

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas.

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SC Court of Appeals

The Honorable J.C. Nicholson, Jr., Circuit Court Judge

Appellate Case No. 2015-001508
Case No. 2013-CP-10-6439

Wells Fargo Bank, N.A., Successor by Merger to
Wachovia Bank, National Association Respondent,

v.

Robert L. Freeman Appellant.

RECORD ON APPEAL
VOLUME II of II

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STATE OF SOUTH CAROLINA COURT OF COMMON PLEAS
COUNTY OF CHARLESTON 2013-CP-10-6439

WELLS FARGO BANK, N.A.,	)	
	)	
Plaintiff,	)	TRANSCRIPT OF RECORD
	)	
-vs-	)	May 5, 2015
	)	
ROBERT L. FREEMAN,	)	Charleston, South Carolina
	)	
Defendant.	)	

B E F O R E:

The Honorable J.C. Nicholson, Jr., Judge.

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Circuit Court Reporter

1 (May 5, 2015.)

2 THE COURT: All right. Who's here for who?

3 MR. BYRD: Your Honor, I'm Bobby Byrd, here
4 with Smith Podris. We're here for Wells-Fargo Bank.

5 THE COURT: Okay.

6 MR. WALKER: Your Honor, Trenholm Walker and
7 Katie Monoc for the defendant, Robert Freeman.

8 THE COURT: Okay. I'm going to take about a
9 five-minute break? Let me see the lawyers up here real
10 quick before we take a breat.

11 (Discussion held at sidebar.)

12 (Recess taken.)

13 THE COURT: Who wants to go first?

14 MR. WALKER: We filed our motion first, so we
15 would like to proceed first.

16 THE COURT: Doesn't matter to me.

17 MR. WALKER: All right.

18 First of all, I'd like to thank the Court for
19 allowing us to argue at the end of the morning session
20 where we can have adequate time, and I'd also like to
21 thank the Court for already reviewing the briefs. As you
22 know from reviewing the briefs, this is an action on a
23 series of guaranties, that the bank had made a number of
24 loans, to limited liability loan corporation and one
25 corporation in which Mr. Freeman was a principal.

1 The loan documents were bank formed. They
2 had a promissory note. They also had a guaranty. What's
3 really important for the dissection of this case, Your
4 Honor, is that there is an important distinction between
5 the borrower and the guarantor, and today we're dealing
6 with the liability of the guarantor, not the liability of
7 the borrower.

8 The reason I bring that up is there's some
9 provisions in the promissory note that are different from
10 those in the guaranty, and the guaranty is the document
11 that controls the liability of Mr. Freeman.

12 The parties had worked for a number of years,
13 or at least Mr. Freeman was trying to sell properties and
14 aggressively sold properties in order to --

15 THE COURT: Let me ask -- have all the
16 properties disposed of or just -- what properties are
17 left, I guess I should just ask you.

18 MR. WALKER: He tried to sell every property,
19 but after about a year and a half or two years, he was
20 successful with maybe 60 percent or 70 percent of them,
21 and the bank filed a foreclosure on the remaining
22 properties that are still unsold, and those were sold at
23 foreclosure sale, and I think that the bank actually has
24 an exhibit to one of the affidavits that says these are
25 the ones that were sold, short sale, and these are the

1 ones that had to go through foreclosure.

2 THE COURT: And I believe you stipulated
3 there was one that was one of a particular action that
4 was filed within the three years?

5 MR. WALKER: That's correct. This action was
6 filed on October 30th of 2013, and the defaults occurred
7 on every note but one before that date. We agree that we
8 have no argument as to that particular --

9 THE COURT: Which property was that? I don't
10 remember. I'm sorry. 708 Ocean, maybe?

11 MR. WALKER: And it's identified in the
12 affidavit.

13 THE COURT: All right. Mr. Byrd, y'all know
14 what property you're talking about?

15 MR. BYRD: Yes.

16 THE COURT: Okay. All right.

17 MR. WALKER: The whole basis for our motion
18 is that these causes of action -- because they've got
19 five or six causes of action, that each one is governed
20 by the three-year statute of limitations in 5-35-39.

21 The bank is claiming that even if you look at
22 that statute, there are certain acts by the guarantor
23 that rejuvenated the causes of action and, if that fails,
24 then that comes under the 20-year cause of action.

25 The first thing I would like to point out to

1 the Court is the terms of the guaranty, and I'm not going
2 to go over all of them because you've done so much of
3 this for so long. It's the usual form guaranty that
4 says, It's not a guaranty of collection, it's a guaranty
5 of payment, blah blah blah blah blah, don't need to give
6 notice, all that.

7 THE COURT: That is the boilerplate language.

8 MR. WALKER: It is. It's all there. There
9 is no shortage of that.

10 The important provision for this
11 determination, I would submit, is the default provision
12 which is the same in each guaranty, and I'm looking at
13 one that is attached as Exhibit E, and I can provide a
14 copy of one to you and Mr. Byrd if you would like so you
15 can focus right in on it.

16 THE COURT: I will be happy to receive it if
17 you have one available.

18 MR. WALKER: This is Exhibit M, which is the
19 same as the other guaranties, and the provide that I
20 would like to direct the Court's attention to is on page
21 three, a little over halfway down, default.

22 It's in bold. It says in the introductory
23 paragraph: If any of the following events occur, a
24 default under this guaranty shall exist, untimely payment
25 or performance of guarantied obligations or default under

1 any loan document.

2 That means that when there was not a timely
3 payment on the promissory note by the LLC borrower, that
4 was a fault under the guaranty. That makes sense.

5 More important than that is the second
6 paragraph. It reads: If a default occurs, the
7 guarantied obligations shall be immediately -- shall be
8 due immediately and payable without notice.

9 That is important because in this instance,
10 under this guaranty document, the entire amount became
11 due. Basically, the obligation under this guaranty
12 matured upon default. There was no provision in the
13 guaranty --

14 THE COURT: Let me ask you this: As far as
15 the guaranty is concerned, what do you consider default?
16 Let me elaborate a little before you answer.

17 In this particular scenario, if I remember,
18 that's why I need the timelines, you got default on
19 numerous notes, okay? The bank and the creditor try to
20 work it out. I think they even enter into some type of
21 forbearance agreement where they pay interest on it for a
22 while, and at the end of that time period, the principals
23 would be due. And, if I remember correctly, the creditor
24 made some of those interest payments and did not make
25 those payments.

1 Then they sit down and say, Okay. We're
2 going to let you dispose of this property on the market
3 and they tried to do that for a while and did dispose of
4 some of them and even had some short sales. The bank
5 released their collateral on those properties so they
6 could generate that income on the short sales, okay?

7 Ultimately, they foreclosed on some, and the
8 deficiency was finally established after all of that. So
9 I guess my question to you, throughout that process,
10 where was the default and what's the definition of
11 default with a guarantor? A guarantor doesn't owe the
12 money until the principal has been paid.

13 Throughout this process, the bank was
14 working with -- I call it the principal, the debtor --
15 the debtor to generate income, so when was there an
16 actual default in this case?

17 MR. WALKER: The default occurred when they
18 did not make installment payments in September and
19 October of 2010, based on the language that I just read
20 that a default, under the guaranty, shall exist --

21 THE COURT: So you think the first time he
22 defaulted on the note, that's when the statute started
23 running as to the guarantor?

24 MR. WALKER: Correct, per the terms of their
25 former agreement, that doesn't make default discretionary

1 in the eyes of the bank. It says default shall occur
2 upon the failure to make timely payment.

3 THE COURT: But wasn't that altered through
4 this process I'm talking about?

5 MR. WALKER: This is where the timeline is
6 important. The obligations were basically 2006, 2007
7 obligations, and they were modified a couple of times by
8 the borrower and signed by the guarantor. The last
9 modification was in April of 2010. I think it was April
10 10, 2010, and your remarks, Your Honor, have referred to
11 a forbearance agreement.

12 In some ways, it was a recasting of the note,
13 a modification of the terms, and allowed more time to
14 postpone the maturity date for the principal. The
15 modifications, which were basically the same for every
16 note, allowed installment payments, monthly payments,
17 with the amounts -- the principal amount due in June 2011
18 so the last signed agreement that said we're going to
19 postpone payment or that kind of thing, or reduce
20 reextend maturity date was April 10, 2010, and there were
21 some documents signed by the guarantor after that, which
22 we will get to, but that was the nature of it.

23 That agreement was signed, and then five
24 months later, there was a default in making all those
25 installment payments on all those notes.

1 THE COURT: How does all that effort by the
2 debtor and creditor affect the guarantors?

3 MR. WALKER: That does not affect the
4 guarantor because the guaranty says that all of those
5 actions do not waive the right to collect. None of that
6 can constitute a defense to the guarantor, so the
7 guarantor is basically vulnerable. They can sue him at
8 any time. He's on the sidelines. He's working with a
9 borrower, but those actions don't constitute a suspension
10 of the statute of limitations because the guarantor's
11 liability is absolutely upon default.

12 There is nothing in the guaranty that says
13 that that absolute obligation gets suspended if there are
14 discussions with the bank to try to liquidate the
15 collateral. What the borrowers did is they went out and
16 worked to sell the property to try to raise the maximum
17 amount rather than letting it go into foreclosure where
18 the bank would get less money.

19 And we come back to the guaranty and
20 promissory note of the borrower are separate contracts,
21 they're separate guaranty agreements. The obligations to
22 the borrower are in the promissory note. In the
23 mortgage, the obligation is the guarantor and the
24 unconditional guaranty. So we do not believe, based on
25 the clear wording of the unconditional guaranty that

1 those efforts in any way granted a reprieve. Mr. Freeman
2 could have been sued. By the way, in fact, in many cases
3 we see these days, the bank doesn't proceed against the
4 collateral, they just go against the guarantor and wait
5 and see what they can collect and then they go after the
6 collateral.

7 But here you're correct, there was a
8 disposition of an orderly somewhat disposition of
9 collateral. Because the obligation was absolute, his
10 obligation under the guaranty and because the suit was
11 not filed within three years of default, we submit, Your
12 Honor, that the three-year statute bars all claims --

13 THE COURT: Let me read to you some language
14 in this Coastal States Bank case, okay? It's on page
15 five. I believe it's footnote 12 and 15: A guaranty of
16 payment is an absolute or unconditional promise to pay a
17 particular debt and if it is not paid by the debtor at
18 maturity.

19 Now, most guarantor's situations, as you
20 said, the debtor doesn't pay, and that's the end of it
21 and then they go against the guarantor, and maybe later
22 on sell the property, but in this case, it was a
23 different scenario.

24 Tell me, what's your interpretation of that
25 language by the debtor at maturity and the fact scenario

1 we're talking about? I know your position is the
2 contract says different and the first default was
3 default, so I assume your position is the contract speaks
4 first prior to some of the cases, especially this case on
5 maturity, because it hasn't matured when he defaulted.

6 MR. WALKER: That's right, Your Honor, and
7 the guaranty in Coastal States was a bit different than
8 this one, but the important point that Court said is not
9 something we quarrelled with. They did look to the
10 guaranty that talked about an obligation being triggered
11 on maturity. Ours is different.

12 Any default on a payment is a default as to
13 the guarantor, but what's most important, Your Honor, is
14 that that principal about maturity does have application
15 in this case because of the provision of the guaranty I
16 just read to you: Upon default by the borrower, the debt
17 was immediately accelerated so it immediately became
18 mature on that default.

19 Now, the bank has put in the affidavit to
20 say, well, we didn't elect against the borrower to
21 accelerate. The terms of the note are different from the
22 terms of the guaranty. The terms of the promissory note
23 in this case say that upon default, the bank has a short
24 menu of options. It can accelerate; it can -- it doesn't
25 have to accelerate. It could do many things, but that is

1 not an obligation to which Mr. Freeman is a party. He's
2 not a party to the promissory note. His instrument is
3 the guaranty. His instrument is different. It's a
4 separate contract, as the Court in CoastalStates
5 recognized, and his instrument says acceleration happens
6 on the moment of default. It shall immediately become
7 due and payable.

8 So we're saying, Your Honor, that principal
9 in CoastalStates that the guarantor becomes liable for
10 the full amount on maturity happens in this case in
11 default. It then becomes due, and it's not optional
12 under the guaranty. It says it shall.

13 THE COURT: Hear me out here. What that
14 guaranty said in that relationship in the Coastal case,
15 as far as acceleration, the total amount due upon
16 default, was there a acceleration clause in there, or do
17 we even know?

18 MR. WALKER: I don't think there was an
19 automatic acceleration clause in that. We can verify
20 that.

21 So we do think that the guaranty -- and we
22 will get that for Your Honor, but we're fairly sure the
23 guaranty terms are different.

24 THE COURT: So you think the automatic
25 acceleration clause takes Coastal out of play.

1 MR. WALKER: Well, I think the principal that
2 Coastal says, that the guarantor can be sued for
3 everything upon maturity, that that principal does have
4 application because maturity was accelerated and
5 self-executing upon default by the borrower.

6 So the claim against Mr. Freeman matured as
7 soon as there was a default by the borrower under the
8 terms of their form guaranty contract, which is different
9 from the one in CoastalStates.

10 So in response, Your Honor, and I'm going to
11 address some of their arguments and I'll try to move it
12 along, they're saying, well, there was a part payment,
13 and they've referred to a separate statute, and I think
14 we've involved more statutes dealing with the statute of
15 limitations than any case I've ever had, but there is a
16 separate statute, and the cases under that are aged.

17 We would say aged and old. They would say
18 venerable and unchanged, but the cases interpreting the
19 statute, and the statute is 15-3-120, deal with whether
20 there's a written acknowledgement of the debt and whether
21 there's been part payment, and the bank is saying, well,
22 in this instance, even if you go with the three-year
23 statute, there was both, and first I want to talk about
24 part payment because there's a suggestion in the
25 affidavits that Mr. Freeman made payments.

1 The payments that were made in this case,
2 after the default, were made by the borrower at the time
3 of the short sale approved by the bank. Those monies
4 were generated by the collateral, which would be the real
5 property in the name of the borrower. They closed, and
6 the bank received the net proceeds from the closing.
7 Those were not a voluntary payment by Mr. Freeman as
8 guarantor.

9 THE COURT: He made some interest payments,
10 didn't he?

11 MR. WALKER: No. Well, he made interest
12 payments before --

13 THE COURT: Before you did the short sales?

14 MR. WALKER: Well, before this.

15 THE COURT: I'll look at the timeline.

16 MR. WALKER: Right, right. He didn't make
17 any interest payments after September, October, when we
18 said the statute ran. He didn't make interest payments
19 within three years of the filing of this.

20 THE COURT: That's why I want the timeline.

21 MR. WALKER: Because all his payments stopped
22 before October 30, 2010 with one exception.

23 THE COURT: Okay.

24 MR. WALKER: So those part payments are not
25 payments by the guarantor. There's a tendency on the

1 part of the bank to just blur the guarantor and the
2 borrower.

3 The second part of that statute talks about
4 an acknowledgement, and they rely on the affidavit and
5 the letter of Paul VanWagenen, and if one looks at those
6 letters, and these are the letters that are attached to
7 his supplemental affidavit, these letters were sent by
8 the attorney on behalf of the bank to the borrower,
9 Mr. Freeman, saying, We're willing to do a short sale and
10 release the mortgage, but that's just a partial payment
11 and we aren't waiving any rights.

12 There's no provision in the letter saying,
13 You acknowledge that you owe anything, it just says we're
14 not waiving anything and you need to sign that, but it's
15 a partial payment.

16 That was signed by Mr. Freeman, but in no way
17 is that saying, I will pay you or there is an unequivocal
18 obligation or reaffirmation of the obligation. The short
19 sale was made. It benefitted the bank, it benefitted the
20 borrower, and this letter did not contain a separate,
21 unequivocal promise to pay, and we'd ask the Court to
22 take a look at that.

23 So I think it would require some the --
24 unequivocal affirmation in the case that they cite more
25 often than anyone else is this case of Hill vs. Hill, one

1 of these venerable cases, and I think that's 1897. So
2 that would be the century before the last century, and in
3 that case, there were letters from the debtor where the
4 debtor went so far as to say, I have notes that would pay
5 every dollar I owe with land securities, but I do not
6 understand it to say I do not mean to pay or I expect to
7 pay every dollar of it. There the obligor was
8 unequivocally affirming the obligation, and there is
9 nothing like that in this case.

10 Turning to -- and one other thing: They rely
11 on a separate letter from the lawyer for Mr. Freeman that
12 is attached to Mr. VanWagenen's supplemental affidavit
13 from a lawyer named Harrison Penn in Columbia who is
14 representing Mr. Freeman, and in there Mr. Penn talks
15 about bankruptcy and does not say that Mr. Freeman is
16 going to pay everything back.

17 It's an offer to pay I think \$366,500 over
18 time, and so it's not a commitment by him to say, I'm
19 going to pay everything. In fact, his lawyer is saying
20 we aren't going to pay the whole thing. This is what we
21 think we agreed to, or else we're going to declare a
22 bankruptcy. We also think that letter constitutes
23 inadmissible settlement discussions.

24 THE COURT: We're not at trial. I don't care
25 about that. Okay?

1 MR. WALKER: All right. But we say, only for
2 purposes of summary judgment, it has to be admissible,
3 and we think it's not admissible, so we don't think
4 that's an unequivocal affirmation.

5 Now, to the 20-year statute, there are two
6 bases under the 20-year statute, which is 15-3-520.

7 THE COURT: Could you tell me what a personal
8 bond is?

9 MR. WALKER: I think it's an obligation to
10 pay money, that's what I think it is. I think bond is a
11 varied term.

12 THE COURT: In the 1800s, or the early 1900s?

13 MR. WALKER: Well, I think that things
14 changed. They may have had bonds back then, but now the
15 bank has a separate guaranty. Back then, they actually
16 personally endorsed the note. But I do think it's an
17 expansive definition because there's an exception to it.

18 THE COURT: Was this guaranty agreement
19 sealed?

20 MR. WALKER: Ms. Monoc is going to address
21 that. We do not think that the writing on these
22 guaranties met the standard as interpreted by our Courts,
23 and she will address that momentarily.

24 THE COURT: Okay. Do you think the seal and
25 the not carries over to the guaranty?

1 MR. WALKER: I do not. I think it would all
2 depend on the guaranty itself.

3 THE COURT: Okay. You think the guaranty
4 itself is going to have to be sealed, but how do you get
5 around the -- go ahead. I'm listening.

6 MR. WALKER: To take them one by one, the
7 first is the contract secured by the mortgage.

8 This guaranty was not secured by a mortgage.
9 The promissory note was. The only case that the bank --
10 or the main case the bank relies on for the proposition
11 that the Court should consider the guaranty was secured
12 by a mortgage is a 1939 case, Scovill, and in that case,
13 the facts were much different. There was only a single
14 contract, a promissory note. The individuals who were
15 not the maker of the note nonetheless signed the note as
16 endorsers.

17 That's entirely different from what we have
18 here. As the Court in CoastalStates said, A guaranty is
19 entirely separate from the note, and where the majority
20 got hung up in Scovill is that there was only one
21 instrument, and they couldn't separate the instrument and
22 say, well, it's secured as to the borrower, but not
23 secured as to the endorsers who endorse the note.

24 Here we have a separate guaranty that is not
25 secured by a mortgage. Mr. Freeman did not put up any

1 property, and, by the way, that Skovill decision was
2 decided three to two, and it's not a long opinion, so
3 it's not a burden to read it, but I think that the
4 rationale of the majority is persuasive here, but it's
5 not controlling, because here we have separate
6 instruments, and there the endorsement was on the
7 promissory note. So we don't think that that piece of it
8 applies, and I'm going to turn it over to Ms. Monoc to
9 talk about why it's not --

10 THE COURT: Before we go there, let me just
11 ask you a question, and I haven't done any research, but
12 let me just tell you, in this particular scenario of
13 events, okay, we got the bank and the debtor basically
14 trying to help each other out of a fallen real estate
15 market and generate as much income as they can to apply
16 towards the note throughout this process, and they both
17 apparently work together.

18 In this scenario of events, how could the
19 bank ever sue the guarantor until they knew the amount
20 that was going to be deficient?

21 MR. WALKER: It happens all the time. We
22 have suits -- I've defended many a suit during this
23 period where the bank went immediately against the
24 guarantor and --

25 THE COURT: In those cases, didn't they go

1 against the amount due and try to negotiate it down?

2 MR. WALKER: Well, they went after the
3 guarantors, but the negotiations took into account the
4 value of the collateral that would be there to avoid a
5 double recovery, but this guaranty specifically says that
6 they don't have to proceed against the collateral, so
7 under the clear and unambiguous terms, everything that
8 went on does not suspend the statute of limitations.

9 They could have sued them at any time, and
10 they make sure they can sue them at any time and they
11 make sure that what they do can't be provided as a
12 defense or to suspend the statute of limitations.

13 So his liability --

14 THE COURT: How are you going to establish
15 the actual amount owed by the guarantor in this scenario
16 until all of the deficiencies are dealt with?

17 MR. WALKER: All the deficiencies were dealt
18 with before the three years expired.

19 THE COURT: They were?

20 MR. WALKER: Yes.

21 THE COURT: Even the foreclosure?

22 MR. WALKER: The last foreclosure, yes.

23 THE COURT: There again, the timeline will
24 answer a lot of my questions.

25 MR. WALKER: Let me say the last

1 foreclosure -- that was in 2012, maybe early 2013.

2 Mr. Byrd can respond to that.

3 THE COURT: I'm sorry. You've answered my
4 question. I appreciate it very much, Mr. Walker.

5 MR. WALKER: We were working with the bank,
6 but they wanted the whole amount from Mr. Freeman.

7 THE COURT: Let me hear you on the sale of
8 the guaranty.

9 MS. MONOC: Thank you, Your Honor, and both
10 of us have fleshed this out in our briefs, so I'll just
11 hit on a few quick points.

12 Our position is that there is no indication
13 that Mr. Freeman intended to create a seal. All he did
14 was sign form documents. It's per se boilerplate. If
15 you look at the bottom of the guaranty, you'll see there
16 is some small type at the bottom of the page, which says
17 this is a standard form that's printed in every case by
18 the bank. I think it's important to note that some of
19 the cases relied upon --

20 THE COURT: What's on the document? I
21 haven't looked at it.

22 MS. MONOC: At the bottom it says, in bold,
23 witness whereof, and then it's not in bold anymore, and
24 there's no particular -- it's just normal font, and it
25 says --

1 THE COURT: I'll find it in what you handed
2 it up.

3 MS. MONOC: I'll be happy to read it. It
4 says: In witness whereof, in capital letters and in
5 bold, and then it goes to normal font, and it says
6 guarantor on the day and year first written above has
7 caused this unconditional guaranty to be executed under
8 seal, and then it has the signature line.

9 THE COURT: Executed under seal, what does
10 that mean?

11 MS. MONOC: That is just a standard --

12 THE COURT: Whether it's standard or not,
13 what is the legal implication of that word, executed
14 under seal?

15 MS. MONOC: You need something in addition to
16 it, according to South Carolina case law and federal
17 courts in South Carolina that have interpreted South
18 Carolina case law. You need something in addition to the
19 standard attestation clause, which appears at the end.

20 THE COURT: Okay.

21 MS. MONOC: There is one case in particular,
22 Midwest Dredge, and I'd be happy to hand it up if Your
23 Honor would like a copy. The citation for that is 2007
24 Westlaw 714-1921, and that's a fairly recent District
25 Court case out of South Carolina. It had very similar

1 language. At the end it said, signed and sealed, and
2 then it had a signature line, and then the seal in
3 parentheses, and there the Court found after analyzing
4 all the cases that plaintiff, as well as our brief
5 address, it goes through all of those cases, and there
6 they land on the fact that just having that final clause
7 at the end of the guaranty, or in addition to whatever
8 the document was at issue, that was reported to be
9 sealed.

10 They've got that standard clause and then the
11 signature line and then the seal, and where the Court
12 landed on that is that seal in parentheses is just a
13 placeholder for you to either mark LS or place the seal
14 or something that indicates that a person signing the
15 document is the one who intends to create a seal, or that
16 party intended to create a seal, wherein the person
17 signing the document evidences intent that a seal is
18 being made.

19 And I think it's important to distinguish the
20 cases that the plaintiff cites that are from the early
21 1900's versus cases we bring to the Court's attention,
22 from the most part, federal court cases interpreting
23 South Carolina law. I think it's important to
24 distinguish those cases are from the 1900's.

25 THE COURT: Do you have any South Carolina

1 cases citing South Carolina law? Those are the early
2 1900 cases?

3 MS. MONOC: No, there are South Carolina
4 cases.

5 THE COURT: Do you have any recent South
6 Carolina cases interpreting that issue?

7 MS. MONOC: Yes, yes, yes, sir, we do, and
8 it's all fleshed out in the brief.

9 But the point is when you have a -- the way I
10 read those early 1900s cases, the person signing
11 indicated seal as opposed to being a bank form document
12 with seal in parentheses, if that makes sense.

13 THE COURT: I understand. Do you do loan
14 closings?

15 MS. MONOC: No, I don't, Your Honor.

16 Something that's just been pointed to, the
17 more recent South Carolina cases that interpret it, say
18 that you need an attestation clause in addition to
19 something else the evidence is intent, and in some cases
20 it's someone signing LS. I do not find a single South
21 Carolina case that allowed it to be a sealed instrument
22 where there was the attestation clause and then seal in
23 parentheses.

24 THE COURT: Okay.

25 MS. MONOC: And I didn't see one in their

1 brief either.

2 THE COURT: Thank you so much. Mr. Byrd?

3 MR. BYRD: Thank you, Your Honor. Thank you
4 very much.

5 Your Honor's initial observation was a
6 correct one, that what the parties were doing during this
7 time period between the time of the first missed payment
8 and the time the foreclosures were started making and the
9 time of this acting is very relevant. What the parties
10 were doing during that time was trying to reduce the
11 debt, and Mr. Walker characterized that as helping the
12 bank, but it clearly was helping the guarantors too
13 because it was reducing his ultimate exposure, and now
14 they want to use, you know, the bank's forbearance, as it
15 were, against the bank and try to hang them up on it.

16 I'd like to address first the argument
17 relating to the acceleration provision, and I've got a
18 supplemental brief that we've put together.

19 THE COURT: Explain -- let me hear you on the
20 default occurs on the acceleration in the guaranty
21 agreement.

22 MR. BYRD: This is exactly on that point.

23 THE COURT: That's what I want to hear.

24 MR. BYRD: Yes, sir. The short story, Your
25 Honor, there is no such thing as automatic acceleration

1 in the State of South Carolina.

2 THE COURT: Well, I understand. That may be
3 under the common law, or the statutory law, but, I mean,
4 what does this agreement in your unconditional guaranty
5 agreement say? What is your interpretation of page three
6 under default paragraph two? What is your interpretation
7 of that. I mean, it's your document. How do you
8 interpret it?

9 MR. BYRD: Your Honor, in light of the case
10 law, I interpret this document as giving the option to
11 the lender to accelerate or not to accelerate. That's
12 all --

13 THE COURT: I'm sorry. Do you have a case
14 that addresses this particular language?

15 MR. BYRD: Yes, sir, I do.

16 THE COURT: Is it in the supplemental?

17 MR. BYRD: It's attached to the supplemental
18 brief, Your Honor.

19 THE COURT: Okay. All right. Go ahead.

20 MR. BYRD: Your Honor, in 1937, a little bit
21 later than the 1901 case --

22 THE COURT: Can we get before the 1900s,
23 1800s? Some of those cases are handwritten and hard to
24 read.

25 MR. BYRD: They are. Your Honor, in 1937,

1 the South Carolina Supreme Court rejected this very
2 argument that Mr. Walker has advanced to this Court.

3 In the case of Town of Cheraw vs. Turnage,
4 the Court specifically addressed the issue of these
5 automatic provisions, and what the Court said is that is
6 a very harsh remedy --

7 THE COURT: Where are you reading from the
8 town of Cheraw, what page?

9 MR. BYRD: It's on headnote 15, on page 8 of
10 what I handed up to the Court.

11 THE COURT: Okay.

12 MR. BYRD: The argument was that the statute
13 of limitations had run because of this automatic
14 provision that was actually a statute, and what the Court
15 did when they addressed it was about halfway down, if I'm
16 not -- maybe a third of the way down, but it's the
17 sentence that starts, The purpose of the acceleration
18 provision is clearly to give the creditor a Sword of
19 Damocles, with which to impress upon the property owner
20 the importance of making payments as stipulated.

21 It's in the nature of a penalty. It is an
22 additional remedy, and usually an oppressive action, the
23 threat of which is well calculated to enure payment and
24 the assessments, and the Court goes on to talk about how
25 it is a moral obligation the creditor use only as a last

1 resort, and then they start talking about what the law is
2 in other jurisdictions. The authorities on the question
3 are not entirely harmonious, but the overwhelming weight
4 of authorities supports the view taken by the plaintiff.

5 No decision on point in South Carolina, but,
6 It would be grossly oppressed with an attitude of the
7 current judicial and of top economic thought to make the
8 acceleration provision mandatory and self-executing.

9 And then they cite this ALR article and this
10 gets cited a lot, and it gets cited in other
11 jurisdictions. This case dating, to 1937, has never been
12 overruled, and it's still the law in South Carolina, and
13 it is in line with the majority of cases around the
14 country that take the same position. It doesn't matter
15 how automatic the language you put in it, it's still
16 optional, and the Court has said that it's still going to
17 require an affirmative election by the lender, by the
18 creditor, to exercise this option, and that's what it is,
19 an option to accelerate, even if it's got mandatory
20 self-executing language.

21 We've cited several cases including the case
22 from North Carolina, a case from Pennsylvania, that talk
23 about these issues. Specifically -- and they're attached
24 to the brief we just handed up.

25 The one from Pennsylvania talks also about

1 the split of authority on the subject but then goes on to
2 conclude that, We find ourselves in what appears to be
3 the majority of these cases. That acceleration clause,
4 although absolute in terms, nevertheless leave an option
5 to the creditor as to whether or not he wishes to take
6 advantage of such a provision and goes through the
7 rationale for that.

8 You know, first of all, these are
9 acceleration provisions are intended to be for the
10 benefit of the creditors, to update to creditor as to
11 whether or not they want to exercise them. But also, and
12 it's pointed out primarily in the second case that I cite
13 here, out of Nebraska, that the rationale is that by
14 defaulting -- the debtor, by defaulting, shall not be
15 permitted to force the maturation of an indebtedness
16 which was intended to be or as a concession for a given
17 period, and goes on to say to hold such a acceleration
18 provision to be self-operative, which is what the
19 defendant is trying to argue here, that would prohibit
20 the creditor from exercising leniency toward the debtor.

21 And that leads us back to Your Honor's first
22 observation, which was the bank was trying to work very
23 hard with Mr. Freeman to try to settle these properties,
24 try not to foreclose on them, gave them apple opportunity
25 to foreclose, and it's not a situation where he was not

1 involved in the sale. He's asserted a claim that he
2 ought to be entitled to some sort of set-off for his
3 efforts in trying to sell those properties. But he was
4 very much involved in this process in trying to sell the
5 properties, trying to market them, trying to reduce the
6 debt, which was all going to enure to his benefit.

7 So, Your Honor, we believe that in light of
8 the Turnage case in which our Court expressly adopted
9 this maturity view -- and they're also set forth in these
10 cases collected in the ALR. This was a majority view,
11 that it doesn't matter how automatic or self-executing
12 your agreement is, it's not, and it is not automatic and
13 it's still entitle to be an option, to be elected.

14 In fact, the creditor is under an obligation
15 to affirmatively elect it in order for that to come in
16 play. That's why we don't believe that the statute of
17 limitations begins to run or the maturity is advanced
18 until the bank sends this letter.

19 In 2011, well within that three-year look
20 back period, that's the earliest that the statute of
21 limitations could have started running, regardless of
22 what language is in the document, because that's not how
23 the Court has interpreted that language.

24 THE COURT: Okay. Will you tell me -- what
25 did you think about the seal?

1 MR. BYRD: I will be happy to get to that. I
2 don't think there is any question in this case this is a
3 sealed instrument. First of all, the claw clearly
4 recognizes that you don't have to actually affix a seal
5 to a document anymore for it to be considered under seal.

6 In fact, the statute is 19-1-160, and it
7 says, Whenever it appears from the written instrument
8 that the parties intended it to be sealed, then it is
9 deem sealed, regardless of whether you've actually
10 affixed that seal. And that statute also says that in
11 determining whether or not it's considered to be under
12 seal, you look at the document. You don't consider parol
13 evidence. You look at the actual document itself.

14 Here the guaranties clearly contain the
15 requisite stuff for being considered -- for this Court to
16 determine that these guaranties are all executed under
17 seal. Most of the cases that are cited, if you'll take a
18 look at these cases, they deal with an attestation clause
19 as Ms. Monoc read to you, the standard is usually the
20 last thing in the document before you get to the
21 signature line, and most of the cases that deal with the
22 attestation clauses have a different one.

23 Most of the cases that are cited by us and by
24 them all deal with totally different attestation clauses.
25 They have, instead, In witness whereof, I appear to set

1 my hand and seal this blank day of blank 2015.

2 That's the standard boilerplate that the
3 Courts are talking about, that Justice Kittredge, then
4 Judge Kittredge on the Court of Appeals, when he wrote
5 the opinion at the Lasch case, that's the boilerplate
6 language he was talking about. This hands and seals
7 verbiage -- you know, if that's all you got is hands and
8 seals attestation, that's not good enough. You need to
9 have at least some other indicia in the document.

10 We don't have that. What we have is a
11 totally different attestation clause. Ours says the
12 guarantor has caused this unconditional guaranty to be
13 duly executed under seal. No hands and seals here.

14 We don't think you need to even go beyond
15 that sentence. It's clear from that sentence alone that
16 the requirements of 19-1-160 are met is clear from that
17 one sentence what the intent of parties is, what it was,
18 with intent of the guarantor who signed this agreement
19 that it was to be executed under seal and it was, and
20 that's all that's required, but that's not all we got.

21 We also have seal written out next to the
22 signature, and contrary to counsel's argument, that's not
23 the law that that is somehow something different. The
24 word seal has got the same meaning as L.S. that the Court
25 used in the Lasch case.

1 In the Lasch case, which was cited as the
2 Winyah Nursing Case, that was actually the LS case, both
3 rely on Black's Law Dictionary to say, What is LS?

4 Well, LS means this is where you put a seal.

5 And the Court said, well, putting LS and
6 having -- there they said if you just have the old
7 verbiage hands and seals and then you put the LS is
8 sufficient.

9 What they haven't said, though, is if you
10 look at the cited lines in Black's Law Dictionary under
11 seal, it says seal and LS are synonymous. They're the
12 same thing, and we've got case law in South Carolina, I
13 cited it in my brief, dating back to 1901, that with a
14 hands and seals attestation, and it has the word seal
15 next to the signature.

16 And the Court said that was sufficient to
17 satisfy the requirements of this newly enacted act. It
18 was a predecessor to 19-1-160, which was just adopted in
19 South Carolina in 1899, so it was brand new. Probably
20 the first time the Court had addressed it was in 1901,
21 and in that decision, they said having that attestation,
22 the hand and seals attestation, which ours goes way
23 beyond hands and seals, plus the word seal next to the
24 signature was sufficient to satisfy that statute.

25 THE COURT: Okay. Thank you so very much.

1 MR. BYRD: Thank you.

2 THE COURT: I've got some reading to do. I'm
3 going to have to take this under advisement, and I'll get
4 you a decision just as soon as I make up my mind.

5 I would like to have the time frame, because
6 if I would have had that, I could have asked a lot of my
7 own questions today. I hope I didn't bore you with the
8 questions. I just didn't know -- I should have done a
9 little time last name.

10 MR. BYRD: I'm sure Mr. Walker and I could
11 get together and agree on a timeline, because I don't
12 think any of the times --

13 THE COURT: Is anything burning on your mind
14 that you want to say before we adjourn?

15 MR. BYRD: Only that there were a number of
16 arguments --

17 THE COURT: I understand. You've got some
18 other arguments about a bond, et cetera, et cetera, in
19 your brief, and so does the defendant. They have some
20 arguments they didn't verbally address. I'm going to
21 read your memoranda and consider all your arguments,
22 okay?

23 Anything the defendant would like to say
24 before we adjourn very briefly?

25 MR. WALKER: Your Honor, I think both sides

1 have covered the issues adequately in the briefs, and I
2 think we would be repeating things.

3 The only thing I'd like to do is Ms. Monoc
4 referred to this district court case, and we'd like to
5 hand that up, and it's Midwest Dredge and Excavating.

