

EXHIBIT A

H&M Real Estate Holdings, LLC Notice of Appeal

Civil Action No.: 2016-CP-40-00431

STATE OF
SOUTH CAROLINA

NOTICE OF ROSTER SCHEDULING

November 03, 2016



"Rule 60(b) Motion" for Case: 2016CP4000431 - CCH Of Richland County LLC vs H And M Real Estate Holdings Llc , defendant, et al has been added to the following Roster:

762 - MIE - Friday, November 4th, 2016

This hearing has been scheduled for 11/4/2016 at 11:30 AM.

The above referenced case is scheduled for a Hearing before Judge Strickland. All requests for continuances must be in writing with a \$25.00 filing fee and received by the Master In Equity prior to the hearing. A request for a continuance does not guarantee that a case will be continued. Please notify the Court in writing if the issues are resolved prior to the hearing. Please file any briefs or memorandum the Wednesday before the week of the hearing.

Mail Notice To:

Joseph Kershaw Spong
PO Box 944

Columbia, SC 29202

Court Info:

Richland County Master In Equity
Richland County Judicial Center
1701 Main Street
Columbia, SC 29201-9201

If you have any questions regarding the scheduling of this hearing, please contact the court at (803) 576-1901.

Judge Joseph M. Strickland
Master in Equity
Fifth Judicial Circuit

STATE OF
SOUTH CAROLINA

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Mail Notice To:
Frederick Miles Adler PO Box 4743 Pawleys Island, SC 29585

Court Info:
Richland County Master In Equity Richland County Judicial Center 1701 Main Street Columbia, SC 29201-9201

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Judge Joseph M. Strickland
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Mail Notices	Court Info
<p>Kenneth E. Ormand PO Box 8657 Columbia, SC 29202</p>	<p>Richland County Master In Equity Richland County Judicial Center 1701 Main Street Columbia, SC 29201-9201</p>

If you have any questions regarding the scheduling of this hearing, please contact the court at (803) 576-1901.

Judge Joseph M. Strickland
Master in Equity
Fifth Judicial Circuit

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Mail Notice to:
Michael McNulty Beal PO Box 11277 Columbia, SC 29211

Court Info:
Richland County Master In Equity Richland County Judicial Center 1701 Main Street Columbia, SC 29201-9201

If you have any questions regarding the scheduling of this hearing, please contact the court at (803) 576-1901.

Judge Joseph M. Strickland
Master in Equity
Fifth Judicial Circuit

EXHIBIT B

H&M Real Estate Holdings, LLC Notice of Appeal

Civil Action No.: 2016-CP-40-00431

F. Miles Adler

From: F. Miles Adler <miles@adlerlaw.partners>
Sent: Tuesday, November 01, 2016 4:20 PM
To: 'stricklandj@rcgov.us'; 'scottj3@rcgov.us'; 'corneliusf@rcgov.us'
Cc: 'Michael Beal'; 'J. Kershaw Spong'
Subject: Motion for Relief from Judgment and Stay Proceedings C/A No. 16-CP-40-431
Attachments: 2 - SCRCP Rule 60 Motion [16CP40 431].pdf; 1.1.1 - Rule 11 Cert.pdf

Judge Strickland: as instructed by your Clerk John Scott, enclosed please find the defendant H&M Real Estate Holdings, LLC's Motion for Relief Pursuant to SCRCP Rule 60(b).

This case involves the foreclosure of real estate in Richland County. The Court issued its Order of Foreclosure and Sale last summer and the property is scheduled to be up for sale at the November 7 judicial sale. In my motion I am asking the Court to stay the proceedings and strike the property from the November 7 sale roster (and all subsequent sale rosters) until such time as the Defendant can be heard on the issue of indebtedness. The Defendant very recently acquired evidence that indicates the Plaintiff substantially understated the actual indebtedness owed by the Defendant borrower. I have no reason to believe Plaintiff's counsel was aware of these newly discovered facts. However, the Plaintiff did file a verified complaint certifying to the Court the debt alleged was true and correct.

The Defendant's enclosed motion sets forth the issues. As an ancillary matter some of the evidence the Defendant seeks to present to the Court is of an extremely sensitive and confidential nature and we would also ask the Court to have it filed subject to a protective order prior to arguing the motion. Accordingly, although referenced in the motion, it has not been included in this filing for the foregoing reason.

