

**THE STATE OF SOUTH CAROLINA
In The Court of Appeals**

**APPEAL FROM RICHLAND COUNTY
Court of Common Pleas**

**The Honorable Joseph M. Strickland
Master In Equity for Richland County**

**APPELLATE CASE NO. 2016-001468
CIVIL ACTION NO. 2008-CP-40-8887**

RECEIVED

APR 06 2017

SC Court of Appeals

South Carolina Community
Bank,

Respondent,

v.

Carolina Procurement Institute
Inc., Gary A. Washington,
Michele A. Washington, First
Palmetto Savings Bank,
F.S.B., Branch Banking and
Trust Company of South
Carolina, Palmetto Health
Alliance, State of South
Carolina Department of
Revenue

Of Whom Carolina
Procurement Institute Inc.,
Gary A. Washington, Michele
A. Washington.

Appellants.

RECORD ON APPEAL

William L. Pyatt
Post Office Box 12041
Columbia, SC 29211
Attorney for Appellants

Charles J. Webb
Carmen V. Ganjehsani
Post Office Drawer 7788
Columbia, SC 29202
Attorneys for Respondent

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff(s)

vs.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch Banking
and Trust Company of South Carolina,
Palmetto Health Alliance, State of South
Carolina Department of Revenue

Defendant(s)

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2008-CP-40-9987

(Please Print)

Submitted By: S. Nelson Weston, Jr.

Address: 1900 Barnwell Street
Columbia, SC 29201

SC Bar #: 12902

Telephone #: (803) 771-4400

Fax #: (803) 779-0016

Other:

E-mail: nweston@rprclaw.com

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

DOCKETING INFORMATION (Check all that apply)

*If Action is Judgment/Settlement do not complete

- ☐ JURY TRIAL demanded in complaint. ☒ NON-JURY TRIAL demanded in complaint.
☐ This case is subject to ARBITRATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is subject to MEDIATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is exempt from ADR (certificate attached).

NATURE OF ACTION (Check One Box Below)

- | | | | | | | | | | | | |
|---|---|---|--|--|--|--|---|--|---|--------------------------------------|--|
| Contracts
☐ Constructions (100)
☐ Debt Collection (110)
☐ Employment (120)
☐ General (130)
☐ Breach of Contract (140)
☐ Other (199) | Torts - Professional Malpractice
☐ Dental Malpractice (200)
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☐ Assault/Slander/Libel (300)
☐ Conversion (310)
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☐ Premises Liability (330)
☐ Products Liability (340)
☐ Personal Injury (350)
☐ Wrongful Death (360)
☐ Other (399) | Real Property
☐ Claim & Delivery (400)
☐ Condemnation (410)
☒ Foreclosure (420)
☐ Mechanic's Lien (430)
☐ Partition (440)
☐ Possession (450)
☐ Building Code Violation (460)
☐ Other (499) | | | | | | | | |
| Inmate Petitions
☐ PCR (500)
☐ Sexual Predator (510)
☐ Mandamus (520)
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☐ Other (599) | Judgments/Settlements
☐ Death Settlement (700)
☐ Foreign Judgment (710)
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☐ Other (799) | Administrative Law/Relief
☐ Reinstate Driver's License (800)
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☐ Relief (820)
☐ Permanent Injunction (830)
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☐ Zoning Board (970)
☐ Administrative Law Judge (980)
☐ Public Service Commission (990)
☐ Employment Security Comm (991)
☐ Other (999) | | | | | | | | |
| Special/Complex /Other
<table border="0"><tr><td>☐ Environmental (600)</td><td>☐ Pharmaceuticals (630)</td></tr><tr><td>☐ Automobile Arb. (610)</td><td>☐ Unfair Trade Practices (640)</td></tr><tr><td>☐ Medical (620)</td><td>☐ Out-of State Depositions (650)</td></tr><tr><td>☐ Other (699)</td><td></td></tr></table> | | | | ☐ Environmental (600) | ☐ Pharmaceuticals (630) | ☐ Automobile Arb. (610) | ☐ Unfair Trade Practices (640) | ☐ Medical (620) | ☐ Out-of State Depositions (650) | ☐ Other (699) | |
| ☐ Environmental (600) | ☐ Pharmaceuticals (630) | | | | | | | | | | |
| ☐ Automobile Arb. (610) | ☐ Unfair Trade Practices (640) | | | | | | | | | | |
| ☐ Medical (620) | ☐ Out-of State Depositions (650) | | | | | | | | | | |
| ☐ Other (699) | | | | | | | | | | | |