6 Thank you, Your Honor.

7 MR. BYRD: We just saw that case last night.
8 I don't think that applies. I haven't had an opportunity
9 to differential it, but if I could -- I would be happy to
10 submit something.

11 THE COURT: I don't need anything else. I've
12 got plenty to look at. If I need something else, I'll
13 request it, okay?

14 What's your position on the clause versus
15 seal written out beside the signature?

16 MS. MONOC: That doesn't constitute -- seal
17 in parentheses?

18 THE COURT: Normally you see LS. You think
19 the person signing it has to write out seal or LS?

20 MS. MONOC: Yes.

21 THE COURT: If it's just written in there on
22 a pre-arranged document, that's not valid. That's your
23 permission?

24 MS. MONOC: Yes, Your Honor.

25 THE COURT: Thank you so much.

1 MR. WALKER: The word seal.

2 MS. MONOC: We think it is a placeholder.

3 MR. WALKER: Thank you, You Honor.

4 - - -

5 (Whereupon, the proceedings were concluded.)

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I, the undersigned Amanda K. Haffenden, RPR, CRR, Official Court Reporter for the Ninth Judicial Circuit of the State of South Carolina, do hereby certify that the foregoing is a true, accurate, and complete transcript of record of all the proceedings had and evidence introduced in the trial of the captioned case, relative to appeal, in the Circuit Court for Charleston County, South Carolina, on the 5th of May 2015.

I do further certify that I am neither of kin, counsel, nor interest to any party hereto.

September 13, 2015

Amanda K. Haffenden

Circuit Court Reporter

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON
Wells Fargo Bank, N.A., Successor by
Merger to Wachovia Bank, National
Association

Plaintiff,

v.

Robert L. Freeman; Alberta W. Freeman;
and Anna S. Seago,

Defendants.

IN THE COURT OF COMMON PLEAS
C/A No.: 2013-CP-10-6439

**DEFENDANT ROBERT L. FREEMAN'S
NOTICE OF MOTION AND
MOTION FOR PARTIAL SUMMARY
JUDGMENT**

FILED
2015 FEB 19 AM 11:48
JULIE J. ARMSTRONG
CLERK OF COURT

TO: ROBERT C. BYRD, ESQUIRE AND A. SMITH PODRIS, ESQUIRE AND THE LAW
FIRM OF PARKER POE ADAMS & BERNSTEIN, LLP:

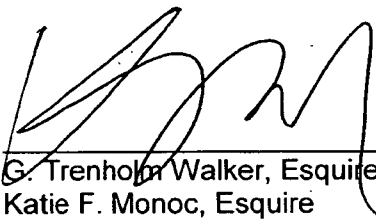
YOU WILL PLEASE TAKE NOTICE that Defendant Robert L. Freeman, by and
through his undersigned counsel, hereby moves before this Honorable Court for partial
summary judgment. The motion will be heard by the Court ten (10) days after service of
this notice of motion and motion or at a time that may be set by the Court.

This motion is filed pursuant to Rule 56, SCRPC and supported by an
accompanying affidavit attached hereto and incorporated herein, on the grounds that,
as a matter of law, this action to recover on personal guaranties was not filed within
three years of the accrual of the causes of action on all loans, except one loan (708
Ocean, LLC's Obligation Number 000-17-0442-8) under Plaintiff's Fifth Cause of Action.
Plaintiff's action on the guaranties is subject to a three year statute of limitations. As
shown by the Affidavit filed herewith, all the loans secured by these guarantees, with
one exception, were in default for non-payment more than three years before this suit
was filed. The contract documents are clear and unambiguous in that the bank may

pursue all remedies at the time of default for non-payment without notice to the liable parties, and the bank failed to timely pursue such remedies on the guarantees as a matter of law.

WHEREFORE, Defendant Robert L. Freeman requests that the Court GRANT this Motion for Partial Summary Judgment, dismiss all causes of action (with the exception of the above-described loan under Plaintiff's Fifth Cause of Action), and afford him all relief deemed just and proper.

BY:



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ATTORNEYS FOR THE DEFENDANTS

February 17, 2015
Charleston South Carolina

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE CIRCUIT COURT

Wells Fargo Bank, N.A., Successor by Merger to
Wachovia Bank, National Association,

Case No. 2013-CP-10-6439

Plaintiff,

vs.

Robert L. Freeman,

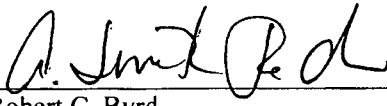
Defendant.

PLAINTIFF'S MOTION FOR PARTIAL
SUMMARY JUDGMENT

FILED
2015 APR 22 PM 1:14
JULIE J. ARMSTRONG
CLERK OF COURT

YOU WILL PLEASE TAKE NOTICE that the Plaintiff, Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association, hereby moves the Court, pursuant to Rule 56, SCRPC, for an Order granting summary judgment in favor of the Plaintiff on the statute of limitations defense asserted by Defendant, on the grounds that there is no genuine issue as to any material fact and the Plaintiff is entitled to judgment thereon as a matter of law.

This Motion is based upon the pleadings and other documents filed with the Court, the applicable law, and such other materials as may be served upon you before or at the hearing of the Motion.


Robert C. Byrd
A. Smith Podris
PARKER POE ADAMS & BERNSTEIN LLP
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Charleston, SC 29401
(843) 727-2650

Attorneys for Plaintiff
Wells Fargo Bank, N.A., Successor by Merger to
Wachovia Bank, National Association

April 21, 2015

Charleston, South Carolina

PPAB 2773086v1

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Wells Fargo Bank, N.A., Successor by
Merger to Wachovia Bank, National
Association,

Plaintiff,

vs.

Robert L. Freeman,

Defendant.

IN THE CIRCUIT COURT

Case No. 2013-CP-10-06439

**PLAINTIFF'S MEMORANDUM OF LAW:
(1) IN SUPPORT OF PLAINTIFF'S
PARTIAL MOTION FOR SUMMARY
JUDGMENT; AND (2) IN OPPOSITION
TO DEFENDANT'S MOTION FOR
PARTIAL SUMMARY JUDGMENT**

The Plaintiff, Wells Fargo Bank, N.A., ("Wells Fargo") respectfully submits this Memorandum of Law in Support of its Partial Motion for Summary Judgment and in Opposition to Defendant's Motion for Partial Summary Judgment. Both parties have filed cross-motions for summary judgment on the statute of limitations issue.

Wells Fargo is entitled to summary judgment under well-settled South Carolina law because (1) the applicable statute of limitations for this action on a guaranty executed under seal and in connection with a mortgage loan is twenty years, and (2) even if the Court concluded a shorter three-year statute of limitations period applied, this action was filed within any relevant three-year period.

BACKGROUND

The relevant facts are not in dispute. During 2006 and 2007, Wells Fargo made a total of thirteen (13) loans to the six (6) separate, but related entities in which the Defendant was principal member (each hereinafter referred to individually as a "Loan" and, collectively, as the "Loans"). (Compl. ¶¶ 4, 6, 14, 22, 24, 32, 34, 36, 38, 50, 52, 61, 63; Am. Answer ¶¶ 5, 7, 15, 23, 25, 33, 35, 37, 39, 51, 53, 62 and 64; Aff. of Robert L. Freeman, ¶ 3; and Aff. of Steven A.

Jaskinski, ¶ 3.) The aggregate original principal amount of the Loans was approximately \$9,800,000.00. *Id.* All the Loans were secured by mortgages on real estate, and each Loan was further secured by a personal guaranty agreement that was signed by the Defendant and delivered to Wells Fargo (collectively, the “Freeman Guaranties”). (Compl. ¶¶ 8-9, 16-17, 26-27, 41-42, 55-56, 66-67; Am. Answer ¶¶ 9-10, 17-18, 27-28, 42-43, 56-57 and 67-68; Aff. of Robert L. Freeman, ¶¶ 3, 5, 7 and 10; Aff. of Steven A. Jasinski, ¶ 3-4.)

A summary of the Loans is as follows:

Borrowing Entity	Original Principal Amount	Hereinafter Described As
Seafree LLC	\$1,089,500.00	Seafree Note 1
Seafree LLC	\$ 124,000.00	Seafree Note 2
Seafree Edisto, Inc.	\$ 500,000.00	Seafree Edisto Note
Yerby Road, LLC	\$ 950,000.00	Yerby Road Note 1
Yerby Road, LLC	\$ 700,000.00	Yerby Road Note 2
Jadiekate, LLC	\$1,205,000.00	Jadiekate Note 1
Jadiekate, LLC	\$1,520,000.00	Jadiekate Note 2
Jadiekate, LLC	\$ 790,000.00	Jadiekate Note 3
Jadiekate, LLC	\$ 495,000.00	Jadiekate Note 4
708 Ocean, LLC	\$ 239,700.00	708 Ocean Note 1
708 Ocean, LLC	\$ 400,000.00	708 Ocean Note 2
1F3S, LLC	\$1,500,000.00	1F3S Note 1
1F3S, LLC	\$ 320,000.00	1F3S Note 2

On April 8, 2010, the Loans were last modified pursuant to documents titled “Modifications of Promissory Note and Security Documents” (collectively, the “Loan

Modifications”). Under the Loan Modifications, the maturity date for all Loans was extended to June 15, 2011. (Compl. ¶¶ 5, 7, 15, 23, 25, 33, 35, 37, 39-40, 51, 53-54, 62, 64-65; Am. Answer ¶¶ 6, 8, 16, 24, 26, 34, 36, 38, 40-41, 52, 54-55, 63, 65-66; and Affidavit of Steven A. Jasinski, ¶ 5.) The Loan Modifications also provided that monthly interest payments only were due on the Loans until June 15, 2011, at which time the principal and any remaining accrued interest were due and payable in full. Copies of all the notes, guaranties and all modifications thereto, including the Loan Modifications, were attached to the Complaint and are not in dispute. (Compl. ¶¶ 4-7, 9, 14-15, 17, 22-25, 27, 32-40, 42, 50-54, 56, 61-65, 67; Am. Answer ¶¶ 5-10, 15-18, 23-28, 33-43, 51-57, 62-68; Aff. of Robert L. Freeman, ¶ 9, 10; Aff. of Steven A. Jasinski, ¶ 4-5.)

FACTS

Defendant stopped making interest payments on the Loans in the Fall of 2010. Specifically, the Defendant failed to make the interest payments due on Yerby Road Note 1 and Yerby Road Note 2 starting with the September 5, 2010 payment, and also failed to make the interest payments due on Seafree Note 1 commencing with the September 15, 2010 payment. (Aff. of Steven A. Jasinski ¶ 6; Aff. of Robert L. Freeman ¶¶ 13, 19.) The Defendant failed to make the interest payments on the remaining Loans starting with the October 2010 payments, except for 708 Ocean Note 2 for which the September and October interest payments were made, but none thereafter. (Aff. of Steven A. Jasinski ¶ 7-8; Aff. of Robert L. Freeman ¶¶ 15, 17, 21-24, 26, 28-29, 32.)

On November 22, 2010, Wells Fargo’s counsel sent the obligors for each Loan a notice of default and reservation of rights letter. (Aff. of Paul VanWagenen dated January 6, 2015, Ex. A; Aff. of Steven Jasinski, ¶ 9; Aff. of Robert L. Freeman, ¶ 31.) On December 7, 2010, Wells Fargo’s counsel sent letters to the obligors for each Loan notifying them that Wells Fargo would

impose the default rate of interest on the Loans. (Aff. of Paul VanWagenen, Ex. B; Aff. of Steven A. Jasinski, ¶ 11.) Finally, on May 19, 2011, Wells Fargo's counsel sent letters to the obligors for each Loan, including the Defendant, providing in part:

Lender has elected to accelerate the balance of the Loans and hereby demands payment in full of the Loans. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

(Aff. of Paul VanWagenen, Ex. C; Aff. of Steven A. Jasinski, ¶ 11.). Neither of the prior two letters from Wells Fargo's counsel contain any reference to acceleration of the Loans.

From 2010 through 2013, Wells Fargo and Defendant worked together in a cooperative effort to reduce the outstanding balance of the subject Loans. (Am. Answer ¶¶ 11, 19, 29, 44, 58, 69; Aff. of Steven A. Jasinski ¶ 13.) Certain of the collateral properties were earmarked for private sale efforts, while others were agreed to be the proper subjects of a foreclosure action. (Email from Trenholm Walker to Paul VanWagenen dated March 12, 2012, attached as Ex. A to Supplemental Affidavit of Paul VanWagenen dated April 22, 2015.) As a result, certain of the collateral properties were voluntarily sold by the Defendant, with Wells Fargo's consent, through private "short sales" that occurred in 2012 and 2013. (Compl. ¶¶ 19, 44 and 69; Am. Answer ¶¶ 20, 45 and 70; and Aff. of Steven A. Jasinski, ¶ 13.)

In connection with each private short sale, Defendant executed and delivered to Wells Fargo a letter required by Wells Fargo regarding its lien release, which provides in part as follows:

Please be advised that [Wells Fargo] is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds of the sale or [the contract price], whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents.

(Supp. Aff. of Paul VanWagenen ¶ 3 (emphasis added); Aff. of Steven A. Jasinski, ¶ 14.)

Wells Fargo would not have released its lien without such express agreement from Defendant that the sale proceeds would constitute a partial payment on the Loan. (Aff. of Steven A. Jasinski, ¶ 14.)

Thus, Defendant, as guarantor, made partial payments on 1F3S Note 1, 1F3S Note 2, Jadiekate Note 1, Jadiekate Note 2, Jadiekate Note 3, Jadiekate Note 4, and the Seafree Edisto Note. (Aff. of Steven A. Jasinski, ¶ 15.) The proceeds from each of the short sales were insufficient to pay the applicable Loan secured, resulting in a deficiency balance. (Compl. ¶¶ 20, 45-48, 70-71; Aff. of Robert L. Freeman, ¶¶ 16, 18, 25, 27 and 30; and Aff. of Steven A. Jasinski, ¶ 18.)

In March 2012, Wells Fargo commenced actions to foreclose its mortgages on the remaining collateral properties. (Compl. ¶¶ 11, 29 and 58; Am. Answer ¶¶ 12, 30 and 59; Aff. of Steven A. Jasinski, ¶ 13, 16.) All foreclosures resulted in deficiency judgments against the borrowers, which remain unsatisfied. (Compl. ¶¶ 12, 30 and 59; Aff. of Steven A. Jasinski, ¶ 18-19.)

The outstanding deficiency amounts on the Loans were as follows:

Seafree Note 1 and Seafree Note 2	\$ 967,168.14 as of December 5, 2012
Seafree Edisto Note	\$ 198,976.62 as of September 17, 2013
Yerby Road Note 1 and Yerby Road Note 2	\$1,064,040.28 as of June 6, 2013
Jadiekate Note 1	\$ 347,692.07 as of September 17, 2013
Jadiekate Note 2	\$ 425,706.30 as of September 17, 2013
Jadiekate Note 3	\$ 395,744.75 as of September 17, 2013
Jadiekate Note 4	\$ 255,001.01 as of September 17, 2013
708 Ocean Note 1 and 708 Ocean Note 2	\$ 469,044.84 as of October 31, 2012
1F3S Note 1	\$ 101,199.95 as of September 17, 2013
1F3S Note 2	\$ 113,525.81 as of September 17, 2013

This action was filed against the guarantors on October 30, 2013. In October 2014, the parties mediated the case, which resulted in settlements with two of the three guarantors, who have since been dismissed as parties. As to the Defendant Robert L. Freeman, the remaining guarantor, Wells Fargo is entitled to summary judgment on the statute of limitations defense.

STANDARD OF REVIEW

Rule 56, SCRPC, requires the entry of summary judgment 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 Fleming v. Rose*, 350 S.C. 488, 494, 567 S.E.2d 857, 860 (2002). Although the moving party bears the initial burden of demonstrating the absence of a genuine issue of material fact, “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.” *Baughman v. American Tel. and Tel. Co.*, 306 S.C. 101, 115, 410 S.E.2d 537, 545 (1991). Once the moving

party makes this demonstration, the opposing party “must, under Rule 56(e), do more than simply show some metaphysical doubt as to the material facts but must come forward with specific facts showing that there is a *genuine issue for trial*.” *Id.* (emphasis in original); *Midland Mutual Life Ins. Co. v. Harrell*, 331 S.C. 394, 397, 503 S.E.2d 189, 190 (Ct. App. 1998). The nonmoving party must specifically set forth such facts “as would be admissible in evidence” to show that a true jury issue exists. Rule 56, SCRCP.

Importantly, Defendant carries the burden of proof for his affirmative defenses. *Cole v. S. C. Elec. & Gas, Inc.*, 355 S.C. 183, 195, 584 S.E.2d 405, 412 (Ct. App. 2003,) *aff’d as modified*, 362 S.C. 445, 608 S.E.2d 859 (2005) (citing *Lorick & Lowrance, Inc. v. Julius H. Walker & Co.*, 153 S.C. 309, 318, 150 S.E. 789, 792 (1929)) (“When a defendant interposes an affirmative defense, he becomes as to that matter the actor in the suit, and the burden of proof rests upon him to establish his affirmative defense by the preponderance of the evidence.”).

The purpose of summary judgment is to expedite disposition of cases which do not require the services of a fact finder. *Dawkins v. Fields*, 354 S.C. 58, 580 S.E.2d 433 (2003); *George v. Fabri*, 345 S.C. 440, 548 S.E.2d 868 (2001).

Here, both parties have moved for summary judgment on the statute of limitations issue. Both parties submit there are no genuine issues of material fact for trial on this issue.

ARGUMENTS

I. THE APPLICABLE STATUTE OF LIMITATIONS IS TWENTY (20) YEARS AND HAD NOT RUN WHEN THE COMPLAINT WAS FILED.

A. The Freeman Guaranties were Executed Under Seal.

The statute of limitations applicable to “an action upon a sealed instrument, other than a sealed note and personal bond for the payment of money only” is twenty (20) years. S.C. Code Ann. § 15-3-520(2). The Defendant has admitted that his guaranty agreements were executed

and delivered to Wells Fargo. (Compl. ¶¶ 9, 17, 27, 42, 56, 67; Am. Answer ¶¶ 10, 18, 28, 43, 57 and 68; Aff. of Robert L. Freeman, ¶¶ 5, 7 and 10; Aff. of Steven A. Jasinski, ¶ 3-4.) Accordingly, the plain and unambiguous terms and conditions of the Freeman Guaranties speak for themselves and are not in dispute. Because the Freeman Guaranties were executed and delivered under seal, they are subject to a twenty-year statute of limitations.

1. **The Freeman Guaranties are “Sealed Instruments”.**

In determining whether an instrument is a “sealed instrument” for purposes of Section 15-3-520(2), the Court is restricted to the language used in the instrument itself:

Whenever it shall appear from the attestation clause or from any other part of any instrument in writing that it was the intention of the party or parties thereto that such instrument should be a sealed instrument then such instrument shall be construed to be, and shall have the effect of, a sealed instrument although no seal be actually attached thereto.

S.C. Code Ann. § 19-1-160 (emphasis added).

The Freeman Guaranties executed by the Defendant contain multiple indicia of the parties intent that the guaranties are “sealed instruments”. First, the Freeman Guaranties contain an attestation clause expressly indicating the intent to seal: **“IN WITNESS WHEREOF, Guarantor, on the day and year first written above, has caused this Unconditional Guaranty to be executed under seal.”** (Compl. Ex. E, H, M, W, CC, II, at 6 (emphasis added).) This clause is conspicuously set apart from the rest of the text by the bold and capitalized font of the words at the beginning of the one-sentence clause.

Second, the word “(SEAL)” conspicuously appears in all capital letters next to the Defendant’s signature, further evidencing the parties’ intent that the Freeman Guaranties be under seal. *Id.*

Under well-settled South Carolina law, the Freeman Guaranties are “sealed instruments” for purposes of Section 15-3-520(2) and are subject to a twenty-year statute of limitations. In

Transouth Financial Corp. v. Cochran, 324 S.C. 290, 478 S.E.2d 63 (1996), a creditor brought an action to recover on a guaranty after the entry of a confession of judgment by the borrower. *Id.* 324 S.C. at 292–93, 478 S.E.2d at 64. The guarantor argued that his obligation on the guaranty ended when the confession of judgment against the borrower expired ten years after its entry. *Id.* at 293, 478 S.E.2d at 65. However, in holding that the guarantor was not relieved of his liability, as the guaranty was an independent contractual obligation surviving the expiration of the confession of judgment, the Court noted, referencing the guarantor’s liability under the guaranty, that “pursuant to [Section 15-3-520(2)], an action upon a sealed instrument may be brought within the prescribed twenty year period.” *Id.* at 294 n.2, 478 S.E.2d at 65 n.2 (emphasis added).

Likewise, in *South Carolina Dep’t of Soc. Servs. v. Winyah Nursing Homes, Inc.*, 282 S.C. 556, 320 S.E.2d 464 (Ct. App. 1984), the South Carolina Court of Appeals held that the contracts at issue in that case were sealed documents such that an action upon the contracts would fall within the 20-year statute of limitations provided by Section 15-3-520(b). *Winyah Nursing Homes*, 282 S.C. at 561, 320 S.E.2d at 467. In determining that the contracts were executed under seal, the Court focused on the fact that the contracts contained attestation clauses stating that “the parties hereto have set their hands and seals”, which evidenced an intent to seal. Moreover, the documents contained the notation “L.S.”¹ following the signatures of the parties. *Id.* The Court concluded, “Clearly, the two contracts are sealed instruments.”

Similarly, in *Wallingford v. Western Union Tel. Co.*, 60 S.C. 201, 38 S.E. 443 (1901), our Supreme Court held that a deposition transcript was properly sealed where the notary’s

¹L.S. is an abbreviation for *Locus sigilli*, meaning “the place of the seal; the place occupied by the seal of written instruments”, and it serves the same purpose as a seal. *Carolina Marina Handling, Inc. v. Lasch*, 363 S.C. 169 at 174, 609 S.E.2d 548 at 551 (2005) (citing Black’s Law Dictionary, 948 (6th ed. 1990) and 68 Am.Jur. *Seals* §6 (2004)). Both Black’s Law Dictionary and the cited American Jurisprudence’s *Seals* article acknowledge that “(SEAL)” may be used in place of “L.S.” with the same effect.

certificate included the language “Witness my hand and official seal” and the notary public attached the word “Seal” to the jurat of each deposition. *See also Cook v. Cooper*, 59 S.C. 560, 38 S.E. 218 (1901) (holding that a deed was properly executed under seal where it contained the notation “seal” after the grantor’s signature).

Finally, and most recently, in *Carolina Marine Handling, Inc. v. Lasch*, 363 S.C. 169, 609 S.E.2d 548 (Ct. App. 2005), our Court of Appeals considered whether a lease agreement was executed under seal so as to fall within the twenty-year statute of limitations. Because the *only* reference to “seal” was in the “hands and seals” attestation clause, the Court of Appeals found that the lease agreement was not executed under seal. *Id.* at 363 S.C. 174-75; 609 S.E.2d 551-52. Importantly, the Court of appeals emphasized that the holding was limited to documents where the parties relied upon a “boilerplate attestation clause, by itself”. *Id.* (emphasis in original).

Unlike the *Lasch* lease, the Freeman Guaranties do not rely upon the “boilerplate” “hands and seals” language to evidence an intention that the documents be executed under seal. Instead, the Freeman Guaranties specifically and conspicuously state that the “Guarantor . . . has caused this Unconditional Guaranty to be executed under seal.” (Compl. Ex. E, H, M, W, CC, II, at 6 (emphasis added).)

Moreover, the Court of Appeals pointed out that the *Lasch* lease included no other indication that the parties intended for the document to be executed under seal. *Lasch*, 363 S.C. 174-75; 609 S.E.2d 551-52. By contrast, here, as in *Winyah Nursing Homes and Wallingford*, the notation “(SEAL)” is included conspicuously, in all capital letters, next to the Defendant’s signature. (Compl. Ex. E, H, M, W, CC, II, at 6.)

Because the Freeman Guaranties contain not only an intentional and clear attestation clause but also the legally recognized “(SEAL)” in substitution of an actual physical seal, they

fall within Section 19-1-160 of the South Carolina Code and are subject to a twenty-year statute of limitations under established South Carolina law.

2. **The Exception for “Sealed Notes and Personal Bonds for the Payment of Money Only” Does Not Apply.**

The exclusion in Section 15-3-520(2) for “sealed notes and personal bonds for the payment of money only” is not applicable to the Freeman Guaranties. The Freeman Guaranties are neither “notes” nor “personal bonds” as described in the statute. Moreover, the Freeman Guaranties guaranteed performance by the Defendant in addition to the “payment of money only”.

The principal rule of statutory construction is to apply the intent of the legislature. *Bass v. Isochem*, 365 S.C. 454, 617 S.E.2d 369 (Ct. App. 2005). Legislative intent must prevail where it can be reasonably ascertained in the language of the statute. *McClanahan v. Richland County Council*, 350 S.C. 433, 567 S.E.2d 240 (2002); *Ray Bell Constr. Co. v. School Dist. of Greenville County*, 331 S.C. 19, 501 S.E.2d 725 (1998). Courts must look to the plain language of the statute in determining the legislative intent, *Bass v. Isochem*, 365 S.C. 454, 617 S.E.2d 369 (Ct. App. 2005), while reading the statute “in a sense which harmonizes with its subject matter and accords with its general purpose,” *Univ. of S. Cal. v. Moran*, 365 S.C. 270, 276, 617 S.E.2d 135, 138 (Ct. App. 2005). Where a statute’s terms are “clear and unambiguous on their face,” the court must apply the literal meaning of the statute. *Id.* However, “[i]f the language of an act gives rise to doubt or uncertainty as to legislative intent, the construing court may search for that intent beyond the borders of the act itself.” *Id.* at 277, 617 S.E.2d at 139. Where a statutory term is undefined, courts must interpret the term according to its “usual and customary meaning.” *Id.* Most importantly in this case, “If there is any doubt as to which of two statutes [of limitation] applies, that doubt must be resolved in favor of the longest period, according to the great weight

of authority.” *State v. Life Ins. Co. of Georgia*, 254 S.C. 286, 299, 175 S.E.2d 203, 209–10 (1970).

The predecessor to Section 15-3-520 simply provided for a 20-year statute of limitations for “an action upon a sealed instrument.” *Nichols v. Briggs*, 18 S.C. 473, 479–80 (1883) (citing Sec. 113, Subd. 2). Subsequently, the statute was amended to exclude from its application “a sealed note and personal bond for the payment of money only.” *Id.* at 480 (citing 15 Stat. 496 and 17 Stat. 415; *Gen Stat.* 1882, Code, § 111).

Section 15-3-520 does not define the term “personal bond.” Accordingly, the Court may look beyond the borders of the statute to determine legislative intent as to the term’s definition. *Moran*, at 277, 617 S.E.2d at 139. Whether the Court looks to the current “usual and customary” meaning of the terms “bond” and “guaranty” or looks to the “usual and customary” meanings of the terms at the time the statute was amended in 1873, it is clear that the exception in Section 15-3-520(2) does not apply to a sealed guaranty.

A “personal bond” is distinguishable from a guaranty, both in the modern sense of those terms, and as those terms were used in the late 1800’s. A review of modern usage of the terms “bond” and “guaranty” makes it clear that the General Assembly did not intend for the phrase “personal bonds for the payment of money only” to apply to guaranties. A “bond,” as it is known today, is an “instrument in writing, usually under seal, binding the obligor to pay a sum of money to the holder of the written obligation or bearer.” *U.S. Rubber Products v. Town of Batesburg*, 183 S.C. 49, 190 S.E. 120, 127 (1937). In contrast, South Carolina courts have defined a “guaranty” as a “promise to answer for the payment of some debt or the performance of some duty in the case of the failure of another person who is himself in the first instance, liable to such payment or performance.” *Crafton v. Brown*, 346 S.C. 347, 350, 550 S.E.2d 904,

905 (Ct. App. 2001); *Ruberg v. Brown*, 71 S.C. 287, 51 S.E. 96, 98 (1905). Stated differently, a “bond” creates a primary obligation on the part of the obligor, 11 C.J.S. *Bonds* § 2 (2014), whereas a “guaranty” creates a secondary obligation to perform in the event of the failure to perform of one who is primarily liable. 38A C.J.S. *Guaranty* § 1 (2014).

South Carolina case law from the time of the statutory amendment reinforces the distinction between use of the words “note” or “bond” and use of “guaranty.” In the late 1800’s, it appears that a bond for the payment of money was more akin to a note, carrying with it a primary obligation, and not a guaranty creating a secondary obligation. In *Cleveland v. Cohrs*, 10 S.C. 224 (1878), an action to foreclose a real estate mortgage given to secure the payment of a bond, the Court discussed the bond as one would refer to a modern day note:

The rule of law is well established that the assignment of the bond carries with it the mortgage, but the assignment of the mortgage does not necessarily carry with it the bond. **The bond represents the debt, while the mortgage is a mere security for the payment of such debt.**

Id. at 225 (emphasis added).

In *Whitmire v. Boyd*, 53 S.C. 315, 31 S.E. 306, 308 (1898), the Court, quoting *Cohrs*, used the terms note and bond interchangeably:

By the assignment of the **note**, he also became the assignee of the legal or genuine mortgage. The rule of law is well established that the assignment of the **bond** carries with it the mortgage, but the assignment of the mortgage does not necessarily carry with it the **bond**. The **bond** represents the debt, while the mortgage is a mere security for the payment of such debt.

Id. at 31 S.E. at 308 (emphasis added) (quoting *Cohrs*, 10 S.C. at 225); *see also Interstate Building & Loan Ass’n v. Edgefield Hotel Co.*, 120 F. 422, 424 (C.C.D.S.C. 1903); *Nathans v. Steinmeyer*, 57 S.C. 386, 35 S.E. 733, 737 (1900); *Nichols v. Briggs*, 18 S.C. 473, 484 (1883); *Singleton v. Lowndes*, 9 S.C. 465 (1878) (providing additional support for the use of the term “bond” in a manner analogous to the modern day definition of a note, rather than as a guaranty).

Because the usual and customary use of the term “bond” at the time of the amendment of Section 15-3-520 implicated a note rather than a guaranty, it is clear that the General Assembly did not also intend to except sealed guaranties from the 20-year statute of limitations.

The Freeman Guaranties are not notes, nor are they personal bonds for the payment of money only. The Supreme Court has held that where a sealed instrument involves an obligation in addition to the payment of money, the 20-year limitations period applies. See *Stelts v. Martin*, 90 S.C. 14, 72 S.E. 550 (1911); *Strain v. Babb*, 30 S.C. 342, 9 S.E. 271 (1889).

In *Stelts v. Martin*, the plaintiff brought a foreclosure action upon a mortgage that was ultimately held to be improperly executed as required by law, but enforceable as an equitable mortgage. *Stelts*, at 72 S.E. at 551. In addressing the statute of limitations applicable to the foreclosure suit upon the equitable mortgage, the Court held that the 20-year statute of limitations for an action upon a sealed instrument other than a sealed note or personal bond for the payment of money applied. *Id.* at 72 S.E. at 551–52. The Court reasoned that the document was more than a sealed note or personal bond for the payment of money. *Id.* Rather, the Court reasoned, the document was a “sealed instrument importing an obligation to pay money and a lien as between the obligor and obligee upon the land to secure payment.” *Id.* at 72 S.E. at 551.

Similarly, in *Strain v. Babb*, the plaintiff brought an action against the administrator of the Clerk of Court’s estate and against the sureties on the official bond of the clerk of Court based on allegations that the clerk of Court improperly executed his duties, causing harm to the plaintiff. *Strain*, at 9 S.E. at 272. The Court held that the 20-year limitations period for bonds other than for the payment of money applied. *Id.* at 9 S.E. at 273. The Court reasoned that although the breach of the bond sounded in money damages, and the penalty was for a specific amount, the bond was “other than for the payment of money in the sense of the statute.” *Id.* The

Court noted that the bond was “in the nature of a covenant, a contract under seal, by which the obligors thereto bound themselves under the specified penalty to answer for the neglect of duty, if any, on the part of the clerk.” *Id.*

The Freeman Guaranties provide that the Defendant guaranteed the “timely payment **and performance of all liabilities and obligations** of the Borrower”, including obligations of the Borrower arising under either the promissory note or mortgage. (Compl. Ex. E, H, M, W, CC, II, at 1, 5 (emphasis added).) Each of the Freeman Guaranties further states that it “is a continuing and unconditional guaranty of payment **and performance** and not of debt collection.” *Id.* (emphasis added). The obligations guaranteed undertaken by the Defendant under the Freeman Guaranties also included performance of various covenants under the Loan Documents, such as compliance with applicable environmental laws, enforcement of leases, subleases, and easements on the collateral property, maintenance of adequate property insurance, and maintenance of the collateral properties in good condition and repair. (Aff. of Steven A. Jasinski, Exh. A at 2-5.) By their express terms, the Freeman Guaranties guaranteed obligations of the borrower more than the “payment of money only”.

The South Carolina General Assembly chose not to exclude sealed guaranties of the type executed by the Defendant from application of the 20-year statute of limitations. Not only would it be contrary to the rules of statutory interpretation articulated in the *Moran* decision for this Court to choose to exclude sealed guaranties from the 20-year statute of limitations, but such a ruling would also ignore the long-established mandate that any doubt as to which of two statutes of limitations applies “must be resolved in favor of the longest period.” *State*, 254 S.C. at 299; 175 S.E.2d at 210 (quoting *Scovill v. Johnson*, 190 S.C. 457, 3 S.E.2d 543 (1939)).

B. The Underlying Obligations Guaranteed by Defendant were Secured by Mortgages on Real Estate.

In addition to being executed under seal, the guaranteed obligations were secured by mortgages on real estate. Section 15-3-520(1) provides for a 20-year statute of limitations on any “bond or other contract in writing secured by a mortgage of real property”. S.C. Code Ann. § 15-3-520(1). Therefore, any action on the Freeman Guaranties was subject to a 20-year statute of limitations, which had not run when the Complaint was filed.

In *Scovill v. Johnson*, 190 S.C. 457; 3 S.E.2d 543 (1939), the Supreme Court specifically rejected an argument that endorsers were not subject to the same twenty-year statute of limitations as borrowers and mortgagors. The court reasoned that, “the credit extended on the note in question was not extended on the promise to pay made by the maker, or on the endorsement made by the endorsers, or on the two obligations combined. It was extended on such obligations plus the security of the real estate mortgage.” *Id.* at 3 S.E.2d at 546 (emphasis added). As such, the Court stated that the obligation of a guarantor was “inseparably intertwined” with that of the borrowers under the note and mortgage. *Id.*

Here, the Freeman Guaranties were executed concurrently with, and as a requirement of, Wells Fargo’s mortgage loans to the Defendant’s entities. (Aff. of Steven A. Jasinski, ¶ 3.) As in *Scovill*, Wells Fargo extended credit not simply on the promises contained in the borrower’s note and Defendant’s guaranties, but also in exchange for the applicable mortgage. Moreover, each of the Freeman Guaranties “irrevocably and unconditionally” guaranteed not simply payment of the debt, but also “performance of all liabilities and obligations” of the borrower under the applicable Loan Documents, which included the subject mortgages. Accordingly, the Defendant’s liability under his guaranty of obligations that were secured by real estate mortgages is subject to the 20-year statute of limitations.

The Defendant may argue that, since the underlying mortgages were eventually satisfied or foreclosed, the 20-year statute of limitations under Section 15-3-520(2) converted to a three-year statute of limitations. In *Newell v. Neal*, 50 S.C. 68, 27 S.E. 560 (1897), the Supreme Court addressed this argument when a lender brought an action to recover on a mortgage loan in which the subject mortgage had been satisfied of record by a prior holder. Based on the satisfaction of the mortgage, the Court held that the 20-year statute of limitations was no longer applicable. In doing so, it also held that the shorter statute of limitations began to run from the date that the mortgage was satisfied of record, or possibly on the date that the lender discovered the mortgage had been satisfied of record. *Id.*, 50 S.C. 68, 27 S.E. 560. Referring to the facts that the mortgage had been satisfied and that the current holder knew of the satisfaction, the Supreme Court noted that more time than the shorter statute of limitations had elapsed “since that date.” *Id.* (emphasis added). Importantly, *Newell* does not involve a guaranty agreement executed under seal but, instead, a promissory note. As discussed hereinabove, promissory notes are exempted from the twenty-year statute of limitations when there is no attendant mortgage. Accordingly, *Newell* does not alter the separate twenty-year statute of limitations applicable to guaranty agreements executed under seal.

