at the end of each year following their closing. If the board finds it necessary, the annual assessment fee can increase or decrease in order to cover necessary costs the association is responsible for paying. The monies collected from assessments will be used by the association to pay for items such as, but not limited to, maintaining the common areas, maintaining the road medians, payment of property taxes on common area and payment of insurance on common area.

There currently are no special assessments paid by lot owners. If the board finds it necessary, the Board may assess a special assessment not to exceed Three Hundred Dollars ($300.00) annually to cover items that are not included in the budget.

The Association is responsible for the maintenance and operation of common areas, maintaining insurance on common areas, being sure all owners are complying with the Covenants, Conditions and Restrictions on the property and enforcing such restrictions and acting as the Architectural Review Board. Currently the association is operating at a profit due to the developer maintaining all landscaping.

There will be sub-associations formed for each phase of the development. These sub-associations will be responsible for the maintenance and insurance on the amenities and common areas located within their individual phase. Currently the lots in phases B-1 and B-2 are within a sub-association named The Cottages at Edgewater. This sub-association is assessed $65 monthly for the maintenance of the yards, garbage pick-up, basic cable television and management fees. Once the amenities are in place more sub-associations will be is formed within Edgewater Subdivision and each will be assessed an additional annual assessment fee, which will vary depending on the amenities and common area in that neighborhood. We anticipate the sub-association fees to be in the range of One Hundred Dollars ($100.00) to One Hundred Fifty Dollars ($150.00) per month.

TAXES

Lancaster County taxes are due and payable in December of each year. At the time a lot is sold the taxes will be prorated between the purchaser and the developer. If the taxes are prorated in the purchaser's favor, the annual taxes are to be paid by the purchaser and sent directly to Lancaster County. If the taxes are prorated in the developer's favor, the annual taxes are to be paid by the developer and sent directly to Lancaster County. Should we not forward the

tax funds to the proper authorities, a tax lien may be placed against your lot. In either case, taxes will be the sole responsibility of the purchaser for the year following the purchase of a lot. The current annual taxes on an unimproved lot are between $900.00 and $5,500.00 depending on the lot size and location.

This subdivision is encompassed within a special improvement district. There is an infrastructure construction bond that was issued by Lancaster County, S.C. to fund the cost of materials and installation of all public roads, public storm drainage, public water, public sewer lines and sewer pump stations that service all lots in Phases 1A-1, 1A-2, 1A-3, 1A-4, 1A-5, 1A-6, 1A-7, 1A-8, 1A-9, 1B1, 1B-2, 2-1 and 3-1. A portion of this assessment is paid by the developer at closing. The remaining portion is prorated at the time of closing on the sale of each lot in the same manner as the taxes. The assessment will be billed to the purchaser of a lot each year as a tax assessment. The assessments range from $300.00 to $2,000.00 depending on the lot type.

VIOLATIONS AND LITIGATION

No violations and/or litigation against the developer or any of their principals, officers, directors, or an entity in which any of them hold a 10% or more financial interest have occurred.

RESALE OR EXCHANGE PROGRAM

The restrictive covenants on the property prohibit a lot owner, other than the developer, to post "For Sale" signs on their lot. We have no program to assist you in the sale of your lot. We do not have any provisions to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

The developer is in compliance with title VIII of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, religion, sex or national origin in any of the following general areas: Lot marketing and advertising, rendering of lot services, and in requiring terms and conditions on lot sales and leases.

LISTING OF LOTS

Listings of lots included in this Statement of Record are as follows:

Lot Number	Acreage	Plat
EW-0013-	0.503	EW-PH1A-MAP6
EW-0014-	0.527	EW-PH1A-MAP6
EW-0015-	0.379	EW-PH1A-MAP6
EW-0016-	0.372	EW-PH1A-MAP1
EW-0017-	0.394	EW-PH1A-MAP1
EW-0018-	0.422	EW-PH1A-MAP1
EW-0019-	0.432	EW-PH1A-MAP1
EW-0020-	0.491	EW-PH1A-MAP1

EW-0021-	0.374	EW-PH1A-MAP1
EW-0022-	0.374	EW-PH1A-MAP1
EW-0023-	0.374	EW-PH1A-MAP1
EW-0024-	0.374	EW-PH1A-MAP1
EW-0025-	0.374	EW-PH1A-MAP1
EW-0026-	0.373	EW-PH1A-MAP1
EW-0027-	0.37	EW-PH1A-MAP1
EW-0028-	0.368	EW-PH1A-MAP1
EW-0029-	0.369	EW-PH1A-MAP1
EW-0030-	0.399	EW-PH1A-MAP1
EW-0031-	0.413	EW-PH1A-MAP1
EW-0032-	0.444	EW-PH1A-MAP1
EW-0033-	0.485	EW-PH1A-MAP1
EW-0034-	0.626	EW-PH1A-MAP1
EW-0035-	0.546	EW-PH1A-MAP1
EW-0036-	0.513	EW-PH1A-MAP1
EW-0037-	0.672	EW-PH1A-MAP1
EW-0038-	0.798	EW-PH1A-MAP1
EW-0039-	0.694	EW-PH1A-MAP1
EW-0040-	0.75	EW-PH1A-MAP1
EW-0041-	0.667	EW-PH1A-MAP1
EW-0042-	0.832	EW-PH1A-MAP1
EW-0043-	0.412	EW-PH1A-MAP1
EW-0044-	0.367	EW-PH1A-MAP1
EW-0045-	0.367	EW-PH1A-MAP1
EW-0046-	0.367	EW-PH1A-MAP1
EW-0047-	0.378	EW-PH1A-MAP1
EW-0048-	0.451	EW-PH1A-MAP1
EW-0049-	0.364	EW-PH1A-MAP1
EW-0050-	0.361	EW-PH1A-MAP1
EW-0051-	0.407	EW-PH1A-MAP1
EW-0052-	0.99	EW-PH1A-MAP1
EW-0053-	1.088	EW-PH1A-MAP1
EW-0054-	0.726	EW-PH1A-MAP1
EW-0055-	0.494	EW-PH1A-MAP1
EW-0056-	0.53	EW-PH1A-MAP1
EW-0057-	0.784	EW-PH1A-MAP1
EW-0058-	1.156	EW-PH1A-MAP1
EW-0059-	0.558	EW-PH1A-MAP1
EW-0060-	0.301	EW-PH1A-MAP1
EW-0061-	0.301	EW-PH1A-MAP1