Submitting Party Signature: _____

Date: 12/16/08

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

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch Banking
and Trust Company of South Carolina, Palmetto
Health Alliance, State of South Carolina
Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 08-CP-_____

SUMMONS
(Collection)
(Non-Jury)

TO THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMMONED AND REQUIRED to answer the Complaint in the
above-captioned action, a copy of which is herewith served upon you, and to serve a copy of
your Answer to the Complaint on the Plaintiff at 1900 Barnwell Street, Columbia, South
Carolina, within thirty (30) days after the service hereof, exclusive of the day of service; in the
event you fail to answer the said Complaint within this time, the Plaintiff will apply to the
Court for the relief demanded in the Complaint and judgment by default will be rendered
against you for the relief demanded in the Complaint.

RICHARDSON, PLOWDEN &
ROBINSON

BY:


S. Nelson Weston, Jr., Esquire

RICHARDSON, PLOWDEN
& ROBINSON, P.A.

1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
803-771-4400

ATTORNEYS FOR THE PLAINTIFF

Columbia, South Carolina

12/16, 2008

FILED
00 DEC 17 PM 1:00
C.C.C. & G.S.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch Banking
and Trust Company of South Carolina, Palmetto
Health Alliance, State of South Carolina
Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 08-CP-_____ - _____

FORECLOSURE COMPLAINT

(Collection)

(Non-Jury)

C.C.C. & G.S.

DEC 17 PM 1:00

FILED

The Plaintiff, complaining of the Defendants above-named, alleges that:

1. Plaintiff is a banking institution organized under the laws of the State of South Carolina, doing business in Richland County and subject to the jurisdiction of this Court.
2. Upon information and belief, the Defendant, Carolina Procurement Institute Inc., is a corporation existing in the State of South Carolina and doing business in the County of Richland, State of South Carolina, and subject to the jurisdiction of this Court.
3. That upon information and belief, Defendant, Gary A. Washington, is a citizen and resident of Richland County, South Carolina and is subject to the jurisdiction of this Court.
4. That upon information and belief, Defendant, Michele A. Washington, is a citizen and resident of Richland County, South Carolina and is subject to the jurisdiction of this Court.
5. That upon information and belief, Defendant, First Palmetto Savings Bank, F.S.B., is a banking institution organized under the laws of the State of South Carolina, doing business in Richland County and subject to the jurisdiction of this Court.

6. Upon information and belief, Branch Banking & Trust Company of South Carolina is a banking institution organized under the laws of the State of South Carolina, doing business in Richland County and subject to the jurisdiction of this Court.

7. Upon information and belief, Palmetto Health Alliance, is a health care facility organized under the laws of the State of South Carolina, doing business in Richland County and subject to the jurisdiction of this Court.

8. Upon information and belief, State of South Carolina Department of Revenue, is a governmental agency organized under the laws of the State of South Carolina, doing business in Richland County and subject to the jurisdiction of this Court.

9. The real Property hereinafter described which is the subject of this action, is situated and located in Richland County, South Carolina.

10. Carolina Procurement Institute Inc. and Michele A Washington, as Vice President of Carolina Procurement Institute Inc., for value received, did execute and deliver, a promissory note dated December 22, 2004, (the "Note") and payable to the order of South Carolina Community Bank in the sum of Four Hundred Fifty-three Thousand and no/100 Dollars (\$453,000.00) with interest on the amount financed at the rate of Wall Street Journal prime plus 1.00% per annum, repayable by monthly installments according to terms as more fully set forth in the Note, attached hereto as Exhibit "A" and incorporated herein by reference.