Here, the earliest release and satisfaction of a collateral mortgage securing any of the Loans occurred on August 29, 2011. Even if this Court were to conclude that the twenty-year statute of limitations converted to a three-year statute of limitations based on *Newell*, which involved a promissory note and not a guaranty executed under seal, this action was timely filed approximately twenty-six (26) months after the earliest satisfaction of mortgage was recorded.

II. ANY APPLICABLE THREE-YEAR STATUTE OF LIMITATIONS HAD NOT RUN WHEN THE COMPLAINT WAS FILED.

A. Suit was Filed Less than Three Years after the Maturity of the Loans.

The South Carolina Court of Appeals recently analyzed a statute of limitations defense asserted by a guarantor and concluded that the applicable 3-year statute of limitations began to run from maturity of the loan. In *CoastalStates Bank v. Hanover Homes of South Carolina, LLC*, 408 S.C. 510, 759 S.E.2d 152 (Ct. App. 2014), the prior mortgage had been released through a short sale, and it does not appear from the decision that the longer, 20-year statute of limitations was ever raised by the parties or and considered by the Court.

Nevertheless, in addressing when the statute of limitations began to run, the Court in *CoastalStates* held that, “The statute of limitations on an action on an absolute guaranty, which is conditioned only on the debtor’s default, begins to run when the obligation matures and the debtor defaults.” *Id.* (emphasis added, internal marks omitted) (quoting 38 Am.Jur.2d *Guaranty* § 96, at 1040 (2010)). This holding is consistent with our Supreme Court’s long-standing definition of a guaranty of payment as “an absolute or unconditional promise to pay a particular debt if it is not paid by the debtor at maturity.” *Citizens & S. Nat’l Bank of S.C. v. Lanford*, 313 S.C. 540, 543, 443 S.E.2d 549, 550 (1994) (emphasis added).

The *CoastalStates* decision holding that the statute of limitations begins to run at maturity is also consistent with Supreme Court’s prior decision in *Town of Cheraw v. Turnage*, 184 S.C. 76, 191 S.E. 831 (1937), determining that the statute of limitations on an installment payment debt did not begin to run until the last payment matured. In addressing the right of a municipality to collect certain installment payments, the Court in *Turnage* held that “unless and until the municipality exercises its right to declare the whole balance of the assessment to be due and payable because of default in the payment of an installment, the installment arrangement

continues in effect, and . . . the [applicable] limitation period does not then begin to run *until the last installment matures.*” (emphasis added).. *Id.* at 191 S.E. at 837.

The rule that the statute of limitations on an installment payment debt does not begin to run until maturity makes sense, as courts in other states applying the same rule have explained. In *Glass v. Grant*, 46 Ga.App. 327, 167 S.E. 727 (Ct. App. 1933), a borrower argued that the statute of limitations barred collection of all installments but the last installment due. The Georgia Court rejected the argument and held that “an entire contract for a stated sum” payable in installments did not trigger the statute of limitations “until after the date the last installment becomes due.” *Id.* As the Court explained, a “contrary rule . . . would necessitate or require a multiplicity of suits, and in many cases a multiplicity of foreclosure of liens, . . . [and would therefore] be against the general policy to avoid litigation and a multiplicity of actions.” *Id.* Instead, “the promisee is entitled to wait, if he chooses, until the defendant has defaulted as to [the] contract in its entirety plus the period of limitations given to him.” *Id.*

The holding and logic of *Glass* was later reaffirmed by Georgia Supreme Court, which held that the general rule that a statute of limitations begins running from the date on which suit first could have been filed is inapplicable to a suit on an installment note when the bank does not elect to accelerate maturity of the debt. *Wall v. Cit. & Southern Bank of Houston County*, 247 Ga. 216, 274 S.E.2d 486 (1981).

This rule has also been followed in North Carolina. In *Vreede v. Koch*, 94 N.C.App. 524, 380 S.E.2d 615 (Ct.App. 1989), the North Carolina Court of Appeals held that where there is a provision in the note requiring all unpaid amounts to be paid upon maturity, the statute of limitations does not begin to run as to a guarantor until the maturity occurs. The Court in *Vreede* reasoned that the “right to receive in advance partial payments or performances” was provided

for the lender's benefit. *Id.* at 94 N.C.App. at 529 and 380 S.E.2d at 618. If the lender chooses to continue performance, then such continuance should be allowed without prejudice. *Id.* "To compel the injured party, in order to protect his rights, to bring actions from time to time is undesirable." *Id.* Therefore, "a plaintiff may recover damages, based on the entire performance due from the defendant, at any time before the Statute has run *from the time when the last part of the performance was due.*" *Id.* (emphasis added).

Similarly, the Colorado Court of Appeals has held that where promissory notes provide for a "final payment of the unpaid principal balance plus accrued interest on the notes' maturity dates", the statute of limitations does not begin to run upon a missed payment. *Castle Rock Bank v. Team Transit, LLC*, 292 P.3d 1077 (Ct.App. 2012). Instead, the Court in *Castle Rock Bank* held that the lender had three options: (1) accelerate the notes and demand payment, (2) sue on each missed installment, or (3) "sue for the final payment of the unpaid principal balance plus accrued interest on each note, in which case the statute of limitations began running from the dates the unpaid principal balance became due, which occurred on the notes' maturity dates" *Id.* Because the lender brought the action within the applicable limitations period from the maturity date, the entire debt was collectible.

Here, it is undisputed that the subject Loans did not mature until June 15, 2011. Moreover, the Notes and the 2010 Modifications all contain virtually identical language to the language referenced in the decisions above, which provide that "all principal and accrued interest shall be due and payable" on the maturity date. Even if the Court were to conclude that the Loans "matured" when Wells Fargo gave notice of acceleration on May 17, 2011, this action was still timely filed.

B. Defendant Expressly Acknowledged the Guaranteed Debt Through His Actions and Restarted Any Statute of Limitations.

Defendant has acknowledged the validity of his guaranty obligation repeatedly through both his words and actions during the three-year period prior to the commencement of this action. Recognizing that a lender should be allowed to rely upon the representations of a debtor and should be encouraged to pursue amicable workout solutions rather than requiring an immediate lawsuit, South Carolina law provides that a signed, written acknowledgement of the debt or a partial payment on the debt serves to recommence the running of the applicable statute of limitations period. S.C. Code Ann. § 15-3-120. Here, the Defendant both acknowledged the debt in writing and made partial payments on the Loans within the relevant three-year period, and, therefore, Wells Fargo is entitled to summary judgment as a matter of law.

1. Defendant Has Acknowledged the Debt in Writing and Restarted the Statute of Limitations.

Section 15-3-120 expressly provides that an “acknowledgment or promise shall be sufficient evidence of a new or continuing contract whereby to . . . [restart the statute of limitations if it is] contained in some writing signed by the party to be charged thereby.” Our Supreme Court has held that when this acknowledgment is made prior to the expiration of the statute of limitations, it need only be a “mere acknowledgment of a subsisting indebtedness” to satisfy the statutory requirements. *Hill v. Hill*, 51 S.C. 134, 28 S.E. 309 (1897) (distinguishing between the lower “mere acknowledgment of a subsisting indebtedness” standard applicable prior to the expiration of the statute of limitations and the higher requirement of an “express promise to pay, or such unqualified and unequivocal admission that the debt is still due, unaccompanied by any expression indicative of an intention not to pay, as would imply a promise to pay” applicable after the statute of limitations has expired); *see also Young v. Monpoe*, 2 Bail. 278, 18 S.C.L. 278 (Ct. App. Law and Eq. 1831) (holding that where statute of

limitations has not yet expired, “every slight acknowledgment” will prevent the operation of the statute”). A statement of the sum certain amount is not necessary, so long as the debt is sufficiently identified. *Suber v. Richards*, 61 S.C. 393, 39 S.E. 540 (1901).

In *Hill*, the debtor sent letters to the creditor referring to “the note you have placed in the hands of a lawyer for collection”: *Hill*, 39 S.E. at 311. The debtor’s letters offer several means for resolving the outstanding debt, including execution of new notes, sale of land, and sale of the debtor’s personal property. *Id.* Because the first letter was written prior to the expiration of the statute of limitations, the Supreme Court held that “a mere acknowledgment of the debt in writing is sufficient” to remove the case from the bar of the statute of limitations. *Id.*

Likewise, here, in December of 2010, Defendant’s counsel at that time sent a letter on behalf of Defendant regarding the possibility of repayment of the debt over time (the “Acknowledgment Letter”). (Supplemental Aff. of Paul VanWagenen Ex. B.) The Acknowledgment Letter opens by stating that its purpose is “to make a workout proposal for the repayment of Robbie Freeman’s secured and unsecured deficiency creditors” and lists Wells Fargo as a “Creditor”. Attached to the Acknowledgment Letter is a schedule of debts that lists each and every guaranteed obligation involved in this action, identified by collateral property and the outstanding principal balance.

Because Defendant’s Acknowledgment Letter identifies the subject Loans and acknowledges Defendant’s obligation as a guarantor of those Loans, the letter satisfies the minimal standard set forth in *Hill*. Our Supreme Court has clearly mandated that “every slight acknowledgment” results in the resetting of the statute of limitations in cases like these. *Young*, 2 Bail. 278, 18 S.C.L. 278. Wells Fargo’s complaint has been timely filed and it is entitled to summary judgment as a matter of law on the statute of limitations defense asserted by Defendant.

2. **Defendant Has Acknowledged the Debt Through Partial Payments and Restarted the Statute of Limitations.**

Section 15-3-120 further provides that the “payment of any part of principal or interest” also restarts the statute of limitations. Because partial payments were made during the relevant three-year period, Wells Fargo is entitled to summary judgment on the statute of limitations defense asserted by Defendant.

Defendant concedes that partial payments were made on the subject Loans by way of short sale proceeds. (Am. Answer ¶¶ 20, 45 and 70; Aff. of Robert L. Freeman ¶¶ 16, 18, 25, 27, 30.) From 2010 through 2013, Wells Fargo and Defendant worked together in a cooperative effort to reduce the outstanding balance of the subject Loans. (Am. Answer ¶¶ 11, 19, 29, 44, 58, 69; Aff. of Steven A. Jasinski, ¶ 13.) Certain of the collateral properties were earmarked for private sale efforts, while others were agreed to be the proper subjects of a foreclosure action. (Supp. Aff. of Paul VanWagenen Ex. A.) Each time a private sale occurred, Defendant, in his individual capacity as a guarantor, executed and delivered a letter to Wells Fargo, expressly agreeing that - in exchange and as consideration for the Bank’s release of the collateral property - the proceeds from the sale would constitute a partial payment on the loan. (Supp. Aff. of Paul VanWagenen, Ex. B; Aff. of Steven A. Jasinski, ¶14.)

Partial payments were made from short sales on each of the following Loans: Seafree LLC, 1F3S, LLC, Jadiekate, LLC, and Seafree Edisto, Inc. Partial payments were made from the application of proceeds from foreclosure sales that occurred in November and December of 2012 and June of 2013 to the Seafree LLC, Yerby Road, LLC, and 708 Ocean LLC Loans. (Compl. ¶¶ 11-12, 19-20, 29-30, 44-48, 58-59 and 69-71; Am Answer ¶¶ 12, 20, 30, 45, 59 and 70; Aff. of Robert L. Freeman, ¶¶ 16, 18, 25, 27 and 30; Aff. of Steven A. Jasinski, ¶¶ 15-16.) The earliest partial payment took place on or about June 24, 2011, in connection with Seafree Note 1,

and the attendant mortgage satisfaction was recorded August 29, 2011. (Aff. of Steven A. Jasinski, ¶ 17.)

South Carolina statute explicitly provides that “payment of any part of principal or interest is equivalent to a promise in writing” and serves to restart the running of the statute of limitations. S.C. Code Ann. § 15-3-120. Defendant argues that the partial payments did not cure the default, but his argument is misguided. The statute does not require that the partial payments cure any default, as it specifies that payment of “any part of principal or interest” is sufficient to restart the statute of limitations. *Id.* (emphasis added). Because the complaint was filed within three years of even the earliest partial payment, the action is not barred by any applicable statute of limitations.

III. EVEN IF A THREE-YEAR STATUTE OF LIMITATIONS BEGAN TO RUN WHEN AN INTEREST PAYMENT WAS MISSED, WHICH IS DENIED, THE STATUTE ONLY BEGAN TO RUN AS TO EACH MISSED INSTALLMENT SEPARATELY, NOT THE ENTIRE LOAN BALANCE.

Defendant appears to argue that there is only one statute of limitations and that it began to run from the earliest date an installment interest payment became due. However, that has never been the law in South Carolina. To the contrary, as discussed hereinabove, the Supreme Court has held that for installment payment contracts with a stated maturity date, the statute of limitations does not begin to run until the last installment matures. *Turnage*, 184 S.C. 76, 191 S.E. 831 (1937); *see also Coastal States Bank*, 408 S.C. 510, 759 S.E.2d 152 (Ct. App. 2014) (holding that the statute of limitations on a guaranty begins to run from the date of maturity).

Even if this Court were to conclude that the applicable statute of limitations begins to run upon a missed installment payment, rather than maturity, the statute begins to run only as to the missed installment payment, not the entire loan balance. In *Dixon v. Roessler*, 76 S.C. 415, 57

S.E. 203 (1907), the Supreme Court held that the statute of limitations on sums due under a life annuity ran separately as to each payment installment, holding that the applicable six-year statute of limitations only barred “sums which did not become due within six years before commencing [the] action” and allowing recovery of all monthly installments, with interest, that became due during the relevant six-year look-back. *Id.*, 57 S.E. at 208.

Similarly, in *Gillam v. Gillam*, 29 S.C.Eq. 67, 8 Rich. Eq. 67 (Ct. App. Eq. 1855), the Court applied the same principles to a different limitations period, awarding judgment on installment payments that became due on a life annuity within the four years prior to the commencement of the suit. *Gillam*, 29 S.C. Eq. at 74. It is important to note that neither *Dixon* nor *Gilliam* involved obligations that contained a final maturity date like the Guaranteed Obligations in this case.

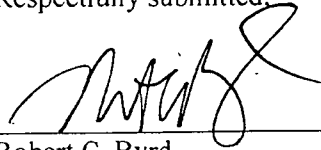
South Carolina finds itself aligned with the majority of states on this issue, as the general rule is that the statute of limitations will run only as to the single missed installment for the part then payable, and as to any other installments only from the dates that they respectively become due. *See, e.g., Finova Capital Corp. v. Beach Pharmacy II, Ltd*, 175 N.C. App. 184, 623 S.E.2d 289 (2005) (noting that, in a case where there was no final date upon which all remaining sums became due, “[t]he general rule regarding the running of the statute of limitations for installment contracts is that the limitations period begins running from the time each individual installment becomes due.”); *Carswell v. Oconee Regional Med. Center, Inc.*, 270 Ga.App. 155, 605 S.E.2d 879 (Ct. App. 2004) (“If the contract is found to be strictly divisible, the statute will run separately as to each payment or performance when it becomes due.”); M.C.D., Annotation, *When Statute of Limitations begins to run against action to recover upon a contract payable in instalments*, 82 A.L.R. 316 (1933) and Supp. (2015).

Accordingly, even if the Court were to conclude that the statute of limitations began to run on the date that the first missed installment interest payment, the applicable limitations period would have run separately for each missed installment payment, and not the entire matured or accelerated balance for each Loan. The invoiced September and October 2010 interest installments, which totaled, in the aggregate, \$31,615.03, were the only unpaid interest installments due more than 36 months prior to the commencement of this action. (Supp. Aff. of Steven A. Jasinski, ¶ 2.)

CONCLUSION

There are no genuine issues of material fact with regard to the statute of limitations issue. The applicable statute is twenty years under either Section 15-3-520(1) or 15-3-520(2). Moreover, even if the Court were to conclude that the applicable statute of limitations is only three years, the relevant period clearly has not run because the statute did not start to run until maturity (or acceleration) and the period restarted when Defendant acknowledged the debt in December 2011 and again when partial payments were made on the Loans from short sales and/or foreclosure sales. Finally, if any applicable statute of limitations had run when the Complaint was filed, which is denied, it ran only on the missed installment interest payment, not on the entire matured loan balance. Accordingly, Wells Fargo is entitled to summary judgment as a matter of law.

Respectfully submitted,



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May 4, 2015

Charleston, South Carolina

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

Robert L. Freeman,

Defendant.

IN THE CIRCUIT COURT

Case No. 2013-CP-10-06439

**PLAINTIFF'S SUPPLEMENTAL
MEMORANDUM OF LAW ON
ACCELERATION PROVISIONS**

FILED
2015 MAY -5 PM 1:31
JULIE J. ARMSTRONG
CLERK OF COURT

The Plaintiff, Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association ("Wells Fargo"), respectfully submits this Supplemental Memorandum of Law on Acceleration Provisions. Defendant argues that the debt was automatically accelerated upon the first missed interest installment, but his argument is founded upon a flawed understanding of the applicable law.

The law has generally recognized two types of acceleration provisions: optional and automatic. Optional acceleration provisions are those that give a lender the option to accelerate the debt as one of its remedies upon a default under the loan documents. Automatic acceleration provisions, by contrast, purport to automatically accelerate the debt upon an event of default without any action being taken by the lender. The Notes at issue in this case contain optional acceleration provisions, providing that "[i]f a Default occurs under this Note or any Loan Documents, Bank may at any time thereafter, take the following options . . . Accelerate the maturity of this Note" (Compl. ¶¶ 4, 6, 14, 22, 24, 32, 34, 36, 38, 50, 52, 61, 63; Am. Answer ¶¶ 5, 7, 15, 23, 25, 33, 35, 37, 39, 51, 53, 62, 64; Aff. of Robert L. Freeman, ¶ 9; Aff. of Steven A. Jasinski, ¶ 4.)

South Carolina falls within the majority of states by clearly holding that, no matter the language in the contract, acceleration of the debt so as to trigger the statute of limitations on the entire debt requires an affirmative election by the lender.

In *Town of Cheraw v. Turnage*, 184 S.C. 76, 191 S.E. 831 (1937), our Supreme Court considered this question in the context of municipal assessments, which are governed by statute. *Id.* at 191 S.E. 838. The applicable statute provided

Upon default in the payment of any installment or deferred portion of any assessments, at the time and in accordance with the terms and conditions fixed by ordinance, the total amount of any such assessment unpaid . . . shall immediately become due and collectible.

Id. Despite the “automatic” language of the statute, the Turnage Court held that the statute only gave the municipality the option to accelerate. *Id.* In so holding, the Supreme Court explained that

The purpose of the acceleration provision is clearly to give the creditor a ‘sword of Damocles’ with which to impress upon the property owner the importance of making payments as stipulated. It is in the nature of a penalty. It is an additional remedy, and usually an oppressive action, the threat of which is well calculated to insure payment of the assessments. Every reason entering into this provision bespeaks its optional character with the creditor, and the moral obligation of the creditor to use it only as a last resort. The authorities on the question are not entirely harmonious, but the overwhelming weight of the authority supports [this] view . . .

Id. at 837. The Turnage Court’s opinion couldn’t be more clear that even seemingly automatic acceleration provisions require an affirmative action by the lender to trigger their operation. In keeping with the mood established by *Turnage*, the Supreme Court has recently referred to an acceleration provision as “a harsh remedy” and construed a contract to require certain actions be taken by the lender before allowing acceleration. *Southern Atlantic Fin. Serv., Inc. v. Middleton*, 356 S.C. 444, 590 S.E.2d 27 (2003).

A majority of other states, including North Carolina, have followed using the same logic. See, e.g., *Vreede v. Koch*, 94 N.C.App. 524, 380 S.E.2d 615 (Ct. App. 1989) (“Acceleration does

not occur automatically upon default, even if the contract does not expressly provide for acceleration at the option of the obligee. The rationale is that the acceleration clause is for the sole benefit and security of the creditor and he must elect to take advantage of it.”) (internal citations omitted).

Here, as explained above, the Notes do not contain automatic acceleration provisions. Moreover, even if they had, *Turnage* clearly holds that such language would not be self-operative. Plaintiff did not elect to accelerate the debt until May 19, 2011, and this lawsuit was filed within three years of that date. (Aff. of Steven A. Jasinski, ¶ 11-12.) Defendant’s arguments must therefore fail as a matter of law.

Notably, other states considering this question have used factual scenarios just like the one at bar to justify their decisions requiring an affirmative election by a lender to accelerate the debt for purposes of triggering the statute of limitations. A Pennsylvania court, finding itself “in accord with what appears to be the majority view of these cases that acceleration clauses, although absolute in terms, nevertheless leave an option to the creditor as to whether or not he wishes to take advantage of such a provision”, explained why this rule benefits lenders and obligors alike:

We gather from the pleadings in their entirety that rather than pursue the remedy set forth against the guarantors when the company of which they were the officers and principal stockholders became bankrupt, plaintiff attempted to collect the accounts from the dealer’s customers. This forbearance of plaintiff to institute action against defendants is now being used as a weapon to deny its right to recover. It is quite apparent that this forbearance may have been, and apparently was, of value to the defendants, as the pursuit of the individual debtors reduced their responsibility on the guarantee contract. We believe it would be unjust to penalize plaintiff for its forbearance.

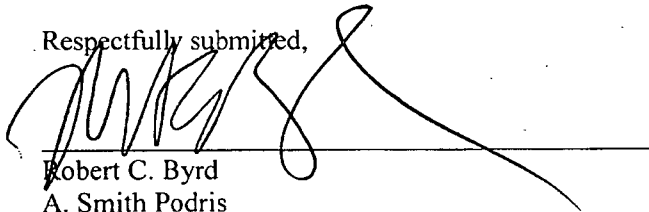
Budget Charge Accounts, Inc. v. Shapson and Schwartz, 35 Pa. D. & C.2d 724, 727 (Pa. Com. Pl. 1963). Similarly, a Nebraska court addressing the same question also found that “to hold such an acceleration provision to be self-operative would prohibit the creditor from exercising leniency

toward the debtor. *Nat. Bank of Commerce Trust & Sav. Ass'n v. Ham*, 256 Neb. 679, 683, 592 N.W.2d 477 (1999).

Like the lenders at issue in *Shapson and Ham*, Plaintiff has tirelessly worked with Defendant over the course of several years to reduce the outstanding balances on the Loans through cooperative liquidation of the real estate collateral. (Am Answer ¶¶ 11, 19, 29, 44, 58, 69; Aff. of Steven A. Jasinski, ¶ 13; Supp. Aff. of Paul VanWagenen ¶ 2.) This lawsuit was Plaintiff's last resort, and Plaintiff should not be punished for the considerable efforts to resolve the debt prior to filing suit.

Ultimately, South Carolina law is clear that the statute of limitations for an installment contract is not triggered until the last installment matures, which, in this case, would not have occurred until either the original maturity date of June 15, 2011, or the date that Plaintiff elected to accelerate the debt of May 19, 2011. Again, under either scenario, Plaintiff's lawsuit has been timely filed, and Plaintiff is entitled to summary judgment as a matter of law.

Respectfully submitted,



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Attorneys for the Plaintiff
Wells Fargo Bank, N.A., Successor by Merger to
Wachovia Bank, National Association

May 5, 2015

Charleston, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Wells Fargo Bank, N.A., Successor by
Merger to Wachovia Bank, National
Association

Plaintiff,

v.

Robert L. Freeman; Alberta W. Freeman;
and Anna S. Seago,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No.: 2013-CP-10-6439

AFFIDAVIT OF ROBERT L. FREEMAN

by

JULIE J. ARMSTRONG
CLERK OF COURT

FEB 19 AM 11:48

FILED

PERSONALLY APPEARED BEFORE ME Robert L. Freeman who, being
first duly sworn, avers and states as follows:

1. I have personal knowledge of the information herein and am competent to testify to the matters described herein.
2. From 2003 through 2006, I formed numerous entities for the purpose of their acquiring parcels of real property for investment and development. These included Seafree, LLC; Seafree Edisto, Inc.; Jadiekate, LLC; 708 Ocean, LLC; Yerby Road, LLC; and 1F3S, LLC.
3. These separate LLCs obtained purchase money mortgage loans from Wachovia to buy the real estate parcels. The aggregate amount of these loans at one time was approximately \$10,000,000.
4. My primary lending relationship was with Wachovia Corporation. Wachovia encouraged me to acquire parcels by making loans at 100%, or in excess of 100%, loan to value.

5. Wachovia required as a condition of the loans that I sign a personal guaranty of the loan to the borrower entity.
6. The bank did not provide any of the closing documents associated with the loans and guaranties until the closings. All of the documents we signed were handed to us at the closing, not in advance.
7. The guaranties guaranteed the payment of the promissory notes which required monthly payments.
8. This lawsuit on the guaranties arises out of the defaults in the borrower's payment of those promissory notes.
9. As set forth in subsection (A) of the "DEFAULT" section of the applicable promissory notes, a default "shall exist" where there is **"Nonpayment; Nonperformance.** The failure of timely payment or performance of the Obligations or Default under this Note or any loan documents." See Ex. A of Plaintiff's Complaint (emphasis in original). It further states that "[i]f a Default occurs under this Note or any Loan Documents, Bank may at any time thereafter . . . [e]xercise any rights and remedies as provided under the Note and other Loan Documents, or as provided by law or equity." The promissory notes further required that each borrower and anyone else liable under the promissory note waive demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity and other notices of any kind.
10. As provided in the guaranties at issue in this case, a default under the guaranties "shall exist" upon "failure of timely payment or performance of

the Guaranteed Obligations or a default under any Loan Document.” See Ex. E, for example, of Plaintiff’s Complaint. The guaranties also contain a provision whereby the guarantor waives notice of default, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, and all other notices of any kind whatsoever to which Guarantor may be entitled.

11. As described more fully below, with one exception, the loans at issue in this lawsuit went into default for failure to make monthly payments when due before October 30th of 2010, more than three years before this lawsuit was filed.
12. Plaintiff’s first cause of action arises out of the Seafree, LLC loans [Obligation Number 000-16-5243-7 and Obligation Number 000-17-2286-7] which were used to purchase 3214 Meeting Street and 38 acres in Cottageville.
13. For Obligation Number 000-16-5243-7, the last monthly payment Seafree, LLC made was on August 10, 2010, for the monthly payment due August 15, 2010. This loan was in default on September 16, 2010.
14. For Obligation Number 000-17-2286-7, the last monthly payment Seafree, LLC made was on September 28, 2010, for the monthly payment due on September 15, 2010. This loan was in default on October 16, 2010.
15. Seafree, LLC did not make its monthly payments due October 15, 2010 or any other monthly payment thereafter, and the Seafree, LLC loans were in default as of this time.

16. Although the bank approved and received the proceeds from the short sale of the property which secured Seafree, LLC's Obligation Number 000-17-2286-7, the amount was insufficient to bring the loan current, and the loan remained in default.
17. Plaintiff's second cause of action arises out of the Seafree Edisto, Inc. loan which was used to purchase 175 acres known as Good Hope Plantation near Givhans, South Carolina. The last monthly payment made for this loan, Obligation Number 000-16-8424-0, was on September 2, 2010 for the monthly payment due September 5, 2010. The Seafree Edisto, Inc. loan was therefore in default following the due date of the next monthly payment, which would have been October 5, 2010.
18. Although the bank approved and received the proceeds from the short sale of the property which secured Seafree Edisto, Inc.'s above-described loan, the amount paid was insufficient to bring the loan current, and the loan remained in default.
19. Plaintiff's third cause of action arises out of the Yerby Road, LLC loan and the line of credit, Obligation Numbers 000-16-8342-4 and 000-16-9515-4. These loans were used to purchase 130 acres known as Yerby Road. The last monthly payment made on the loan was August 3, 2010, for the monthly payment due on August 5, 2010. The last monthly payment made on the line of credit was August 11, 2010, for the monthly payment due on August 15, 2010. No subsequent monthly payments were made

on these loans, which were in default following their due dates in September of 2010.

20. Plaintiff's fourth cause of action arises out of the Jadiekate, LLC loans.

These loans were used to purchase a number of properties located on Stuart Engals Blvd. in Mount Pleasant.

21. The monthly payment on the Jadiekate, LLC loan for 1314-C Stuart Engals Blvd., Obligation Number 000-16-9517-0, was due on September 20, 2010, and was paid September 15, 2010. No payment was made on the monthly payment that was due on October 20, 2010. This loan therefore went into default on October 21, 2010.

22. The monthly payment for the Jadiekate, LLC loan for 1320 Stuart Engals Blvd., Obligation Number 000-16-7486-0, was due on September 11, 2010, and was paid on September 8, 2010. No payment was made on the monthly payment due October 11, 2010. This loan therefore went into default on October 12, 2010.

23. The monthly payment for Jadiekate, LLC loan for 1330 Stuart Engals Blvd., Obligation Number 000-16-6976-1, was due on September 6, 2010, and was paid on September 8, 2010. No payment was made on the October monthly payment that was due on October 6, 2010. This loan therefore went into default on October 7, 2010.

24. The monthly payment for the Jadiekate, LLC loan for 1387 and 1391 Stuart Engals Blvd., Obligation Number 000-16-5555-4, was due on September 6, 2010, and was paid on August 26, 2010. No payment was

made on the next monthly payment that was due on October 6, 2010. This loan therefore went into default on October 7, 2010.

25. Although the bank approved and received the proceeds from the short sale of the properties which secured the above-described Jadiekate, LLC's loans, the amounts paid were insufficient to bring the loans current, and the loans remained in default.

26. Plaintiff's fifth cause of action arises out of the 708 Ocean, LLC loans. The last monthly payment of the 708 Ocean, LLC loan for Watermark, Obligation Number 000-16-6715-3, was paid on September 15, 2010. The next monthly payment was due on October 18, 2010, but was never paid. This loan therefore went into default on October 19, 2010.

27. Although the bank approved and received the proceeds from the short sale of the property which secured 708 Ocean, LLC's Obligation Number 000-16-6715-3, the amount paid was insufficient to bring the loan current, and the loan remained in default.

28. Plaintiff's sixth cause of action arises out of the 1F3S, LLC loans. The last monthly payment on the 1F3S, LLC loan for 810 St Andrews, Obligation Number 000-16-6378-0, was made on September 28, 2010. The next monthly payment was due on October 24, 2010, but was never paid. This loan therefore went into default on October 25, 2010.

29. The last monthly payment on the 1F3S, LLC loan for 8 Penn, Obligation Number 000-16-7771-5, was made on September 28, 2010. The next

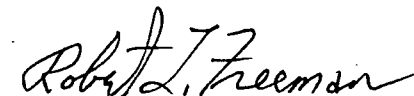
monthly payment was due on October 15, 2010, but was never paid. This loan therefore went into default on October 16, 2010.

30. Although the bank approved and received the proceeds from the short sale of the properties which secured the above-described 1F3S, LLC's loans, the amounts paid were insufficient to bring the loans current, and the loans remained in default.

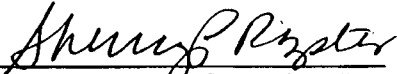
31. In the letters accompanying the Plaintiff's affidavit of Paul Van Wagenen (filed in opposition to my motion to amend), the Plaintiff asserted that these loans were in default due to the "Borrower's failure to make the full monthly payments of principal and interest required under the Notes." (See letters dated November 22, 2010, to Seafree, LLC; Seafree Edisto, Inc.; Jadiekate, LLC; 708 Ocean, LLC; Yerby Road, LLC; and 1F3S, LLC attached to Van Wagenen Affidavit).

32. Under the express terms of the guaranties and promissory notes, the loans were in default when the borrowers failed to pay the monthly payments, well prior to these letters being sent. With the exception of a 708 Ocean, LLC loan (where the monthly payment did not become "past due" until November 6, 2010), all other loans at issue in this case defaulted more than three years before this lawsuit was filed on October 30, 2013.

FURTHER AFFIANT SAYETH NAUGHT.


Robert L. Freeman

SWORN to before me
this 17 day of FEB, 2015.



Notary Public for South Carolina

My Commission Expires: Aug. 21, 2016

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

Robert L. Freeman,

Defendant.

IN THE CIRCUIT COURT

Case No. 2013-CP-10-06439

AFFIDAVIT OF STEVEN A. JASINSKI

STATE OF MINNESOTA)

COUNTY OF HENNEPIN)

PERSONALLY APPEARED BEFORE ME Steven A. Jasinski, who being first duly
sworn, deposes and states as follows:

1. I am Vice President of Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association ("Wells Fargo"), the Plaintiff herein, and I am duly authorized to execute this affidavit on its behalf.

2. I have reviewed Wells Fargo's files and records maintained in the ordinary course of its business pertaining to loans it made to Seafree LLC, Seafree Edisto, Inc., Yerby Road, LLC, Jadiekate, LLC, 708 Ocean, LLC and 1F3S, LLC. I am personally familiar with these loan documents and the terms and conditions thereof. I have also reviewed the Complaint filed in this action.

3. From 2006 to 2007, Wells Fargo made the thirteen loans (the "Loans") more specifically described in the Complaint as follows: Seafree Note 1, Seafree Note 2, Seafree Edisto Note, Yerby Road Note 1, Yerby Road Note 2, Jadiekate Note 1, Jadiekate Note 2, Jadiekate Note 3, Jadiekate Note 4, 708 Ocean Note 1, 708 Ocean Note 2, 1F3S Note 1, 1F3S

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JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

Note 2. The Defendant, Robert L. Freeman personally guaranteed the Loans, as required by Wells Fargo.

4. Wells Fargo is the sole and rightful owner and holder of the Loans and the documents evidencing the Loans, true and correct copies of which were attached to the Complaint as exhibits. Attached hereto as Exhibit "A" are true and correct copies of the Mortgages on the collateral properties that secured the Loans.

5. The Loans were modified from time to time. All of the Loans were last modified on April 8, 2010 (the "2010 Loan Modifications"). As a result of the 2010 Loan Modifications, the maturity date on each of the Loans was extended until June 15, 2011. From April 8, 2010 until June 15, 2011, the Loans were payable in monthly installments of accrued interest only.

6. Defendant failed to make the interest payments on Yerby Road Note 1 and Yerby Road Note 2 due on September 5, 2010, as well as the interest payment on Seafree Note 1 due on September 15, 2010.

7. Defendant failed to make the interest payments due in October 2010 on all Loans except 708 Ocean Note 2.

8. No payments were received on the Loans from November 2010 through their maturity on June 15, 2011.

9. On November 22, 2010, at the instruction of Wells Fargo, Wells Fargo's counsel sent the obligors for each Loan a notice of default and reservation of rights letter. Copies of these letters are attached as Exhibit "A" to the Affidavit of Paul VanWagenen dated January 6, 2015.

10. Prior to November 22, 2010, Wells Fargo had not declared a default on the Loans.

11. On May 19, 2011, at the instruction of Wells Fargo, Wells Fargo's counsel sent a letter accelerating the balance of the Loans to all Obligor and demanding payment by June 17, 2011. Copies of these letters are attached as Exhibit "B" to the Affidavit of Paul VanWagenen dated January 6, 2015.

12. Until May 19, 2011, Wells Fargo had not elected to accelerate the balance of the Loans.

13. From 2010 through 2013, Wells Fargo and the Defendant worked together in a cooperative effort to reduce the outstanding balance of the Loans. As a result, certain collateral security properties were sold through private sale efforts, while others were subjects of foreclosure actions.

14. As a condition of and requirement for its consent to each short sale of a collateral security property, Wells Fargo required that the applicable borrower and Defendant, as guarantor, execute and deliver to Wells Fargo a letter agreement ("Short Sale Letter") confirming the release price for which Wells Fargo would agree to release its mortgage on the property and the other terms and conditions under which such payment would be accepted. Wells Fargo would not have consented to the short sales without Defendant's and the other respective obligors' execution of the Short Sale Letters. True and correct copies of each Short Sale Letter is attached to the Supplemental Affidavit of Paul VanWagenen as Exhibit "B".

15. Attached hereto as Exhibit "B" is a schedule which lists the partial payments received by Wells Fargo from the short sales of the collateral security property.

16. Attached hereto as Exhibit "C" which lists the proceeds received by Wells Fargo from foreclosure sales with respect to the collateral security properties which secured the Seafree

Note 1, Seafree Note 2, Yerby Road Note 1, Yerby Road Note 2, 708 Ocean Note 1 and 708 Ocean Note 2.

17. As shown in the attached Exhibit "B," the earliest partial payment took place on or about June 24, 2011, in connection with the Seafree Note 2 short sale, and the attendant mortgage satisfaction was recorded August 29, 2011. A true and correct copy of the mortgage satisfaction is attached hereto as Exhibit "D".