I am going to FEDEX the motion to the Clerk's office for delivery Wednesday morning.

F. Miles Adler

T: 843-314-3204

F: 843-314-3205

Mailing Address:

P.O. Box 4743

Pawleys Island, SC 29585

CONFIDENTIALITY: This email is confidential in nature and intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is legally exempt from disclosure. If you have received this email in error, please erase all copies immediately and notify the sender at **843-314-3204**.

CIRCULAR 230 NOTICE: To ensure compliance with the requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including attachments) is not intended or written to be used for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or tax related matter(s). To provide you with a communication that could be used to avoid penalties under the Internal Revenue Code will necessarily entail investigation, analysis and conclusions on our part.

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)
)
 CCH of Richland County, LLC)
 Plaintiff)
)
 v.)
)
 H & M Real Estate Holdings, Llc Et Al)
 Defendant.)

IN THE COURT OF COMMON PLEAS

CASE NO.
 2016-CP-40-431

MOTION AND ORDER INFORMATION
 FORM AND COVER SHEET

Plaintiff's Attorney: J. Kershaw Spong, Bar No. 5289 Address: P.O. Box 944 Columbia, SC 29201 phone: 803-799-8900 fax: e-mail: kspong@robinsonlaw.com other:	Defendant's Attorney: F. Miles Adler, Bar No. 70238 Address: P.O. Box 4743 Pawleys Island, SC 29585 phone: 843-314-3204 fax: e-mail: other:
<input checked="" type="checkbox"/> MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) <input type="checkbox"/> FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) <input type="checkbox"/> PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)	
SECTION I: Hearing Information Nature of Motion: SCRPC Rule 60 Relief from Judgment Estimated Time Needed: 60 Court Reporter Needed: <input checked="" type="checkbox"/> YES / <input type="checkbox"/> NO	
SECTION II: Motion/Order Type <input type="checkbox"/> Written motion attached <input type="checkbox"/> Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order.	
_____ Signature of Attorney for <input type="checkbox"/> Plaintiff / <input type="checkbox"/> Defendant _____ Date submitted	
SECTION III: Motion Fee <input checked="" type="checkbox"/> PAID – AMOUNT: 25.00 <input type="checkbox"/> EXEMPT: <input type="checkbox"/> Rule to Show Cause in Child or Spousal Support (check reason) <input type="checkbox"/> Domestic Abuse or Abuse and Neglect <input type="checkbox"/> Indigent Status <input type="checkbox"/> State Agency v. Indigent Party <input type="checkbox"/> Sexually Violent Predator Act <input type="checkbox"/> Post-Conviction Relief <input type="checkbox"/> Motion for Stay in Bankruptcy <input type="checkbox"/> Motion for Publication <input type="checkbox"/> Motion for Execution (Rule 69, SCRPC) <input type="checkbox"/> Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: <input type="checkbox"/> Other:	
JUDGE'S SECTION <input type="checkbox"/> Motion Fee to be paid upon filing of the attached order. <input type="checkbox"/> Other:	_____ JUDGE CODE: _____ Date: _____
CLERK'S VERIFICATION Date Filed: _____ Collected by: _____ <input type="checkbox"/> MOTION FEE COLLECTED: _____ <input type="checkbox"/> CONTESTED – AMOUNT DUE: _____	

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

CCH of Richland County, LLC

Plaintiff,

vs.

H&M Real Estate Holdings, LLC, JZB Group, LLC
a/k/a The JZB Group, LLC, and Mitch B. McGuirt,

Defendants.

IN THE COURT OF COMMON PLEAS
CIVIL ACTION NO.: 2016-CP-40-00431

**DEFENDANT H&M REAL ESTATE HOLDINGS, LLC'S
NOTICE OF MOTION AND MOTION FOR RELIEF
FROM JUDGMENT PURSUANT TO RULE
60(b) SCRPC AND RULE 62(b) SCRPC**

TO: J. KERSHAW SPONG ATTORNEY FOR DEFENDANT CCH OF RICHLAND COUNTY, LLC AND ATTORNEY
MICHAEL M. BEAL ATTORNEY FOR JZB GROUP, LLC