11. On or about December 22, 200, Gary A Washington and Michele A Washington, in order to better secure the payment of the indebtedness evidenced by said Note and according to the terms and conditions thereto, executed and delivered to South Carolina Community Bank, its successors and assigns, by way of Mortgage, the following-described real estate (the "Property"), to wit:

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

ALSO:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street running thence along the edge of the right-of-way of Gervais Street South 72°51'West for a distance of 52.29 feet to an iron; thence turning and running South 17°54'East for a distance of 170.56 feet to an iron; thence turning and running North 72°55'East for a distance of 52.40 feet to an iron; thence turning and running North 17°50'West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

TMS#: 11406-16-20 & 11406-16-19

12. Said Mortgage constitutes a first lien on the mortgaged Property (hereinafter referred to as the "Mortgage") and was duly filed and recorded in the Office of the Clerk of Court for Richland County, South Carolina, on December 28, 2004, in Book 01009 at page 3145. A copy of said Mortgage is attached hereto as Exhibit "B" and incorporated herein by

reference.

13. On or about December 22, 2004, the said Carolina Procurement Institute Inc. and Michele A Washington, as Vice President of Carolina Procurement Institute Inc., and Plaintiff executed a business loan agreement (Loan Agreement) attached hereto as Exhibit "C" and incorporated herein by reference.

14. That Defendant, Gary A Washington, on or about December 22, 2004, executed a Guaranty attached hereto as Exhibit "D" and incorporated herein by reference.

15. That Defendant, Michele A Washington, on or about December 22, 2004, executed a Guaranty attached hereto as Exhibit "E" and incorporated herein by reference.

16. Pursuant to the Guaranty Agreements, Gary A Washington and Michele A Washington guaranteed payment under the Note and under the Agreement.

17. It was agreed in said Mortgage that, should Defendants default in any of the payments as therein provided, the whole amount of the debt secured by said Mortgage shall become due and payable at the election of the Mortgagee. Defendants failed and refused to pay to the Plaintiff the installment of principal and interest and has failed to make any payment since that date.

18. Gary A Washington and Michele A Washington, further agreed that in the case of foreclosure of said Mortgage, by suit or otherwise, the Mortgagee shall recover from Gary A Washington and Michele A Washington, a reasonable sum as attorneys' fees, which shall be secured by the Mortgage, and included in the judgment of foreclosure.

19. Said Mortgage further provides that said Gary A Washington and Michele A Washington, thereby assigned, set over, and transferred to the Mortgagee, its heirs and assigns, all of the rents, issues and profits of the mortgaged premises, including those past due,

upon acceleration of payment of all sums secured by the Mortgage.

20. The said Mortgage further provides that Gary A Washington and Michele A Washington, shall insure and keep insured against loss and damage by fire the premises covered by said Mortgage, and in the event of the failure of the said Gary A Washington and Michele A Washington, to insure and keep insured the said premises, the said Mortgagee, its successors or assigns, may cause the same to be insured in its own name, and reimburse itself for the premium and expenses of such insurance under the Mortgage, whereupon the entire debt secured by the said Mortgage shall become due and payable, if the Mortgagee, or its successors or assigns, shall so elect.

21. The said Mortgage further provided that Gary A Washington and Michele A Washington, shall promptly pay all taxes assessed and chargeable against said Property, and in default thereof, that the said Mortgagee, its successors or assigns, may pay the same and reimburse itself under the said Mortgage, whereupon the entire debt secured by said Mortgage shall become immediately due and payable, if the Mortgagee or its successors or assigns, shall so elect.

22. The aforesaid Note and Mortgage are now in default. The Plaintiff has made demand on the Defendants to cure the default; however, the demands of the Plaintiff have been ignored by Carolina Procurement Institute, Gary A Washington and Michele A Washington, and by reason of failure of Carolina Procurement Institute, Inc., Gary A Washington and Michele A Washington, to cure the default, all sums became due, the Plaintiff has elected and does hereby elect that the entire indebtedness evidenced by the Note and secured by said Mortgage is immediately due and payable.