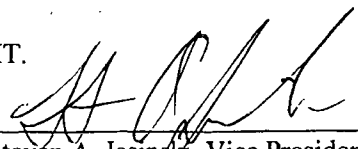
18. The proceeds from the short sales and foreclosure sales were insufficient to satisfy any of the applicable Loans in full. Attached hereto as Exhibit "E" is a schedule which lists the deficiency amounts remaining due on the Loans, exclusive of legal fees and costs, interest, and other amounts properly chargeable to the Loans.

19. Attached hereto collectively as Exhibit "F" are true and correct copies of the deficiency judgments obtained by Wells Fargo in connection with Seafree Note 1, Seafree Note 2, Yerby Road Note 1, Yerby Road Note 2, 708 Ocean Note 1 and 708 Ocean Note 2, which remain unsatisfied.

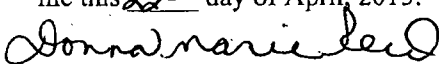
20. As a further result of the defaults, Wells Fargo has incurred considerable legal fees and expenses in prosecuting the within action.

21. This lawsuit was filed only after the deficiency balances on the Loans remained unpaid.

FURTHER AFFIANT SAYETH NAUGHT.


Steven A. Jasinski, Vice President
Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association

SWORN and subscribed to before
me this 27th day of April, 2015.

 (L.S.)

Notary Public for State of Minnesota

My Commission Expires: 1-31-2020



COPY

24500 8k: 01363 PG:00193

FILED, RECORDED, INDEXED
05/17/2006 11:40:10AM
Rec Fee: 17.00 St Fee: 0.00
Co Fee: 0.00 Pages: 11
Clerk of Court
Colleton County, SC
Patricia C. Grant

EXHIBIT

A

PREPARED BY: Glenna Corvin
RETURN TO: Collateral Maintenance NC 6038
Wachovia Bank, National Association
P.O. Box 2705
Winston Salem, NC 27101-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made May 15, 2006, by and between, Seafree LLC, whose address is 145 King Street, Charleston, South Carolina 29401 ("Mortgagor") and Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") of even date herewith, in the amount of \$1,089,500.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Bank or any of its affiliates and Mortgagor, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Colleton, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.



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DOTM

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$2,179,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Grant of Security Interest in Personal Property. This Mortgage constitutes a security agreement under the UCC and shall be deemed to constitute a fixture financing statement. Mortgagor hereby grants a security interest in any personal property included in the Property. On request of Bank, Mortgagor will execute one or more Financing Statements in form satisfactory to Bank and will pay all costs and expenses of filing the same in all public filing offices, where filing is deemed desirable by Bank. Bank is authorized to file Financing Statements relating to the Property without Mortgagor's signature where permitted by law. Mortgagor appoints Bank as its attorney-in-fact to execute such documents necessary to perfect Bank's security interest on Mortgagor's behalf. The appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain outstanding.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of

coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this

Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice

has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the

benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of default in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including Bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and

to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all Impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of

such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is *sui juris*, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof). **FINAL AGREEMENT.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

06145P304001

IN WITNESS WHEREOF, Mortgagor has signed and sealed this instrument as of the day and year first above written.

Mortgagor
Seafree LLC

By: [Signature] (SEAL)
George H. Seago, IV, Managing Member

Signed, sealed and delivered in presence of:

[Signature]
Witness

205 King Street, Suite 400, Charleston, SC 29401
Address

[Signature]
Witness

205 King Street, Suite 400, Charleston, SC 29401
Address

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Sara C. Joyner, Notary Public, do hereby certify that George H. Seago, IV, a Managing Member of Seafree LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 15th day of May, 2006

My commission expires:

9/12/11

[Signature]
Notary Public

Tracking #: 90432Rke
CAT - Deal # 688776 Facility ID 485313

06145P304001

Exhibit A

Parcel 1

All that certain piece, parcel, or tract of land, situate, lying and being in the Town of Cottageville, County of Colleton, State of South Carolina, containing Twenty-two and Eight Tenths (22.8) acres, more or less, and bounded now or formerly, as follows: on the North by lands of Mary A. Redman; on the East by County dirt road, on the Southeast by lands of Robert E. Dandridge; on the South by lands of Lula A. Redman; on the Southwest by land of Marvin M. Sanders, et al, and on the West by lands of Mary A. Redman, as reference to TMS No. 136-00-00-078 in the Office of the Assessor for Colleton County will more fully show.

Being the same property conveyed to the Mortgagor herein by deed of ART Alliance, LLC, dated May 15, 2006, and recorded simultaneously herewith.

Parcel 2

All that certain piece, parcel or tract of land, situate lying and being in the Town of Cottageville, Colleton County, South Carolina, designated as Tract 1 containing 5.47 acres, more or less, delineated on plat prepared by Robert L. Hiers, RLS, dated July 10, 2001, recorded in the Office of the Clerk of Court for Colleton County in Plat Book 33, page 540, This lot having such size shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

Also, all that certain piece parcel or tract of land, situate, lying and being in the Town of Cottageville, Colleton County, South Carolina, designated as Tract 2, containing 5.42 acres, more or less, delineated on plat prepared by Robert L. Heirs, RLS, dated July 10, 2001, recorded in the Office of the Clerk of Court for Colleton County in Plat Book 33, page 540, This lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

Being the same property conveyed to the Mortgagor herein by deed of Well Done Trim Construction, Inc., dated May 15, 2006, and recorded simultaneously herewith.

Parcel 3

All that certain piece, parcel or lot of land, situate, lying and being in or near the Town of Cottageville, County of Colleton, State of South Carolina, measuring and containing, seven and three-tenths (7.3) acres, more or less, and being bounded and described as follows: On the northeast by lands of JA Smith, on the Southeast by lands of Mabel Willis, on the Southwest by the right of way of the H & B Railroad, and on the Northwest by lands of WB Adams.

SAVING AND EXCEPTING therefrom, all that piece, parcel or tract of land, situate, lying and being in the Town of Cottageville, County of Colleton, State of South Carolina, shown and designated as "RESIDUAL LANDS OF ROBERT E. DANDRIDGE 3.215 ACRES RESIDUAL OF TMS 136-00-00-118" on a plat entitled "PROPERTY LINE ABANDONMENT PLAT COMBINING 4 TRACTS OF LAND INTO TRACT "D" WHICH WILL BE CONVEYED TO SEAFREE LLC TOWN OF COTTAGEVILLE, COLLETON COUNTY, SOUTH CAROLINA" prepared by Forsberg Engineering and Surveying, Inc., dated May 8, 2006, and recorded May 8, 2006, in Plat Book 754, Page 5 in the Office of the Clerk of Court for Colleton County.

Being the same property conveyed to the Mortgagor herein by deed of Robert E. Dandridge dated May 15, 2006, and recorded simultaneously herewith.

NPCHAR1:302977.1-PL-(MEB) 018010-00008
NPCHAR1:303563.1-PL-(SSJ) 018010-00008

06145P304001

The above described property also being shown on that certain plat entitled "PROPERTY LINE ABANDONMENT PLAT COMBINING 4 TRACTS OF LAND INTO TRACT "D" WHICH WILL BE CONVEYED TO SEAFREE LLC TOWN OF COTTAGEVILLE, COLLETON COUNTY, SOUTH CAROLINA" prepared by Forsberg Engineering and Surveying, Inc., dated May 8, 2006, and recorded May 8, 2006, in Plat Book 754, Page 5 in the Office of the Clerk of Court for Colleton County.

Being the same property conveyed to the Mortgagor herein by QuitClaim Deed of Robert E. Dandridge dated May 15, 2006, and recorded simultaneously herewith; and by QuitClaim Deed of ART Alliance, LLC, dated May 15, 2006, and recorded simultaneously herewith; and by QuitClaim Deed of Well Done Trim Construction, Inc., dated May 15, 2006, and recorded simultaneously herewith.

NPCHAR1:302977.1-PL-(MEB) 018010-00008
NPCHAR1:303563.1-PL-(SSJ) 018010-00008

RETURN TO:
Paul VanWageningen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between Seafree, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$1,089,500.00 (the "Loan") evidenced by that certain Promissory Note dated May 15, 2006, in the original principal amount of \$1,089,500.00 (as amended or modified, the "Note").

B. The Loan is secured, *inter alia*, by a first priority lien on certain real and personal property, improvements and fixtures located in Colleton County pursuant to that certain Mortgage and Assignment of Rents dated May 15, 2006, made by Borrower to Bank and recorded on May 17, 2006, in the Office of the Clerk of Court for Colleton County in Book 1363 at Page 193 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated January 9, 2008, in the original principal amount of \$124,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the

Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$2,427,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

SEAFREE, LLC (SEAL)

By: R. L. Freeman

Name:

Title: Member

(Witness #1)

(Witness #2)

STATE OF S.C.)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by SEAFREE, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Member.

R. L. Freeman (SEAL)
Notary Public for

My Commission Expires: 4/15/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Michelle Pozzi
(Witness #1)

Paul V. Wang
(Witness #2)

By: [Signature]
Name: Eric Bairn
Title: Senior Vice President

STATE OF South Carolina)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Bairn its Senior Vice President.

Michelle Pozzi (SEAL)
Notary Public for South Carolina
My Commission Expires: 4/21/2010



201000018561
Filed for Record in
COLLETON COUNTY SC
KARLA DADDIECO, REGISTER OF DEEDS
04-12-2010 AT 03:54 PM.
MODIFICATION 9.00
OR Volume 1836 Page 239 - 242

201000018561
SOTTILE & HOPKINS, L.L.C.
1037-G CHUCK DAWEY BLVD
SUITE 100
RT PLEASANT SC 29464

200600030784
Filed for Record in
COLLETON COUNTY SC
KARLA DADDIECO
12-13-2006 At 09:31 am.
MORTGAGE 16.00
DR Volume 1448 Page 194 - 203

PREPARED BY: Kathy Young
RETURN TO: Collateral Maintenance NC 6038
Wachovia Bank, National Association
P.O. Box 2705
Winston Salem, NC 27101-2705

200600030784
SOTTILE HOPKINS & DANIEL L L C
ATTORNEYS AT LAW
1037 CHUCK DANLEY BLVD BLDG
MT PLEASANT SC 29464

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made December 7, 2006, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and SeaFree Edisto, Inc., whose address is Attention Robert L. Freeman, 17 Lockwood Drive, Charleston, South Carolina 29401 ("Mortgagor").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") of even date herewith, in the amount of \$500,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements as defined in 11 U.S.C. § 101, as in effect from time to time, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Colleton, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

545724 (Rev 10.0)

.DOTM

PC1569439XXXX001

CDDOTMXXXX

ml_msh.doc

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$1,000,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has

been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by

Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all

cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Lien and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent

permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshaling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof; (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such Indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages; (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents; (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations; or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The Indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and

apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this Instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall

have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor
SeaFree Edisto, Inc.

CORPORATE
SEAL

By: George Seago, IV, President

Signed, sealed and delivered in presence of:

MC Sottile
Witness

1657 Chuck Dawley Blvd, Bldg G, Mt Pleasant SC
Address

Hinda Montenegro
Witness

1657 Chuck Dawley Blvd, Bldg G, Mt Pleasant, SC
Address

State of South Carolina
County of Charleston

CORPORATE PROBATE

I, MC Sottile, Notary Public, do hereby certify that George Seago, IV, President of SeaFree Edisto, Inc., a corporation, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the corporation.

Witness my hand and official seal, this the 7th day of December, 2006

My commission expires:

3/11/09

MC Sottile
Notary Public

Tracking #: 173354rke
CAT - Deal # 775487 Facility ID 569439

Exhibit A

Instrument Volume Page
200600030784 OR 1448 203

ALL that certain piece, parcel or tract of land, situate, lying and being in the County of Colleton, State of South Carolina, shown and designated as 168.35 acres, on a plat entitled, "A BOUNDARY SURVEY OF 168.35 ACRES SURVEYED FOR JERRY FENWICH, JULY 7, 1999, NORTHEAST OF COTTAGEVILLE, COLLETON COUNTY, SOUTH CAROLINA," prepared by Jerry L. Fowler, RLS, dated July 7, 1999, and recorded at the Colleton County R.M.C. Office in Plat Cabinet 666, at Slide 2. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

SAVING AND EXCEPTING therefrom all that certain piece, parcel or lot of land, situate, lying and being known as 0.962 Acres on a plat entitled, "A BOUNDARY SURVEY OF 0.962 ACRES, A PORTION OF TMS 120-00-00-032 SURVEYED FOR GOOD HOPE PLANTATION, LLC, OCTOBER 18, 2005, NORTHEAST OF WALTERBORO, COLLETON COUNTY, SOUTH CAROLINA," recorded at the Colleton County R.M.C. Office on January 12, 2006, in Book 35, at Page 133.

Being the same property conveyed to the Mortgagor by deed of Good Hope Plantation, LLC, dated December 7, 2006, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

TMS NO. 120-00-00-032

-ALSO-

All that certain piece, parcel or lot of land together with the buildings and improvements thereon, containing 5.23 acres, more or less, situate, lying and being in Rio Edisto Subdivision, located about 5 miles Northeast of Cottageville, in the County of Colleton, State of South Carolina, and bounded generally as follows: On the Northeast by lands of Clyde O. Ackerman; on the Southwest by a 50' foot road right-of-way; On the Northwest by lands of Clyde O. Ackerman; all as is more fully shown on a plat prepared by Robert L. Hiers, RLS, dated January 26, 1988, and recorded at the Colleton County R.M.C. Office in Plat Book 27, at Page 456.

-ALSO-

All that certain piece, parcel or lot of land, situate, lying and being in Rio Edisto Subdivision, about five (5) miles Northeast of Cottageville, in Colleton County, South Carolina, containing 2.58 acres, more or less, as shown on that certain plat prepared by Robert L. Hiers, RLS, dated October 4, 1990, and recorded at the Colleton County R.M.C. Office on August 15, 1991, in Plat Book 29, at page 380, measuring and containing as follows:

On the Northeast by the run of the branch measuring Seventy (70') feet, more or less; and on the Northwest by the run of the branch Seventy-five and eight-tenths (75.8') feet, more or less; on the Northeast by lands of Roy Walker measuring One Hundred Thirty and five-tenths (130.5') feet, more or less; on the Southeast bounded by lands of Jacob and Pheobee Kent measuring Four Hundred Twenty-eight and one-tenth (428.1') feet, more or less; on the Southwest by the right-of-way of a Road measuring Two Hundred Forty-two and six-tenths (242.6') feet, more or less and on the Northwest bounded by lands of George and Mary Timmons and measuring thereon Three Hundred Seventy-one and three-tenths (371.3') feet, more or less. Said tract being bisected by a road as shown on the above mentioned plat.

TMS No. : 120-00-00-051

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

Being the same property conveyed to the Mortgagor by deed of Good Hope Plantation, LLC, dated December 7, 2006, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

BK 5787PG070

FILED-RECORDED
RMC / ROD
2007 JAN -8 AM 10:52
MARGARET L. BAILEY
DORCHESTER COUNTY, SC



THIS PAGE IS HEREBY ATTACHED AND MADE PART OF
THE PERMANENT RECORD OF THIS DOCUMENT. IT IS
NOT TO BE DETACHED OR REMOVED AND MUST BE
CITED AS THE FIRST PAGE OF THE RECORDED
DOCUMENT. THE TOP OF THE PAGE IS TO BE USED FOR
RECORDING PURPOSES AND IS NOT TO BE USED FOR
ANY OTHER PURPOSE.

REGISTER OF DEEDS
DORCHESTER COUNTY SOUTH CAROLINA
MARGARET L. BAILEY, REGISTER
POST OFFICE BOX 38
ST. GEORGE, SC 29477
843-563-0181 or 843-832-0181

BK 5787PG071

SOTTILE, HOPKINS & DANIEL, LLC

Attorneys at Law

1037 Chuck Dawley Blvd., Suite G
Mt. Pleasant, South Carolina 29404

17-
PREPARED BY: Nickl Sarver Zion
RETURN TO: Commercial Loan Operations, NC6039
Wachovia Bank, National Association
Commercial Loan Operations, NC 6039
P.O. Box 2705
Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made December 21, 2006, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and Yerby Road, LLC, whose address is 17 Lockwood Drive, Charleston, South Carolina 29401 ("Mortgagor"). Bank is the mortgagee hereunder for indexing purposes by the clerk of court.

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$950,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time), all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the City of Jedberg, County of Dorchester, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.



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Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) to the same extent as if such future advances and obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$1,900,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) If the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are

determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank

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to pay, as they come due, all impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof; (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages; (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents; (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations; or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver

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appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time); (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of

Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

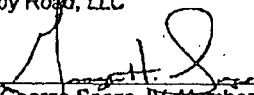
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Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

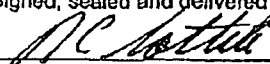
IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor

Yerby Road, LLC

By: , member (SEAL)
George Seago, IV, Member

Signed, sealed and delivered in presence of:


Witness

Wt. Pleasant, S.C.
Address


Witness
Wt. Pleasant, SC
Address

BK 5787PG080

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, DC Sattile, Notary Public, do hereby certify that George Seago, IV, a Member of Yerby Road, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 21st day of December, 2006.

My commission expires:

2/1/07

DC Sattile
Notary Public

Tracking #: 182820rke
CAT - Deal # 783380 Facility ID 557744

EXHIBIT A

BK 5787PG081

ALL that piece, parcel, lot or tract of land, with the buildings and improvements thereon, situate, lying and being in Dorchester County, South Carolina, and being shown and designated as, "TRACT B, 133.75 ACRES" on a plat by W.L. Gaillard dtated January, 1983, having latest revision May 9, 1988, entitled in part, "Plat Of Property In Dorchester County, S.C., owned by Margaret Conley, B.M. Yerby, Jr., and Wilhelmena Y. Tuten" and recorded at the Dorchester County R.M.C. Office in Plat Book G, at Page 111. Said property having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear, be all dimensions shown thereon a little more or less.

BEING the same property conveyed to the Mortgagor by deed of William P. Conley, Thomas G. Conley, Jr. and Jack B. Conley dated December 21st, 2006, and recorded at the Dorchester County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD

T.M.S. No.: 127-00-00-099

BR 5908PG347

FILED-RECORDED
RMC / ROD

2007 MAR 14 PM 12:07

MARGARET L. BAILEY
DORCHESTER COUNTY, SC



THIS PAGE IS HEREBY ATTACHED AND MADE PART OF
THE PERMANENT RECORD OF THIS DOCUMENT. IT IS
NOT TO BE DETACHED OR REMOVED AND MUST BE
CITED AS THE FIRST PAGE OF THE RECORDED
DOCUMENT. THE TOP OF THE PAGE IS TO BE USED FOR
RECORDING PURPOSES AND IS NOT TO BE USED FOR
ANY OTHER PURPOSE.

REGISTER OF DEEDS
DORCHESTER COUNTY SOUTH CAROLINA
MARGARET L. BAILEY, REGISTER
POST OFFICE BOX 38
ST. GEORGE, SC 29477
843-563-0181 or 843-832-0181

16 2
 PREPARED BY: Nicki Sarver-Zion
 RETURN TO: Commercial Loan Operations, NC6039
 Wachovia Bank, National Association
 Commercial Loan Operations, NC 6039
 P.O. Box 2705
 Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made March 9, 2007, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and Yerby Road, LLC, whose address is Attn: Robbie Freeman, 17 Lockwood Drive, Charleston, South Carolina 29401 ("Mortgagor"). Bank is the mortgagee hereunder for indexing purposes by the clerk of court.

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$700,000.00; made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit Issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time), all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the City of Jedburg, County of Dorchester, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.



545724 (Rev 20.0)

RPCI603428XXXX001

CDDOTMXXXX

mi_main.doc



DOTM

Sattile, Hopkins & Daniel, LLC
 1037 Chuck Dawley Blvd, Bldg G
 Mt. Pleasant S.C. 29464

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) to the same extent as if such future advances and obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$1,400,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are

determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank

to pay, as they come due, all impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as Insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys' fees, consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof; (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages; (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents; (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations; or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver

appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations; other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time); (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of

Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is *sui juris*, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

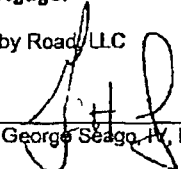
BK 5908PG356

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

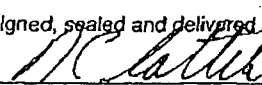
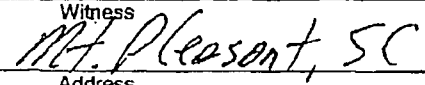
IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

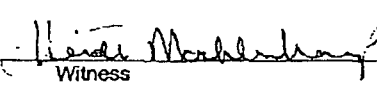
Mortgagor

Yerby Road LLC

By:  (SEAL)
George Seago, IV, Member

Signed, sealed and delivered in presence of:


Witness

Address


Witness
1035 Chuck Dawley Blvd, Bldg G
Address Mt. Pleasant - SC

BK 5908PG357

State of South Carolina
County of Dorchester

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, DC Sathis, Notary Public, do hereby certify that George Seago, IV, a Member of Yerby Road, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 9th day of March, 2007

My commission expires:

2/11/09

DC Sathis
Notary Public

Tracking #: 226465
CAT - Deal # 810586 Facility ID 603428

Exhibit A

ALL that piece, parcel, lot or tract of land, with the buildings and improvements thereon, situate, lying and being in Dorchester County, South Carolina, and being shown and designated as, "TRACT B, 133.75 ACRES" on a plat by W.L. Gaillard dated January, 1983, having latest revision May 9, 1988, entitled in part, "Plat Of Property In Dorchester County, S.C., owned by Margaret Conley, B.M. Yerby, Jr., and Wilhelmena Y. Tuten" and recorded at the Dorchester County R.M.C. Office in Plat Book G, at Page 111. Said property having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear, be all dimensions shown thereon a little more or less.

BEING the same property conveyed to the Mortgagor by deed of William P. Conley, Thomas G. Conley, Jr. and Jack B. Conley dated December 21st, 2006, and recorded at the Dorchester County R.M.C. Office on January 8, 2007, in Book 5787, at Page 065.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD

T.M.S. No.: 127-00-00-099

This Mortgage is junior in lien and subordinate to that certain Mortgage and Assignment of Rents from Yerby Road, LLC to Wachovia Bank, N.A. dated December 21, 2006, recorded at the Dorchester County R.M.C. Office on January 8, 2007, at 10:52 a.m. in Book 5787, at Page 70, in the original principal amount of \$950,000.00.

BK N 586PG838

PREPARED BY: Danielle Henderlite
RETURN TO: Commercial Loan Operations, NC6855
Wachovia Bank, National Association
P.O. Box 2705
Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made June 16, 2006, by and between, JADIEKATE, LLC, whose address is 3 Barre Street, Charleston, South Carolina 29401 ("Mortgagor") and Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$1,205,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Bank or any of its affiliates and Mortgagor, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Charleston, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

545724 (Rev 18.0)

DOTM

PC1485228XXXX001

CDDOTMXXXX

mi_main.doc

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$2,410,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Grant of Security Interest in Personal Property. This Mortgage constitutes a security agreement under the UCC and shall be deemed to constitute a fixture financing statement. Mortgagor hereby grants a security interest in any personal property included in the Property. On request of Bank, Mortgagor will execute one or more Financing Statements in form satisfactory to Bank and will pay all costs and expenses of filing the same in all public filing offices, where filing is deemed desirable by Bank. Bank is authorized to file Financing Statements relating to the Property without Mortgagor's signature where permitted by law. Mortgagor appoints Bank as its attorney-in-fact to execute such documents necessary to perfect Bank's security interest on Mortgagor's behalf. The appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain outstanding.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) If the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of

coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this

Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice

has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the

benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisalment before sale of any portion of the Property; (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisalment, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisalment, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of default in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, Intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including Bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and

to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all Impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of

such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof). **FINAL AGREEMENT.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

BK N 586PG846

IN WITNESS WHEREOF, Mortgagor has signed and sealed this instrument as of the day and year first above written.

Mortgagor
JADIEKATE, LLC

By: [Signature] (SEAL)
John D. James, Jr., Member

Signed, sealed, and delivered in presence of:

[Signature]
Witness

1037 Chuck Dawley Blvd, Bldg G
Address Chas., SC 29464

[Signature]
Witness

1037 Chuck Dawley Blvd, Bldg G
Address Chas., SC 29464

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, [Signature], Notary Public, do hereby certify that John D. James, Jr., a Member of JADIEKATE, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 6th day of June, 2006

My commission expires: 2/11/07

[Signature]
Notary Public

Tracking #: 96201rke
CAT - Deal # 688720 Facility ID 485228

EXHIBIT A

BK N 586PG847

All that certain piece, parcel or tract of land, together with the improvements thereon, situate, lying and being in Christ Church Parish, Town of Mount Pleasant, County of Charleston, State of South Carolina, on the south side of U.S. Highway 17 North, shown and designated as "0.607 acres, 26426 sq. ft." on a plat entitled: "MOUNT PLEASANT, PLAT OF A 0.607 ACRE TRACT, CHARLESTON COUNTY, SOUTH CAROLINA," made by ARC Surveying Company, Inc., dated January 8, 1998, and recorded January 16, 1998, at the Charleston County R.M.C. Office in Plat Book DB, at Page 365. Said tract having such size, shape, dimensions, buttings and boundings as will more fully appear by reference to said plat.

Being the same property conveyed to the Mortgagor by deed of Southern States Comfort Corp., a South Carolina corporation, dated June 6, 2006, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

TMS NO. 560-02-00-027

-ALSO-

All that certain lot, piece or parcel of land, with any and all improvements thereon, situate, lying and being in the Town of Mt. Pleasant, Christ Church Parish, Charleston County, South Carolina, known and designated as Parcels A and B as shown on a plat prepared by Lewis E. Seabrook, C.E. & L.S., dated June 2, 2005, entitled "Plat showing Town of Mount Pleasant, Charleston County, South Carolina, Parcel A and Parcel B...", recorded in Plat Book DE, at Page 859; said lot having such size, shape, dimensions, buttings and boundings and shown and delineated on said plat, which plat is made a part and parcel hereof by reference thereto.

Being a portion of the same property conveyed to the Mortgagor by deed of James F. McNab and Claudia K. McNab, dated June 13, 2005, and recorded at the Charleston County R.M.C. Office on June 14, 2005, in Book S540, at Page 819.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

TMS NO. 560-02-00-030

BK N 586PG848

RECORDER'S PAGE

NOTE: This page **MUST** remain
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Filed By:

Sottile, Hopkins & Daniel, LLC
1037 Chuck Dawley Blvd.
Building G
Mt. Pleasant SC 29464

LTV

FILED

June 7, 2006

2:48:53 PM

BK N 586PG838

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION	AMOUNT
	\$ 16.00
Postage	
TOTAL	\$ 16.00
DRAWER:	
	A - bmm

DO NOT STAMP BELOW THIS LINE



BP0116738

RETURN TO:

Paul VanWagenen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

RMC Bk 0116 Pg 738 : Pg 1 *

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between Jadi Kate, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$1,205,000.00 (the "Loan") evidenced by that certain Promissory Note dated June 6, 2006, in the original principal amount of \$1,205,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Charleston County pursuant to that certain Mortgage and Assignment of Rents dated June 6, 2006, made by Borrower to Bank and recorded on June 7, 2006, in the Register of Deeds Office for Charleston County in Book N-586 at Page 838 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated September 6, 2006, in the original principal amount of 1,520,000.00, that certain Promissory Note made by Borrower to Bank dated October 11, 2006, in the original principal amount of \$790,000.00, that certain Promissory Note made by Borrower to Bank dated February 20, 2007, in the original principal amount of \$495,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$8,020,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

JADIEKATE LLC (SEAL)

By: R. L. Freeman
Name: R. L. Freeman
Title: Member

[Signature]
(Witness #1)

[Signature]
(Witness #2)

STATE OF SC)
)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by JADIEKATE, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Member.

R. L.
[Signature] (SEAL)
Notary Public for SC
My Commission Expires: 11/15/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Paul W. [Signature]
(Witness #1)

Michelle Rozin
(Witness #2)

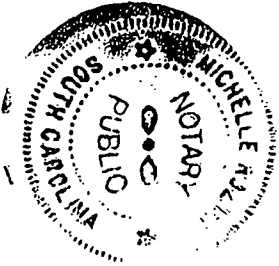
By: [Signature]
Name: Eric Burn
Title: Senior Vice President

STATE OF South Carolina)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn, its Senior Vice President.

Michelle Rozin (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010



RECORDER'S PAGE

NOTE: This page **MUST** remain
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Filed By:

SOTTILE & HOPKINS, LLC
1037-G CHUCK DAWLEY BLVD.
SUITE 100
MT. PLEASANT SC 29464

RECORDED

Date: April 12, 2010

Time: 1:52:53 PM

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Mtg/Mod

Charlie Lybrand, Register
Charleston County, SC

MAKER:

JADIEKATE LLC

of Sats:

of Pages: 5

of References:

Note:

RECIPIENT:

WELLS FARGO BK

Recording Fee \$ 6.00

Extra Reference Cost \$ -

Extra Pages \$ 3.00

Postage \$ -

Chattel \$ -

TOTAL \$ 9.00

Original Book:

N586

Original Page:

838

DRAWER Drawer 1
CLERK KLH



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Recorded Time

PREPARED BY: Nicki Sarver Zion
 RETURN TO: Commercial Loan Operations, NC6039
 Wachovia Bank, National Association
 P.O. Box 2705
 Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE (With Power of Sale) ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made September 12, 2006, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and Jadiekate, LLC, whose address is 3 Barre Street, Charleston, South Carolina 29401 ("Mortgagor").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$1,520,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements as defined in 11 U.S.C. § 101, as in effect from time to time, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the City of Mount Pleasant, County of Charleston, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$3,040,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has

been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by

Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver

appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders; partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all Impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which

may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

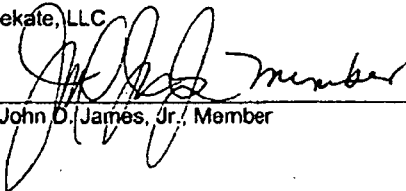
BK N 597PG144

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor

Jadiekate, LLC

By:  Member (SEAL)
John D. James, Jr., Member

Signed, sealed and delivered in presence of:


Witness

1409 Wando View Lane, Mt. Pleasant, SC 29464
Address


Witness

310 Commercial Hwy, Mt. Pleasant, SC 29466
Address

BK N 597PG145

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Paige B. Phillips, Notary Public, do hereby certify that John D. James, Jr., a Member of JadieKate, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 6th day of September 2016

My commission expires:

9/21/17

Paige B. Phillips
Notary Public

Tracking #: 131511rke
CAT - Deal # 730720 Facility ID 527062

Exhibit A

All that certain lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being on Stuart Engals Blvd, in the Town of Mount Pleasant, Charleston County, South Carolina, being shown and designated as Fort Moultrie Motel, containing 1.85 acres, as shown on that certain plat entitled "Resurvey of Fort Moultrie Motel about to be conveyed to Speelman Wannamaker Investments, LLC, containing 1.85 acres", prepared by E.M. Seabrook, Jr., Inc. and being dated July 28, 1999, and recorded at the Charleston County R.M.C. Office in Plat Book ED, at Page 342; said tract of land having such size, shape, dimensions, buttings and boundings as shown on said plat, reference to which is hereby made for a more complete description.

Being the same property conveyed to the Mortgagor by deed of Fort Moultrie Motel, LLC, dated September 6, 2006, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

TMS NO. 560-02-00-026

BK N 597PG147

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

Sottile, Hopkins & Daniel, LLC
1037 Chuck Dawley Blvd.
Building G
Mt. Pleasant SC 29464

FILED

September 7, 2006

1:22:22 PM

BK N 597PG136

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION	AMOUNT
	\$ 17.00
Postage	
TOTAL	\$ 17.00

DRAWER:

B - ECP

DO NOT STAMP BELOW THIS LINE



BP0116741

RMC BK 0116 Pg 741 :: pg 1 *

RETURN TO:
Paul VanWagenen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

April 8 THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between JadiKate, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$1,520,000.00 (the "Loan") evidenced by that certain Promissory Note dated September 6, 2006, in the original principal amount of \$1,520,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Charleston County pursuant to that certain Mortgage and Assignment of Rents dated September 6, 2006, made by Borrower to Bank and recorded on September 7, 2006, in the Register of Deeds Office for Charleston County in Book N-597 at Page 136 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated June 6, 2006, in the original principal amount of \$1,205,000.00, that certain Promissory Note made by Borrower to Bank dated October 11, 2006, in the original principal amount of \$790,000.00, that certain Promissory Note made by Borrower to Bank dated February 20, 2007, in the original principal amount of \$495,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$8,020,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

JADIEKATE LLC (SEAL)

By: R.L. Freeman

Name: R.L. Freeman

Title: Member

[Signature]

(Witness #1)

[Signature]

(Witness #2)

STATE OF SC)

COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by JADIEKATE, LLC, a South Carolina limited liability company, by R.L. Freeman, its Member.

[Signature] (SEAL)

Notary Public for SC

My Commission Expires: 1/15/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Paul V. [Signature]
(Witness #1)

Michelle Rozier
(Witness #2)

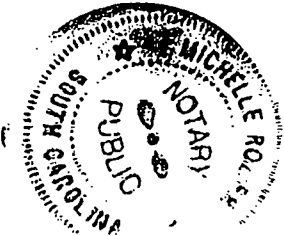
By: [Signature]
Name: ERIC BURN
Title: Senior Vice President

STATE OF South Carolina
COUNTY OF Charleston

ACKNOWLEDGMENT

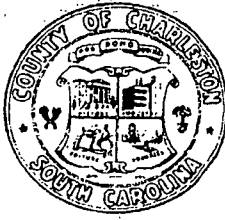
THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn, its Senior Vice President.

Michelle Rozier (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010



RECORDER'S PAGE

NOTE: This page **MUST** remain
with the original document



Filed By:

SOTTILE & HOPKINS, LLC
1037-G CHUCK DAWLEY BLVD.
SUITE 100
MT. PLEASANT SC 29464

RECORDED		
Date:	April 12, 2010	
Time:	1:58:57 PM	
Book	Page	DocType
0116	741	Mtg/Mod
Charlie Lybrand, Register Charleston County, SC		

MAKER:

JADIEKATE LLC

of Pages: **5**
of Sats: # of References:

RECIPIENT:

WELLS FARGO BK

Note:

Recording Fee	\$ 6.00
Extra Reference Cost	\$ -
Extra Pages	\$ 3.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 9.00

Original Book:

N597

Original Page:

136

DRAWER **Drawer 1**
CLERK **KLH**



0116
Book



741
Page



04/12/2010
Recorded Date



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Pgs



N597
Original Book



136
Original Page



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Recorded Time

BK S601PG598

PREPARED BY: Nicki Sarver Zion
RETURN TO: Commercial Loan Operations, NC6039
Wachovia Bank, National Association
P.O. Box 2705
Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE (With Power of Sale) ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made October 11, 2006, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and Jadiekate, LLC, whose address is 3 Barre Street, Charleston, South Carolina 29401 ("Mortgagor").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$790,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements as defined in 11 U.S.C. § 101, as in effect from time to time, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the City of Mount Pleasant, County of Charleston, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

545724 (Rev 19.0)

PCI527054XXXX001

CDDOTMXXXX

my_main.doc

DOTM

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$1,580,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has

been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by

Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver

appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which

may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

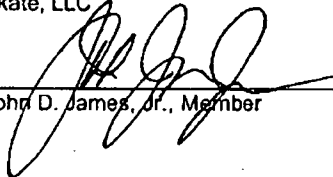
BK S601PG606

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

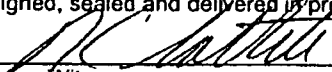
IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor

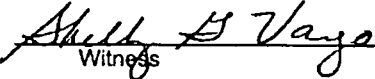
Jadiekate, LLC

By:  (SEAL)
John D. James, Jr., Member

Signed, sealed and delivered in presence of:


Witness


Address


Witness

Address

State of South Carolina
County of Charleston

BK S601PG607

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, MC Sottile, Notary Public, do hereby certify that John D. James, Jr., a Member of Jadiekate, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 11th day of October, 2006

My commission expires:
2-11-09

MC Sottile
Notary Public

Tracking #: 146175rke
CAT - Deal # 730720 Facility ID 527054

ALL that piece, parcel or lot of land, situate, lying and being in the Town of Mount Pleasant, Charleston County, South Carolina and known and designated as Lot 3-B, containing 13,228.43 square feet and shown on that certain plat dated October 8, 1990, prepared by Keith A. Wilson, R.L.S. and duly recorded in the Charleston County R.M.C. Office in Plat Book CA, at Page 174.