EW-0062-	0.301	EW-PH1A-MAP1
EW-0063-	0.301	EW-PH1A-MAP1
EW-0064-	0.301	EW-PH1A-MAP1
EW-0065-	0.334	EW-PH1A-MAP1
EW-0066-	0.447	EW-PH1A-MAP2
EW-0067-	0.483	EW-PH1A-MAP2
EW-0068-	0.485	EW-PH1A-MAP2
EW-0069-	0.373	EW-PH1A-MAP2
EW-0070-	0.37	EW-PH1A-MAP2
EW-0071-	0.368	EW-PH1A-MAP6
EW-0072-	0.367	EW-PH1A-MAP6
EW-0073-	0.367	EW-PH1A-MAP6
EW-0074-	0.362	EW-PH1A-MAP6
EW-0075-	0.347	EW-PH1A-MAP6
EW-0076-	0.384	EW-PH1A-MAP6
EW-0077-	0.343	EW-PH1A-MAP6
EW-0078-	0.355	EW-PH1A-MAP6
EW-0079-	0.363	EW-PH1A-MAP6
EW-0080-	0.364	EW-PH1A-MAP6
EW-0081-	0.364	EW-PH1A-MAP6
EW-0082-	0.365	EW-PH1A-MAP6
EW-0083-	0.365	EW-PH1A-MAP6
EW-0084-	0.367	EW-PH1A-MAP6
EW-0085-	0.374	EW-PH1A-MAP6
EW-0086-	0.374	EW-PH1A-MAP6
EW-0087-	0.451	EW-PH1A-MAP6
EW-0088-	0.474	EW-PH1A-MAP6
EW-0089-	0.482	EW-PH1A-MAP6
EW-0090-	0.639	EW-PH1A-MAP2
EW-0091-	0.582	EW-PH1A-MAP2
EW-0092-	0.632	EW-PH1A-MAP2
EW-0093-	0.707	EW-PH1A-MAP2
EW-0094-	0.608	EW-PH1A-MAP2
EW-0095-	0.564	EW-PH1A-MAP2
EW-0096-	0.586	EW-PH1A-MAP2
EW-0097-	0.592	EW-PH1A-MAP2
EW-0098-	0.592	EW-PH1A-MAP2
EW-0099-	0.588	EW-PH1A-MAP2
EW-0100-	0.687	EW-PH1A-MAP2
EW-0101-	0.629	EW-PH1A-MAP2
EW-0102-	0.596	EW-PH1A-MAP2

EW-0103-	0.624	EW-PH1A-MAP2
EW-0104-	0.652	EW-PH1A-MAP2
EW-0105-	0.603	EW-PH1A-MAP2
EW-0106-	0.61	EW-PH1A-MAP2
EW-0107-	0.718	EW-PH1A-MAP2
EW-0108-	0.943	EW-PH1A-MAP2
EW-0109-	0.882	EW-PH1A-MAP2
EW-0110-	0.683	EW-PH1A-MAP2
EW-0111-	0.555	EW-PH1A-MAP2
EW-0112-	0.517	EW-PH1A-MAP2
EW-0113-	0.407	EW-PH1A-MAP2
EW-0114-	0.419	EW-PH1A-MAP2
EW-0115-	0.453	EW-PH1A-MAP2
EW-0116-	0.487	EW-PH1A-MAP2
EW-0117-	0.506	EW-PH1A-MAP2
EW-0118-	0.512	EW-PH1A-MAP2
EW-0119-	0.503	EW-PH1A-MAP2
EW-0120-	0.477	EW-PH1A-MAP2
EW-0121-	0.443	EW-PH1A-MAP2
EW-0122-	0.424	EW-PH1A-MAP2
EW-0123-	0.404	EW-PH1A-MAP2
EW-0124-	0.412	EW-PH1A-MAP2
EW-0125-	0.423	EW-PH1A-MAP2
EW-0126-	0.367	EW-PH1A-MAP2
EW-0127-	0.367	EW-PH1A-MAP2
EW-0128-	0.367	EW-PH1A-MAP2
EW-0129-	0.367	EW-PH1A-MAP2
EW-0130-	0.367	EW-PH1A-MAP2
EW-0131-	0.363	EW-PH1A-MAP2
EW-0132-	0.363	EW-PH1A-MAP2
EW-0133-	0.364	EW-PH1A-MAP2
EW-0134-	0.352	EW-PH1A-MAP6
EW-0135-	0.368	EW-PH1A-MAP6
EW-0136-	0.407	EW-PH1A-MAP6
EW-0137-	0.359	EW-PH1A-MAP6
EW-0138-	0.363	EW-PH1A-MAP6
EW-0139-	0.371	EW-PH1A-MAP6
EW-0140-	0.384	EW-PH1A-MAP6
EW-0141-	0.403	EW-PH1A-MAP6
EW-0142-	0.36	EW-PH1A-MAP6
EW-0143-	0.363	EW-PH1A-MAP6

EW-0144-	0.371	EW-PH1A-MAP6
EW-0145-	0.384	EW-PH1A-MAP6
EW-0146-	0.403	EW-PH1A-MAP6
EW-0147-	0.36	EW-PH1A-MAP6
EW-0148-	0.363	EW-PH1A-MAP6
EW-0149-	0.368	EW-PH1A-MAP6
EW-0150-	0.356	EW-PH1A-MAP6
EW-0151-	0.371	EW-PH1A-MAP6
EW-0152-	0.334	EW-PH1A-MAP6
EW-0153-	0.368	EW-PH1A-MAP6
EW-0154-	0.482	EW-PH1A-MAP6
EW-0155-	0.566	EW-PH1A-MAP6
EW-0156-	0.438	EW-PH1A-MAP6
EW-0157-	0.427	EW-PH1A-MAP6
EW-0158-	0.432	EW-PH1A-MAP6
EW-0159-	0.456	EW-PH1A-MAP6
EW-0160-	0	EW-PH1A-MAP6
EW-0161-	0.426	EW-PH1A-MAP6
EW-0162-	0.43	EW-PH1A-MAP6
EW-0163-	0.416	EW-PH1A-MAP6
EW-0164-	0.699	EW-PH1A-MAP6
EW-0165-	0.753	EW-PH1A-MAP6
EW-0166-	0.39	EW-PH1A-MAP6
EW-0167-	0.367	EW-PH1A-MAP6
EW-0168-	0.367	EW-PH1A-MAP6
EW-0169-	0.381	EW-PH1A-MAP6
EW-0170-	0.415	EW-PH1A-MAP6
EW-0171-	0.46	EW-PH1A-MAP6
EW-0172-	0.618	EW-PH1A-MAP6
EW-0173-	0.364	EW-PH1A-MAP6
EW-0174-	0.367	EW-PH1A-MAP6
EW-0175-	0.367	EW-PH1A-MAP6
EW-0176-	0.367	EW-PH1A-MAP6
EW-0177-	0.367	EW-PH1A-MAP6
EW-0178-	0.354	EW-PH1A-MAP6
EW-0179-	0.367	EW-PH1A-MAP6
EW-0180-	0.367	EW-PH1A-MAP6
EW-0181-	0.367	EW-PH1A-MAP6
EW-0182-	0.367	EW-PH1A-MAP6
EW-0183-	0.367	EW-PH1A-MAP6
EW-0184-	0.367	EW-PH1A-MAP6