PLEASE TAKE NOTICE that the Defendant, H&M Real Estate Holdings, LLC ("H&M"), by and through its undersigned attorney and pursuant to Rule 60(b) SCRPC, will move before the Honorable Joseph M. Stanton, Richland County Master in Equity, at such time, date and place as counsel may be heard, for relief from the Master's Order and Judgment and Foreclosure and Sale and Granting Summary Judgment dated June 10, 2016 and filed June 22, 2016 with the Richland County Clerk of Court (the "Order"). A filed copy of the Order is enclosed as Exhibit A. This motion is made on the grounds of newly discovered evidence with which due diligence was unavailable to the Defendant in time to move under Rule 59(e) SCRPC [see Rule 60(b)(2) SCRPC]; and fraud, misrepresentation and misconduct on the part of plaintiff CCH of Richland County, LLC ("CCH") [see Rule 60(b)(3) SCRPC]. The evidence and its source is sensitive and of a confidential nature. As such counsel will move the Court for a protective order prior to its production.

Pursuant to Rule 62(b) SCRPC, H&M will also move for a Stay in the above captioned case, including but not limited to, striking the property sale from the November 7, 2016 Master in Equity's Sales Roster and keeping it off any subsequent sales rosters until such time as the Court has had opportunity to review H&M's motion, receive information and argument on the motion, and to rule on the motion.

As more fully described below, the basis of this motion is that the Plaintiff has not disclosed to its counsel and, by extension, the Court the true amount of debt secured by the Plaintiff's mortgage being foreclosed pursuant to the above captioned action. The requested Stay in the case, pending disposition of H&M's motion, is necessary as the debt for which the security was given has not been properly established as required by S.C Code § 29-3-630.

A. Background

H&M purchased the subject property from the Carolina Children's Home (the "Seller") on May 19, 2014. The purchase price was paid with cash and a note given to the Seller with the face amount of \$1,400,000.00 (the "Note"). At the time of the sale of the subject property to H&M, Charles Small, the principal member of CCH of Richland County, LLC was a member of the Seller's board of directors.

On or about May 15, 2016 members of H&M were approached by counsel for the Seller regarding the possibility of negotiating a reduced payoff of the Note. In response, members of H&M contacted Stephen Creech, Chairman of the Board for the Seller, and asked what terms the Seller would be willing to accept for a negotiated payoff of the Note. On May 22, 2015 Mr. Creech advised H&M that the board of directors had an obligation to secure as much of the face value of the Note as would be possible in a sale and therefore were not interested in offering H&M a discount. H&M advised Mr. Creech that H&M would be willing to pay a premium over and above any other bona fide offer to purchase the Note. Mr. Creech declined to accept H&M's offer. See email enclosed as Exhibit B. On or about June 8, 2016 the Note was sold to CCH of Richland County, LLC. The members of H&M relied on Mr. Creech's email and had no reason to believe the Note was sold for less than face value.

Subsequently the term of the Note came due and the Plaintiff moved to foreclose. During the course of the foreclosure the Plaintiff represented to the Court by verified complaint that the true and correct debt owed was \$1,400,000.00. It has very recently come to the attention of members of H&M that the Plaintiff paid the Seller an amount significantly less than the face amount of the Note. On information and belief, the Seller has grossly overstated the amounts it is owed by the Defendant. This is material as it is well settled law in South Carolina that a secured party has a security interest only to the extent of the actual debt. This forms the basis for the requirements of S.C. Code § 29-3-630.

Given that Charles Small was a board member of the Seller at the time the subject property was sold and is now a principal in the foreclosing party, the extent of the discount the Plaintiff negotiated calls into question whether the Defendant now has a bona fide indebtedness of \$1,400,000.00 to the Plaintiff. The Defendant is informed and believes the discount was in excess of \$600,000 of the claimed indebtedness. Accordingly, it would be grossly inequitable to permit the Plaintiff to foreclose and sell the property for the amounts claimed by the Plaintiff and set forth in the Order as such a sale would result in the Plaintiff in effect being secured far in excess of his mortgage interest, a result which would contravene well settled South Carolina law and permit a circumstance S.C. § 29-3-630 was meant to prevent.

B. Basis for the Motion

Judgment against H&M is void because of fraud and misconduct on the part of Charles Small. Mr. Small is the principal member of CCH of Richland County, LLC and a former board member of the Seller of the subject property, Carolina Children's Home. Mr. Small has filed a verified complaint with the Court, which according to newly acquired evidence, appears to grossly overstate the amount of the true indebtedness owed to the Plaintiff. These representations amount to fraud on the Court. "A court in equity has the inherent power to set aside a judgment on the ground of fraud." *Bankers Trust of S.C. v. Bruce*, 283 S.C. 408, 415, 323 S.E.2d 523, 528 (Ct. App. 1984) (citing, inter alia, *Rycroft v. Tanguay*, 279 S.C. 76, 302 S.E.2d 327 (1983)).