23. Since it has become and is necessary for the Plaintiff to employ legal counsel to

prosecute this action, a reasonable fee for the services of the Plaintiff's counsel should, according to the terms of said Note and Mortgage, be added to the amount of the Mortgage debts. Said reasonable fee should take into consideration the nature, extent and difficulty of the services rendered (the field of mortgage foreclosures being a specialized area of practice); the time involved in reviewing the various loan documents, performing the title search, and preparing the pleadings; the time anticipated to be performed in preparing for and attending hearings and until final adjudication of the within action, under the terms of the Note and Mortgage; the professional standing of the Plaintiff's attorney; the fee customarily charged in this jurisdiction for similar services; and the potential beneficial results obtained for the Plaintiff. Services anticipated to be performed until final adjudication contemplate completion of this matter within a reasonable time and do not include exceptional, unanticipated circumstances delaying conclusion beyond the normal time.

24. The Plaintiff is informed and believes that it is entitled to judgment and foreclosure of said Mortgage, together with reasonable attorneys' fees and the costs of this action.

25. There is now due and owing on the Note and Mortgage, the combined principal and interest sum as follows:

Current Balance as of 12/18/08	\$410,271.60
Accrued Interest	16,499.16
Prepayment Penalties	8,205.43
Late Charges	4,837.57
Late Fees and Costs	<u>4,674.17</u>
Total amount due as of 12/18/08	\$439,813.72
Per Diem \$68.37860	

(said interest being computed at the rate of 7.500% per annum as provided in the Note), plus any advancements made by the Plaintiff, including, but not limited to, maintenance of any

escrow accounts, payment of any taxes and payment of fire insurance premiums; in addition, the Plaintiff is entitled to an award for any and all expenses incurred in and incident to this action, including a reasonable attorneys' fee for the Plaintiff's attorneys, which amounts are to be added to and collectible as part of the debt, in accordance with the terms of the Note.

26. If the Plaintiff pays any utility charges which constitute or could constitute a lien on the premises, Plaintiff's payments should be added to the amount of any judgment rendered on its behalf.

27. That Defendant, First Palmetto Savings Bank, F.S.B., claims or may claim an interest in the subject property by virtue of a Mortgage dated February 20, 2002, and recorded February 21, 2002 in the Richland County Register of Deeds office in Book R628 at Page 2680. Said mortgage has been paid in full and is no longer a lien against the property.

28. That Defendant, Branch Banking and Trust Company of South Carolina, claims or may claim an interest in the subject property by virtue of a Mortgage dated March 19, 2002, and recorded March 19, 2002 in the Richland County Register of Deeds office in Book R639 at Page 1302. Said mortgage has been paid in full and is no longer a lien against the property.

29. The Defendant, Palmetto Health Alliance, claims or may claim an interest in the subject property by virtue of a Judgment in the amount of \$1,599.92 recorded on November 14, 2002, Judgment Roll Number 245269 with the Richland County Clerk of Court against Michelle Y Washington. Said lien is against a different individual than the Mortgagor in this matter.

30. The Defendant, South Carolina Department of Revenue, claims or may claim an interest in the subject property by virtue of a State Tax Lien in the amount of \$363.07, recorded on June 07, 2007, in Book R 1322 at Page 1392 with the Richland County Register of Deeds. The Judgment is junior and subordinate to the lien being foreclosed.

31. The Plaintiff demands a personal or deficiency judgment against the Defendant Carolina Procurement Institute Inc., Gary A Washington, as Guarantor and Michele A Washington, as Guarantor.

32. Upon foreclosure and sale of the Property hereinabove described, in order that the purchaser at said sale may duly acquire peaceful possession of the Property, the Court is respectfully requested to include in its Decree of Foreclosure and Sale the following proviso, to wit:

After the sale of the premises, and as soon as the sale by the Master-in-Equity is complete, Gary A Washington and Michele A Washington (s), or person(s) in possession, shall, within twenty (20) days of the date of sale, move from the premises, and give up the premises, without damage or vandalism. Upon failure of any Gary A Washington and Michele A Washington,(s) or person(s) to vacate premises within twenty (20) days of the date of sale by the Court, the Sheriff is authorized, empowered and directed to enter upon the premises and forcibly eject the parties therefrom, unless prior to such date, Gary A Washington and Michele A Washington (s) or person(s) in possession has obtained from the Court an Order extending the time which said Gary A Washington and Michele A Washington,(s) or person(s) shall have to vacate said premises. The Sheriff (or his deputies) is also authorized to remove from the premises any furniture or other possessions of Gary A Washington and Michele A Washington,(s) or person(s) in possession, and any interference with the activities of the Sheriff will be upon penalty of contempt of Court.