EW-0185-	0.449	EW-PH1A-MAP6
EW-0186-	0.348	EW-PH1A-MAP7
EW-0187-	0.439	EW-PH1A-MAP7
EW-0188-	0.342	EW-PH1A-MAP7
EW-0189-	0.33	EW-PH1A-MAP7
EW-0190-	0.319	EW-PH1A-MAP7
EW-0191-	0.319	EW-PH1A-MAP7
EW-0192-	0.264	EW-PH1A-MAP7
EW-0193-	0.289	EW-PH1A-MAP7
EW-0194-	0.315	EW-PH1A-MAP7
EW-0195-	0	EW-PH1A-MAP7
EW-0196-	0.323	EW-PH1A-MAP7
EW-0197-	0.334	EW-PH1A-MAP7
EW-0198-	0.498	EW-PH1A-MAP7
EW-0199-	0.491	EW-PH1A-MAP7
EW-0200-	0.544	EW-PH1A-MAP7
EW-0201-	0.529	EW-PH1A-MAP7
EW-0202-	0.509	EW-PH1A-MAP7
EW-0203-	0.604	EW-PH1A-MAP7
EW-0204-	0.672	EW-PH1A-MAP7
EW-0205-	0.774	EW-PH1A-MAP7
EW-0206-	0.82	EW-PH1A-MAP7
EW-0207-	0.889	EW-PH1A-MAP7
EW-0208-	0.77	EW-PH1A-MAP7
EW-0209-	0.966	EW-PH1A-MAP7
EW-0210-	0.725	EW-PH1A-MAP7
EW-0211-	0.437	EW-PH1A-MAP7
EW-0212-	0.415	EW-PH1A-MAP8
EW-0213-	0.393	EW-PH1A-MAP8
EW-0214-	0.473	EW-PH1A-MAP8
EW-0215-	0.627	EW-PH1A-MAP8
EW-0216-	0.534	EW-PH1A-MAP8
EW-0217-	0.472	EW-PH1A-MAP8
EW-0218-	0.488	EW-PH1A-MAP8
EW-0219-	0.596	EW-PH1A-MAP8
EW-0220-	0.49	EW-PH1A-MAP8
EW-0221-	0.475	EW-PH1A-MAP8
EW-0222-	0.367	EW-PH1A-MAP8
EW-0223-	0.387	EW-PH1A-MAP8
EW-0224-	0.367	EW-PH1A-MAP8
EW-0225-	0.367	EW-PH1A-MAP8

EW-0226-	0.367	EW-PH1A-MAP8
EW-0227-	0.367	EW-PH1A-MAP8
EW-0228-	0.469	EW-PH1A-MAP8
EW-0229-	0.369	EW-PH1A-MAP8
EW-0230-	0.37	EW-PH1A-MAP8
EW-0231-	0.37	EW-PH1A-MAP8
EW-0232-	0.371	EW-PH1A-MAP8
EW-0233-	0.371	EW-PH1A-MAP8
EW-0234-	0.362	EW-PH1A-MAP8
EW-0235-	0.36	EW-PH1A-MAP8
EW-0236-	0.36	EW-PH1A-MAP8
EW-0237-	0.36	EW-PH1A-MAP8
EW-0238-	0.323	EW-PH1A-MAP8
EW-0239-	0.367	EW-PH1A-MAP8
EW-0240-	0.367	EW-PH1A-MAP8
EW-0241-	0.367	EW-PH1A-MAP8
EW-0242-	0.363	EW-PH1A-MAP7
EW-0243-	0.358	EW-PH1A-MAP7
EW-0244-	0.366	EW-PH1A-MAP7
EW-0245-	0.367	EW-PH1A-MAP7
EW-0246-	0.387	EW-PH1A-MAP7
EW-0247-	0.367	EW-PH1A-MAP7
EW-0248-	0.425	EW-PH1A-MAP7
EW-0249-	0.399	EW-PH1A-MAP7
EW-0250-	0.367	EW-PH1A-MAP7
EW-0251-	0.367	EW-PH1A-MAP7
EW-0252-	0.367	EW-PH1A-MAP7
EW-0253-	0.481	EW-PH1A-MAP7
EW-0254-	0.42	EW-PH1A-MAP9
EW-0255-	0.384	EW-PH1A-MAP9
EW-0256-	0.406	EW-PH1A-MAP9
EW-0257-	0.417	EW-PH1A-MAP9
EW-0258-	0.426	EW-PH1A-MAP9
EW-0259-	0.414	EW-PH1A-MAP9
EW-0260-	0.701	EW-PH1A-MAP9
EW-0261-	0.597	EW-PH1A-MAP9
EW-0262-	0.721	EW-PH1A-MAP9
EW-0263-	1.098	EW-PH1A-MAP9
EW-0264-	0.603	EW-PH1A-MAP9
EW-0265-	0.47	EW-PH1A-MAP9
EW-0266-	0.465	EW-PH1A-MAP9

EW-0267-	0.469	EW-PH1A-MAP9
EW-0268-	0.484	EW-PH1A-MAP9
EW-0269-	0.991	EW-PH1A-MAP9
EW-0270-	0.868	EW-PH1A-MAP9
EW-0271-	0.727	EW-PH1A-MAP9
EW-0272-	0.442	EW-PH1A-MAP9
EW-0273-	0.544	EW-PH1A-MAP9
EW-0274-	0.625	EW-PH1A-MAP9
EW-0275-	0.836	EW-PH1A-MAP9
EW-0276-	0.952	EW-PH1A-MAP9
EW-0277-	0.66	EW-PH1A-MAP9
EW-0278-	0.562	EW-PH1A-MAP9
EW-0279-	0.487	EW-PH1A-MAP9
EW-0280-	0.491	EW-PH1A-MAP9
EW-0281-	0.525	EW-PH1A-MAP9
EW-0282-	0.495	EW-PH1A-MAP9
EW-0283-	0.482	EW-PH1A-MAP9
EW-0284-	0.68	EW-PH1A-MAP9
EW-0285-	0.636	EW-PH1A-MAP9
EW-0286-	0.489	EW-PH1A-MAP9
EW-0287-	0.381	EW-PH1A-MAP9
EW-0288-	0.514	EW-PH1A-MAP9
EW-0289-	0.392	EW-PH1A-MAP9
EW-0290-	0.367	EW-PH1A-MAP9
EW-0291-	0.383	EW-PH1A-MAP9
EW-0292-	0.43	EW-PH1A-MAP9
EW-0293-	0.471	EW-PH1A-MAP9
EW-0294-	0.491	EW-PH1A-MAP9
EW-0295-	0.599	EW-PH1A-MAP9
EW-0296-	0.571	EW-PH1A-MAP9
EW-0297-	0.49	EW-PH1A-MAP9
EW-0298-	0.432	EW-PH1A-MAP9
EW-0299-	0.465	EW-PH1A-MAP8
EW-0300-	0.367	EW-PH1A-MAP8
EW-0301-	0.367	EW-PH1A-MAP8
EW-0302-	0.367	EW-PH1A-MAP8
EW-0303-	0.367	EW-PH1A-MAP8
EW-0304-	0.367	EW-PH1A-MAP8
EW-0305-	0.383	EW-PH1A-MAP8
EW-0306-	0.481	EW-PH1A-MAP8
EW-0307-	0.442	EW-PH1A-MAP8