"A judgment may be set aside on the ground of fraud only if the fraud is 'extrinsic' and not 'intrinsic.'" *Hagy v. Pruitt*, 339 S.C. 425, 431, 529 S.E.2d 714, 717 (2000). Extrinsic fraud is "fraud that induces a person not to present a case or deprives a person of an opportunity to be heard." *Id.* At 431, 529 S.E.2d at 717-18 (quoting *Hilton Head Ctr. Of S.C., Inc. v. Pub. Serv. Comm'n*, 294 S.C. 9, 11, 362 S.E.2d 176, 177 (1987)). "[R]elief is granted for extrinsic fraud on the theory that by reason of the fraud preventing a party from fully exhibiting and trying this case, there never has been a real contest before the court of the subject matter of the action." *Chewing v. Ford Motor Co.*, 354 S.C. 72, 82, 579 S.E.2d 605, 610 (2003).

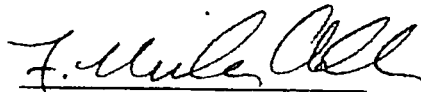
Robinson v. Estate of Harris, 388 S.C. 616, 625, 698 S.E.2d 214, 219 (2010).

In this case the Court's Order is based on extrinsic fraud. Based on representations made by the Seller to the Defendant (see Exhibit B) the Defendant believed the Note was transferred for approximately its face value. As such the Defendant had no reason to challenge the Plaintiff's representation of the amount of debt Plaintiff alleged as owed during the course of the foreclosure (see Plaintiff's verified complaint and its Exhibit A). The Court subsequently issued its Order based on the Plaintiff's representations of the amount of indebtedness. The Plaintiff's actions constitute extrinsic fraud and deprived the Defendant of a reasonable opportunity to be heard on the issue of indebtedness thus depriving the Defendant of due process.

In addition to the extrinsic fraud, based on the foregoing, there is also a question as to whether the Plaintiff is a holder in due course. For the reasons set forth above there is a question of fact as to whether the Plaintiff took assignment of the Note for value as defined under S.C. Code § 36-3-303 and in good faith as defined under S.C. Code § 36-3-103(4). This is a material issue because if it is found that the Plaintiff is merely a transferee for value then the Defendant's claims against the Seller arising from the

newly discovered evidence that the Carolina Children's home sold the Note on commercially unreasonable terms to an insider after the Defendant offered to purchase it at a premium, than those same claims can be brought against Mr. Small and the Plaintiff under a transferee liability theory.

WHEREFORE, the Defendants pray that the Court (i) grant the Defendant's Motion to be relieved from the Order in this case, to vacate the Order, (ii) strike the sale of the subject property from the November 7, 2016 Master in Equity's Sales Roster, (iii) schedule a hearing to allow the Defendant to present evidence in support of its claim that the indebtedness has been fraudulently presented to the Court and to allow the Court to determine the true and correct indebtedness owed and (iv) grant other relief as the Court may deem proper.



F. Miles Adler
SC Bar No.: 70238
P.O. Box 4743
Pawleys Island, SC 29585
T: 843-314-3204
F: 843-314-3205
miles@adlerlaw.partners

Pawleys Island, SC
November 1, 2016

EXHIBIT A

Case No.: 2016-CP-40-00341

B. McGuirt have not denied the Requests to Admit and therefore the matters set forth in the Requests are deemed admitted under S.C. Rule of Civil Procedure 36. It is undisputed that Defendants H & M Real Estate Holdings, LLC and Mitch B. McGuirt executed the note, mortgage, and guaranty and the Plaintiff, predecessor-in-interest, disbursed the loan proceeds thereunder.

Accordingly, based on the record before me, I grant the Plaintiff's motion for summary judgment against Defendants for foreclosure on its note and mortgage, and liability under the subject guaranty.