SAID lot having such actual size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

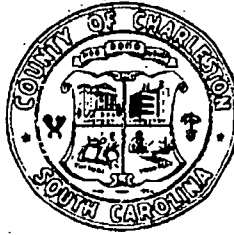
BEING the same property conveyed to the Mortgagor by deed of Switch European Motor Car Service, Inc., and filed of even date and recorded at the Charleston County R.M.C. Office simultaneously herewith.

TMS No. 560-02-00-037.

BK S601PG609

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

Sottile, Hopkins & Daniel, LLC
1037 Chuck Dawley Blvd.
Building G
Mt. Pleasant SC 29464

FILED

October 12, 2006

11:30:31 AM

BK S601PG598

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION	AMOUNT
	\$ 17.00
Postage	
TOTAL	\$ 17.00
DRAWER:	
	C - slw

DO NOT STAMP BELOW THIS LINE



BP0116744

RETURN TO:

Paul VanWagenen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

RMC BK 0116 Pg 744 : pg 1 *

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between Jadie Kate, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$790,000.00 (the "Loan") evidenced by that certain Promissory Note dated October 11, 2006, in the original principal amount of \$790,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Charleston County pursuant to that certain Mortgage and Assignment of Rents dated October 11, 2006, made by Borrower to Bank and recorded on October 12, 2006, in the Register of Deeds Office for Charleston County in Book S-601 at Page 598 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated June 6, 2006, in the original principal amount of \$1,205,000.00, that certain Promissory Note made by Borrower to Bank dated September 6, 2006, in the original principal amount of \$1,520,000.00, that certain Promissory Note made by Borrower to Bank dated February 20, 2007, in the original principal amount of \$495,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$8,020,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

JADIEKATE LLC (SEAL)

By: R.L. Freeman

Name: R.L. Freeman

Title: Member

[Signature]
(Witness #1)

[Signature]
(Witness #2)

STATE OF SC)

COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by JADIEKATE, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Member.

[Signature] (SEAL)

Notary Public for SC

My Commission Expires: 11/15/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Paul V. [Signature]
(Witness #1)

Michelle Rozier
(Witness #2)

By: [Signature]
Name: Eric Burn
Title: Senior Vice President

STATE OF South Carolina
COUNTY OF Charleston

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn, its Senior Vice President.

Michelle Rozier (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010



RECORDER'S PAGE

NOTE: This page **MUST** remain
with the original document



Filed By:

SOTTILE & HOPKINS, LLC
1037-G CHUCK DAWLEY BLVD.
SUITE 100
MT. PLEASANT SC 29464

RECORDED		
Date:	April 12, 2010	
Time:	2:05:01 PM	
Book	Page	DocType
0116	744	Mtg/Mod
Charlie Lybrand, Register Charleston County, SC		

MAKER:

JADIEKATE LLC

of Sats:

of Pages:

of References:

RECIPIENT:

WELLS FARGO BK

Note:

Original Book:

S601

Original Page:

598

Recording Fee	\$ 6.00
Extra Reference Cost	\$ -
Extra Pages	\$ 3.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 9.00

DRAWER
CLERK



0116
Book



744
Page



04/12/2010
Recorded Date



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S601
Original Book



598
Original Page



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14:05:01
Recorded Time

BK Z615PG570

PREPARED BY: Nicki Sarver-Zion
RETURN TO: Commercial Loan Operations, NC6039
Wachovia Bank, National Association
Commercial Loan Operations, NC 6039
P.O. Box 2705
Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made February 20, 2007, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and Jadiekate, LLC, whose address is 3 Barre Street, Charleston, South Carolina 29401 ("Mortgagor"). Bank is the mortgagee hereunder for indexing purposes by the clerk of court.

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$495,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time), all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Charleston, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

545724 (Rev 20.0)

DOTM

RPCI590297XXXX001

CDDOTMXXXX

mi_main.doc

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) to the same extent as if such future advances and obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$990,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are

determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank

to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver

appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time); (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all Impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of

Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

BK Z615PG578

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor

Jadiekate, LLC

By: Robert L. Freeman (SEAL)
Robert L. Freeman, Member

Signed, sealed and delivered in presence of:

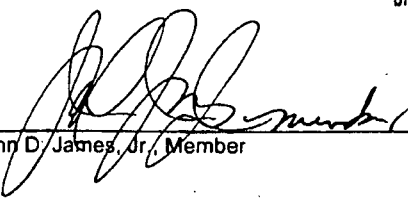
C. D. Hykus, Jr.
Witness

Address

Kristi S. Plager
Witness

Address

BK Z615PG579

By:  (SEAL)
John D. James, Jr., Member

Signed, sealed and delivered in presence of:

C. D. Hopkins, Jr.
Witness

Address

X Kristi S. Plager
Witness

Address

State of South Carolina
County of Charleston.

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, C. D. Hopkins, Jr., Notary Public, do hereby certify that Robert L. Freeman, a Member of Jadiekate, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 20 day of February, 2007.

My commission expires:

4-7-09

C. D. Hopkins, Jr.
Notary Public

State of South Carolina
County of Charleston

BK Z615PG580

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, C. D. Hykms, Jr., Notary Public, do hereby certify that John D. James, Jr., a Member of Jadiekatey LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 20th day of February, 2007.

My commission expires:

4-7-09

C. D. Hykms, Jr.
Notary Public

Tracking #: 214377
CAT - Deal # 796779 Facility ID 590297

All that certain lot, piece or parcel of land, together with any and all improvements thereon, situate, lying and being in the Town of Mount Pleasant, on the East side of US Highway 17, in the County of Charleston, State of South Carolina, being approximately 0.304 acres, more or less, shown and designated as Lot 3-A on a plat prepared by ARC Surveying Company, Inc., dated January 31, 1996, entitled "Plat Showing Resubdivision of Lot 2 Into Lot 2 and 3-A and New 26' Ingress/Egress Easement Town of Mt. Pleasant, Charleston County, South Carolina"; said plat being recorded at the Charleston County R.M.C. Office on February 13, 1996 in Plat Book EA, at Page 990; reference to said plat hereby craved for a more complete and accurate description as to buttings, boundings and location.

Together with a non-exclusive appurtenant, perpetual, permanent, transmissible and assignable commercial easement in favor of Grantee, as owner of Lot 3-A, its successors and assigns, for ingress/egress over and upon that certain twenty six foot (26') wide ingress and egress easement running over and across Lot 2, located generally along the Northeastern boundary line of Lot 2; said easement being shown on the aforesaid plat prepared by ARC Surveying Company, Inc., dated January 31, 1996.

Being the same property conveyed to the Mortgagor by deed of Pal of Charleston, LLC, dated February 20, 2007, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

TMS No. 560-02-00-042

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document

BK Z615PG582

Filed By:

Sottile, Hopkins & Daniel, LLC
1037 Chuck Dawley Blvd.
Building G
Mt. Pleasant SC 29464



Number of Pages:

13

FILED

February 21, 2007

2:27:22 PM

BK Z615PG570

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION

AMOUNT

	\$ 18.00
Postage	

TOTAL

\$ 18.00

DRAWER:

A - bmm

DO NOT STAMP BELOW THIS LINE



BP0116745

RETURN TO:

Paul VanWagenen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

RMC BK 0116 Pg 745 : pg 1 *

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between Jade Kate, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$495,000.00 (the "Loan") evidenced by that certain Promissory Note dated February 20, 2007, in the original principal amount of \$495,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Charleston County pursuant to that certain Mortgage and Assignment of Rents dated February 20, 2007, made by Borrower to Bank and recorded on February 21, 2007, in the Register of Deeds Office for Charleston County in Book Z-615 at Page 570 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated June 6, 2006, in the original principal amount of \$1,205,000.00, that certain Promissory Note made by Borrower to Bank dated September 6, 2006, in the original principal amount of \$1,520,000.00, that certain Promissory Note made by Borrower to Bank dated October 11, 2006, in the original principal amount of \$790,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$8,020,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. **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.**

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

JADIEKATE LLC (SEAL)

By: R. L. Freeman
Name: R. L. Freeman
Title: Member

[Signature]
(Witness #1)

[Signature]
(Witness #2)

STATE OF S.C.)
)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by JADIEKATE, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Member.

[Signature] (SEAL)
Notary Public for SC
My Commission Expires: 11/15/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Michelle Pozzi
(Witness #1)

Paula [Signature]
(Witness #2)

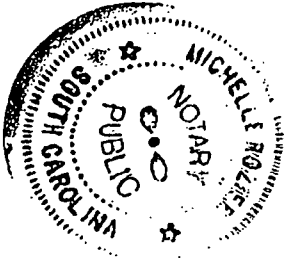
By: [Signature]
Name: Eric Burn
Title: Senior Vice President

STATE OF South Carolina)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn, its Senior Vice President.

Michelle Pozzi (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010



RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

SOTTILE & HOPKINS, LLC
1037-G CHUCK DAWLEY BLVD.
SUITE 100
MT. PLEASANT SC 29464

RECORDED		
Date:	April 12, 2010	
Time:	2:07:43 PM	
Book	Page	DocType
0116	745	Mtg/Mod
Charlie Lybrand, Register Charleston County, SC		

MAKER:

JADIEKATE LLC

of Pages: 5 ~
of Sats: # of References:

RECIPIENT:

WELLS FARGO BK

Note:

Recording Fee	\$ 6.00
Extra Reference Cost	\$ -
Extra Pages	\$ 3.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 9.00

Original Book:

Z615

Original Page:

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DRAWER Drawer 1
CLERK KLH



0116
Book



745
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04/12/2010
Recorded Date



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FILE NUM 2007044181
06/07/2007 03:17:05 PM
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RECORDING FEES 16.00

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PREPARED BY: Nicki Zion
RETURN TO: Collateral Servicing Department, NC6038
Wachovia Bank, National Association
Commercial Loan Services
Collateral Servicing Department
P.O. Box 2705
Winston-Salem, NC 27199-8182

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made June 6, 2007, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and 708 Ocean, LLC, whose address is 3 Barre Street, Charleston, South Carolina 29401 ("Mortgagor"). Bank is the mortgagee hereunder for indexing purposes by the clerk of court.

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$400,000.00, made by Mortgagor payable to Bank, this Mortgage), any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time), all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Beaufort, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.



545724 (Rev 21.0)

DOTM

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CDDOTMXXXX

mi_main doc



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Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) to the same extent as if such future advances and obligations under swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$800,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are

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determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank

to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

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Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

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Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts, and such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

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appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time); (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of

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Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor

708 Ocean, LLC

By: Robert L. Freeman (SEAL)
Robert L. Freeman, Managing Member

Signed, sealed and delivered in presence of:

N. C. Sottile
Witness

Mt. Pleasant, SC 29464
Address

R. C. Ballinger
Witness

Mt. Pleasant, SC 29464
Address

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Nicholas C. Sottile, Notary Public, do hereby certify that Robert L. Freeman, a Managing Member of 708 Ocean, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 6th day of June, 2007.

My commission expires:

2/11/09

N. C. Sottile
Notary Public for South Carolina

Tracking #: 279744
CAT - Deal # 753130 Facility ID 547964

EXHIBIT A

ALL that certain piece, parcel or lot of land, situate, lying and being in Beaufort County, South Carolina, measuring and containing 3.92 acres, more or less, as shown on a plat prepared by D.W. Price, RLS, dated May 2, 1981, and recorded at the Beaufort County R.M.C. Office in Plat Book 29, at Page 101.

BEING the same property conveyed to the Mortgagor by deed of John P. Qualey, Jr. dated June 4th, 2007, and recorded at the Beaufort County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD

TMS No. R600-006-000-0032-0000

0723EP000010

1/9/10
Suttle 3393
RETURN TO:
Paul VanWageningen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

BEAUFORT COUNTY SC - ROD
BK 02948 PGS 1591-1594
FILE NUM 2010019098
04/13/2010 01:40:37 PM
REC'D BY B BING RCP70 613906
RECORDING FEES 9.00

2948 p 1591

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between 708 Ocean, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$400,000.00 (the "Loan") evidenced by that certain Promissory Note dated June 6, 2007, in the original principal amount of \$400,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Beaufort County pursuant to that certain Mortgage and Assignment of Rents dated June 6, 2007, made by Borrower to Bank and recorded on June 7, 2007, in the Register of Deeds Office for Beaufort County in Book 2580 at Page 2411 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated August 18, 2006, in the original principal amount of \$239,700.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the

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Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$1,279,400.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

708 OCEAN, LLC (SEAL)

By: R. L. Freeman

Name: R. L. Freeman

Title: Member

[Signature]
(Witness #1)

[Signature]
(Witness #2)

STATE OF S.C.)
)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by 708 OCEAN, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Member.

[Signature] (SEAL)
Notary Public for

My Commission Expires: 11/15/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Paul V. Wozniak
Michele Rozin

By: [Signature]
Name: Eric Burn
Title: Senior Vice President

STATE OF South Carolina)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn its Senior Vice President.

Michele Rozin (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010

BKH 592PG776

PREPARED BY: Nicki Sarver Zion
RETURN TO: Commercial Loan Operations, NC6855
Wachovia Bank, National Association
P.O. Box 2705
Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made July 24, 2006, by and between, 1F3S, LLC, whose address is 145 King Street, Charleston, South Carolina 29401 ("Mortgagor") and Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$1,500,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Bank or any of its affiliates and Mortgagor, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Charleston, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

545724 (Rev 18.0)

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ms_mshn.doc

DOTM

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$3,000,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Grant of Security Interest in Personal Property. This Mortgage constitutes a security agreement under the UCC and shall be deemed to constitute a fixture financing statement. Mortgagor hereby grants a security interest in any personal property included in the Property. On request of Bank, Mortgagor will execute one or more Financing Statements in form satisfactory to Bank and will pay all costs and expenses of filing the same in all public filing offices, where filing is deemed desirable by Bank. Bank is authorized to file Financing Statements relating to the Property without Mortgagor's signature where permitted by law. Mortgagor appoints Bank as its attorney-in-fact to execute such documents necessary to perfect Bank's security interest on Mortgagor's behalf. The appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain outstanding.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of

coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no

Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of default in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including Bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable; (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the

Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and

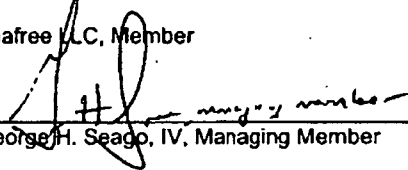
BKH 592PG784

construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof). **FINAL AGREEMENT.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

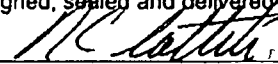
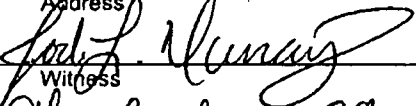
IN WITNESS WHEREOF, Mortgagor has signed and sealed this instrument as of the day and year first above written.

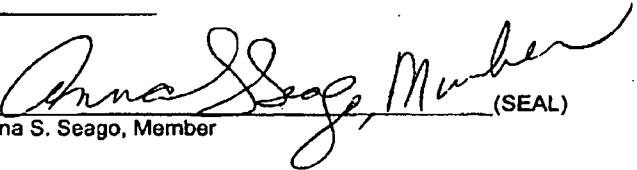
Mortgagor
1F3S, LLC

By: Seafree LLC, Member

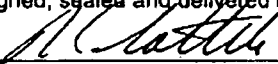
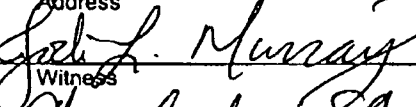
By:  (SEAL)
George H. Seago, IV, Managing Member

Signed, sealed and delivered in presence of:


Witness
mt. Pleasant, SC
Address

Witness
Charleston, SC
Address

By:  (SEAL)
Anna S. Seago, Member

Signed, sealed and delivered in presence of:


Witness
mt. Pleasant, SC
Address

Witness
Charleston, SC
Address

State of South Carolina
County of Charleston

3KH 592PG785

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Jodi L. Murray, Notary Public, do hereby certify that George H. Seago, IV, a Managing Member of Seafree LLC, a Member of 1F3S, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 24th day of July, 2006.

My commission expires:

6/21/15

Jodi L. Murray
Notary Public

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Jodi L. Murray, Notary Public, do hereby certify that Anna S. Seago, a Member of 1F3S, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 24th day of July, 2006.

My commission expires:

6/21/15

Jodi L. Murray
Notary Public

Tracking #: 112951rke
CAT - Deal # 712509 Facility ID 508984

All that lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in Avondale, a section of West Charleston, in St. Andrews Parish, in the County of Charleston, State of South Carolina, as shown on plat entitled "AVONDALE, CHARLESTON COUNTY, S.C., PLAT SHOWING THE COMBINATION OF LOTS 17, 18-A AND 18-B, INTO ONE LOT TO BE KNOWN AS LOT 4 CONTAINING 0.443 ACRE AND OWNED BY SOUTHERN COMPACTO INDUSTRIES, INC.", prepared by E.M. Seabrook, Jr., dated July 2, 1976, and recorded at the Charleston County R.M.C. Office on March 19, 1991, in Plat Book BW, at Page 154.

Measuring and containing in front on the Southeast line on S.C. Highway 614, 55' feet; on the Northwest line 120' feet; on the Northeast line 75' feet; and on the Southeast line 121.6' feet, to be the said dimensions more or less. Butting and bounding to the Southeast on Pen Avenue, to the Southwest on S.C. Highway No. 614; to the Northwest on Lot No. 18 on said plat; to the Northeast on Lot No. 19 on said plat; and to the Southeast on Pen Avenue.

TMS No. 418-15-00-109

-ALSO-

All that lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being on the Northside of St. Andrews Boulevard (S.C. Highway 61), in St. Andrews Parish, Charleston County, South Carolina, known as No. 810 St. Andrews Boulevard and also known as Lot No. 3, Section F, Avondale.

Said property is shown on plat recorded at the Charleston County R.M.C. Office in Book J54, at Page 167.

TMS No. 418-11-00-001

-ALSO-

All that lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in Avondale, a section of West Charleston, in St. Andrews Parish, in the County of Charleston, State of South Carolina, known and designated as Lot No. 19, on a map of Section E, in Avondale, St. Andrews Parish, Charleston County, South Carolina, made by W.L. Gaillard, Surveyor, dated September 2, 1947, and recorded at the Charleston County R.M.C. Office in Plat Book G, at Page 33.

Measuring and containing in front on the Southeast line on a street on said plat known as Pen Avenue, 70' feet; on the Southwest line 189' feet; thence in a Northerly direction 21' feet; thence in a Northeasterly direction 79' feet; thence in a North Northeasterly direction 15' feet; on the North east line 147' feet; be the said dimensions more or less. Butting an bounding to the Southeast on a street on said plat known as Pen Avenue; to the Southwest on Lot No. 17 and Lot

No. 18 on said plat; to the Northwest on property now or formerly of
and to the Northeast on Lot No. On said Plat.

TMS No. 418-15-00-099

BKH 592PG787

-ALSO-

All that lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in Avondale, a section of West Charleston, in St. Andrews Parish, in the County of Charleston, State of South Carolina, known and designated as Lot No. 20, on a map of Section E, in Avondale, St. Andrews Parish, Charleston County, South Carolina, made by W.L. Gaillard, Surveyor, dated September 2, 1947, and recorded at the Charleston County R.M.C. Office in Plat Book G, at Page 33.

Measuring and containing in front on the Southeast line on a street on said plat known as Pen Avenue 70' feet; on the Southwest line 147' feet; on the Northwest line 75.5' feet; and on the Northeast line 117'; be the said dimensions more or less. Butting and bounding to the Southeast on Pen Avenue, to the Southwest on Lot 19, on said plat; to the Northwest on property now or formerly of _____, and to the Northeast on Lot No. 21 on said plat.

TMS No. 418-15-00-098

Being the same property conveyed to the Mortgagor by deed of Southern Compact Industries, Inc., dated July 24, 2006, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

SUBJECT TO ALL APPLICABLE EASEMENTS AND RESTRICTIONS OF RECORD.

BKH 592PG788

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

Sottile, Hopkins & Daniel, LLC

1037 Chuck Dawley Blvd.

Building G

Mt. Pleasant

SC 29464

FILED

July 25, 2006

11:44:19 AM

BKH 592PG776

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION

AMOUNT

	\$ 18.00
Postage	

TOTAL

\$ 18.00

DRAWER:

A - bmm

DO NOT STAMP BELOW THIS LINE



BP0116735

RMC BK 0116 Pg 735 : pg 1 *

RETURN TO:
Paul VanWagenen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of 4/8, 2010, and entered into by and between 1F3S, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"); and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$1,500,000.00 (the "Loan") evidenced by that certain Promissory Note dated July 24, 2006, in the original principal amount of \$1,500,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Charleston County pursuant to that certain Mortgage and Assignment of Rents dated July 24, 2006, made by Borrower to Bank and recorded on July 25, 2006, in the Register of Deeds Office for Charleston County in Book H-592 at Page 776 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated November 3, 2006, in the original principal amount of \$320,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Collateral. The Exhibit "A" attached to the Mortgage is hereby deleted in its entirety and the attached Exhibit "A" substituted in lieu thereof.

3. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

4. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

5. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$3,640,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

6. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

7. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

8. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

1F3S, LLC (SEAL)

By:

Name:

Title:

[Signature]
(Witness #1)

[Signature]
(Witness #2)

By: Robert L. Freeman
Name: Robert L. Freeman
Title: Agent

STATE OF S.C.)
COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of Apr., 2010, by 1F3S, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Agent.

[Signature] (SEAL)
Notary Public for SC
My Commission Expires: 2/11/19

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Michelle Rozai
(Witness #1)

[Signature]
(Witness #2)

By: [Signature]
Name: Eric Burn
Title: Senior Vice President

STATE OF South Carolina
COUNTY OF Charleston

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn, its Senior Vice President.

Michelle Rozai (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010

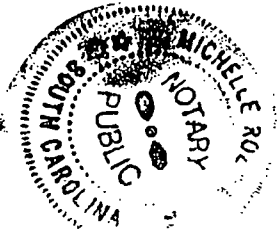


EXHIBIT "A"**Parcel I**

ALL that lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in St. Andrews Parish, Charleston County, State of South Carolina, known as **New Tract - 1.977 AC., 86,135 SF**, as shown on plat entitled, "PLAT SHOWING COMBINATION OF TMS PARCELS 418-11-00-001, 418-11-00-031, 418-15-00-109 AND SHOWING EXISTING PARCELS 418-15-00-098 AND 418-15-00-099, PENN AVE. & ST. ANDREWS BLVD, CHARLESTON COUNTY, SOUTH CAROLINA," prepared by Forsberg Engineering and Surveying, Inc. dated June 14, 2007, last revised July 17, 2008, and recorded August 19, 2008, at the Charleston County R.M.C. Office in Plat Book L08 at Page 0036; said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

BEING the same property conveyed to IF3S, LLC by deed of Southern Compacto Industries, Inc. dated July 24, 2006, and recorded July 25, 2006, in the RMC Office for Charleston County, South Carolina in Book G-592 at Page 128 and by deed of Michael R. Emerson dated August 8, 2006, and recorded August 9, 2006, in said RMC Office in Book B-594 at Page 847.

TMS#: 418-11-00-001

-ALSO-

Parcel II

All that lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in Avondale, a section of West Charleston, in St. Andrews Parish, in the County of Charleston, State of South Carolina, known and designated as **Lot No. 19**, on a map of Section E, in Avondale, St. Andrews Parish, Charleston County, South Carolina, made by W.L. Gaillard, Surveyor, dated September 2, 1947, and recorded at the Charleston County R.M.C. Office in Plat Book G at Page 33.

Measuring and containing in front on the Southeast line on a street on said plat known as Pen Avenue, 70' feet; on the Southwest line 189' feet; thence in a Northerly direction 21' feet; thence in a Northeasterly direction 79' feet; thence in a North Northeasterly direction 15' feet; on the North east line 147' feet; be the said dimensions more or less. Butting and bounding to the Southeast on a street on said plat known as Pen Avenue; to the Southwest on Lot No. 17 and Lot No. 18 on said plat; to the Northwest on property now or formerly of _____, and to the Northeast on Lot No. 20 on said Plat.

BEING the same property conveyed to IF3S, LLC by deed of Southern Compacto Industries, Inc. dated July 24, 2006, and recorded July 25, 2006, in the RMC Office for Charleston County, South Carolina in Book G-592 at Page 128.

TMS#: 418-15-00-099

RECORDER'S PAGE

NOTE: This page **MUST** remain
with the original document



Filed By:

SOTTILE & HOPKINS, LLC
1037-G CHUCK DAWLEY BLVD.
SUITE 100
MT. PLEASANT SC 29464

RECORDED

Date: April 12, 2010

Time: 1:46:02 PM

Book

Page

DocType

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735

Mtg/Mod

Charlie Lybrand, Register
Charleston County, SC

MAKER:

1F3S LLC

of Sats:

of Pages: 6

of References:

RECIPIENT:

WELLS FARGO BK

Note:

Recording Fee \$ 6.00

Extra Reference Cost \$ -

Extra Pages \$ 4.00

Postage \$ -

Chattel \$ -

TOTAL \$ 10.00

Original Book:

H592

Original Page:

776

DRAWER

Drawer 1

CLERK

KLH



0116
Book



735
Page



04/12/2010
Recorded Date



6
Pgs



H592
Original Book



776
Original Page



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Doc Type



13:46:02
Recorded Time

8K S604PG057

PREPARED BY: Nickl Sarver Zion
RETURN TO: Commercial Loan Operations, NC6039
Wachovia Bank, National Association
P.O. Box 2705
Winston Salem, NC 27102-2705

MORTGAGE AND ASSIGNMENT OF RENTS

This MORTGAGE (With Power of Sale) ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (hereafter referred to as "Mortgage") made November 3, 2006, by and between Wachovia Bank, National Association, a national banking association, whose address is Greenville, South Carolina 29601 ("Bank"), and 1F3S, LLC, whose address is 3 Barre Street, Charleston, South Carolina 29401 ("Mortgagor").

WITNESSETH:

To secure payment and performance of obligations under a Promissory Note (the "Note") dated of even date herewith, in the amount of \$320,000.00, made by Mortgagor payable to Bank, this Mortgage, any present or future Letters of Credit issued by Bank for the account of Mortgagor, other loan documents as defined in the Note (the "Loan Documents"), and swap agreements as defined in 11 U.S.C. § 101, as in effect from time to time, all other indebtedness of Mortgagor to Bank whenever borrowed or incurred, whether or not reasonably contemplated by the parties hereto as of the date hereof, and any renewals, extensions, novations, or modifications of the foregoing (collectively the "Obligations"), and in consideration of these premises and for other consideration, Mortgagor does mortgage, grant and convey unto Bank (for itself and its affiliates), its successors and assigns, all of Mortgagor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property"): (i) all those certain tracts of land in the County of Charleston, State of South Carolina described in EXHIBIT A attached hereto and made part hereof (the "Land"); (ii) all buildings and improvements now or hereafter erected on the Land; (iii) all fixtures attached to the Land or any buildings or improvements situated thereon; and (iv) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits easements, and appurtenances of any kind benefiting the Land; all means of access to and from the Land, whether public or private; and all water and mineral rights.

In the event that Mortgagor is the owner of a leasehold estate with respect to any portion of the Property and Mortgagor obtains a fee estate in such portions of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of the Mortgagor, be and become subject to the security title and lien of this Agreement.

TO HAVE AND TO HOLD the Property and all the estate, right, title and interest, in law and in equity, of Mortgagor's in and to the Property unto Bank, its successors and assigns, forever.

Mortgagor WARRANTS AND REPRESENTS that Mortgagor is lawfully seized of the Property, in fee simple, absolute, that Mortgagor has the legal right to convey and encumber the same, and that the Property is free and clear of all liens and encumbrances. Mortgagor further warrants and will forever defend all and singular the Property and title thereto to Bank and Bank's successors and assigns, against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS that if (i) all the Obligations (including without limitation, all termination payments and any other amounts due under or in connection with any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder) are paid in full, (ii) each and every representation, warranty, agreement, covenant and condition of this Mortgage, and the other Loan Documents, are complied with and abided by, and (iii) any and all swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) secured hereunder have matured or been terminated, then this Mortgage and the estate hereby created shall cease and be null, void, and canceled of record.

To protect the security of this Mortgage, Mortgagor further represents and agrees with Bank as follows:-

Payment of Obligations. That the Obligations shall be timely paid and performed.

Future Advances. This Mortgage is given to secure not only existing Obligations, but also future advances, including obligations under swap agreements to the same extent as if such future advances and obligations under swap agreements are made on the date of the execution of this Mortgage. The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$640,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby. Mortgagor shall not execute any document that impairs or otherwise impacts the priority of any existing or future Obligations secured by this Mortgage.

Nothing herein obligates Bank to provide credit in excess of the Obligations.

Leases, Subleases and Easements. Mortgagor shall maintain, enforce and cause to be performed all of the terms and conditions under any lease, sublease or easement which may constitute a portion of the Property. Mortgagor shall not, without the consent of Bank (which consent shall not be unreasonably withheld or delayed), enter into any new lease of all or any portion of the Property, agree to the cancellation or surrender under any lease of all or any portion of the Property, agree to prepayment of rents, issues or profits (other than rent paid at the signing of a lease or sublease), modify any such lease so as to shorten the term, decrease the rent, accelerate the payment of rent, or change the terms of any renewal option; and any such purported new lease, cancellation, surrender, prepayment or modification made without the consent of Bank shall be void as against Bank.

Required Insurance. Mortgagor shall maintain with respect to the Property: (i) during construction of any improvements on the Property, "all-risk" builders risk insurance which must include windstorm, hail damage, fire and vandalism (non-reporting Completed Value with Special Cause of Loss form), in an amount not less than the completed replacement value of the improvements under construction, naming Bank as mortgagee and loss payee; (ii) upon completion of construction, upon occupancy of any improvements, and at all other times, insurance against loss or damage by fire and other casualties and hazards by insurance written on an "all risks" basis, including malicious mischief coverage, in an amount not less than the replacement cost thereof, including coverage for loss of rents or business interruption if applicable, naming Bank as loss payee and mortgagee; (iii) if the Property is required to be insured pursuant to the National Flood Reform Act of 1994, and the regulations promulgated thereunder, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure, naming Bank as mortgagee and loss payee. If, after closing, the Property (or any part thereof) is remapped and if the vertical improvements are determined to be located in a special flood hazard area, Mortgagor must obtain and maintain a flood insurance policy. If, within forty-five (45) days of receipt of notification from Bank that the Property has

been reclassified by FEMA as being located in a special flood hazard area, Mortgagor has not provided sufficient evidence of flood insurance, Bank is mandated under federal law to purchase flood insurance on behalf of Mortgagor, and Bank will add the associated costs to the principal balance of the Note. If the land or any portion thereof is located in a special flood hazard area, this Agreement may be terminated by Bank at its sole option; (iv) as applicable, insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (v) liability insurance providing coverage in such amount as Bank may require but in no event less than \$1,000,000.00 combined single limit, naming Bank as an additional insured; and (vi) such other insurance as Bank may require from time to time.

All property insurance policies shall contain an endorsement or agreement by the insurer in form satisfactory to Bank that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor and the further agreement (within both the property and liability policies) of the insurer waiving rights of subrogation against Bank, and rights of set-off, counterclaim or deductions against Mortgagor.

All insurance policies shall be in form, provide coverages, be issued by companies and be in amounts satisfactory to Bank. At least 30 days prior to the expiration of each such policy, Mortgagor shall furnish Bank with evidence satisfactory to Bank that such policy has been renewed or replaced or is no longer required hereunder. All such policies shall provide that the policy will not be canceled or materially amended without at least 30 days prior written notice to Bank. In the event Mortgagor fails to provide, maintain, keep in force, and furnish to Bank the policies of insurance required by this paragraph, Bank may procure such insurance or single-interest insurance in such amounts, at such premium, for such risks and by such means as Bank chooses, at Mortgagor's expense; provided however, Bank shall have no responsibility to obtain any insurance, but if Bank does obtain insurance, Bank shall have no responsibility to assure that the insurance obtained shall be adequate or provide any protection to Mortgagor.

Insurance Proceeds. After occurrence of any loss to any of the Property, Mortgagor shall give prompt written notice thereof to Bank.

In the event of such loss all insurance proceeds, including unearned premiums, shall be payable to Bank, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Bank and not to Bank and Mortgagor jointly. Bank is hereby authorized by Mortgagor to make proof of loss if not promptly made by Mortgagor, settle, adjust or compromise any claims for loss or damage under any policy or policies of insurance and Mortgagor appoints Bank as its attorney-in-fact to receive and endorse any insurance proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied. Mortgagor shall pay the costs of collection, including attorneys' fees, of insurance proceeds payable on account of such damage or destruction Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Bank as security for payment of the Obligations.

In the event of any damage to or destruction of the Property, Bank shall have the option of applying or paying all or part of the insurance proceeds to (i) the Obligations in such order as Bank may determine, (ii) restoration, replacement or repair of the Property in accordance with Bank's standard construction loan disbursement conditions and requirements, or (iii) Mortgagor. Nothing herein shall be deemed to excuse Mortgagor from restoring, repairing and maintaining the Property as required herein.

Impositions; Escrow Deposit. Mortgagor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (all of the foregoing collectively "Impositions") before they become delinquent and in any event in the same calendar year in which they first become due. Upon request of Bank, Mortgagor shall add to each periodic payment required under the Note the amount estimated by Bank to be sufficient to enable Bank to pay, as they come due, all Impositions and insurance premiums which Mortgagor is required to pay hereunder. Payments requested under this provision shall be supplemented or adjusted as required by

Bank from time to time. Such funds may be commingled with the general funds of Bank and shall not earn interest. Upon the occurrence of a Default, Bank may apply such funds to pay any of the Obligations.

Use of Property. Mortgagor shall use and operate, and require its lessees or licensees to use and operate, the Property in compliance with all applicable laws (including, for example, the Americans with Disabilities Act and the Fair Housing Act) and ordinances, covenants, and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property. Mortgagor shall not permit any unlawful use of the Property or any use that may give rise to a claim of forfeiture of any of the Property. Mortgagor shall not allow changes in the stated use of Property from that disclosed to Bank at the time of execution hereof. Mortgagor shall not initiate or acquiesce to a zoning change of the Property without prior notice to, and written consent of, Bank.

Maintenance, Repairs and Alterations. Mortgagor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Bank. Mortgagor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Bank. Mortgagor shall promptly notify Bank in writing of any material loss, damage or adverse condition affecting the Property.

Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation, Mortgagor shall give prompt written notice thereof to Bank. Bank shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Bank shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Mortgagor related to any Condemnation (the "Proceeds") are hereby assigned to Bank and Mortgagor agrees to execute such further assignments of the Proceeds as Bank may require. Bank shall have the option of applying or paying the Proceeds in the same manner as insurance proceeds as provided herein. Mortgagor appoints Bank as its attorney-in-fact to receive and endorse the Proceeds to Bank, which appointment is coupled with an interest and shall be irrevocable as long as any Obligations remain unsatisfied.

Environmental Condition of Property and Indemnity. Mortgagor warrants and represents to Bank, except as reported by Mortgagor to Bank in writing, that: (i) Mortgagor has inspected and is familiar with the environmental condition of the Property; (ii) the Property and Mortgagor, and any occupants of the Property, are in compliance with and shall continue to be in compliance with all applicable federal, state and local laws and regulations intended to protect the environment and public health and safety as the same may be amended from time to time ("Environmental Laws"); (iii) the Property is not and has never been used to generate, handle, treat, store or dispose of, in any quantity, oil, petroleum products, hazardous or toxic substances, hazardous waste, regulated substances or hazardous air pollutants ("Hazardous Materials") in violation of any Environmental Laws; (iv) no Hazardous Materials (including asbestos, mold or lead paint in any form) are located on or under the Property or emanate from the Property; (v) there are no unregistered underground storage tanks on the Property that are subject to any underground storage tank registration laws or regulations; (vi) no notice has been received with regard to any Hazardous Material on the Property; (vii) no action, investigation or proceeding is pending or to Mortgagor's knowledge threatened which seeks to enforce any right or remedy against Mortgagor or the Property under any Environmental Law; and (viii) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws shall be obtained and maintained and Mortgagor shall assure compliance therewith.

Further, Mortgagor represents to Bank that no portion of the Property is a protected wetland. Mortgagor agrees to notify Bank immediately upon receipt of any citations, warnings, orders, notices, consent agreements, process or claims alleging or relating to violations of any Environmental Laws or to the environmental condition of the Property and shall conduct and complete all investigations and all cleanup actions necessary to comply with the Environmental Laws and to remove, in accordance with Environmental Laws, any Hazardous Material from the Property.