EW-0308-	0.57	EW-PH1A-MAP8
EW-0309-	0.837	EW-PH1A-MAP8
EW-0310-	0.563	EW-PH1A-MAP8
EW-0311-	0.576	EW-PH1A-MAP8
EW-0312-	0.416	EW-PH1A-MAP8
EW-0313-	0.602	EW-PH1A-MAP8
EW-0314-	0.453	EW-PH1A-MAP8
EW-0315-	0.414	EW-PH1A-MAP8
EW-0316-	0.398	EW-PH1A-MAP8
EW-0317-	0.38	EW-PH1A-MAP8
EW-0318-	0	EW-PH1A-MAP8
EW-0319-	0.403	EW-PH1A-MAP8
EW-0320-	0.362	EW-PH1A-MAP8
EW-0321-	0.367	EW-PH1A-MAP8
EW-0322-	0.371	EW-PH1A-MAP8
EW-0323-	0.375	EW-PH1A-MAP8
EW-0324-	0.409	EW-PH1A-MAP8
EW-0325-	0.476	EW-PH1A-MAP8
EW-0326-	0.459	EW-PH1A-MAP8
EW-0327-	0.466	EW-PH1A-MAP8
EW-0328-	0.367	EW-PH1A-MAP8
EW-0329-	0.367	EW-PH1A-MAP8
EW-0330-	0.367	EW-PH1A-MAP8
EW-0331-	0.367	EW-PH1A-MAP8
EW-0332-	0.367	EW-PH1A-MAP8
EW-0333-	0.367	EW-PH1A-MAP8
EW-0334-	0.379	EW-PH1A-MAP8
EW-0335-	0.396	EW-PH1A-MAP8
EW-0336-	0.396	EW-PH1A-MAP8
EW-0337-	0.379	EW-PH1A-MAP8
EW-0338-	0.367	EW-PH1A-MAP8
EW-0339-	0.367	EW-PH1A-MAP8
EW-0340-	0.367	EW-PH1A-MAP8
EW-0341-	0.367	EW-PH1A-MAP8
EW-0342-	0.367	EW-PH1A-MAP8
EW-0343-	0.367	EW-PH1A-MAP8
EW-0344-	0.367	EW-PH1A-MAP8
EW-0345-	0.39	EW-PH1A-MAP8
EW-0346-	0.395	EW-PH1A-MAP3
EW-0347-	0.361	EW-PH1A-MAP3
EW-0348-	0.358	EW-PH1A-MAP3

EW-0349-	0.409	EW-PH1A-MAP3
EW-0350-	0.375	EW-PH1A-MAP3
EW-0351-	0.393	EW-PH1A-MAP3
EW-0352-	0.391	EW-PH1A-MAP3
EW-0353-	0.39	EW-PH1A-MAP3
EW-0354-	0.374	EW-PH1A-MAP3
EW-0355-	0.557	EW-PH1A-MAP3
EW-0356-	0.515	EW-PH1A-MAP3
EW-0357-	0.526	EW-PH1A-MAP3
EW-0358-	0.503	EW-PH1A-MAP3
EW-0359-	0.303	EW-PH1A-MAP3
EW-0360-	0.3	EW-PH1A-MAP3
EW-0361-	0.295	EW-PH1A-MAP3
EW-0362-	0.297	EW-PH1A-MAP3
EW-0363-	0.305	EW-PH1A-MAP3
EW-0364-	0.325	EW-PH1A-MAP3
EW-0365-	0.551	EW-PH1A-MAP3
EW-0366-	0.459	EW-PH1A-MAP3
EW-0367-	0.375	EW-PH1A-MAP3
EW-0368-	0.442	EW-PH1A-MAP3
EW-0369-	0.625	EW-PH1A-MAP3
EW-0370-	0.725	EW-PH1A-MAP3
EW-0371-	0.501	EW-PH1A-MAP3
EW-0372-	0.748	EW-PH1A-MAP3
EW-0373-	0.512	EW-PH1A-MAP3
EW-0374-	0.551	EW-PH1A-MAP3
EW-0375-	0.733	EW-PH1A-MAP3
EW-0376-	0.816	EW-PH1A-MAP3
EW-0377-	0.734	EW-PH1A-MAP3
EW-0378-	0.925	EW-PH1A-MAP3
EW-0379-	0.667	EW-PH1A-MAP3
EW-0380-	0.384	EW-PH1A-MAP3
EW-0381-	0.398	EW-PH1A-MAP3
EW-0382-	0.394	EW-PH1A-MAP3
EW-0383-	0.457	EW-PH1A-MAP3
EW-0384-	0.545	EW-PH1A-MAP9
EW-0389-	0.087	EW-PH1B-MAP1
EW-0390-	0.084	EW-PH1B-MAP1
EW-0391-	0.084	EW-PH1B-MAP1
EW-0392-	0.084	EW-PH1B-MAP1
EW-0393-	0.084	EW-PH1B-MAP1

EW-0394-	0.084	EW-PH1B-MAP1
EW-0395-	0.084	EW-PH1B-MAP1
EW-0396-	0.092	EW-PH1B-MAP1
EW-0397-	0.125	EW-PH1B-MAP1
EW-0398-	0.099	EW-PH1B-MAP1
EW-0399-	0.135	EW-PH1B-MAP1
EW-0400-	0.159	EW-PH1B-MAP1
EW-0401-	0.149	EW-PH1B-MAP1
EW-0402-	0.156	EW-PH1B-MAP1
EW-0403-	0.152	EW-PH1B-MAP1
EW-0404-	0.191	EW-PH1B-MAP1
EW-0405-	0.203	EW-PH1B-MAP1
EW-0406-	0.264	EW-PH1B-MAP1
EW-0407-	0.339	EW-PH1B-MAP1
EW-0408-	0.191	EW-PH1B-MAP1
EW-0409-	0.119	EW-PH1B-MAP1
EW-0410-	0.115	EW-PH1B-MAP1
EW-0411-	0.11	EW-PH1B-MAP1
EW-0412-	0.105	EW-PH1B-MAP1
EW-0413-	0.1	EW-PH1B-MAP1
EW-0414-	0.096	EW-PH1B-MAP1
EW-0415-	0.091	EW-PH1B-MAP1
EW-0416-	0.087	EW-PH1B-MAP1
EW-0417-	0.09	EW-PH1B-MAP1
EW-0418-	0.088	EW-PH1B-MAP1
EW-0419-	0.088	EW-PH1B-MAP1
EW-0420-	0.088	EW-PH1B-MAP1
EW-0421-	0.088	EW-PH1B-MAP1
EW-0422-	0.088	EW-PH1B-MAP1
EW-0423-	0.088	EW-PH1B-MAP1
EW-0424-	0.104	EW-PH1B-MAP1
EW-0425-	0.104	EW-PH1B-MAP1
EW-0426-	0.088	EW-PH1B-MAP1
EW-0427-	0.088	EW-PH1B-MAP1
EW-0428-	0.088	EW-PH1B-MAP1
EW-0429-	0.088	EW-PH1B-MAP1
EW-0430-	0.088	EW-PH1B-MAP1
EW-0431-	0.088	EW-PH1B-MAP1
EW-0432-	0.09	EW-PH1B-MAP1
EW-0433-	0.101	EW-PH1B-MAP1
EW-0434-	0.097	EW-PH1B-MAP1