UNDISPUTED FACTS:

1. The Lis Pendens was filed on **January 19, 2016**.
2. The Summons and Complaint were filed on **January 19, 2016**.
3. Service was made upon the Defendants named in this Order as is shown by the proofs of service previously filed with the court.
4. For value received, **H & M Real Estate Holdings, LLC** made, executed and delivered a **Promissory Note** dated **May 19, 2014**, promising thereby to pay to the order of **Carolina Children's Home** the sum of **One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00)**, with interest at **5.00%** per annum. Other terms and conditions are stated in the note, which is of record herein.
5. To better secure the payment of the note described above the said Defendant **H & M Real Estate Holdings, LLC** made, executed and delivered to **Carolina Children's Home** a **Mortgage** in writing, dated **May 19, 2014**, covering real property in **Richland County**, which is the same as that described in the Complaint. The mortgage was filed on **May 19, 2014**, and is of record in the Office of the Register of Deeds for **Richland County** in **Book 1946**, at **page 2568**.

The Defendant Mitch B. McGuirt also executed a Guaranty Agreement dated December 29, 2014 whereby he jointly and severally guaranteed the payment of the note up to \$250,000.00

6. Thereafter, by assignment dated June 8, 2015 and recorded in said Register of Deeds' Office on June 9, 2015 in Book 2034 at Page 458, for value received, Carolina Children's Home assigned said note and mortgage unto Plaintiff, and by virtue of such assignment the Plaintiff herein is now the owner and holder of the note and mortgage which are the subject of this action.

7. This mortgage is a second mortgage subject to the first mortgage of South State Bank dated December 29, 2014 and recorded on December 30, 2014 in Book 1996 at Page 160. A Subordination Agreement was also recorded on December 30, 2014 in Book 1996 at page 169.

8. Payment due on the note has not been made as provided for in the note, and the Plaintiff, as the holder thereof, has elected to require immediate payment of the entire amount due thereon and has placed the note and mortgage in the hands of an attorney herein for collection.

9. This Court further finds that the subject property is secured by a commercial note and mortgage and therefore not subject to the Home Affordable Modification Program (HAMP) or the United States Treasury Supplemental Directive 09-01. The Court finds the stay arising out of Ex Parte Temporary Restraining Order issued by the Supreme Court of South Carolina on May 4, 2009, and replaced by Order dated May 22, 2009, and further supplemented by South Carolina Supreme Court Administrative Order (Order No. 2011-05-02-10), does not apply.

10. The sum of \$7,500.00 is a reasonable fee to allow as attorney's fees for Plaintiff's attorney for services performed and anticipated to be performed until final adjudication of the within action, under the terms of the note and mortgage.

11 The amount due and owing on the note, with interest at the rate provided in the note, and other costs and expenses of collection, including an attorney's fee, secured by the note and mortgage is as follows:

(a) Principal due from November 19, 2015	\$	1,400,000.00
(b) Interest from November 19, 2015 to March 15, 2016 at 8.00% per annum	\$	35,901.33
(c) Late Fees	\$	291.67
(d) Costs of collection prior to hearing (service, filing, etc.)	\$	480.00
(e) Attorney's fee	\$	7,500.00
TOTAL DEBT secured by note and mortgage including interest to date shown	\$	1,444,173.00

Interest for the period from the date shown in (b), above through the date of this judgment at above stated rate to be added to the above stated "total debt" to comprise the amount of the judgment debt entered herein and interest after the date of judgment at the rate of 8.00% per annum (pursuant to the terms of the note and mortgage) on the judgment debt should be added to such judgment debt to comprise the amount of Plaintiff's debt secured by mortgage through the date to which such interest is computed.

12. The Plaintiff is seeking the usual foreclosure of the mortgage and has in the Complaint, or by amendment thereto, or by motion at the reference, expressly demanded the right to a personal or deficiency judgment. Since a deficiency judgment is demanded, the bidding will remain open for a period of thirty (30) days, as prescribed by law. However upon the filing of a written notice with the court, the Plaintiff may waive its right to a deficiency judgment up to the time of sale.

13. The Defendant below named claims or may claim a lien upon or interest in the subject property, and that any such interest in or lien upon the said premises is junior and

subordinate to Plaintiff's said mortgage, and in the event there is a surplus from the sale of the subject property, the validity, priority and amount of any such lien claim will be determined at a hearing subsequent to the sale, in accordance with Rule 71 of the South Carolina Rules of Civil Procedure. The subject Defendant and such claims or liens are as follows:

(a) The Defendant JZB Group, LLC a/k/a The JZB Group, LLC by virtue of a mortgage given to it by H & M Real Estate Holdings, LLC in the original principal amount of \$600,000.00, which mortgage is dated June 1, 2015, and was recorded in said Register of Deeds' Office on June 2, 2015 in Book 2032 at Page 365.