Mortgagor shall indemnify, hold harmless, and defend Bank from and against any and all damages, penalties, fines, claims, suits, liabilities, costs, judgments and expenses, including attorneys', consultants' or experts' fees of every kind and nature incurred, suffered by or asserted against Bank as a direct or indirect result of: (i) representations made by Mortgagor in this Section being or becoming untrue in any material respect; (ii) Mortgagor's violation of or failure to meet the requirements of any Environmental Laws; or (iii) Hazardous Materials which, while the Property is subject to this Mortgage, exist on the Property. Bank shall have the right to arrange for or conduct environmental inspections of the Property from time to time (including the taking of soil, water, air or material samples). The cost of such inspections made after Default (as hereinafter defined) or which are required by laws or regulations applicable to Bank shall be borne by Mortgagor. However, Mortgagor's indemnity shall not apply to any negligent or intentional act of Bank which takes place after foreclosure or satisfaction of this Mortgage. These indemnification obligations are in addition to General Indemnification provisions set forth hereafter. Mortgagor's Obligations under this section shall continue, survive and remain in full force and effect notwithstanding the repayment of the Obligations, a foreclosure of or exercise of power of sale under this instrument, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this instrument and the transfer of the Property.

Appraisals. Mortgagor agrees that Bank may obtain an appraisal of the Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency or at such other times as Bank may reasonably require. Such appraisals shall be performed by an independent third party appraiser selected by Bank. The cost of such appraisals shall be borne by Mortgagor. If requested by Bank, Mortgagor shall execute an engagement letter addressed to the appraiser selected by Bank. Mortgagor's failure or refusal to sign such an engagement letter, however, shall not impair Bank's right to obtain such an appraisal. Mortgagor agrees to pay the cost of such appraisal within 10 days after receiving an invoice for such appraisal.

Inspections. Bank, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Liens and Subrogation. Mortgagor shall pay and promptly discharge all liens, claims and encumbrances upon the Property. Mortgagor shall have the right to contest in good faith the validity of any such lien, claim or encumbrance, provided: (i) such contest suspends the collection thereof or there is no danger of the Property being sold or forfeited while such contest is pending; (ii) Mortgagor first deposits with Bank a bond or other security satisfactory to Bank in such amounts as Bank shall reasonably require; and (iii) Mortgagor thereafter diligently proceeds to cause such lien, claim or encumbrance to be removed and discharged.

Bank shall be subrogated to any liens, claims and encumbrances against Mortgagor or the Property that are paid or discharged through payment by Bank or with loan proceeds, notwithstanding the record cancellation or satisfaction thereof.

Waiver of Mortgagor's Rights. To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Property, (ii) in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or any of the other Obligations, and any rights to hearing prior to the exercise by Bank of any right, power, or remedy herein provided to Bank.

To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or seek to take the benefit or advantage of any law now or hereafter in force providing for any exemption (including homestead exemption), appraisal, valuation, stay, extension or redemption, and Mortgagor for themselves and their respective heirs, devisees, representatives, successors and assigns, and for any and all persons claiming any interest in the Property, to the extent permitted by law, hereby waive and release all rights of valuation, appraisal, redemption, stay of execution, the benefit of all exemption laws, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. Mortgagor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Obligations.

Payments by Bank. In the event of Default (as hereinafter defined) in the timely payment or performance of any of the Obligations, Bank, at its option and without any duty on its part to determine the validity or necessity thereof, may pay the sums for which Mortgagor is obligated. Further, Bank may pay such sums as Bank deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys' fees and other fees and costs to enforce this Mortgage or protect the lien hereof (including foreclosure) or collect the Obligations, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Mortgage.

Indemnification. Mortgagor shall protect, indemnify and save harmless Bank from and against all losses, liabilities, obligations, claims, damages, penalties, fines, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted or assessed against Bank on account of or in connection with (i) the Loan Documents or any failure or alleged failure of Mortgagor to comply with any of the terms of, or the inaccuracy or breach of any representation in, the Loan Documents; (ii) the Collateral or any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (iii) any failure or alleged failure of Mortgagor to comply with any law, rule or regulation applicable to it or to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Bank in excess of any net proceeds received by it from any insurance of Mortgagor (other than self-insurance) with respect to such Damages, (iv) any Damages whatsoever by reason of any alleged action, obligation or undertaking of Bank relating in any way to or any matter contemplated by the Loan Documents, (v) any claim for brokerage fees or such other commissions relating to the Property or any other Obligations, or (vi) any and all liability arising from any leases related to the Property. Nothing contained herein shall require Mortgagor to indemnify Bank for any Damages resulting from Bank's gross negligence or its willful and wrongful acts. The indemnity provided for herein shall survive payment of the Obligations and shall extend to the officers, directors, employees and duly authorized agents of Bank. In the event the Bank incurs any Damages arising out of or in any way relating to the transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such Damages shall be added to the Obligations, shall bear interest, to the extent permitted by law, at the interest rate borne by the Obligations from the date incurred until paid and shall be payable on demand.

Assignment of Rents. Mortgagor hereby absolutely assigns and transfers to Bank all the leases, rents, issues and profits of the Property (collectively "Rents"). Although this assignment is effective immediately, so long as no Default exists, Bank gives to and confers upon Mortgagor the privilege under a revocable license to collect as they become due, but not prior to accrual, the Rents and to demand, receive and enforce payment, give receipts, releases and satisfactions, and sue in the name of Mortgagor for all such Rents. Mortgagor represents there has been no prior assignment of leases or Rents, and agrees not to further assign such leases or Rents. Upon any occurrence of Default, the license granted to Mortgagor herein shall be automatically revoked without further notice to or demand upon Mortgagor, and Bank shall have the right, in its discretion, without notice, by agent or by a receiver

appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) to enter upon and take possession of the Property, (ii) notify tenants, subtenants and any property manager to pay Rents to Bank or its designee, and upon receipt of such notice such persons are authorized and directed to make payment as specified in the notice and disregard any contrary direction or instruction by Mortgagor, and (iii) in its own name, sue for or otherwise collect Rents, including those past due, and apply Rents, less costs and expenses of operation and collection, including attorneys' fees, to the Obligations in such order and manner as Bank may determine or as otherwise provided for herein. Bank's exercise of any one or more of the foregoing rights shall not cure or waive any Default or notice of Default hereunder.

Due on Sale or Further Encumbrance or Transfer of an Interest in Mortgagor. Without the prior written consent of Bank in each instance, Mortgagor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) if Mortgagor or any general partner or member of Mortgagor, is a corporation, partnership, limited liability company, trust or other business entity, the transfer, pledge, assignment or encumbrance (whether in one transaction or a series of transactions) of any stock, partnership, limited liability company or other ownership interests in such corporation, partnership, limited liability company or entity including, without limitation, changes in stockholders, partners, members, managers, trustees, beneficiaries, or their respective interests; whether directly or indirectly; (d) if Mortgagor, or any general partner or member of Mortgagor, is a corporation, the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; and (e) an agreement by Mortgagor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Bank's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note (or other Obligations), an extension or curtailment of the maturity of the Obligations, or other modification of the Note or this instrument.

Remedies of Bank on Default. Failure of Mortgagor or any other person liable to timely pay or perform any of the Obligations is a default ("Default") under this Mortgage. Upon the occurrence of Default the following remedies are available, without limitation, to Bank: (i) Bank may exercise any or all of Bank's remedies under this Mortgage or other Loan Documents including, without limitation, acceleration of the maturity of all payments and Obligations, other than Obligations under any swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) with Bank or any of its affiliates, which shall be due in accordance with and governed by the provisions of said swap agreements; (ii) Bank may take immediate possession of the Property or any part thereof (which Mortgagor agrees to surrender to Bank) and manage, control or lease the same to such persons and at such rental as it may deem proper and collect and apply Rents to the payment of: (a) the Obligations, together with all costs and attorneys' fees; (b) all Impositions and any other levies, assessments or liens which may be prior in lien or payment to the Obligations, and premiums for insurance, with interest on all such items; and (c) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Bank in its sole discretion may determine. The taking of possession shall not prevent concurrent or later proceedings for the foreclosure sale of the Property; (iii) Bank may apply to any court of competent jurisdiction for the appointment of a receiver for all purposes including, without limitation, to manage and operate the Property or any part thereof, and to apply the Rents therefrom as hereinabove provided. In the event of such application, Mortgagor consents to the appointment of a receiver, and agrees that a receiver may be appointed without notice to Mortgagor, without regard to whether Mortgagor has committed waste or permitted deterioration of the Property, without regard to the adequacy of any security for the Obligations, and without regard to the solvency of Mortgagor or any other person, firm or corporation who or which

may be liable for the payment of the Obligations; (iv) Bank may exercise all the remedies of a mortgagee as provided by law and in equity including, without limitation, foreclosure upon this Mortgage and sale of the Property, or any part of the Property, at public sale conducted according to applicable law (referred to as "Sale") and conduct additional Sales as may be required until all of the Property is sold or the Obligations are satisfied; (v) With respect to any portion of the Property governed by the UCC, Bank shall have all of the rights and remedies of a secured party thereunder. Bank may elect to foreclose upon any Property that is fixtures under law applicable to foreclosure of interests in real estate or law applicable to personal property; (vi) Bank may bid at Sale and may accept, as successful bidder, credit of the bid amount against the Obligations as payment of any portion of the purchase price; and (vii) Bank shall apply the proceeds of Sale, first to any fees or attorney fees permitted Bank by law in connection with Sale, second to expenses of foreclosure, publication, and sale permitted Bank by law in connection with Sale, third to the Obligations, and any remaining proceeds as required by law.

Miscellaneous Provisions. Mortgagor agrees to the following: (i) All remedies available to Bank with respect to this Mortgage or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Bank in exercising any remedy shall operate as a waiver of that remedy or of any Default. Any payment by Bank or acceptance by Bank of any partial payment shall not constitute a waiver by Bank of any Default; (ii) Mortgagor represents that Mortgagor (a) is (1) an adult individual and is sui juris, or (2) 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 its state of organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such organization (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Mortgage and any other Loan Document to which it is a party. (iii) The provisions hereof shall be binding upon and inure to the benefit of Mortgagor, its heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Bank, its successors and assigns and any future holder of the Note or other Obligations; (iv) Any notices, demands or requests shall be sufficiently given Mortgagor if in writing and mailed or delivered to the address of Mortgagor shown above or to another address as provided herein and to Bank if in writing and mailed or delivered to Wachovia Bank, National Association, Mail Code VA7628, P. O. Box 13327, Roanoke, VA 24040 or Wachovia Bank, National Association, Mail Code VA7628, 10 South Jefferson Street, Roanoke, VA 24011, or such other address as Bank may specify from time to time and in the event that Mortgagor changes Mortgagor's address at any time prior to the date the Obligations are paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid. Notices to Bank must include the mail code. (v) This Mortgage may not be changed, terminated or modified orally or in any manner other than by an instrument in writing signed by the parties hereto; (vi) All references to "Bank" shall mean to "Bank (for itself and its affiliate)"; (vii) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Mortgage; (viii) If the lien of this Mortgage is invalid or unenforceable as to any part of the Obligations, the unsecured portion of the Obligations shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Obligations) prior to payment of the secured portion of the Obligations and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Mortgage shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (ix) This Mortgage shall be governed by and construed under the laws of the jurisdiction where this Mortgage is recorded; (x) Mortgagor by execution and Bank by acceptance of this Mortgage agree to be bound by the terms and provisions hereof. **Final Agreement.** This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

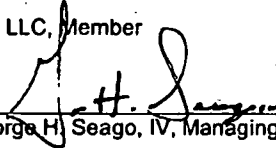
IN WITNESS WHEREOF, Mortgagor has duly signed and sealed this instrument as of the day and year first above written.

Mortgagor

1F3S, LLC

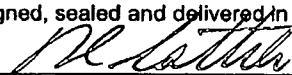
By: Seafree LLC, Member

By:


George H. Seago, IV, Managing Member

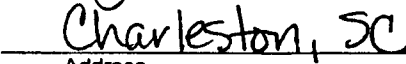
(SEAL)

Signed, sealed and delivered in presence of:


Witness

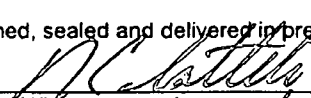

Address

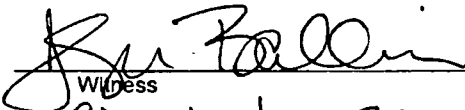

Witness


Address

By:  (SEAL)
 Anna S. Seago, Member

Signed, sealed and delivered in presence of:


 Witness
mt. Pleasant, SC.
 Address


 Witness
Charleston, SC
 Address

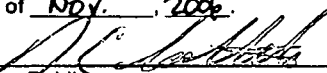
State of South Carolina
 County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Nicholas C. Sattile, Notary Public, do hereby certify that George H. Seago, IV, a Managing Member of Seafree LLC, a limited liability company, a Member of 1F3S, LLC, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 3rd day of Nov., 2006.

My commission expires:
2/11/09


 Notary Public

BK S604PG067

State of South Carolina
County of Charleston

PARTNERSHIP, LIMITED PARTNERSHIP or L.L.C. PROBATE

I, Nicholas C. Sottile, Notary Public, do hereby certify that Anna S. Seago, a Member of 1F3S, LLC, a limited liability company, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this the 3rd day of Nov., 2004

My commission expires:

2/11/09

Nicholas C. Sottile
Notary Public

Tracking #: 158137rke
CAT - Deal # 759699 Facility ID 553509

EXHIBIT A

ALL that lot, piece, or parcel of land, situate, lying and being in Avondale, a section of West Charleston, in St. Andrews Parish, in the County of Charleston, State of South Carolina, with the buildings and improvements thereon, known and designated as Lot No. One (1) on a map of Section E in Avondale, St. Andrews Parish, Charleston County, South Carolina, made by W.L. Gaillard, Surveyor, dated September 2, 1947, and recorded at the Charleston County R.M.C. Office in Plat Book G, at Page 33; said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

BEING the same property conveyed to the Mortgagor by deed of Patrick R. Kenney and Cheryl B. Kenney dated November 3rd, 2006, and recorded at the Charleston County R.M.C. Office simultaneously herewith.

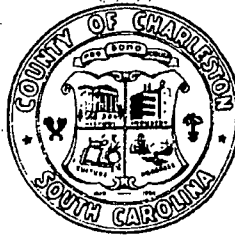
SUBJECT TO ALL APPLICABLE COVENANTS AND RESTRICTIONS OF RECORD

T.M.S. No.: 418-15-00-100

BK S604PG069

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

Sottile, Hopkins & Daniel, LLC
1037 Chuck Dawley Blvd.
Building G
Mt. Pleasant SC 29464

FILED

November 6, 2006

11:27:45 AM

BK S604PG057

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION	AMOUNT
	\$ 18.00
Postage	
TOTAL	\$ 18.00

DRAWER:

A - bmm

DO NOT STAMP BELOW THIS LINE



BP0116737

RETURN TO:
Paul VanWagenen, Esquire
Parker Poe Adams and Bernstein LLP
200 Meeting Street, Suite 301
Charleston, South Carolina 29401

RMC BK 0116 Pg 737 : pg 1 *

THIS MORTGAGE MODIFICATION AGREEMENT (this "Modification") dated as of April 8, 2010, and entered into by and between 1F3S, LLC, a South Carolina limited liability company, having an address of 145 King Street, Charleston, South Carolina 29401 ("Borrower"), and WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, having an address of Greenville, South Carolina 29601 (the "Bank").

WITNESSETH

A. Bank agreed to make a loan to Borrower in the amount of \$320,000.00 (the "Loan") evidenced by that certain Promissory Note dated November 3, 2006, in the original principal amount of \$320,000.00 (as amended or modified, the "Note").

B. The Loan is secured, inter alia, by a first priority lien on certain real and personal property, improvements and fixtures located in Charleston County pursuant to that certain Mortgage and Assignment of Rents dated November 3, 2006, made by Borrower to Bank and recorded on November 6, 2006, in the Register of Deeds Office for Charleston County in Book S-604 at Page 057 (as amended or modified, the "Mortgage").

C. Except as otherwise provided herein, all terms herein shall have the meanings ascribed thereto in the documents related to the Loan (as amended or modified, the "Loan Documents").

D. Borrower and Bank entered into that certain Modification of Promissory Notes and Security Documents Agreement dated of event date herewith (the "Agreement"), which, among other things, modified certain terms of the Loan and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual promises contained hereinbelow and other good and valuable consideration, all in accordance with the terms of this Modification, the receipt, sufficiency and adequacy of which the parties do hereby acknowledge, Bank and Borrower do hereby agree as follows:

1. Cross-Collateralization. Mortgagor acknowledges and agrees that the Mortgage shall also secure the payment and performance of all obligations under that certain Promissory Note made by Borrower to Bank dated July 24, 2006, in the original principal amount of \$1,500,000.00, other loan documents relating to such Note, swap agreements (as defined in 11 U.S.C. § 101, as in effect from time to time) between Mortgagor and Bank or any of its affiliates as defined in 11 U.S.C. § 101, as in effect from time to time, and any renewals, extensions, novations or modifications of the foregoing (together with the Loan, the "Obligations").

2. Full Force and Effect. The Mortgage and other Loan Documents, as modified, shall secure the repayment of the Loan with the same force and effect as when originally executed. It is intended that neither the Agreement nor this Modification will disturb the existing priority of the

Mortgage or any other Security Documents. This Modification is subject to all of the terms and conditions set forth in the Agreement, which are incorporated herein by reference and made a part hereof, as fully as though copied verbatim herein. In the event of a conflict between this Modification and the Agreement, the Agreement shall control.

3. Reaffirmation of Grant. Mortgagor reaffirms the grants and conveyances contained in the Mortgage, and to that end has mortgaged, granted, and conveyed, and by these presents, does hereby mortgage, grant, and convey unto Bank, its successors and assigns, to have and to hold, the Property (as defined in the Mortgage) forever to secure payment of the Obligations; provided, however, the foregoing grant shall cease and be null and void if Borrower shall pay, fully perform, and discharge the Obligations.

4. Future Advances. The second sentence of the Section entitled "Future Advances" in the Mortgage is hereby deleted and the following substituted in lieu thereof:

"The principal amount (including any swap agreements and future advances) that may be so secured may decrease or increase from time to time, but the total amount so secured at any one time shall not exceed \$3,640,000.00, plus all interest, costs, reimbursements, fees and expenses due under this Mortgage and secured hereby."

5. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of South Carolina.

6. No Modifications. The terms of this Modification may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

7. Invalid Provision to Affect No Others. If any provisions of this Modification shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Modification shall remain operative and in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Modification as of the date first written above.

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 thirty 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. 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.

Further, the undersigned acknowledges receipt of written notification before this transaction that signing of a waiver of appraisal rights would be required during this transaction.

BORROWER:

1F3S, LLC (SEAL)

By: Robert L. Freeman
Name: Robert L. Freeman
Title: Agent

M. L. Little
(Witness #1)

Heide M. Little
(Witness #2)

STATE OF S.C.)

COUNTY OF Charleston)

ACKNOWLEDGMENT

THE FOREGOING INSTRUMENT was acknowledged before me this 8th day of April, 2010, by 1F3S, LLC, a South Carolina limited liability company, by Robert L. Freeman, its Agent.

M. L. Little (SEAL)
Notary Public for SC
My Commission Expires: 4/15/11

[Bank signature appears on following page]

BANK:

WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association (SEAL)

Michelle Rozin
(Witness #1)

Paul V. Wynn
(Witness #2)

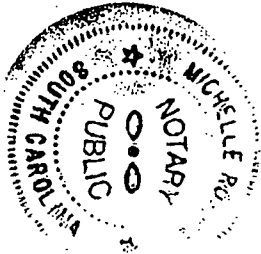
By: [Signature]
Name: Eric Burn
Title: Senior Vice President

STATE OF South Carolina)
COUNTY OF Charleston)

ACKNOWLEDGMENT

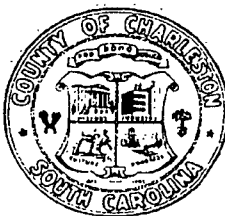
THE FOREGOING INSTRUMENT was acknowledged before me this 12th day of April, 2010, by WELLS FARGO BANK, N.A., a national banking association, successor-by-merger to Wachovia Bank, National Association, by Eric Burn, its Senior Vice President.

Michelle Rozin (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/21/2010



RECORDER'S PAGE

NOTE: This page **MUST** remain
with the original document



Filed By:

SOTTILE & HOPKINS, LLC
1037-G CHUCK DAWLEY BLVD.
SUITE 100
MT. PLEASANT SC 29464

RECORDED

Date: April 12, 2010
Time: 1:49:21 PM

Book	Page	DocType
0116	737	Mtg/Mod

Charlie Lybrand, Register
Charleston County, SC

MAKER:

1F3S LLC

of Sats:

of Pages: 5

of References:

RECIPIENT:

WELLS FARGO BK

Note:

Original Book:

S604

Original Page:

057

Recording Fee	\$ 6.00
Extra Reference Cost	\$ -
Extra Pages	\$ 3.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 9.00

DRAWER

Drawer 1

CLERK

KLH



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Page



04/12/2010
Recorded Date



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Pgs



S604
Original Book



057
Original Page



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13:49:21
Recorded Time

Exhibit "B"

Borrowing Entity/Mortgagor	Date Short Sale Proceeds Paid	Amount of Partial Payment
Seafree Note 2	June 2011	\$60,041.79
Seafree Edisto Note	September 2012	\$335,488.16
Jadiekate Note 1	May 2012	\$607,197.20
	June 2013	\$238,865.94
Jadiekate Note 2	May 2013	\$1,227,510.04
Jadiekate Note 3	July 2013	\$467,299.76
Jadiekate Note 4	April 2013	\$282,728.05
708 Ocean Note 1	August 2011	\$94,991.29
1F3S Note 1	December 2012	\$1,505,215.94
1F3S Note 2	March 2012	\$224,000.00

Exhibit "C"

Borrowing Entity/Mortgagor	Date Foreclosure Proceeds Paid	Amount of Partial Payment
Seafree Note 1 and Seafree Note 2	December 2012	\$243,000.00
Yerby Road Note 1 and Yerby Road Note 2	June 2013	\$765,000.00
708 Ocean Note 1 and 708 Ocean Note 2	October 2012	\$133,200.00



BP0204488



RMC BK 0204 Pg 488 : pg 1 *

STATE OF SOUTH CAROLINA)
) RELEASE OF MORTGAGE LIEN
COUNTY OF CHARLESTON)

KNOW ALL MEN BY THESE PRESENTS that Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, N.A., ("Mortgagee"), the owner and holder of that certain mortgage from Seafree, LLC, a South Carolina limited liability company, to Wachovia Bank, N.A. dated January 9, 2008, and duly recorded at the Charleston County R.M.C. Office in Book N648, at Page 363, as modified by Mortgage Modification Agreement to Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, N.A., dated April 8, 2010, and duly recorded at the Charleston County R.M.C. Office in Book 0116, at Page 743, for valuable consideration, the receipt whereof is hereby acknowledged, does hereby release and forever discharge from the lien, operation and effect of the said Mortgage the following described property, to-wit:

ALL that certain piece, parcel or tract of land, situate, lying and being in the City of North Charleston, Charleston County, South Carolina, known and designated as 0.597 Acres, Tract A, Meeting Street, Charleston Heights, as shown on that certain plat entitled "PLAT SHOWING BOUNDARY OF EXISTING 0.597 ACRES, KNOWN AS TRACT "A" OF LOT 5 OF DIVISION C AND ALSO TMS 469-11-00-233, CHARLESTON HEIGHTS CITY OF NORTH CHARLESTON CHARLESTON COUNTY SOUTH CAROLINA", dated November 26, 2007, by Michael S. Johnson, R.L.S., and recorded at the Charleston County R.M.C. Office in Plat Book EL, at Page 388.

T.M.S. No. 469-11-00-233

Retaining full force and effect, however, the lien of the said Mortgage upon the remaining premises covered thereby.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Mortgagee has hereunto set its hand and seal, by and through the undersigned officer, this 11th day of ~~June~~ ^{August}, 2011.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

WITNESS:

[Signature]
Ben Roach

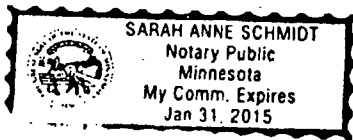
Wells Fargo Bank, N.A., successor by-
merger to Wachovia Bank, N.A.

By: [Signature]
Title: VICE PRESIDENT

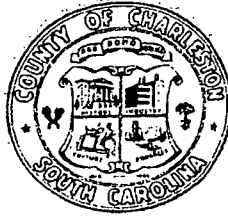
Minnesota
STATE OF ~~SOUTH CAROLINA~~)
Hennepin)
COUNTY OF ~~CHARLESTON~~)

ACKNOWLEDGMENT

I, a Notary for the State of Minnesota, do hereby certify that the above named Mortgagee, by and through the above-named officer, personally appeared before me this 11 day of August, 2011, and acknowledged the due execution of the foregoing instrument.



[Signature] (SEAL)
NOTARY PUBLIC FOR ~~SOUTH CAROLINA~~ Minnesota
My Commission Expires: Jan 31, 2015



RMC Bk 0204 Pg 488 : pg 3 *

RECORDED

Date: August 29, 2011

Time: 2:53:01 PM

Book

Page

Doc Type

0204

488

Rel/Mtg

Charlie Lybrand, Register
Charleston County, SC

of Pages: 3

of Sats:

of References:

Note:

Recording Fee \$ 6.00

Extra Reference Cost \$ -

Extra Pages \$ 1.00

Postage \$ -

Chattel \$ -

TOTAL \$ 7.00

Final Page:

363

DRAWER Drawer 2

CLERK SLW



488

Page



08/29/2011

Recorded Date



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Doc Type

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Recorded Time

STREET CHARLESTON, SC 29401 www.charlestoncounty.org

Exhibit "E"

Seafree Note 1 and Seafree Note 2	\$ 967,168.14 as of December 5, 2012
Seafree Edisto Note	\$ 198,976.62 as of September 17, 2013
Yerby Road Note 1 and Yerby Road Note 2	\$1,064,040.28 as of June 6, 2013
Jadiekate Note 1	\$ 347,692.07 as of September 17, 2013
Jadiekate Note 2	\$ 425,706.30 as of September 17, 2013
Jadiekate Note 3	\$ 395,744.75 as of September 17, 2013
Jadiekate Note 4	\$ 255,001.01 as of September 17, 2013
708 Ocean Note 1 and 708 Ocean Note 2	\$ 469,044.84 as of October 31, 2012
1F3S Note 1	\$ 101,199.95 as of September 17, 2013
1F3S Note 2	\$ 113,525.81 as of September 17, 2013



STATE OF SOUTH CAROLINA
COUNTY OF COLLETON
IN THE COURT OF COMMON PLEAS

FORM 4

JUDGMENT IN A CIVIL CASE

CASE NO. 2012 CP-15-198

Wells Fargo Bank, N.A., Successor by Merger to Wachovia
Bank, National Association,
PLAINTIFF(S)

Seafree, LLC,

DEFENDANT(S)

Submitted by: Robert C. Byrd, Esquire
Parker Poe Adams & Bernstein LLP

Attorney for : ☒ Plaintiff ☐ Defendant
or
☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRPC; ☐ Rule 41(a), SCRPC (Vol. Nonsuit); ☐ Rule 43(k), SCRPC (Settled); ☐ Other
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRPC; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☒ See attached order (formal order to follow) ☐ Statement of Judgment by the Court: Order for Deficiency Judgment

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.

Additional Information for the Clerk :

INFORMATION FOR THE PUBLIC INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association	Seafree, LLC	\$967,168.14
		\$
		\$

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.

MO
Circuit Court Judge S.R. Judge Code Date December 13 2012

For Clerk of Court Office Use Only

This judgment was entered on the _____ day of December, 2012 and a copy mailed first class or placed in the appropriate attorney's box on this _____ day of December, 2012 to attorneys of record or to parties (when appearing pro se) as follows:

Robert C. Byrd, Esquire

Parker Poe Adams & Bernstein LLP

200 Meeting Street, Suite 301

Charleston, SC 29401

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter:

STATE OF SOUTH CAROLINA

COUNTY OF COLLETON

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

Seafree, LLC,

Defendant.

IN THE CIRCUIT COURT

Case No. 2012-CP-15-198

ORDER FOR
DEFICIENCY JUDGMENT

Pursuant to the Special Referee's Order and Judgment of Foreclosure and Sale entered on August 9, 2012, the Plaintiff is entitled to have a personal judgment against defendant Seafree, LLC as follows:

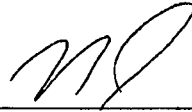
a.	Note 1 & Note 2 - Amount of Judgment as of 08/09/12	\$1,195,031.15
b.	Interest from 08/09/12 to 12/05/12 @ 3.09125% (119 days x \$101.21 per day)	\$ 12,043.99
c.	Commission on Sale	\$ 2,430.00
d.	Advertising Cost	\$ 663.00
	TOTAL JUDGMENT DEBT AS OF 12/05/12:	\$1,210,168.14
	Less Bid Amount:	\$ 243,000.00
	TOTAL DEFICIENCY AS OF 12/05/12:	\$ 967,168.14

2012 DEC 17 AM 9:18

PATRICIA C. GRANT
COLLETON COUNTY
COMMON PLEAS

NOW, THEREFORE, IT IS HEREBY ORDERED that the Plaintiff, Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association, shall have judgment against defendant **Seafree, LLC** in the sum of Nine Hundred Sixty-Seven Thousand One Hundred Sixty-Eight and 14/100 Dollars (\$967,168.14) plus post-judgment interest after entry of judgment at the rate provided by law.

AND IT IS SO ORDERED.



Benjamin C. P. Sapp,
Special Referee for Colleton County

Walterboro, South Carolina

December 13, 2012

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF DORCHESTER
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2012 CP-18-696

Wells Fargo Bank, N.A., Successor by Merger to Wachovia
Bank, National Association,

Yerby Road, LLC,

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: Robert C. Byrd, Esquire
Parker Poe Adams & Bernstein LLP

Attorney for : ☒ Plaintiff or ☐ Defendant
☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. ☐ See Page 2 for additional information.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☐ Statement of Judgment by the Court: Order for Deficiency Judgment

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.

Additional Information for the Clerk : _____

INFORMATION FOR THE JUDGMENT INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association	Yerby Road, LLC	\$1,064,040.28
		\$
		\$

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.

Kate Murphy 307E June 17, 2013
Circuit Court Judge Judge Code Date

For Clerk of Court Office Use Only

This judgment was entered on the 25 day of June, 2013 and a copy mailed first class or placed in the appropriate attorney's box on this 25 day of June, 2013 to attorneys of record or to parties (when appearing pro se) as follows:

Robert C. Byrd, Esquire
Parker Poe Adams & Bernstein LLP
200 Meeting Street, Suite 301
Charleston, SC 29401
ATTORNEY(S) FOR THE PLAINTIFF(S)

G. Trenholm Walker, Esquire
Pratt-Thomas Walker, P.A.
Post Office Drawer 22247
Charleston, SC 29413
ATTORNEY(S) FOR THE DEFENDANT(S)
S/
CLERK OF COURT

Court Reporter:

ADDITIONAL INFORMATION REGARDING DECISION BY THE COURT AS REFERENCED ON PAGE 1.

This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

STATE OF SOUTH CAROLINA
COUNTY OF DORCHESTER

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

Yerby Road, LLC,

Defendant.

IN THE CIRCUIT COURT

Case No. 2012-CP-18-696

ORDER FOR
DEFICIENCY JUDGMENT

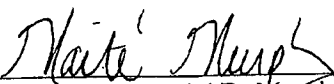
2013 JUN 25 PM 3:38
CERTIFIED COPY
Clerk of Court
DORCHESTER COUNTY

Pursuant to the Master-in-Equity's Order and Judgment of Foreclosure and Sale entered on February 12, 2013, the Plaintiff is entitled to have a personal judgment against defendant Yerby Road, LLC as follows:

a.	Note 1 & Note 2 - Amount of Judgment as of 02/12/13	\$1,809,000.46
b.	Interest from 02/12/13 to 06/06/13 @ 3.0527% (115 days x \$151.30 per day)	\$ 17,399.50
c.	Commission on Sale	\$ 2,500.00
d.	Advertising Cost	\$ 140.32
	TOTAL JUDGMENT DEBT AS OF 06/06/13:	\$1,829,040.28
	Less Bid Amount by Plaintiff:	\$ 765,000.00
	TOTAL DEFICIENCY AS OF 06/06/13:	<u>\$1,064,040.28</u>

NOW, THEREFORE, IT IS HEREBY ORDERED that the Plaintiff, Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association, shall have judgment against defendant **Yerby Road, LLC** in the sum of One Million Sixty-Four Thousand Forty and 28/100 Dollars (\$1,064,040.28) plus post-judgment interest after entry of judgment at the rate provided by law.

AND IT IS SO ORDERED.


The Honorable Maité D. Murphy,
Master-in-Equity for Dorchester County

St. George, South Carolina

June 21, 2013

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT
IN THE COURT OF COMMON PLEAS

FORM 4

JUDGMENT IN A CIVIL CASE

CASE NO. 2012 CP-07-996

Wells Fargo Bank, N.A., Successor by Merger to Wachovia
Bank, National Association,
PLAINTIFF(S)

708 Ocean, LLC,

DEFENDANT(S)

Submitted by: Robert C. Byrd, Esquire
Parker Poe Adams & Bernstein LLP

Attorney for : ☒ Plaintiff ☐ Defendant
or
☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

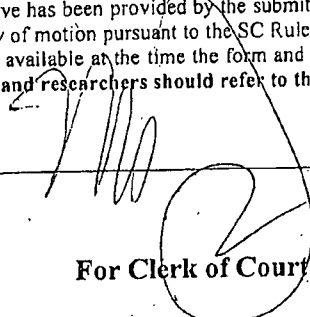
IT IS ORDERED AND ADJUDGED: ☒ See attached order (formal order to follow) ☐ Statement of Judgment by the Court: Order for Deficiency Judgment

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.
Additional Information for the Clerk :

INFORMATION FOR THE PUBLIC INDEX		
Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.		
Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association	708 Ocean, LLC	\$469,044.84
		\$
		\$
If applicable, describe the property, including tax map information and address, referenced in the order:		

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.


Circuit Court Judge

Judge Code

November 7
2012
Date

For Clerk of Court Office Use Only

This judgment was entered on the _____ day of November, 2012 and a copy mailed first class or placed in the appropriate attorney's box on this _____ day of November, 2012 to attorneys of record or to parties (when appearing pro se) as follows:

Robert C. Byrd, Esquire

Parker Poe Adams & Bernstein LLP

200 Meeting Street, Suite 301

Charleston, SC 29401

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter:

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

708 Ocean, LLC,

Defendant.

IN THE CIRCUIT COURT

Case No. 2012-CP-07-996

ORDER FOR
DEFICIENCY JUDGMENT

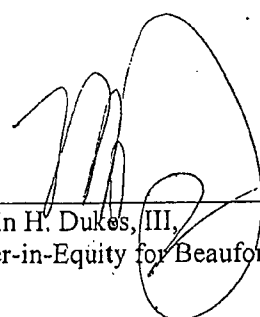
12 NOV 19 PM 2:25
CLERK OF COURT

Pursuant to the Master-in-Equity's Order and Judgment of Foreclosure and Sale entered on August 10, 2012, the Plaintiff is entitled to have a personal judgment against defendant 708 Ocean, LLC as follows:

a.	Amount of Judgment as of 08/10/12	\$596,175.58
b.	Interest from 08/10/12 to 10/31/12 @ 3.09125% (83 days x \$50.49 per day)	\$ 4,190.67
c.	Master's Commission	\$ 1,332.00
d.	Advertising Cost	\$ 546.59
	TOTAL JUDGMENT DEBT AS OF 10/31/12:	\$602,244.84
	Less Bid Amount:	<u>\$133,200.00</u>
	TOTAL DEFICIENCY AS OF 10/31/12:	<u>\$469,044.84</u>

NOW, THEREFORE, IT IS HEREBY ORDERED that the Plaintiff, Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association, shall have judgment against defendant **708 Ocean, LLC** in the sum of Four Hundred Sixty-Nine Thousand Forty-Four and 84/100 Dollars (\$469,044.84) plus post-judgment interest after entry of judgment at the rate provided by law.

AND IT IS SO ORDERED.



Marvin H. Dukes, III,
Master-in-Equity for Beaufort County

Beaufort, South Carolina

November 9, 2012

12-996

IN THE CIRCUIT COURT

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

VS.

Robert L. Freeman,

Defendant.