EW-0435-	0.101	EW-PH1B-MAP1
EW-0436-	0.104	EW-PH1B-MAP1
EW-0437-	0.108	EW-PH1B-MAP1
EW-0438-	0.111	EW-PH1B-MAP1
EW-0439-	0.115	EW-PH1B-MAP1
EW-0440-	0.115	EW-PH1B-MAP1
EW-0441-	0.149	EW-PH1B-MAP1
EW-0442-	0.201	EW-PH1B-MAP1
EW-0443-	0.179	EW-PH1B-MAP1
EW-0444-	0.14	EW-PH1B-MAP1
EW-0445-	0.131	EW-PH1B-MAP1
EW-0446-	0.229	EW-PH1B-MAP1
EW-0447-	0.211	EW-PH1B-MAP1
EW-0448-	0.289	EW-PH1B-MAP1
EW-0449-	0.2	EW-PH1B-MAP1
EW-0450-	0.141	EW-PH1B-MAP1
EW-0451-	0.168	EW-PH1B-MAP1
EW-0452-	0.207	EW-PH1B-MAP1
EW-0453-	0.476	EW-PH1B-MAP1
EW-0454-	0.386	EW-PH1B-MAP1
EW-0455-	0.271	EW-PH1B-MAP1
EW-0456-	0.125	EW-PH1B-MAP1
EW-0457-	0.124	EW-PH1B-MAP1
EW-0458-	0.136	EW-PH1B-MAP1
EW-0459-	0.355	EW-PH1B-MAP1
EW-0460-	0.393	EW-PH1B-MAP1
EW-0461-	0.443	EW-PH1B-MAP1
EW-0462-	0.12	EW-PH1B-MAP1
EW-0463-	0.1	EW-PH1B-MAP1
EW-0464-	0.102	EW-PH1B-MAP1
EW-0465-	0.107	EW-PH1B-MAP1
EW-0466-	0.112	EW-PH1B-MAP1
EW-0467-	0.164	EW-PH1B-MAP1
EW-0468-	0.214	EW-PH1B-MAP1
EW-0469-	0	EW-PH1B-MAP1
EW-0470-	0.268	EW-PH1B-MAP1
EW-0471-	0.182	EW-PH1B-MAP1
EW-0472-	0.157	EW-PH1B-MAP1
EW-0473-	0.115	EW-PH1B-MAP1
EW-0474-	0.144	EW-PH1B-MAP1
EW-0475-	0.129	EW-PH1B-MAP1

EW-0476-	0.161	EW-PH1B-MAP1
EW-0477-	0.491	EW-PH1B-MAP1
EW-0478-	0.518	EW-PH1B-MAP1
EW-0479-	0.149	EW-PH1B-MAP1
EW-0480-	0.118	EW-PH1B-MAP1
EW-0481-	0.137	EW-PH1B-MAP1
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EW-0483-	0.083	EW-PH1B-MAP1
EW-0484-	0.083	EW-PH1B-MAP1
EW-0485-	0.083	EW-PH1B-MAP1
EW-0486-	0.083	EW-PH1B-MAP1
EW-0487-	0.083	EW-PH1B-MAP1
EW-0488-	0.083	EW-PH1B-MAP1
EW-0489-	0.083	EW-PH1B-MAP1
EW-0490-	0.082	EW-PH1B-MAP1
EW-0491-	0.082	EW-PH1B-MAP1
EW-0492-	0.083	EW-PH1B-MAP1
EW-0493-	0.083	EW-PH1B-MAP1
EW-0494-	0.083	EW-PH1B-MAP1
EW-0495-	0.083	EW-PH1B-MAP1
EW-0496-	0.083	EW-PH1B-MAP1
EW-0497-	0.083	EW-PH1B-MAP1
EW-0498-	0.083	EW-PH1B-MAP1
EW-0499-	0.09	EW-PH1B-MAP1
EW-0500-	0.081	EW-PH1B-MAP1
EW-0501-	0.083	EW-PH1B-MAP1
EW-0502-	0.083	EW-PH1B-MAP1
EW-0503-	0.083	EW-PH1B-MAP1
EW-0504-	0.083	EW-PH1B-MAP1
EW-0505-	0.083	EW-PH1B-MAP1
EW-0506-	0.083	EW-PH1B-MAP1
EW-0507-	0.09	EW-PH1B-MAP1
EW-0508-	0.097	EW-PH1B-MAP1
EW-0509-	0.101	EW-PH1B-MAP1
EW-0510-	0.083	EW-PH1B-MAP1
EW-0511-	0.083	EW-PH1B-MAP1
EW-0512-	0.083	EW-PH1B-MAP1
EW-0513-	0.083	EW-PH1B-MAP1
EW-0514-	0.083	EW-PH1B-MAP1
EW-0515-	0.083	EW-PH1B-MAP1
EW-0516-	0.083	EW-PH1B-MAP1