CONCLUSIONS OF LAW

1. therefore, conclude as follows:
 1. The Plaintiff should have judgment of foreclosure of the mortgage.
 2. The mortgaged property should be ordered sold at public auction after due advertisement. The sale shall be made subject to taxes and assessments that are due on the day of such sale.
 3. After making the required deposit the successful bidder at the sale shall be required to pay interest at the rate set forth in the obligation described in the Complaint from date of sale to the date of compliance.
 4. The proceeds arising from such sale should be applied, first, to the costs and disbursements of this action, and next, to the payment and discharge of the amount of Plaintiff's debt and interest or so much thereof as the proceeds will pay, and any surplus should be held pending further order of the Court.

5. The Plaintiff is also entitled to have judgment therefore against the Defendants H & M Real Estate Holdings, LLC and Mitch B. McGuirt, jointly and severally, and individually on the individual's respective guaranty, which is limited to \$250,000.00.

Now, on motion of Plaintiff's attorneys, J. Kershaw Spong.

IT IS ORDERED, ADJUDGED AND DECREED THAT:

1. That there is due to the Plaintiff on the obligation and mortgage set forth in the Complaint the sum of \$1,444,173.00 representing the "Total Debt" due Plaintiff as set out in Paragraph 11, supra, together with interest at the rate provided in said obligation on the balance of principal from the aforesaid date to the date hereof.

2. The amount due in the preceding paragraph (the "Total Debt" as set forth in paragraph 11, supra, and later accrued interest on the principal) shall constitute the total judgment debt due the Plaintiff and shall bear interest hereafter at the current rate of 8.00% per annum.

3. That the Defendants liable for the aforesaid mortgage debt shall, on or before the date of sale of the property hereinafter described, pay to the Plaintiff's attorneys, the amount of Plaintiff's debt as aforesaid, together with the costs and disbursements of this action.

4. That on default of payment at or before the time herein indicated, the mortgaged premises described in the Complaint, as hereinafter set forth, be sold by the undersigned Master in Equity, at public auction, at the Richland County Courthouse, in the City of Columbia, County of Richland and state aforesaid, on some convenient Salesday hereafter (and should the regular day of judicial sales fall on a legal holiday, then and in such event, the Salesday shall be on Tuesday next succeeding such holiday), on the following terms, that is to say

a. FOR CASH: the undersigned Master in Equity will require a deposit of 5% of the amount of the bid (in cash or equivalent), same to be applied on the purchase price only upon compliance with the bid, but in case of non-compliance within Twenty (20) days same to be forfeited and applied to the costs and Plaintiff's debt.

b. Interest on the balance of the bid shall be paid through the day of compliance at the rate of 8.00%.

c. The sale shall be subject to taxes and assessments due on the day of such sale, existing easements and easements and restrictions of record.

d. Purchaser to pay for the preparation of the deed, deed stamps and costs of recording the deed

5. If Plaintiff is the successful bidder at said sale, for a sum not exceeding the amount of costs, expenses and the indebtedness of Plaintiff in full, Plaintiff may pay to the undersigned Master in Equity only the amount of the costs and expenses, crediting the balance of the bid on Plaintiff's indebtedness.

6. As a personal or deficiency judgment is demanded, the bidding will remain open for a period of thirty (30) days after the date of sale as provided by law in such cases.

7. The undersigned Master in Equity will, by advertisement according to law, give notice of the time and place of such sale, and the terms thereof; and will execute to the purchaser, or purchasers, a deed to the premises sold. The Plaintiff, or any other party to this action, may become a purchaser at such sale, and if, upon such sale being made, the purchaser, or purchasers, should fail to comply with the terms thereof within Twenty (20) days after date of sale, then the undersigned Master in Equity may advertise the said premises for sale on the next

or some other subsequent Salesday, at the risk of the former highest bidder, and so from time to time thereafter until a full compliance shall be secured. In the event the Plaintiff is the successful bidder, at its option, or the option of the assignee, the deed may be taken subject to payment by grantee of any taxes or assessments constituting a lien against the property sold under this Order and hereinafter more fully described.