Case No. 2013-CP-10-06439

AFFIDAVIT OF STEVEN A. JASINSKI

FILED
JUL 11 5 14 AM
CLERK OF COURT
JAMES J. ARMSTRONG
BY
TEVEN A JAINSKI

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

PERSONALLY APPEARED BEFORE ME Steven A. Jasinski, who being first duly sworn, deposes and states as follows:

1. I am Vice President of Wells Fargo Bank, N.A., Successor by Merger to Wachovia Bank, National Association (“Wells Fargo”), the Plaintiff herein, and I am duly authorized to execute this affidavit on its behalf.

2. The invoiced September and October 2010 interest installments, which totaled, in the aggregate, \$31,615.03, were the only unpaid interest installments due more than 36 months prior to the commencement of this action on any of the subject loans.

FURTHER AFFIANT SAYETH NAUGHT.

GHT.



Steven A. Jasinski, Vice President
Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association

SWORN and subscribed to before
me this 29th day of April, 2015.

Notary Public for State of Minnesota
My Commission Expires: 1/31/19



STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

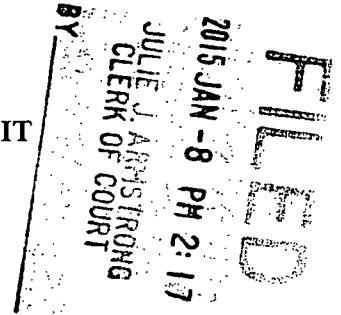
Robert L. Freeman; Alberta W. Freeman; and
Anna S. Seago,

Defendants.

IN THE CIRCUIT COURT

Case No. 2013-CP-10-6439

AFFIDAVIT



PERSONALLY APPEARED BEFORE ME Paul VanWagenen, who being first duly sworn,
deposes and states as follows:

1. I am a partner in the law firm of Parker Poe Adams & Bernstein LLP and one of the attorneys for the Plaintiff in connection with the matters leading up to the filing of the above-captioned action.

2. Attached hereto as Exhibit "A" are true and correct copies of the letters I sent to the various borrowers and guarantors regarding the subject loans on November 22, 2010, in my capacity as counsel for the Plaintiff and pursuant to the Plaintiff's instructions.

3. Attached hereto as Exhibit "B" are true and correct copies of the letters I sent to the various borrowers and guarantors or counsel on their behalf regarding the subject loans on December 7, 2010, in my capacity as counsel for the Plaintiff and pursuant to the Plaintiff's instructions.

4. Attached hereto as Exhibit "C" are true and correct copies of the letters I sent to the various borrowers and guarantors or counsel on their behalf regarding the subject loans on May 17, 2011, and May 19, 2011, in my capacity as counsel for the Plaintiff and pursuant to the Plaintiff's instructions.

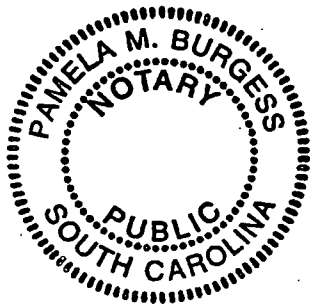
FURTHER AFFIANT SAYETH NOT.

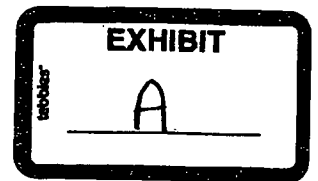
Paul VanWagenen
Paul VanWagenen
PARKER POE ADAMS & BERNSTEIN LLP
200 Meeting Street, Suite 301
Charleston, SC 29401
(843) 727-2650

Attorneys for the Plaintiff
Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association

SWORN and subscribed to before me
this 6th day of January, 2015.

Pamela M. Burgess (L.S.)
Notary Public for State of South Carolina
My Commission Expires: 03-09-19





Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

November 22, 2010

VIA FEDERAL EXPRESS

Seafree LLC
17 Lockwood Drive
Charleston, South Carolina 29401

Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

NOTICE OF DEFAULT

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Please be advised that the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes.

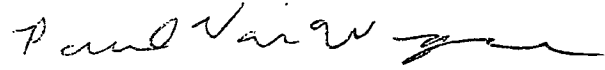
Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1752312v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Please give this matter your immediate attention.

Regards,

A handwritten signature in dark ink, appearing to read "Paul VanWagenen", with a stylized flourish at the end.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

<u>Loans</u>
\$1,089,500.00 Loan to Seafree LLC, evidenced by Promissory Note dated May 15, 2006, guaranteed by Robert L. Freeman
\$124,000.00 Loan to Seafree LLC, evidenced by Promissory Note dated January 9, 2008, guaranteed by Robert L. Freeman



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

November 22, 2010

VIA FEDERAL EXPRESS

Seafree Edisto, Inc.
17 Lockwood Drive
Charleston, South Carolina 29401

Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

NOTICE OF DEFAULT

Re: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree Edisto, LLC ("Borrower"), listed on Schedule A attached hereto ("Loan") and all other documents related to the Loan (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loan. Please be advised that the Loan is in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Note.

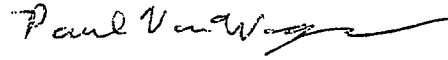
Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loan shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1752311v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", with a long horizontal flourish extending to the right.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

<u>Loan</u>
\$500,000.00 Loan to Seafree Edisto, Inc., evidenced by Promissory Note dated December 7, 2006, guaranteed by Robert L. Freeman



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

November 22, 2010

VIA FEDERAL EXPRESS

708 Ocean, LLC,
Robert L. Freeman, and
Alberta W. Freeman
3 Barre St
Charleston, South Carolina 29401

NOTICE OF DEFAULT

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 708 Ocean, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Please be advised that the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes.

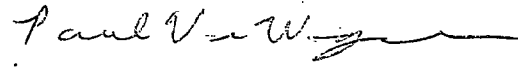
Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1752316v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", with a long horizontal flourish extending to the right.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

<u>Loans</u>
\$400,000.00 Loan to 708 Ocean, LLC, evidenced by Promissory Note dated June 6, 2007, guaranteed by Robert L. Freeman and Alberta W. Freeman
\$239,700.00 Loan to 708 Ocean, LLC, evidenced by Promissory Note dated August 18, 2006, guaranteed by Robert L. Freeman and Alberta W. Freeman



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

November 22, 2010

VIA FEDERAL EXPRESS

Yerby Road, LLC

Robert L. Freeman

3 Barre Street

Charleston, South Carolina 29401

NOTICE OF DEFAULT

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Yerby Road, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Please be advised that the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes.

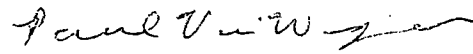
Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1752315v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", with a long horizontal flourish extending to the right.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

<u>Loans</u>
\$950,000.00 Loan to Yerby Road, LLC, evidenced by Promissory Note dated December 21, 2006, guaranteed by Robert L. Freeman
\$700,000.00 Loan to Yerby Road, LLC, evidenced by Promissory Note dated March 9, 2007, guaranteed by Robert L. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

November 22, 2010

VIA FEDERAL EXPRESS

1F3S, LLC
Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

Anna S. Seago
145 King Street, #229
Charleston, South Carolina 29401

NOTICE OF DEFAULT

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 1F3S, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Please be advised that the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes.

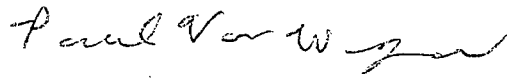
Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1752313v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen".

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

<u>Loans</u>
\$320,000.00 Loan to 1F3S, LLC, evidenced by Promissory Note dated November 3, 2006, guaranteed by Robert L. Freeman and Anna S. Seago
\$1,500,000.00 Loan to IF3S, LLC, evidenced by Promissory Note dated July 24, 2006, guaranteed by Robert L. Freeman and Anna S. Seago



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

November 22, 2010

VIA FEDERAL EXPRESS

Jadiekate, LLC

Robert L. Freeman

3 Barre Street

Charleston, South Carolina 29401

NOTICE OF DEFAULT

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Please be advised that the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes.

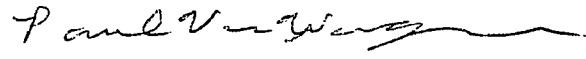
Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1752302v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", with a long horizontal flourish extending to the right.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

<u>Loans</u>
\$1,205,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated June 6, 2006, guaranteed by Robert L. Freeman
\$1,520,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated September 6, 2006, guaranteed by Robert L. Freeman
\$790,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated October 11, 2006, guaranteed by Robert L. Freeman
\$495,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated February 20, 2007, guaranteed by Robert L. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

December 7, 2010

VIA E-MAIL

Seafree LLC
Robert L. Freeman
c/o W. Harrison Penn
(hpenn@mccarthy-lawfirm.com)

NOTICE OF DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Due to the defaults under the Loans previously noticed to you, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Notes).

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

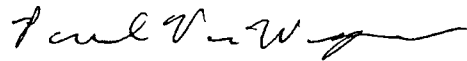
PPAB 1757888v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Seafree, LLC
Robert L. Freeman
December 7, 2010
Page 2

Please give this matter your immediate attention.

Regards,

A handwritten signature in black ink, appearing to read "Paul VanWagenen", with a long horizontal flourish extending to the right.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

Seafree, LLC
Robert L. Freeman
December 7, 2010
Page 3

<u>Loans</u>
\$1,089,500.00 Loan to Seafree LLC, evidenced by Promissory Note dated May 15, 2006, guaranteed by Robert L. Freeman
\$124,000.00 Loan to Seafree LLC, evidenced by Promissory Note dated January 9, 2008, guaranteed by Robert L. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

December 7, 2010

VIA E-MAIL

Seafree Edisto, Inc.
Robert L. Freeman
c/o W. Harrison Penn
(hpenn@mccarthy-lawfirm.com)

NOTICE OF DEFAULT RATE OF INTEREST

Re: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree Edisto, LLC ("Borrower"), evidenced by Promissory Note dated December 7, 2006 in the original principal amount of \$500,000.00, ("Loan") and all other documents related to the Loan (the "Loan Documents"), guaranteed by Robert L. Freeman

Gentlemen:

This firm represents Lender in connection with the above-referenced Loan. Due to the defaults under the Loan previously noticed to you, effective as of such defaults, interest will accrue on the outstanding amounts under the Note at the Default Rate (as defined in the Note).

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loan shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

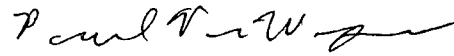
PPAB 1757881v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Seafree Edisto, Inc.
Robert L. Freeman
December 7, 2010
Page 2

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen".

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

December 7, 2010

VIA E-MAIL

708 Ocean, LLC,
Robert L. Freeman, and
Alberta W. Freeman
c/o W. Harrison Penn
(hpenn@mccarthy-lawfirm.com)

NOTICE OF DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 708 Ocean, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Due to the defaults under the Loans previously noticed to you, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Notes).

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1757848v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

708 Ocean, LLC
Robert L. Freeman, and
Alberta W. Freeman
December 7, 2010
Page 2

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", followed by a long horizontal flourish.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

708 Ocean, LLC
Robert L. Freeman, and
Alberta W. Freeman
December 7, 2010
Page 3

<u>Loans</u>
\$400,000.00 Loan to 708 Ocean, LLC, evidenced by Promissory Note dated June 6, 2007, guaranteed by Robert L. Freeman and Alberta W. Freeman
\$239,700.00 Loan to 708 Ocean, LLC, evidenced by Promissory Note dated August 18, 2006, guaranteed by Robert L. Freeman and Alberta W. Freeman



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

December 7, 2010

VIA E-MAIL

Yerby Road, LLC

Robert L. Freeman

c/o W. Harrison Penn

(hpenn@mccarthy-lawfirm.com)

NOTICE OF DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Yerby Road, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Due to the defaults under the Loans previously noticed to you, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Notes).

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1757905v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Yerby Road, LLC
Robert L. Freeman
December 7, 2010
Page 2

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanW", followed by a long horizontal flourish.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

Yerby Road, LLC
Robert L. Freeman
December 7, 2010
Page 3

<u>Loans</u>
\$950,000.00 Loan to Yerby Road, LLC, evidenced by Promissory Note dated December 21, 2006, guaranteed by Robert L. Freeman
\$700,000.00 Loan to Yerby Road, LLC, evidenced by Promissory Note dated March 9, 2007, guaranteed by Robert L. Freeman



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

December 7, 2010

VIA E-MAIL

1F3S, LLC

Robert L. Freeman

c/o W. Harrison Penn

(hpenn@mccarthy-lawfirm.com)

Anna S. Seago

c/o Kevin Campbell

(kcampbell@campbell-law-firm.com)

NOTICE OF DEFAULT

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 1F3S, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Due to the defaults under the Loans previously noticed to you, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Notes).

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

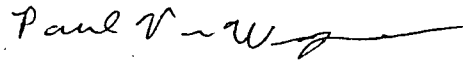
PPAB 1757900v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

1F3S, LLC
Robert L. Freeman
Anna S. Seago
December 7, 2010
Page 2

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", followed by a long horizontal flourish.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

IF3S, LLC
Robert L. Freeman
Anna S. Seago
December 7, 2010
Page 3

<u>Loans</u>
\$320,000.00 Loan to IF3S, LLC, evidenced by Promissory Note dated November 3, 2006, guaranteed by Robert L. Freeman and Anna S. Seago
\$1,500,000.00 Loan to IF3S, LLC, evidenced by Promissory Note dated July 24, 2006, guaranteed by Robert L. Freeman and Anna S. Seago



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

December 7, 2010

VIA E-MAIL

Jadiekate, LLC

Robert L. Freeman

c/o W. Harrison Penn

(hpenn@mccarthy-lawfirm.com)

NOTICE OF DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the above-referenced Loans. Due to the defaults under the Loans previously noticed to you, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Notes).

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

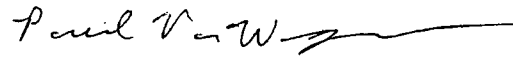
PPAB 1757915v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Jadiekate, LLC
Robert L. Freeman
December 7, 2010
Page 2

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul VanWagenen", followed by a long horizontal flourish line.

Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

Jadiekate, LLC
Robert L. Freeman
December 7, 2010
Page 3

<u>Loans</u>
\$1,205,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated June 6, 2006, guaranteed by Robert L. Freeman
\$1,520,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated September 6, 2006, guaranteed by Robert L. Freeman
\$790,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated October 11, 2006, guaranteed by Robert L. Freeman
\$495,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated February 20, 2007, guaranteed by Robert L. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

May 17, 2011

VIA FEDERAL EXPRESS

1F3S, LLC
Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

Anna S. Seago
c/o Kevin Cambell
Campbell Law Firm
890 Johnnie Dodds Blvd # B
Mount Pleasant, SC 29464-6129

NOTICE OF DEFAULT; ACCELERATION; AND DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 1F3S, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the Loans. As you have been advised previously, the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes. Lender has elected to accelerate the balance of the Loans and hereby demands payment in full of the Loans. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

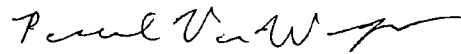
PPAB 1825330v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

1F3S, LLC
Robert L. Freeman
Anna S. Seago
Page 2
May 19, 2011

Please give this matter your immediate attention.

Regards,



Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
Columbia, South Carolina 29204

1F3S, LLC
Robert L. Freeman
Anna S. Seago
Page 3
May 19, 2011

<u>Loans</u>
\$320,000.00 Loan to 1F3S, LLC, evidenced by Promissory Note dated November 3, 2006, guaranteed by Robert L. Freeman and Anna S. Seago
\$1,500,000.00 Loan to 1F3S, LLC, evidenced by Promissory Note dated July 24, 2006, guaranteed by Robert L. Freeman and Anna S. Seago



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

May 19, 2011

VIA FEDERAL EXPRESS

Seafree LLC

17 Lockwood Drive

Charleston, South Carolina 29401

Robert L. Freeman

3 Barre Street

Charleston, South Carolina 29401

NOTICE OF DEFAULT; ACCELERATION; AND DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the Loans. As you have been advised previously, the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes. Lender has elected to accelerate the balance of the Loans and hereby demands payment in full of the Loans. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1825340v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401

t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Seafree, LLC
Robert L. Freeman
Page 2
May 19, 2011

Please give this matter your immediate attention.

Regards,

A handwritten signature in cursive script, appearing to read "Paul Van Wagenen", with a long horizontal flourish extending to the right.

Paul Van Wagenen

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
Columbia, South Carolina 29204

Seafree, LLC
Robert L. Freeman
Page 3
May 19, 2011

<u>Loans</u>
\$1,089,500.00 Loan to Seafree LLC, evidenced by Promissory Note dated May 15, 2006, guaranteed by Robert L. Freeman
\$124,000.00 Loan to Seafree LLC, evidenced by Promissory Note dated January 9, 2008, guaranteed by Robert L. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

May 19, 2011

VIA FEDERAL EXPRESS

Seafree Edisto, Inc.
17 Lockwood Drive
Charleston, South Carolina 29401

Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

NOTICE OF DEFAULT; ACCELERATION; AND DEFAULT RATE OF INTEREST

Re: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree Edisto, LLC ("Borrower"), evidenced by that certain Promissory Note dated December 7, 2006, in the original principal amount of \$500,000.00 ("Loan") and all other documents related to the Loan (the "Loan Documents"), guaranteed by Robert L. Freeman.

Gentlemen:

This firm represents Lender in connection with the Loan. As you have been advised previously, the Loan is in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Note. Lender has elected to accelerate the balance of the Loan and hereby demands payment in full of the Loan. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amount under the Note at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loan shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

PPAB 1825346v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

Seafree Edisto, Inc.
Robert L. Freeman
Page 2
May 19, 2011

Please give this matter your immediate attention.

Regards,

A handwritten signature in black ink, appearing to read "Paul Van Wagenen", with a stylized flourish at the end.

Paul Van Wagenen

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
Columbia, South Carolina 29204



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

May 19, 2011

VIA FEDERAL EXPRESS

708 Ocean, LLC,
Robert L. Freeman
Alberta W. Freeman
3 Barre St
Charleston, South Carolina 29401

NOTICE OF DEFAULT; ACCELERATION; AND DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 708 Ocean, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the Loans. As you have been advised previously, the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes. Lender has elected to accelerate the balance of the Loans and hereby demands payment in full of the Loans. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

708 Ocean, LLC
Robert L. Freeman
Alberta W. Freeman
Page 2
May 19, 2011

Please give this matter your immediate attention.

Regards,



Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
Columbia, South Carolina 29204

708 Ocean, LLC
Robert L. Freeman
Alberta W. Freeman
Page 3
May 19, 2011

<u>Loans</u>
\$400,000.00 Loan to 708 Ocean, LLC, evidenced by Promissory Note dated June 6, 2007, guaranteed by Robert L. Freeman and Alberta W. Freeman
\$239,700.00 Loan to 708 Ocean, LLC, evidenced by Promissory Note dated August 18, 2006, guaranteed by Robert L. Freeman and Alberta W. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

May 19, 2011

VIA FEDERAL EXPRESS

Yerby Road, LLC
Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

NOTICE OF DEFAULT; ACCELERATION; AND DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Yerby Road, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

This firm represents Lender in connection with the Loans. As you have been advised previously, the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes. Lender has elected to accelerate the balance of the Loans and hereby demands payment in full of the Loans. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

Yerby Road, LLC
Robert L. Freeman
Page 2
May 19, 2011

Please give this matter your immediate attention.

Regards,



Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
Columbia, South Carolina 29204

Yerby Road, LLC
Robert L. Freeman
Page 3
May 19, 2011

<u>Loans</u>
\$950,000.00 Loan to Yerby Road, LLC, evidenced by Promissory Note dated December 21, 2006, guaranteed by Robert L. Freeman
\$700,000.00 Loan to Yerby Road, LLC, evidenced by Promissory Note dated March 9, 2007, guaranteed by Robert L. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

May 19, 2011

VIA FEDERAL EXPRESS

Jadiekate, LLC
Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

NOTICE OF DEFAULT; ACCELERATION; AND DEFAULT RATE OF INTEREST

Re: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), listed on Schedule A attached hereto ("Loans") and all other documents related to the Loans (the "Loan Documents").

Gentlemen:

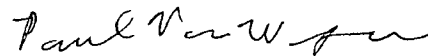
This firm represents Lender in connection with the Loans. As you have been advised previously, the Loans are in default for, without limitation, Borrower's failure to make the full monthly payments of principal and interest required under the Notes. Lender has elected to accelerate the balance of the Loans and hereby demands payment in full of the Loans. Please be further advised that, effective as of such defaults, interest will accrue on the outstanding amounts under the Notes at the Default Rate (as defined in the Loan Documents). If the outstanding balance of the Loans is not delivered in full to Lender by June 17, 2011, Lender intends to pursue available remedies, including foreclosure of the collateral property and suits against each of the guarantors.

Pursuant to this notice, Lender hereby reserves all claims and remedies available to it under the Loan Documents, which it may exercise without further notice. Any partial payment(s) or production of documents that may be made or received on account of the Loans shall not constitute an agreement to waive demand for full payment of all amounts due and/or all documents required under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, which such rights and remedies are expressly reserved.

Jadiekate, LLC
Robert L. Freeman
Page 2
May 19, 2011

Please give this matter your immediate attention.

Regards,



Paul VanWagenen

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
Columbia, South Carolina 29204

Jadiekate, LLC
Robert L. Freeman
Page 3
May 19, 2011

<u>Loans</u>
\$1,205,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated June 6, 2006, guaranteed by Robert L. Freeman
\$1,520,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated September 6, 2006, guaranteed by Robert L. Freeman
\$790,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated October 11, 2006, guaranteed by Robert L. Freeman
\$495,000.00 Loan to Jadiekate, LLC, evidenced by Promissory Note dated February 20, 2007, guaranteed by Robert L. Freeman

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association,

Plaintiff,

vs.

Robert L. Freeman; Alberta W. Freeman; and
Anna S. Seago,

Defendants.

IN THE CIRCUIT COURT

Case No. 2013-CP-10-6439

SUPPLEMENTAL
AFFIDAVIT OF PAUL VANWAGENEN

FILED
2015 APR 23 PM 2:48
JULIE J. ARMSTRONG
CLERK OF COURT
BY

PERSONALLY APPEARED BEFORE ME Paul VanWagenen, who being first duly
sworn, deposes and states as follows:

1. I am a partner in the law firm of Parker Poe Adams & Bernstein LLP and
one of the attorneys for the Plaintiff in connection with the matters leading up to the filing of the
above-captioned action.

2. Attached hereto as Exhibit "A" is a true and correct copy of an email dated
March 12, 2012 sent to me in my capacity as counsel for the Plaintiff by Trenholm Walker in
his capacity as counsel for defendant Robert L. Freeman.

3. Attached hereto as Exhibit "B" are true and correct copies of the letters I
sent to the various borrowers and guarantors regarding their requested short sales, on or about
the dates referenced at the top of each respective letter, in my capacity as counsel for the
Plaintiff and pursuant to the Plaintiff's instructions.

4. Attached hereto as Exhibit "C" is a true and correct copy of a letter sent to
me in my capacity as counsel for the Plaintiff by Harrison Penn in his capacity as counsel for
defendant Robert L. Freeman.

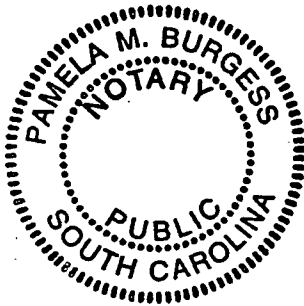
FURTHER AFFIANT SAYETH NOT.

Paul VanWagenen
Paul VanWagenen
PARKER POE ADAMS & BERNSTEIN LLP
200 Meeting Street, Suite 301
Charleston, SC 29401
(843) 727-2650

Attorneys for the Plaintiff
Wells Fargo Bank, N.A., Successor by Merger
to Wachovia Bank, National Association

SWORN and subscribed to before me
this 22 day of April, 2015.

Pamela M. Burgess (L.S.)
Notary Public for State of South Carolina
My Commission Expires: 03/09/2019



Podris, A. Smith

From: Trenholm Walker <gtw@p-tw.com>
Sent: Monday, March 12, 2012 5:25 AM
To: VanWagenen, Paul
Subject: RE: Wells Fargo/IF3S
Attachments: Copy of Loan Update Wells 25 FEB 2012.xls

Paul, here is the chart I mentioned in my VM that provides the current status of all properties. Page 2 are those that have sold.

G. Trenholm Walker
Pratt-Thomas Walker, P.A.
P. O. Box 22247
Charleston, S.C. 29413-2247
16 Charlotte Street
Charleston, S.C. 29403
843 727-2208
gtw@p-tw.com

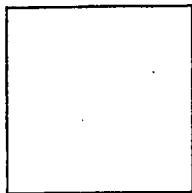
From: VanWagenen, Paul [mailto:paulvanwagenen@parkerpoe.com]
Sent: Tuesday, February 21, 2012 3:43 PM
To: Trenholm Walker
Subject: RE: Wells Fargo/IF3S

Trenholm,

Have there been any further developments on possible property sales? If not, we'll file and serve the foreclosure actions to you shortly.

Thanks,

Paul VanWagenen
Partner



200 Meeting Street | Suite 301 | Charleston, SC 29401-3156
Phone: 843.727.2648 | Fax: 843.727.2680 | www.parkerpoe.com | [vcard](#) | [map](#)

From: Trenholm Walker [mailto:gtw@p-tw.com]
Sent: Tuesday, January 24, 2012 5:53 PM

To: Robbie Freeman; VanWagenen, Paul
Cc: 'Harrison Penn'; 'Scott Price'
Subject: RE: Wells Fargo/IF3S

Paul,

As Robbie indicates, he has authorized me to accept service. My contact information is below.

Look forward to working with you.

Trenholm
G. Trenholm Walker
Pratt-Thomas Walker, P.A.
P. O. Box 22247
Charleston, S.C. 29413-2247
16 Charlotte Street
Charleston, S.C. 29403
843 727-2208
gtw@p-tw.com

From: Robbie Freeman [mailto:rffreeman@megadock.us]
Sent: Tuesday, January 24, 2012 12:32 PM
To: 'VanWagenen, Paul'
Cc: 'Harrison Penn'; Trenholm Walker; 'Scott Price'
Subject: FW: Wells Fargo/IF3S

Paul:

Attached is the executed release letter for the 8 Penn sale.

Trenholm Walker at Pratt-Thomas Walker will accept service on any foreclosure actions.

Trenholm is at 16 Charlotte St., Chas., SC 29403 (Tel 843 727 2200).

Regards,

Robbie Freeman

From: "VanWagenen, Paul" <paulvanwagenen@parkerpoe.com>
Date: January 23, 2012 11:27:22 AM EST
To: "bmccarthy@mccarthy-lawfirm.com" <bmccarthy@mccarthy-lawfirm.com>, 'Harrison Penn' <hpenn@mccarthy-lawfirm.com>
Cc: "Byrd, Robert C." <bobbybyrd@parkerpoe.com>
Subject: Wells Fargo/IF3S

Please see the attached letter being delivered to Robbie in response to his request for a release of lien on the IF3S loan. If acceptable, please have your client's signature page sent to me.

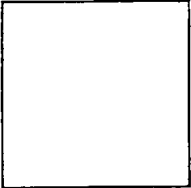
Also, please note that we intend to file foreclosure actions on the Freeman loans this week. Please let me know if you would like to accept service on behalf of the borrowers and the Freemans.

Feel free to give me a call if you would like to discuss any of this.

Thanks,

Paul VanWagenen

Partner



200 Meeting Street | Suite 301 | Charleston, SC 29401-3156
Phone: 843.727.2648 | Fax: 843.727.2680 | www.parkerpoe.com | [vcard](#) | [map](#)

IRS CIRCULAR 230 NOTICE: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (or in any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this communication (or in any attachment).

PRIVILEGED AND CONFIDENTIAL: This electronic message and any attachments are confidential property of the sender. The information is intended only for the use of the person to whom it was addressed. Any other interception, copying, accessing, or disclosure of this message is prohibited. The sender takes no responsibility for any unauthorized reliance on this message. If you have received this message in error, please immediately notify the sender and purge the message you received. Do not forward this message without permission.

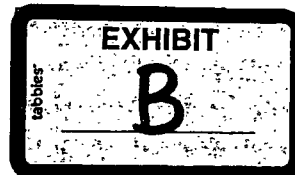
PRIVILEGED AND CONFIDENTIAL: The information in this electronic message and any corresponding attachments are legally privileged and/or confidential materials, and are the property of The Beach Company. This information is intended for the sole use of the individual(s) or entity(s) to which it is addressed. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or duplication of this message is strictly prohibited. If you have received this message in error, please immediately notify The Beach Company by telephone, and purge the message received. Thank You.

Scanned by Barracuda

	A	B	C	D	E	G	H
1	Borrower	Collateral/Property	Loan Number	Original Loan Amount	Principal O/S	RLF Owned %	STATUS
2	COMMERCIAL LOANS						
3	1F3S LLC	Hwy 61 (2.4 acres)	000-16-6378-0	\$1,500,000	\$1,500,000	56%	Listed @ \$1,800,000; Working with Ter
4	1F3S LLC	21 Penn Ave	000-16-6378-0				
5							
6	1F3S LLC	8 Penn Ave	000-16-7771-5	320,000	318,000	56%	SOLD \$240K ; CLOSING 2-28- 12
7	1F3S LLC	19 Penn Ave-duplex	Perm 0008998637	360,000	360,000	56%	Listed @ \$325K. Fair Activity
8							
9	708 Ocean Blvd	Okatie (Berta)	000-17-0442-8	400,000	400,000	50%	Listed @ \$249,000; Slow Activity; Cons
10							
11		Stuart Engles Blvd					
12	Jadiekate	1387-Cox Tree					WORKING CONTRACT with 1391
13	Jadiekate	1391-Bakery	000-16-5555-4	1,205,000	1,150,400	100%	WORKING CONTRACT @ 950K
14	Jadiekate	1330 - Ft. Moultrie Motel	000-16-6976-1	1,520,000	1,520,000	100%	WORKING CONTRACT @ \$1.2M
15	Jadiekate	1320 - Crossfit	000-16-7486-0	790,000	790,000	100%	Listed @ \$800,000; Good Activity
16	Jadiekate	1314 C - Palmetto Custom Cart	000-16-9517-0	495,000	495,000	100%	WORKING CONTRACT @ \$375K
17							ALL ABOVE LISTED @ \$3,950,000
18	Seafree Edisto	Good Hope-175 Acres\Givhans	000-16-8424-0	500,000	497,220	80%	Much Activity @ \$485K; Anticipate Offe
19							
20	Seafree LLC	Cottageville, 38 Acres	000-16-5243-7	1,089,500	1,089,500	80%	Sewer Issues, Listed @580,000 Dodge
21							
22	Maybank Comm.	2896 Maybank Hwy.	75222761000001	126,800	116,000	33%	Loan Current ; UNDER CONTRACT
23							
24	Yerby Road LLC	Yerby Rd., 130 Acres	000-16-8342-4	950,000	950,000	81%	NO ACTIVITY; OK TO FORECLOSE
25	Yerby Road LLC\LOC	Yerby Rd., LOC	000-16-9515-4	700,000	700,000	81%	
26	MORTGAGE LOANS						
27	WMC Robbie & Berta	3 Barre Street (Berta)	000-575-0161	1,000,000	975,000	50%	Listed @\$2,650,000 Loan Current
28							
29	TOTALS:			\$10,956,300	\$10,861,120		
30							
31		updated 2-25-2012					
32							
33							
34							
35							

PCL XL error

Warning: IllegalMediaSize



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

June 7, 2011

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Seafree LLC
17 Lockwood Drive
Charleston, South Carolina 29401

Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree LLC ("Borrower"), evidenced by Promissory Note dated January 9, 2008 in the original principal amount of \$124,000.00, guaranteed by Robert L. Freeman ("Guarantor"), and secured by that certain Mortgage and Assignment of Rents dated January 9, 2008 and recorded in the recording office for Charleston County, South Carolina in Book N648, at Page 363 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS # 469-11-00-233 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$60,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through June 30, 2011. If the sale of the Property does not occur by June 30, 2011, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

Very truly yours,

Paul VanWagenen, Esquire

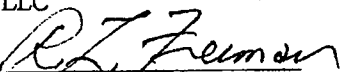
Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
PPAB 1832983v1 t 843.727.2650 f 843.727.2680 www.parkerpoe.com

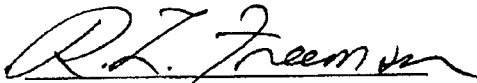
Seafree LLC
Robert L. Freeman
June 7, 2011
Page 2

cc: Wells Fargo Bank, N.A. (via email)
W. Harrison Penn, Esq. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:

Seafree LLC

By: 
Name: Robert L. Freeman
Title: member


Robert L. Freeman



Paul VanWagonen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagonen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Raleigh, NC
Spartanburg, SC

September 5, 2012

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Seafree Edisto, Inc.
17 Lockwood Drive
Charleston, SC 29401

Robert L. Freeman
3 Barre Street
Charleston, SC 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Seafree Edisto, LLC ("Borrower"), evidenced by that certain Promissory Note dated December 7, 2006, in the original principal amount of \$500,000.00, guaranteed by Robert L. Freeman ("Guarantor") and secured by that certain Mortgage and Assignment of Rents dated December 7, 2006 from Borrower and recorded in the recording office for Colleton County, South Carolina, in Book 1448, at Page 194 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS number 120-00-00-032 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$330,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through September 17, 2012. If the sale of the Property does not occur by September 17, 2012, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

PPAB 1999048v1

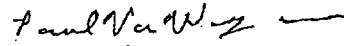
Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
(843.727.2650) (843.727.2680) www.parkerpoe.com

DEFS_RRF0_000628

Edisto Seafree, Inc.
September 5, 2012
Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

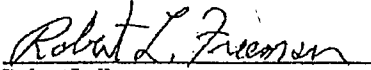
Very truly yours,



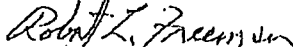
Paul VanWagenen, Esquire

cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:


Robert L. Freeman

Edisto Seafree, Inc.

By: 
Name: Robert L. Freeman
Title: Member

PPAB 1099048v1

DEFS_RRFP_000629



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Myrtle Beach, SC
Raleigh, NC
Spartanburg, SC

April 24, 2012

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Jadiekate, LLC
c/o Robbie Freeman
17 Lockwood Drive, 2nd Floor BP
Charleston, SC 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), evidenced by Promissory Note dated June 6, 2006, in the original principal amount of \$1,205,000.00, guaranteed by Robert L. Freeman ("Guarantor"), and secured by that certain Mortgage and Assignment of Rents dated June 6, 2006, from Borrower and recorded in the recording office for Charleston County, South Carolina in Book N586, at Page 838 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the properties securing the Loan and having TMS numbers 560-02-00-027 and 560-02-00-030 (the "Properties") are under contract for sale. Please be advised that Lender is willing to release the Properties from the lien of the Mortgage in exchange for receipt of a minimum of \$620,000.00, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Properties is good only through May 9, 2012. If the sale of the Properties does not occur by May 9, 2012, Lender shall be under no obligation to release its lien on the Properties, except upon such terms as Lender may agree in its sole discretion.