EW-0517-	0.083	EW-PH1B-MAP1
EW-0518-	0.083	EW-PH1B-MAP1
EW-0519-	0.083	EW-PH1B-MAP1
EW-0520-	0.081	EW-PH1B-MAP1
EW-0521-	0.09	EW-PH1B-MAP1
EW-0522-	0.083	EW-PH1B-MAP1
EW-0523-	0.083	EW-PH1B-MAP1
EW-0524-	0.083	EW-PH1B-MAP1
EW-0525-	0.083	EW-PH1B-MAP1
EW-0526-	0.083	EW-PH1B-MAP1
EW-0527-	0.083	EW-PH1B-MAP1
EW-0528-	0.083	EW-PH1B-MAP1
EW-0529-	0.093	EW-PH1B-MAP1
EW-0530-	0.114	EW-PH1B-MAP1
EW-0531-	0.109	EW-PH1B-MAP1
EW-0532-	0.112	EW-PH1B-MAP1
EW-0533-	0.09	EW-PH1B-MAP1
EW-0534-	0.083	EW-PH1B-MAP1
EW-0535-	0.083	EW-PH1B-MAP1
EW-0536-	0.083	EW-PH1B-MAP1
EW-0537-	0.083	EW-PH1B-MAP1
EW-0538-	0.083	EW-PH1B-MAP1
EW-0539-	0.083	EW-PH1B-MAP1
EW-0540-	0.103	EW-PH1B-MAP1
EW-0541-	0.129	EW-PH1B-MAP1
EW-0542-	0.169	EW-PH1B-MAP1
EW-0543-	0.124	EW-PH1B-MAP1
EW-0544-	0.1	EW-PH1B-MAP1
EW-0545-	0.083	EW-PH1B-MAP1
EW-0546-	0.083	EW-PH1B-MAP1
EW-0547-	0.083	EW-PH1B-MAP1
EW-0548-	0.104	EW-PH1B-MAP1
EW-0549-	0.13	EW-PH1B-MAP1
EW-0550-	0.195	EW-PH1B-MAP1
EW-0551-	0.179	EW-PH1B-MAP1
EW-0552-	0.109	EW-PH1B-MAP1
EW-0553-	0.09	EW-PH1B-MAP1
EW-0554-	0.083	EW-PH1B-MAP1
EW-0555-	0.09	EW-PH1B-MAP1
EW-0556-	0.095	EW-PH1B-MAP1
EW-0557-	0.083	EW-PH1B-MAP1

EW-0558-	0.083	EW-PH1B-MAP1
EW-0559-	0.083	EW-PH1B-MAP1
EW-0560-	0.083	EW-PH1B-MAP1
EW-0561-	0.083	EW-PH1B-MAP1
EW-0562-	0.083	EW-PH1B-MAP1
EW-0563-	0.083	EW-PH1B-MAP1
EW-0564-	0.08	EW-PH1B-MAP1
EW-0565-	0.095	EW-PH1B-MAP1
EW-0566-	0.083	EW-PH1B-MAP1
EW-0567-	0.083	EW-PH1B-MAP1
EW-0568-	0.083	EW-PH1B-MAP1
EW-0569-	0.083	EW-PH1B-MAP1
EW-0570-	0.083	EW-PH1B-MAP1
EW-0571-	0.083	EW-PH1B-MAP1
EW-0572-	0.083	EW-PH1B-MAP1
EW-0573-	0.083	EW-PH1B-MAP1
EW-0574-	0.083	EW-PH1B-MAP1
EW-0575-	0.1	EW-PH1B-MAP1
EW-0576-	0.099	EW-PH1B-MAP1
EW-0577-	0.092	EW-PH1B-MAP1
EW-0578-	0.117	EW-PH1B-MAP1
EW-0579-	0.109	EW-PH1B-MAP1
EW-0580-	0.096	EW-PH1B-MAP1
EW-0581-	0.096	EW-PH1B-MAP1
EW-0582-	0.096	EW-PH1B-MAP1
EW-0583-	0.096	EW-PH1B-MAP1
EW-0584-	0.096	EW-PH1B-MAP1
EW-0585-	0.096	EW-PH1B-MAP1
EW-0586-	0.091	EW-PH1B-MAP1
EW-0587-	0.081	EW-PH1B-MAP1
EW-0588-	0.081	EW-PH1B-MAP1
EW-0589-	0.081	EW-PH1B-MAP1
EW-0590-	0.088	EW-PH1B-MAP1
EW-0591-	0.09	EW-PH1B-MAP2
EW-0592-	0.083	EW-PH1B-MAP2
EW-0593-	0.098	EW-PH1B-MAP2
EW-0594-	0.096	EW-PH1B-MAP2
EW-0595-	0.088	EW-PH1B-MAP2
EW-0596-	0.133	EW-PH1B-MAP2
EW-0597-	0.173	EW-PH1B-MAP2
EW-0598-	0.188	EW-PH1B-MAP2

EW-0599-	0.282	EW-PH1B-MAP2
EW-0600-	0.164	EW-PH1B-MAP2
EW-0601-	0.091	EW-PH1B-MAP2
EW-0602-	0.094	EW-PH1B-MAP2
EW-0603-	0.113	EW-PH1B-MAP2
EW-0604-	0.095	EW-PH1B-MAP2
EW-0605-	0.088	EW-PH1B-MAP2
EW-0606-	0.264	EW-PH1B-MAP2
EW-0607-	0.228	EW-PH1B-MAP2
EW-0608-	0.283	EW-PH1B-MAP2
EW-0609-	0.371	EW-PH1B-MAP2
EW-0610-	0.413	EW-PH1B-MAP2
EW-0611-	0.126	EW-PH1B-MAP2
EW-0612-	0.182	EW-PH1B-MAP2
EW-0613-	0.184	EW-PH1B-MAP2
EW-0614-	0.182	EW-PH1B-MAP2
EW-0615-	0.176	EW-PH1B-MAP2
EW-0616-	0.191	EW-PH1B-MAP2
EW-0617-	0.233	EW-PH1B-MAP2
EW-0618-	0.201	EW-PH1B-MAP2
EW-0619-	0.207	EW-PH1B-MAP2
EW-0620-	0.183	EW-PH1B-MAP2
EW-0621-	0.309	EW-PH1B-MAP2
EW-0622-	0.158	EW-PH1B-MAP2
EW-0623-	0.157	EW-PH1B-MAP2
EW-0624-	0.161	EW-PH1B-MAP2
EW-0625-	0.223	EW-PH1B-MAP2
EW-0626-	0.227	EW-PH1B-MAP2
EW-0627-	0.191	EW-PH1B-MAP2
EW-0628-	0.155	EW-PH1B-MAP2
EW-0629-	0.109	EW-PH1B-MAP2
EW-0630-	0.101	EW-PH1B-MAP2
EW-0631-	0.118	EW-PH1B-MAP2
EW-0632-	0.415	EW-PH1B-MAP2
EW-0633-	0.393	EW-PH1B-MAP2
EW-0634-	0.351	EW-PH1B-MAP2
EW-0635-	0.261	EW-PH1B-MAP2
EW-0636-	0.263	EW-PH1B-MAP2
EW-0637-	0.28	EW-PH1B-MAP2
EW-0638-	0.199	EW-PH1B-MAP2
EW-0639-	0.227	EW-PH1B-MAP2