8. The undersigned Master in Equity shall apply the proceeds of the sale as follows:

First: to payment of the amount of the costs and expenses of this action, including any Guardian ad Litem fee or fees of attorneys appointed under Order of Court.

Next: to the payment to the Plaintiff or Plaintiff's attorneys, of the amount of Plaintiff's debt and interest, or so much thereof as the purchase money will pay on the same.

9. That the Plaintiff have judgment therefore against the Defendant **H & M Real Estate Holdings, LLC** in the amount of \$1,444,173.00; and against the Defendant **Mitch B. McGuirt**, jointly and severally, under his guaranty in the amount of \$250,000.00. Such judgment shall be entered and docketed in the Clerk's office immediately and in the same manner as other judgments pursuant to §29-3-650 SC Code of Laws (1976 as amended). Upon the sale of the subject property, this judgment shall be credited the amount paid to Plaintiff from the proceeds of the sale. §29-3-650 SC Code of Laws (1976 as amended).

10. Any surplus should be held pending further Order of this Court.

11. It is further ORDERED, ADJUDGED AND DECREED in the event the successful bidder is other than the Defendants in possession of the subject property and title by deed from the court is vested in such purchaser, the Sheriff of Richland County is ordered and directed to eject and remove from the property the occupants of the property sold, together with

all personal property located thereon, and put the successful bidder or his or its assigns in full, quiet and peaceable possession of said property without delay, and to keep said successful bidder or his or its assigns in such peaceable possession.

12. In the event the successful purchaser is someone other than the Defendant(s) in possession of the subject property, and the occupants have voluntarily vacated the property or have been ejected from the property leaving furnishings, fixtures and items not subject to Plaintiff's Mortgage in said property, and title by deed from the court is vested in such purchaser, the purchaser is authorized to remove from the property all furnishings, fixtures and items not subject to the lien of Plaintiff's Mortgage. The personal property, being deemed abandoned, shall be removed by the Purchaser or its agents from the subject property by placing said personal property on the public street or highway or by any other means.

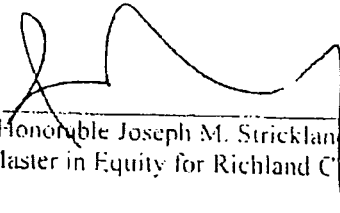
13. And it is further ORDERED, ADJUDGED AND DECREED that each Defendant named herein and all persons whosoever claiming under him, them or it, be forever barred and foreclosed of all right, title, interest, and equity of redemption in the said mortgaged premises so sold, or any part thereof.

14. IT IS FURTHER ORDERED that the deed of conveyance made pursuant to said sale shall contain the names of only the first-named Plaintiff and the first-named Defendant and the Defendants who were the titleholders of the mortgaged property at the time of the filing of the notice of pendency of the within action, and the name of the grantee, and the Register of Deeds is authorized to omit from the indices pertaining to such conveyance the names of all parties not contained in said deed.

15. The undersigned will retain jurisdiction to do all necessary acts incident to this foreclosure including, but not limited to, the issuance of a writ of assistance.

16. It is further ordered, that if neither the Plaintiff nor the Plaintiff's representative appears at the scheduled sale of the above-described property, then the sale of the property will be null, void and of no force and effect. In such event, the sale will be rescheduled for the next available sales date.

17. The premises herein ordered to be sold are described on Exhibit "A" attached hereto and made a part hereof.


The Honorable Joseph M. Strickland
As Master in Equity for Richland County

Columbia, South Carolina.

June 10, 2016.

EXHIBIT A

All those certain pieces, parcels, lots or tracts of land, with any improvements thereon, situate, lying and being in the City of Forest Acres and the City of Columbia, County of Richland, State of South Carolina, being shown and delineated as Parcel A containing 23.95 acres, Parcel B containing 1.13 acres, Parcel C containing 0.51 acre (Parcels A, B & C being portions of TMS 13907-01-01), a 0.43 acre parcel (TMS 13907-03-31), a 0.44 acre parcel (TMS 13907-03-32), and a 0.03 acre parcel (TMS 13907-03-34), all as more fully shown and delineated on a plat (the "Plat") prepared for Strategic Development Services, Inc. by Baxter Land Surveying Co., Inc., dated October 30, 2012, last revised April 17, 2014, recorded May 19, 2014 in Book 1946 at Page 2565, Office of the Register of Deeds for Richland County, and having such boundaries and measurements as shown on the Plat, which are specifically incorporated by reference.