PPAB 1952635v1

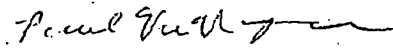
Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
(843.727.2650) (843.727.2680) www.parkerpoe.com

DEFS_RRFP_000622

Jadiekate, LLC
April 24, 2012
Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

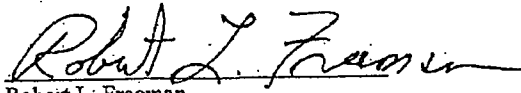
Very truly yours,



Paul VanWagenen, Esquire

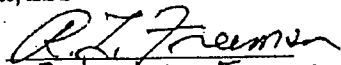
cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:



Robert L. Freeman

Jadiekate, LLC

By: 
Name: Robert L. Freeman
Title: Member

PPAB 1952635v1

DEFS_RRFP_000623



Paul VanWageningen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwageningen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Raleigh, NC
Spartanburg, SC

May 2, 2013

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Jadiekate, LLC
c/o Robbie Freeman
17 Lockwood Drive; 2nd Floor BP
Charleston, SC 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), evidenced by Promissory Note dated June 6, 2006, in the original principal amount of \$1,205,000.00, guaranteed by Robert L. Freeman. ("Guarantor"), and secured by that certain Mortgage and Assignment of Rents dated June 6, 2006, from Borrower and recorded in the recording office for Charleston County, South Carolina in Book N586, at Page 838 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS number 560-02-00-030 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$238,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through June 14, 2013. If the sale of the Property does not occur by June 14, 2013, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

PPAB 1968122v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
1 843.727.2650 1 843.727.2680 www.parkerpoe.com

DEFS_RRF_000634

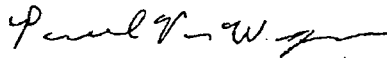
Jadickate, LLC

May 1, 2013

Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

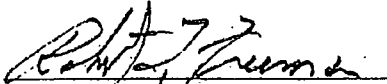
Very truly yours,



Paul VanWagenen, Esquire

cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:



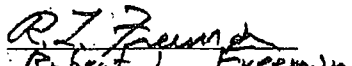
Robert L. Freeman

Jadickate, LLC

By:

Name:

Title:


Robert L. Freeman
Member

PPAS 1988122v1

DEFS_RRFP_000635



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Raleigh, NC
Spartanburg, SC

May 2, 2013

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Jadiekate, LLC
c/o Robbie Freeman
17 Lockwood Drive; 2nd Floor BP
Charleston, SC 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), evidenced by Promissory Note dated September 6, 2006, in the original principal amount of \$1,520,000.00, guaranteed by Robert L. Freeman, ("Guarantor"), and secured by that certain Mortgage and Assignment of Rents dated September 6, 2006, from Borrower and recorded in the recording office for Charleston County, South Carolina in Book N597, at Page 136 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS number 560-02-00-026 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$1,150,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through May 26, 2013. If the sale of the Property does not occur by May 26, 2013, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

PPAB 2082953v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

DEFS_RRFP_000636

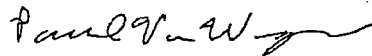
Jadiekate, LLC

May 1, 2013

Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

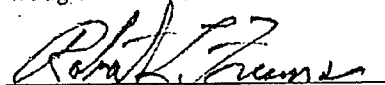
Very truly yours,



Paul Van Wagenen, Esquire

cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:


Robert L. Freeman

Jadiekate, LLC

By: 
Name: Robert L. Freeman
Title: Member

PPAB 20B2953v1

DEFS_RRFP_000637



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Raleigh, NC
Spartanburg, SC

June 26, 2013

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Jadiekate, LLC
c/o Robbie Freeman
17 Lockwood Drive; 2nd Floor BP
Charleston, SC 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), evidenced by Promissory Note dated October 11, 2006, in the original principal amount of \$790,000.00, guaranteed by Robert L. Freeman, ("Guarantor"), and secured by that certain Mortgage and Assignment of Rents dated October 11, 2006, from Borrower and recorded in the recording office for Charleston County, South Carolina in Book S601, at Page 598 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS number 560-02-00-037 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$461,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through July 25, 2013. If the sale of the Property does not occur by July 25, 2013, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

PPAB 2122504v1

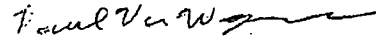
Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

DEFS_RRFP_000640

Jadiekate, LLC
June 26, 2013
Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

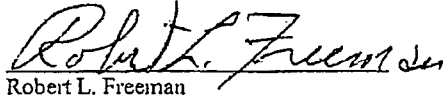
Very truly yours,



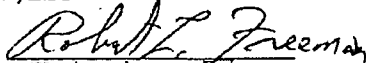
Paul VanWagenen, Esquire

cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:


Robert L. Freeman

Jadiekate, LLC

By: 
Name: Robert L. Freeman
Title: Member

PPAB 2122504v1

DEFS_RRFP_000641



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Raleigh, NC
Spartanburg, SC

March 27, 2013

VIA ELECTRONIC MAIL TRANSMISSION ONLY

Jadiekate, LLC
c/o Robbie Freeman
17 Lockwood Drive; 2nd Floor BP
Charleston, SC 29401

RE: Loan from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to Jadiekate, LLC ("Borrower"), evidenced by Promissory Note dated February 20, 2007, in the original principal amount of \$495,000.00, guaranteed by Robert L. Freeman ("Guarantor"), and secured by that certain Mortgage and Assignment of Rents dated February 20, 2007, from Borrower and recorded in the recording office for Charleston County, South Carolina in Book Z615, at Page 570 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS number 560-02-00-042 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$280,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through April 10, 2013. If the sale of the Property does not occur by April 10, 2013, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

PPAB 2068591v1

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
t 843.727.2650 f 843.727.2680 www.parkerpoe.com

DEFS_RRF0_000632

Jadiekate, LLC
March 27, 2013
Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

Very truly yours,



Paul VanWagenen, Esquire

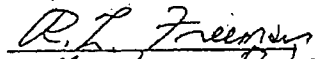
cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:



Robert L. Freeman

Jadiekate, LLC

By: 
Name: Member - Robert L. Freeman
Title: Member

PPAB 2068591v1

DEFS_RRFP_000633



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

July 29, 2011

VIA ELECTRONIC MAIL TRANSMISSION ONLY

708 Ocean, LLC
145 King Street
Charleston, South Carolina 29401

Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

Alberta W. Freeman
3 Barre Street
Charleston, South Carolina 29401

RE: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 708 Ocean, LLC ("Borrower"), evidenced by Promissory Note dated August 18, 2006 in the original principal amount of \$239,700.00 and Promissory Note dated June 6, 2007 in the original principal amount of \$400,000.00, guaranteed by Robert L. Freeman and Alberta W. Freeman ("Guarantors"), and secured by that certain Mortgage, Assignment of Rents and Security Agreement dated April 8, 2010 and recorded in the recording office for Charleston County, South Carolina in Book 116, at Page 739 (the "Mortgage") and all other documents related to the Loan (the "Loan Documents")

Dear Sirs and Madam:

As you know, this firm represents Lender in connection with the above-referenced Loan. We understand that the property securing the Loan and having TMS #560-06-00-207 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$94,000.00, whichever amount is greater, provided the Borrower and Guarantor expressly agree this is a partial payment on the Loan and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through August 31, 2011. If the sale of the Property does not occur by August 31, 2011, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
PPAB 1852809v1 1843.727.2650 1843.727.2680 www.parkerpoe.com

708 Ocean, LLC
Robert L. Freeman
Alberta W. Freeman
July 29, 2011

Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

Very truly yours,



Paul VanWagenen, Esquire

cc: Wells Fargo Bank, N.A. (via email)

W. Harrison Penn, Esq. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:

708 Ocean, LLC

By:

Name:

Title:


R. L. Freeman
Member


Robert L. Freeman


Alberta W. Freeman



Paul VanWagenen
Partner
Telephone: 843.727.2650
Direct Fax: 843.727.2680
paulvanwagenen@parkerpoe.com

Charleston, SC
Charlotte, NC
Columbia, SC
Raleigh, NC
Spartanburg, SC

December 7, 2012

VIA ELECTRONIC MAIL TRANSMISSION ONLY

1F3S, LLC
Robert L. Freeman
3 Barre Street
Charleston, South Carolina 29401

Anna S. Seago
c/o Kevin Campbell, Esquire
Campbell Law Firm, P.A.
890 Johnnie Dodds Boulevard
Mount Pleasant, South Carolina 29465-0684

RE: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 1F3S, LLC ("Borrower"), evidenced by Promissory Note dated November 3, 2006 in the original principal amount of \$320,000.00 and Promissory Note dated July 24, 2006 in the original principal amount of \$1,500,000.00, guaranteed by Robert L. Freeman and Anna S. Seago ("Guarantors"), and secured by that certain Mortgage and Assignment of Rents dated July 24, 2006 and recorded in the recording office for Charleston County, South Carolina in Book H-592, at Page 776, (as modified or amended, the "Mortgage") and all other documents related to the Loans (the "Loan Documents")

Dear Sir and Madam:

As you know, this firm represents Lender in connection with the above-referenced Loans. We understand that the property securing the Loans and having TMS #418-15-00-099 and 418-11-00-001 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$1,500,000.00, whichever amount is greater, provided the Borrower and Guarantors expressly agree this is a partial payment on the Loans and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through December 18, 2012. If the sale of the Property does not occur by December 18, 2012, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

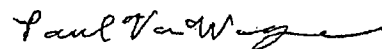
Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
PPAB 2028682v1 t 843.727.2650 f 843.727.2680 www.parkerpoe.com

DEFS_RRFP_000624

1F3S, LLC
Robert L. Freeman
Anna S. Seago
December 7, 2012
Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

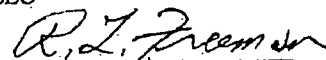
Very truly yours,


Paul VanWagenen, Esquire

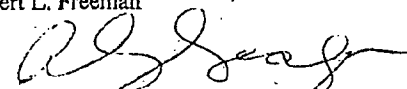
cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:

1F3S, LLC

By: 
Name: Robert L. Freeman
Title: Member


Robert L. Freeman


Anna S. Seago



Paul VanWagenen

Partner

Telephone: 843.727.2650

Direct Fax: 843.727.2680

paulvanwagenen@parkerpoe.com

Charleston, SC

Charlotte, NC

Columbia, SC

Myrtle Beach, SC

Raleigh, NC

Spartanburg, SC

January 20, 2012

VIA ELECTRONIC MAIL TRANSMISSION ONLY

1F3S, LLC

Robert L. Freeman

3 Barre Street

Charleston, South Carolina 29401

Anna S. Seago

c/o Kevin Campbell, Esquire

Campbell Law Firm, P.A.

890 Johnnie Dodds Boulevard

Mount Pleasant, South Carolina 29465-0684

RE: Loans from Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association ("Lender") to 1F3S, LLC ("Borrower"), evidenced by Promissory Note dated November 3, 2006 in the original principal amount of \$320,000.00 and Promissory Note dated July 24, 2006 in the original principal amount of \$1,500,000.00, guaranteed by Robert L. Freeman and Anna S. Seago ("Guarantors"), and secured by that certain Mortgage and Assignment of Rents dated November 3, 2006 and recorded in the recording office for Charleston County, South Carolina in Book S-604, at Page 57, (as modified or amended, the "Mortgage") and all other documents related to the Loans (the "Loan Documents")

Dear Sir and Madam:

As you know, this firm represents Lender in connection with the above-referenced Loans. We understand that the property securing the Loans and having TMS #418-15-00-100 (the "Property") is under contract for sale. Please be advised that Lender is willing to release the Property from the lien of the Mortgage in exchange for 100% of the net proceeds from the sale or \$224,000.00, whichever amount is greater, provided the Borrower and Guarantors expressly agree this is a partial payment on the Loans and that neither this payment nor any other partial payment that has been or may be received shall constitute an agreement to waive demand for full payment of all amounts due under the Loan Documents. Nothing contained in this letter constitutes a waiver of, or any agreement to forbear from exercising, any rights and remedies under the Loan Documents, at law or in equity, and that Lender expressly reserves all such rights and remedies.

Please be further advised that the above-stated amount for releasing the Property is good only through March 5, 2012. If the sale of the Property does not occur by March 5, 2012, Lender shall be under no obligation to release its lien on the Property, except upon such terms as Lender may agree in its sole discretion.

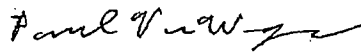
Parker Poe Adams & Bernstein LLP Attorneys and Counselors at Law 200 Meeting Street Suite 301 Charleston, SC 29401
PPAB 1917510v1 t 843.727.2650 f 843.727.2680 www.parkerpoe.com

DEFS_RRFP_000620

IF3S, LLC
Robert L. Freeman
Anna S. Seago
January 20, 2012
Page 2

If the above-stated terms are agreeable to you, please execute where indicated below and return the original to my office as soon as possible.

Very truly yours,

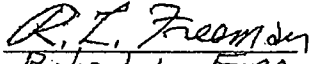


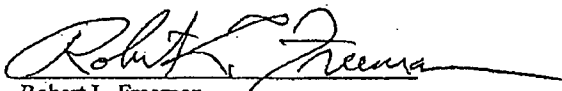
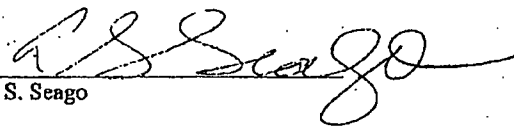
Paul VanWagenen, Esquire

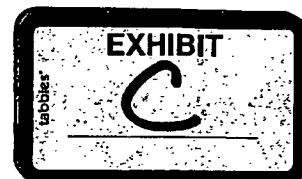
cc: Wells Fargo Bank, N.A. (via email)

We agree to the release terms recited hereinabove and agree to be bound by the same:

IF3S, LLC

By: 
Name: Robert L. Freeman
Title: Member


Robert L. Freeman
Anna S. Seago



From: Harrison Penn [<mailto:hpenn@mccarthy-lawfirm.com>]
Sent: Monday, December 06, 2010 5:06 PM
To: VanWagenen, Paul
Cc: scott.vanhee@wellsfargo.com; Robbie Freeman; Bill McCarthy
Subject: Freeman Workout Proposal

Paul,

Attached are the proposal documents for the Freeman workout. I again offer my apologies for the delay in getting this proposal in your hands, but the additional time was well spent investigating the tax consequences and feasibility of this proposal. The details are in the attached letter for you and are illustrated by the attached spreadsheets.

I am available to address any questions or concerns that you might have. I look forward to working together with you to bring this matter to a resolution.

Yours very truly,

Harrison

W. Harrison Penn, Esq.
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9 (29204)
P.O. Box 11332
Columbia, SC 29211-1332
Phone: (803) 771-8836 ext 5
Fax: (803) 753-6960
E-Mail: hpenn@mccarthy-lawfirm.com

McCARTHY LAW FIRM, LLC

3924 FOREST DRIVE, SUITE 9
COLUMBIA, SOUTH CAROLINA 29201

G. WILLIAM McCARTHY, JR.*
DANIEL J. REYNOLDS, JR.
* CERTIFIED BANKRUPTCY SPECIALIST
IN THE STATE OF SOUTH CAROLINA

SEAN P. MARKHAM
W. HARRISON PENN
MICHAEL J. PITCH

P.O. BOX 11332
COLUMBIA, S.C. 29211-1332
803/771-8836
FAX 803/779-0267

bmcCarthy@mccarthy-lawfirm.com
dreynolds@mccarthy-lawfirm.com
smarkham@mccarthy-lawfirm.com
hpenn@mccarthy-lawfirm.com
mpitch@mccarthy-lawfirm.com

December 6, 2010

Paul VanWagenen
Parker Poe
200 Meeting Street, Suite 301
Charleston, SC 29401

Via Email Delivery

Re: Robert L. Freeman and Alberta W. Freeman Workout Proposal

We are writing this letter to make a workout proposal for the repayment of Robbie Freeman's secured, and unsecured deficiency creditors in order to avoid a costly bankruptcy filing, which would bring with it high administrative expenses that would potentially diminish the returns available for the creditors listed in the attached email. This letter is being sent to the secured creditors, some of whom will be unsecured deficiency creditors, in the hopes that an agreement can be reached so that Mr. Freeman repay creditors in part, over time. Although payment over time is never ideal, acceptance of this proposal will allow a higher recovery than liquidation, and avoids filing for bankruptcy relief.

Mr. Freeman has performed a detailed analysis and believes that this proposal is feasible. A shorter payment schedule would not be feasible. This non-bankruptcy workout proposal complies with the United States Bankruptcy Code and is in a form that we believe would be confirmable in a bankruptcy proceeding. Except as detailed above, this proposal calls for all similarly situated unsecured creditors to be placed in the same class and to be paid on the same terms. In order to remain in compliance with the Bankruptcy Code and in fairness to all of his creditors, Mr. Freeman cannot agree to pay any unsecured deficiency creditors on different or better terms than shown in this proposal.

Creditors

Wells Fargo Bank (represented by Paul VanWagenen of Parker Poe)
South Carolina Bank and Trust
Bank of America

Proposal Summary

Please find attached to this proposal, a schedule of the estimated liabilities and debts related to the property acquired by the following entities: Robert L. Freeman, Alberta W. Freeman,

1F3S, LLC, 708 Ocean Blvd, LLC, JadieKate, LLC, Seafree Edisto, LLC, Seafree, LLC, Maybank Commercial, LLC, Yerby Road, LLC, Ocean, Inc., Wakamart, LLC, and Nonnie, LLC. The following narrative describes the conditions of these entities, and the proposal for dealing with the Debts associated with these entities.

1. Mr. Freeman personally and through his LLCs purchased 20 commercial pieces of property and 6 residential pieces of property with an estimated aggregate cost of approximately \$16,000,000 and a current estimated value of \$14,000,000 and with secured debt of approximately \$15,961,617; creating an estimated deficiency of \$3,196,057. See attached document titled "Overview" for the calculations of these amounts and all other calculations. The debt service and operating expenses on these properties are far in excess of what Mr. Freeman can currently afford. In addition, Mr. Freeman does not have adequate resources to pay the deficiency upon sale of the properties.

2. In order to treat all lien holders equitably and maximize the repayment to his creditors, Mr. Freeman proposes that he will sell the following properties within 12 months of acceptance of the workout proposal: Highway 61 (2.4 acres); 19 Penn Ave (duplex); 8 Penn Avenue; 1387 Coastal Pressure; 1391 Bakery & Mahoney; 1330 Ft. Moultrie Motel; 1320 Crossfit; 1314 C Palmetto Custom Cart; raw land in Okatie; Good Hope - 175 Acres/Givhans; 38 Acres in Cottageville; 130 Acres on Yerby Rd.; 462 Gaillard Rd.; 405 Simmons Ave (lot); Meeting Street Road; Buffalo Creek (13 Acres); 3 1/2 Woodall Ct.; Spell Tract (180 Acres); 21' Roth Yacht; 3 Barre Street; and 525 Ocean Blvd. These properties are identified in the attached documents as "Properties to Sell." Please note that the "Properties to Sell" include Mr. Freeman's existing primary residence and his beach house. It is anticipated that these sales will generate approximately \$11,912,056 that would be used to repay \$14,451,037 of secured debt, leaving an estimated total deficiency of \$2,739,342. If all property is not sold during the 12-month period, Mr. Freeman will offer a deed in lieu of foreclosure to the bank.

3. Mr. Freeman proposes to keep the following assets identified as: 19 Barre Street (Remainder Interest); Watermark; Meeting St. Lot 2; Meeting St. Lot 3; and 2896 Maybank Highway. These properties are listed on the attachment titled "Properties to Hold." Keeping these assets will motivate Mr. Freeman to work above and beyond the normal work week and will minimize the total unsecured deficiency. These costs will be partially offset by the rental revenues. The Watermark and 2896 Maybank Highway properties will be re-amortized according to the attached "Repayment Schedule." Upon the conclusion of the repayment period, Mr. Freeman will either refinance the obligation paying creditors in full or fund repayment through the sale of the held properties. Mr. Freeman will maintain Meeting St. Lot 2, Meeting St. Lot 3, and his remainderman's interest in 19 Barre Street and remain current on that obligation outside of this plan.

4. Mr. Freeman has tenants renting 1 of the "Properties to Hold." This property is identified as 2896 Maybank Highway in the "Properties to Hold" attachment. The net rental revenues would be used to repay the lender with a lien on the collateral, and would allow the properties to recover some of its pre-recession value. These "Properties to Hold" will be sold when such sale will result in a higher sale price than if the properties were sold

in the immediate future. Any higher sales prices will ultimately benefit the lender holding the specific property since they would be the one receiving their payout on the sales proceeds later than the other liquidating creditors.

Mr. Freeman believes that the proposal represents the best and highest recovery for his creditors and that this proposal is feasible, but requires cooperation and agreement among his creditors. We are happy to discuss this proposal and welcome your calls or comments. I will be reaching out to you this week to further discuss this proposal.

With kindest regards I am,

/s/ W. Harrison Penn
W. Harrison Penn
McCarthy Law Firm, LLC
3924 Forest Drive, Suite 9
P.O. Box 11332
Columbia, SC 29211-1332
(803) 771-8836

Overview

Borrower	Collateral/Property	List Price	Orderly Liquidation Value	Cost of Sale	Principal Outstanding	Annual Gross Income	Annual Carry	RLF Owned %	RLF Exposure	AWF Exposure	Sec'd Lender
1F3S LLC	Hwy 61 (2.4 acres)	\$1,900,000	\$1,710,000	\$102,600	\$1,500,000	\$18,000	\$62,341	56%	\$60,144		WACH
1F3S LLC	8 Penn Ave	\$280,000	\$252,000	\$15,120	\$318,000	\$12,000	\$12,863	56%	-\$81,120		WACH
1F3S LLC	19 Penn Ave duplex	\$379,000	\$341,100	\$20,466	\$360,000	\$21,600	\$27,560	56%	-\$39,366		WACH
708 Ocean Blvd	Watermark (Berta)	\$75,000	\$67,500	\$4,050	\$239,700	\$0	\$9,078	50%	-\$176,250	-\$176,250	WACH
708 Ocean Blvd	Okatie (Berta)	\$275,000	\$247,500	\$14,850	\$400,000	\$0	\$17,669	50%	-\$167,350	-\$167,350	WACH
708 Ocean Blvd	19 Barre St. (1st Mtg)	\$0	\$0	\$0	\$50,080	\$0	\$14,436	100%	-\$50,080		Hafers
Jadiekate	1387-Coastal Pressure*	\$400,000	\$360,000	\$21,600	\$0	\$12,000	\$5,405	100%	\$338,400		WACH
Jadiekate	1391-Bakery & Mahoney	\$0	\$0	\$0	\$1,114,676	\$45,768	\$44,802	100%	-\$1,114,676		WACH
Jadiekate	1330 - Ft. Moultrie Motel	\$2,585,000	\$2,326,500	\$139,590	\$1,520,000	\$46,956	\$62,203	100%	\$666,910		WACH
Jadiekate	1320 - Crossfit	\$600,000	\$540,000	\$32,400	\$790,000	\$41,700	\$31,751	100%	-\$282,400		WACH
Jadiekate	1314 C - Palmetto Custom Cart	\$400,000	\$360,000	\$21,600	\$495,000	\$30,000	\$23,613	100%	-\$156,600		WACH
Seafree Edisto	Good Hope-175 Acres/Givhans	\$530,000	\$477,000	\$28,620	\$497,220	\$0	\$16,380	80%	-\$48,840		WACH
Seafree LLC	Cottageville, 38 Acres	\$580,000	\$522,000	\$31,320	\$1,089,500	\$0	\$37,836	80%	-\$598,820		WACH
Seafree LLC	3214 Meeting Street Road	\$80,000	\$72,000	\$4,320	\$124,000	\$0	\$6,263	80%	-\$56,320		WACH
Seafree LLC	Spell Tract 180 Acres	\$60,000	\$30,000	\$1,800	\$0	\$0	\$502	80%	\$22,560		cash
Seafree LLC	405 Simmons Ave - Lot	\$30,000	\$27,000	\$1,620	\$0	\$0	\$377	80%	\$20,304		cash
Maybank Comm.	2896 Maybank Hwy.	\$149,000	\$134,100	\$8,046	\$126,800	\$8,400	\$10,313	33%	-\$746		WACH
Yerby Road LLC	Yerby Rd., 130 Acres	\$1,950,000	\$1,755,000	\$105,300	\$950,000	\$0	\$30,396	81%	\$566,757		WACH
Yerby Road LLC/LOC	Yerby Rd., LOC	\$0	\$0	\$0	\$700,000	\$0	\$22,392	81%	-\$700,000		WACH
Double Sprig LLC	*NOFA Personal/Unsecured	\$0	\$0	\$0	\$41,941	\$0	\$1,248	100	-\$41,941		WACH
Meeting St. Flex	Meeting St. Lot 2	\$650,000	\$585,000	\$35,100	\$198,500	\$0	\$9,924	33%	\$115,962		SCBT
Meeting St. Flex	Meeting St. Lot 3	\$650,000	\$585,000	\$35,100	\$595,500	\$0	\$29,772	33%	-\$45,600		SCBT
Ocean, Inc.	462 Gaillard Rd.	\$9,500	\$8,550	\$513	\$0	\$0	\$283	100%	\$8,037		cash
Ocean, Inc.	Buffalo Creek, 13 Acres	\$50,000	\$25,000	\$1,500	\$0	\$0	\$296	100%	\$23,500		cash
Wakamari	3-1/2 Woodall Ct.	\$30,000	\$15,000	\$900	\$0	\$0	\$426	33%	\$4,653		cash
Locke Marine LLC	Lockie (21' Roth)	\$37,500	\$33,750	\$2,025	\$75,700	\$0	\$7,299	100	-\$43,975		WACH
WMC Robbie & Berta Barre	3 Barre Street (Berta)	\$1,800,000	\$1,620,000	\$97,200	\$975,000	\$0	\$40,748	50%	\$547,800	\$547,800	WACH
RLF/AWF	3 Barre LOC - 2nd Mortgage	\$0	\$0	\$0	\$1,500,000	\$0	\$34,200	50%	-\$1,500,000	-\$1,500,000	BOA
RLF/AWF	3 Barre - 3rd Mortgage	\$0	\$0	\$0	\$300,000	\$0	\$0	50%	-\$300,000		Way
Nonnie, LLC	525 Ocean Blvd. (Berta)	\$2,200,000	\$1,950,000	\$117,000	\$2,000,000	\$0	\$77,341	0	-\$167,000	-\$167,000	WACH
TOTALS:		\$15,700,000	14,044,000.00	842,640.00	\$15,961,617	\$236,424	\$637,717		-\$3,196,057	-\$1,462,800.00	
* Principal Included with 1391 Bakery & Mahoney											

Properties to Sell

Borrower	Collateral Property	List Price	Orderly Liquidation Value	Cost of Sale	Principal Outstanding	Annual Gross Income	Annual Carry	RLF Owned %	RLF Exposure	AWF Exposure	Sec'd Lender
1F3S LLC	Hwy 61 (2.4 acres)	\$1,900,000	\$1,710,000	\$102,800	\$1,500,000	\$18,000	\$62,341	56%	\$60,144		WACH
1F3S LLC	19 Penn Ave-duplex	\$379,000	\$341,100	\$20,466	360,000	\$21,600	\$27,560	56%	-\$39,366		WACH
1F3S LLC	8 Penn Ave.	\$280,000	\$252,000	\$15,120	\$318,000	\$12,000	\$23,837	56%	-\$81,120		WACH
Jadiekate	1387-Coastal Pressure*	\$400,000	\$360,000	\$21,600	\$0	\$12,000	\$5,405	100%	\$338,400		WACH
Jadiekate	1391-Bakery & Mahoney	\$0	\$0	\$0	\$1,114,676	\$45,768	\$44,802	100%	-\$1,114,676		WACH
Jadiekate	1330 - Ft. Moultrie Motel	\$2,585,000	\$2,326,500	\$139,590	\$1,520,000	\$46,956	\$62,203	100%	\$666,910		WACH
Jadiekate	1320 - Crossfit	\$600,000	\$540,000	\$32,400	\$790,000	\$41,700	\$31,751	100%	-\$282,400		WACH
Jadiekate	1314 C - Palmetto Custom Cart	\$400,000	\$360,000	\$21,600	\$495,000	\$30,000	\$23,613	100%	-\$156,600		WACH
Ocean, Inc.	462 Gaillard Rd.	\$9,500	\$8,550	\$513	\$0	\$0	\$283	100%	\$8,037		cash
Yerby Road, LLC	Yerby Rd., 130 Acres	\$1,950,000	\$1,755,000	\$105,300	\$950,000	\$0	\$30,396	81%	\$566,757		
Yerby Road, LLC	Yerby Rd., LOC	\$0	\$0	\$0	\$700,000	\$0	\$22,392	81%	-\$700,000		
Seafree Edisto	Good Hope - 175 Acres/Givhans	\$530,000	\$477,000	\$28,620	\$497,220	\$0	\$16,380	80%	-\$48,840		
Seafree LLC	Cottageville, 38 Acres	\$580,000	\$522,000	\$31,320	\$1,089,500	\$0	\$37,836	80%	-\$598,820		WACH
Seafree LLC	405 Simmons Ave - Lot	\$30,000	\$27,000	\$1,620	\$0	\$0	\$377	80%	\$20,304		cash
Seafree LLC	Meeting Street Road	\$80,000	\$72,000	\$4,320	124,000	\$0	\$6,263	80%	-\$56,319		WACH
Ocean, Inc.	Buffalo Creek, 13 Acres	\$50,000	\$25,000	\$1,500	\$0	\$0	\$296	100%	\$23,500		cash
Wakamart	3-1/2 Woodall Ct.	\$30,000	\$15,000	\$900	\$0	\$0	\$426	33%	\$4,653		cash
Seafree LLC	Spell Tract 180 Acres	\$60,000	\$30,000	\$1,800	\$0	\$0	\$502	80%	\$22,560		cash
Locke Marine LLC	Lockie (21' Roth)	\$37,500	\$33,750	\$2,025	\$75,700	\$0	\$7,299	100	-\$43,975		WACH
708 Ocean	Okatie	\$275,000	\$247,500	\$14,850	\$400,000	\$0	\$17,669	50%	-\$167,350	-\$167,350	WACH
WMC Robble & Berta Barre St	3 Barre Street (Berta)	\$1,800,000	\$1,620,000	\$97,200	\$975,000	\$0	\$40,748	50%	\$547,800	\$547,800	WACH
RLF/AWF	3 Barre LOC - 2nd Mortgage	\$0	\$0	\$0	\$1,500,000	\$0	\$34,200	50%	-\$1,500,000	-\$1,500,000	BOA
Nonnie, LLC	525 Ocean Blvd. (Berta)	\$2,200,000	\$1,950,000	\$117,000	\$2,000,000	\$0	\$77,341	0	-\$167,000	-\$167,000	WACH
Double Sprig, LLC	'NOFA Personal/Unsecured				\$41,941		\$0	100	-\$41,941		WACH
		\$14,176,000	\$12,672,400	\$760,344	\$14,451,037	\$228,024	\$573,921		-\$2,739,342	-\$1,286,550	
Estimated Deficiency Capped at:		-2,739,342									

Properties to Hold

Borrower	Collateral Property	Principal Outstanding	Annual Gross Income	Annual Carry	Sec'd Lender
708 Ocean Blvd	Watermark	\$239,700	\$0	\$9,078	WACH
Maybank Comm.	2896 Maybank Hwy.	\$126,800	\$8,400	\$10,313	WACH
Meeting St. Flex	Meeting St. Lot 2	\$198,500	\$0	\$9,924	SCBT
Meeting St. Flex	Meeting St. Lot 3	\$595,500	\$0	\$29,772	SCBT
708 Ocean Blvd	19 Barre St. (1st Mtg)	\$50,080	\$0	\$14,436	Hafers
		\$1,210,580	\$8,400	\$73,523	
	Amount amortized with WACH	\$366,500			
	Monthly Payment to WACH:	\$1,068.96			

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Repayment Schedule

Beginning Balance		Monthly Payment	Balloon Payment				rate	3.50%
\$366,500.00		\$	1,068.96	366,499.89				0.29%
Period	Beg	interest	principal	pmt	end bal	tax	total pmt	1,068.96
1	366,500.00	1,068.96	0.00	1,068.96	366,500.00			
2	366,500.00	1,068.96	0.00	1,068.96	366,500.00			
3	366,500.00	1,068.96	0.00	1,068.96	366,499.99			
4	366,499.99	1,068.96	0.00	1,068.96	366,499.99			
5	366,499.99	1,068.96	0.00	1,068.96	366,499.99			
6	366,499.99	1,068.96	0.00	1,068.96	366,499.99			
7	366,499.99	1,068.96	0.00	1,068.96	366,499.99			
8	366,499.99	1,068.96	0.00	1,068.96	366,499.98			
9	366,499.98	1,068.96	0.00	1,068.96	366,499.98			
10	366,499.98	1,068.96	0.00	1,068.96	366,499.98			
11	366,499.98	1,068.96	0.00	1,068.96	366,499.98			
12	366,499.98	1,068.96	0.00	1,068.96	366,499.98			
13	366,499.98	1,068.96	0.00	1,068.96	366,499.98			
14	366,499.98	1,068.96	0.00	1,068.96	366,499.97			
15	366,499.98	1,068.96	0.00	1,068.96	366,499.97			
16	366,499.97	1,068.96	0.00	1,068.96	366,499.97			
17	366,499.97	1,068.96	0.00	1,068.96	366,499.97			
18	366,499.97	1,068.96	0.00	1,068.96	366,499.97			
19	366,499.97	1,068.96	0.00	1,068.96	366,499.97			
20	366,499.97	1,068.96	0.00	1,068.96	366,499.97			
21	366,499.97	1,068.96	0.00	1,068.96	366,499.96			
22	366,499.96	1,068.96	0.00	1,068.96	366,499.96			
23	366,499.96	1,068.96	0.00	1,068.96	366,499.96			
24	366,499.96	1,068.96	0.00	1,068.96	366,499.96			
25	366,499.96	1,068.96	0.00	1,068.96	366,499.96			
26	366,499.96	1,068.96	0.00	1,068.96	366,499.96			
27	366,499.96	1,068.96	0.00	1,068.96	366,499.95			
28	366,499.95	1,068.96	0.00	1,068.96	366,499.95			
29	366,499.95	1,068.96	0.00	1,068.96	366,499.95			
30	366,499.95	1,068.96	0.00	1,068.96	366,499.95			
31	366,499.95	1,068.96	0.00	1,068.96	366,499.95			
32	366,499.95	1,068.96	0.00	1,068.96	366,499.94			
33	366,499.94	1,068.96	0.00	1,068.96	366,499.94			
34	366,499.94	1,068.96	0.00	1,068.96	366,499.94			
35	366,499.94	1,068.96	0.00	1,068.96	366,499.94			
36	366,499.94	1,068.96	0.00	1,068.96	366,499.94			
37	366,499.94	1,068.96	0.00	1,068.96	366,499.93			
38	366,499.93	1,068.96	0.00	1,068.96	366,499.93			
39	366,499.93	1,068.96	0.00	1,068.96	366,499.93			
40	366,499.93	1,068.96	0.00	1,068.96	366,499.93			
41	366,499.93	1,068.96	0.00	1,068.96	366,499.93			
42	366,499.93	1,068.96	0.00	1,068.96	366,499.92			
43	366,499.93	1,068.96	0.00	1,068.96	366,499.92			
44	366,499.92	1,068.96	0.00	1,068.96	366,499.92			
45	366,499.92	1,068.96	0.00	1,068.96	366,499.92			
46	366,499.92	1,068.96	0.00	1,068.96	366,499.92			
47	366,499.92	1,068.96	0.00	1,068.96	366,499.92			
48	366,499.92	1,068.96	0.00	1,068.96	366,499.91			
49	366,499.91	1,068.96	0.00	1,068.96	366,499.91			
50	366,499.91	1,068.96	0.00	1,068.96	366,499.91			
51	366,499.91	1,068.96	0.00	1,068.96	366,499.91			
52	366,499.91	1,068.96	0.00	1,068.96	366,499.91			
53	366,499.91	1,068.96	0.00	1,068.96	366,499.90			
54	366,499.90	1,068.96	0.00	1,068.96	366,499.90			
55	366,499.90	1,068.96	0.00	1,068.96	366,499.90			
56	366,499.90	1,068.96	0.00	1,068.96	366,499.90			
57	366,499.90	1,068.96	0.00	1,068.96	366,499.89			
58	366,499.90	1,068.96	0.00	1,068.96	366,499.89			
59	366,499.89	1,068.96	0.00	1,068.96	366,499.89			
60	366,499.89	1,068.96	0.00	1,068.96	366,499.89			

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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

RECEIVED

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SC Court of Appeals

The Honorable J.C. Nicholson, Jr., Circuit Court Judge

Case No. 2013-CP10-6439

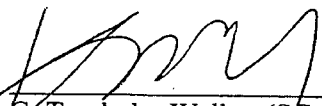
Wells Fargo Bank, N.A., Successor by Merger to
Wachovia Bank, National Association Respondent,

v.

Robert L. Freeman Appellant.

NOTICE OF APPEAL

Robert L. Freeman appeals the Order granting Plaintiff's Motion for Partial Summary Judgment and Denying Defendant's Motion for Partial Summary Judgment of the Honorable J.C. Nicholson, Jr. dated June 2, 2015. Appellant received written notice of entry for this Order granting Plaintiff's Motion for Partial Summary Judgment and denying Defendant's Motion for Partial Summary Judgment on June 9, 2015.


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Katie F. Monoc (SC Bar # 78131)
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Attorneys for Appellant

July 6, 2015

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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

RECEIVED
APR 12 2016
SC Court of Appeals

The Honorable J.C. Nicholson, Jr., Circuit Court Judge

Case No. 2013-CP-10-6439

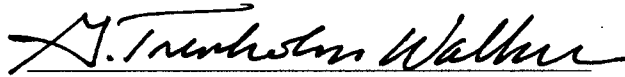
Wells Fargo Bank, N.A., Successor by Merger to
Wachovia Bank, National Association Respondent,

v.

Robert L. Freeman Appellant.

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.



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April 6, 2016

Charleston, South Carolina