EW-0640-	0.243	EW-PH1B-MAP2
EW-0641-	0.266	EW-PH1B-MAP2
EW-0642-	0.282	EW-PH1B-MAP2
EW-0643-	0.297	EW-PH1B-MAP2
EW-0644-	0.274	EW-PH1B-MAP2
EW-0645-	0.274	EW-PH1B-MAP2
EW-0911	0.193	EW-PH2 -MAP1
EW-0912	0.193	EW-PH2 -MAP1
EW-0913	0.193	EW-PH2 -MAP1
EW-0914	0.193	EW-PH2 -MAP1
EW-0915	0.193	EW-PH2 -MAP1
EW-0916	0.193	EW-PH2 -MAP1
EW-0917	0.193	EW-PH2 -MAP1
EW-0918	0.193	EW-PH2 -MAP1
EW-0919	0.193	EW-PH2 -MAP1
EW-0920	0.193	EW-PH2 -MAP1
EW-0921	0.193	EW-PH2 -MAP1
EW-0922	0.199	EW-PH2 -MAP1
EW-0923	0.186	EW-PH2 -MAP1
EW-0924	0.196	EW-PH2 -MAP1
EW-0925	0.194	EW-PH2 -MAP1
EW-0926	0.167	EW-PH2 -MAP1
EW-0927	0.165	EW-PH2 -MAP1
EW-0928	0.177	EW-PH2 -MAP1
EW-0929	0.21	EW-PH2 -MAP1
EW-0930	0.21	EW-PH2 -MAP1
EW-0931	0.21	EW-PH2 -MAP1
EW-0932	0.245	EW-PH2 -MAP1
EW-0933	0.224	EW-PH2 -MAP1
EW-0934	0.207	EW-PH2 -MAP1
EW-0935	0.207	EW-PH2 -MAP1
EW-0936	0.207	EW-PH2 -MAP1
EW-0937	0.207	EW-PH2 -MAP1
EW-0938	0.207	EW-PH2 -MAP1
EW-0939	0.188	EW-PH2 -MAP1
EW-0940	0.309	EW-PH2 -MAP1
EW-0941	0.317	EW-PH2 -MAP1
EW-0942	0.317	EW-PH2 -MAP1
EW-0943	0.265	EW-PH2 -MAP1
EW-0944	0.206	EW-PH2 -MAP1
EW-0945	0.165	EW-PH2 -MAP1

EW-0946	0.165	EW-PH2 -MAP1
EW-0947	0.165	EW-PH2 -MAP1
EW-0948	0.165	EW-PH2 -MAP1
EW-0949	0.185	EW-PH2 -MAP1
EW-0950	0.214	EW-PH2 -MAP1
EW-0951	0.172	EW-PH2 -MAP1
EW-0952	0.165	EW-PH2 -MAP1
EW-0953	0.165	EW-PH2 -MAP1
EW-0954	0.189	EW-PH2 -MAP1
EW-0955	0.275	EW-PH2 -MAP1
EW-0956	0.234	EW-PH2 -MAP1
EW-0957	0.307	EW-PH2 -MAP1
EW-0958	0.257	EW-PH2 -MAP1
EW-0959	0.257	EW-PH2 -MAP1
EW-0960	0.257	EW-PH2 -MAP1
EW-0961	0.31	EW-PH2 -MAP1
EW-0962	0.312	EW-PH2 -MAP1
EW-0963	0.312	EW-PH2 -MAP1
EW-0964	0.283	EW-PH2 -MAP1
EW-0965	0.257	EW-PH2 -MAP1
EW-0966	0.257	EW-PH2 -MAP1
EW-0967	0.519	EW-PH2 -MAP1
EW-0968	0.312	EW-PH2 -MAP1
EW-0969	0.286	EW-PH2 -MAP1
EW-0970	0.22	EW-PH2 -MAP1
EW-0971	0.228	EW-PH2 -MAP1
EW-0972	0.248	EW-PH2 -MAP1
EW-0973	0.236	EW-PH2 -MAP1
EW-0974	0.381	EW-PH2 -MAP1
EW-0979	0.23	EW-PH2 -MAP1
EW-0980	0.233	EW-PH2 -MAP1
EW-0981	0.236	EW-PH2 -MAP1
EW-0982	0.369	EW-PH2 -MAP1
EW-0983	0.231	EW-PH2 -MAP1
EW-0984	0.233	EW-PH2 -MAP1
EW-0985	0.233	EW-PH2 -MAP1
EW-0986	0.302	EW-PH2 -MAP1
EW-0987	0.317	EW-PH2 -MAP1
EW-0988	0.225	EW-PH2 -MAP1
EW-0989	0.225	EW-PH2 -MAP1
EW-0990	0.225	EW-PH2 -MAP1

EW-0991	0.225	EW-PH2 -MAP1
EW-0992	0.224	EW-PH2 -MAP1
EW-0993	0.241	EW-PH2 -MAP1
EW-0994	0.225	EW-PH2 -MAP1
EW-0995	0.225	EW-PH2 -MAP1
EW-0996	0.222	EW-PH2 -MAP1
EW-0997	0.178	EW-PH2 -MAP1
EW-0754	0.602	EW-PH03-MAP01
EW-0755	0.552	EW-PH03-MAP01
EW-0756	0.501	EW-PH03-MAP01
EW-0757	0.473	EW-PH03-MAP01
EW-0758	0.594	EW-PH03-MAP01
EW-0759	0.589	EW-PH03-MAP01
EW-0760	0.692	EW-PH03-MAP01
EW-0761	0.687	EW-PH03-MAP01
EW-0762	0.639	EW-PH03-MAP01
EW-0763	0.611	EW-PH03-MAP01
EW-0764	0.551	EW-PH03-MAP01
EW-0765	0.421	EW-PH03-MAP01
EW-0766	0.451	EW-PH03-MAP01
EW-0767	0.458	EW-PH03-MAP01
EW-0768	0.435	EW-PH03-MAP01
EW-0769	0.345	EW-PH03-MAP01
EW-0770	0.396	EW-PH03-MAP01
EW-0771	0.506	EW-PH03-MAP01
EW-0772	0.381	EW-PH03-MAP01
EW-0773	0.392	EW-PH03-MAP01
EW-0774	0.426	EW-PH03-MAP01
EW-0775	0.681	EW-PH03-MAP01
EW-0776	0.945	EW-PH03-MAP01
EW-0777	0.402	EW-PH03-MAP01
EW-0778	0.3	EW-PH03-MAP01
EW-0779	0.199	EW-PH03-MAP01
EW-0780	0.219	EW-PH03-MAP01
EW-0781	0.246	EW-PH03-MAP01
EW-0782	0.227	EW-PH03-MAP01
EW-0783	0.242	EW-PH03-MAP01
EW-0784	0.344	EW-PH03-MAP01
EW-0785	0.336	EW-PH03-MAP01
EW-0786	0.473	EW-PH03-MAP01
EW-0787	0.323	EW-PH03-MAP01