This being the same property conveyed to H & M Real Estate Holdings, L.L.C by deed of Carolina Children's Home dated May 19, 2014 and recorded May 19, 2014 in Book 1946 at Page 2566 in the Office of the Register of Deeds for Richland County, South Carolina.

TMS Nos. 13907-01-09 - Parcels A, B and C
13907-03-31 - 0.43 acres
13907-03-32 - 0.44 acres
13907-03-34 - 0.03 acres

EXHIBIT B

Case No.: 2016-CP-40-00341

F. Miles Adler

From: STEPHEN.CREECH@bcbsc.com
Sent: Friday, May 22, 2015 9:39 AM
To: scspinerep@att.net
Cc: JKessler@theearthheals.com
Subject: RE: follow up

Thank you for the quick response. I don't think it makes much sense for us to accept a matched offer, or one that is slightly improved. As a Board we have an obligation to secure as much of the \$1.4 million that is owed.

Thanks,

-Stephen

From: Mitch McGuirt [mailto:scspinerep@att.net]
Sent: Friday, May 22, 2015 9:28 AM
To: STEPHEN CREECH
Cc: JKessler@theearthheals.com
Subject: RE: follow up

We are meeting today at lunch to discuss as I have been in Kentucky most of week. Will CCH give us a right of first refusal to match or better your best offer purchase the note and mortgage?

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: STEPHEN.CREECH@bcbsc.com
Date: 05/22/2015 9:01 AM (GMT-05:00)
To: scspinerep@att.net
Cc: JKessler@theearthheals.com
Subject: follow up

Good morning, Mitch.

It was good speaking with you the other night. I wanted to follow up from our conversation and see if H&M has decided to offer a discount on the existing note and mortgage. We want to make sure you and your group are involved in the process but we need for you to know that we currently have a qualified offer to purchase the note and mortgage (all cash close in 5-days) and are negotiating with another group for the remaining portion of the CCH campus property and that group too has an interest in acquiring the note and mortgage. We will need to make some hard decisions here very soon, so if you're interested please let us know your offer. The Board is meeting on Wednesday morning at 8:00, and we will likely be making a decision at that time. Time is obviously of the essence given the holiday weekend and the time it will take to prepare legal documents, etc.

Have a great Memorial Day weekend.

-Stephen

Stephen M. Creech, Jr., FACHE

BlueCross BlueShield of South Carolina

803-264-9898 (W)

stephen.creech@bcbsc.com

CERTIFICATE OF SERVICE

I certify that on November 1, 2016, the foregoing Motion for Relief From Judgment (Case No.: 2016-CP-40-00341) was served by via overnight delivery private mail courier, signature required on opposing counsel as follows:

J. Kershaw Spong
ROBINSON, MCFADDEN & MOORE, P.C.
1901 Main Street – Suite 1200
Columbia, SC 29202
Attorney for Plaintiff CCH of Richland County, LLC

Michael M. Beal
BEAL, LLC
1301 Gervais Street – Suite 1040
Columbia, SC 29201
Attorney for Defendant JZB Group, LLC



F. Miles Adler

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

CCH of Richland County, LLC

Plaintiff,

vs.

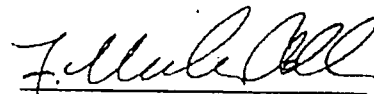
H&M Real Estate Holdings, LLC, JZB Group, LLC
a/k/a The JZB Group, LLC, and Mitch B. McGuirt,

Defendants.

IN THE COURT OF COMMON PLEAS
CIVIL ACTION NO.: 2016-CP-40-00431

RULE 11 CERTIFICATION

Undersigned counsel hereby affirms that due to time constraints, opposing counsel was not consulted prior to the filing of this motion, and that said consultation could not be timely held. Counsel further certifies that consultation would serve no useful purpose as Plaintiff counsel is unlikely to agree to the relief requested.



F. Miles Adler
SC Bar No.: 70238
P.O. Box 4743
Pawleys Island, SC 29585
T: 843-314-3204
F: 843-314-3205
miles@adlerlaw.partners

Pawleys Island, SC
November 1, 2016

EXHIBIT C

H&M Real Estate Holdings, LLC Notice of Appeal

Civil Action No.: 2016-CP-40-00431