EW-0788	0.329	EW-PH03-MAP01
EW-0789	0.442	EW-PH03-MAP01
EW-0790	0.398	EW-PH03-MAP01
EW-0791	0.507	EW-PH03-MAP01
EW-0792	0.476	EW-PH03-MAP01
EW-0793	0.406	EW-PH03-MAP01
EW-0794	0.467	EW-PH03-MAP01
EW-0795	0.47	EW-PH03-MAP01
EW-0796	0.485	EW-PH03-MAP01
EW-0797	0.598	EW-PH03-MAP01
EW-0798	0.476	EW-PH03-MAP01
EW-0799	0.478	EW-PH03-MAP01
EW-0800	0.465	EW-PH03-MAP01
EW-0801	0.844	EW-PH03-MAP01
EW-0802	1.568	EW-PH03-MAP01
EW-0803	0.625	EW-PH03-MAP01
EW-0804	0.252	EW-PH03-MAP01
EW-0805	0.27	EW-PH03-MAP01
EW-0806	0.31	EW-PH03-MAP01
EW-0807	0.301	EW-PH03-MAP01
EW-0808	0.271	EW-PH03-MAP01
EW-0809	0.269	EW-PH03-MAP01
EW-0810	0.267	EW-PH03-MAP01
EW-0811	0.238	EW-PH03-MAP01
EW-0812	0.225	EW-PH03-MAP01
EW-0813	0.254	EW-PH03-MAP01
EW-0814	0.28	EW-PH03-MAP01
EW-0815	0.225	EW-PH03-MAP01
EW-0816	0.225	EW-PH03-MAP01
EW-0817	0.225	EW-PH03-MAP01
EW-0818	0.225	EW-PH03-MAP01
EW-0819	0.225	EW-PH03-MAP01
EW-0820	0.225	EW-PH03-MAP01
EW-0821	0.225	EW-PH03-MAP01
EW-0822	0.225	EW-PH03-MAP01
EW-0823	0.256	EW-PH03-MAP01
EW-0824	0.234	EW-PH03-MAP01
EW-0825	0.234	EW-PH03-MAP01
EW-0826	0.233	EW-PH03-MAP01
EW-0827	0.266	EW-PH03-MAP01
EW-0828	0.291	EW-PH03-MAP01

EW-0829	0.284	EW-PH03-MAP01
EW-0830	0.257	EW-PH03-MAP01
EW-0831	0.238	EW-PH03-MAP01
EW-0832	0.225	EW-PH03-MAP01
EW-0833	0.225	EW-PH03-MAP01
EW-0834	0.279	EW-PH03-MAP01
EW-0835	0.237	EW-PH03-MAP01
EW-0836	0.225	EW-PH03-MAP01
EW-0837	0.225	EW-PH03-MAP01
EW-0838	0.225	EW-PH03-MAP01
EW-0839	0.225	EW-PH03-MAP01
EW-0840	0.342	EW-PH03-MAP01
EW-0841	0.225	EW-PH03-MAP01
EW-0842	0.225	EW-PH03-MAP01
EW-0843	0.225	EW-PH03-MAP01
EW-0844	0.225	EW-PH03-MAP01
EW-0845	0.245	EW-PH03-MAP01
EW-0846	0.237	EW-PH03-MAP01
EW-0847	0.228	EW-PH03-MAP01
EW-0848	0.201	EW-PH03-MAP01
EW-0849	0.201	EW-PH03-MAP01
EW-0850	0.201	EW-PH03-MAP01
EW-0851	0.201	EW-PH03-MAP01
EW-0852	0.201	EW-PH03-MAP01
EW-0853	0.201	EW-PH03-MAP01
EW-0854	0.201	EW-PH03-MAP01
EW-0855	0.263	EW-PH03-MAP01
EW-0856	0.275	EW-PH03-MAP01
EW-0857	0.225	EW-PH03-MAP01
EW-0858	0.225	EW-PH03-MAP01
EW-0859	0.225	EW-PH03-MAP01
EW-0860	0.225	EW-PH03-MAP01
EW-0861	0.225	EW-PH03-MAP01
EW-0862	0.253	EW-PH03-MAP01
EW-0863	0.225	EW-PH03-MAP01
EW-0864	0.225	EW-PH03-MAP01
EW-0865	0.225	EW-PH03-MAP01
EW-0866	0.225	EW-PH03-MAP01
EW-0867	0.271	EW-PH03-MAP01
EW-0868	0.34	EW-PH03-MAP01
EW-0869	0.434	EW-PH03-MAP01

EW-0870	0.262	EW-PH03-MAP01
EW-0871	0.225	EW-PH03-MAP01
EW-0872	0.225	EW-PH03-MAP01
EW-0873	0.225	EW-PH03-MAP01
EW-0874	0.225	EW-PH03-MAP01
EW-0875	0.241	EW-PH03-MAP01
EW-0876	0.236	EW-PH03-MAP01
EW-0877	0.445	EW-PH03-MAP01
EW-0878	0.292	EW-PH03-MAP01
EW-0879	0.253	EW-PH03-MAP01
EW-0880	0.262	EW-PH03-MAP01
EW-0881	0.343	EW-PH03-MAP01
EW-0882	0.448	EW-PH03-MAP01
EW-0883	0.367	EW-PH03-MAP01
EW-0884	0.481	EW-PH03-MAP01
EW-0885	0.365	EW-PH03-MAP01
EW-1050	0.661	EW-PH03-MAP01
EW-1051	0.643	EW-PH03-MAP01
EW-1052	0.817	EW-PH03-MAP01
EW-1053	0.698	EW-PH03-MAP01

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

In addition to the purchase price of your lot, there are other expenditures which must be made.

Listed below are the major costs. There may be other fees for use of the recreational facilities. All costs are subject to change.

Sales Price

Cash Price of lot..... $.....

Finance Charge..... $ 0.00

Total..... $.....

Estimated one-time charges:

1. Water connection fee/installation or private well..... $ 0.00

2. Sewer connection fee/installation of private on-site sewer system..... $ 0.00

3. Construction costs to extend electric and/or telephone services..... $ 0.00

4. Other:
   - Sewer Availability & Inspection Fee..... $ 1,370.00
   - Water Availability & Meter Fee..... $ 1,343.47
   - Natural Gas Connection Fee..... $ 100.00

Total of estimated sales price and one-time charges..... $ 2,813.47

Estimated monthly/annual charges, exclusive of utility use fees:

1. Taxes--Average unimproved lot after sale to purchaser..... $.....

2. Dues and assessments (Master Association/annual)..... $ 180.00

3. Dues and assessments (Individual Association/annual)..... $.....

4. Bond Assessment..... $.....

The information contained in this Property Report is an accurate description of our subdivision and development plans.

_____

Signature of Senior Executive Officer

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE

Purchaser Receipt

Important: Read Carefully

Name of subdivision: EDGEWATER

OILSR Number: 31891 Date of Report: 3/24/08

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received By: .....

Date: .....

Street Address: .....

City: ..... State: ..... Zip Code: .....

If any representations are made to you which are contrary to those in this Report, please notify the: Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

Agent Certification

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot:..... Block: ..... Section: .....

Name of salesperson: .....

Signature: .....

Date:.....

Purchase Cancellation

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

Name of subdivision: EDGEWATER

Date of contract.....

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature ..... Date .....

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE

Purchaser Receipt

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