WHEREFORE, the Plaintiff prays judgment:

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

B. That the said Plaintiff's Mortgage be declared a valid lien on the subject Property and that the said Plaintiff be allowed to have judgment of foreclosure for the amount so found to be due and owing to Plaintiff, together with any taxes or insurance premiums

which may be due, or utility charges paid by Plaintiff, with a reasonable sum as attorneys' fees and costs of this action; and

C. That the mortgaged Property be sold under the direction of this Court, the equity of redemption be barred, and the proceeds of sale be applied as follows:

First, to the costs and expenses of the within action and sale including reasonable attorneys' fees;

Second, to the payment and discharge of the amount due on the Plaintiff's Mortgage as determined by this Court;

Third, the surplus, if any, to be distributed according to law in such manner as may be determined by this Honorable Court; and

D. That the Plaintiff demands a deficiency judgment against the Defendants, Carolina Procurement Institute Inc., Gary A Washington as Guarantor and Michele A Washington As Guarantor, in the event that the proceeds of the sale of the mortgaged Property are insufficient to pay in full the indebtedness, including costs of collection; and

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


S. Nelson Weston, Jr., Esquire
RICHARDSON, PLOWDEN
& ROBINSON, P.A.
Post Office Drawer 7788
Columbia, South Carolina 29202
Telephone: [803] 771-4400
ATTORNEYS FOR THE PLAINTIFF

12/16, 2008

NOTICE REQUIRED BY THE
FAIR DEBT COLLECTION
PRACTICES ACT, (THE ACT),
15 U.S.C. SECTION 1601 AS AMENDED

1. The past-due amount is \$439,813.72
2. The Creditor is South Carolina Community Bank.
3. The debt described in the letter attached hereto will be assumed to be valid by the Creditor's law firm unless you, the debtor, within thirty (30) days after the receipt of this notice, dispute, the validity of the debt or some portion thereof.
4. If you, the debtor, notify the Creditor's law firm in writing within thirty (30) days of the receipt of this notice that the debt, or any portion thereof, is disputed, the Creditor's law firm will obtain a verification of the debt and a copy of the verification will be mailed to you, the debtor, by the Creditor's law firm.
5. If the Creditor named in the attached letter is not the original Creditor, and if you make a written request to the Creditor's law firm within the thirty (30) days from the receipt of this notice, the name and address of the original Creditor will be mailed to you by the Creditor's law firm.
6. Written requests should be addressed to S. Nelson Weston, Jr., Esquire, Richardson, Plowden & Robinson, P.A., Post Office Drawer 7788, Columbia, South Carolina 29202.
7. This notice should not be construed as a thirty (30) day grace period. Creditor may pursue collection efforts immediately and not wait thirty (30) days.
8. This notice is an attempt to collect a debt and information obtained will be used for that purpose.

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$453,000.00	12-22-2004	12-22-2009	125096			MM006	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: CAROLINA PROCUREMENT INSTITUTE INC (TIN:
57-1082386)
1815 GERVAIS STREET
COLUMBIA, SC 29201

Lender: South Carolina Community Bank
Main Office
1545 Sumter Street
Columbia, SC 29201
(803) 733-8100

Principal Amount: \$453,000.00

Interest Rate: 7.500%

Date of Note: December 22, 2004

PROMISE TO PAY. CAROLINA PROCUREMENT INSTITUTE INC ("Borrower") promises to pay to South Carolina Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Hundred Fifty-three Thousand & 00/100 Dollars (\$453,000.00), together with interest at the rate of 7.500% per annum on the unpaid principal balance from December 22, 2004, until paid in full.

PAYMENT. Borrower will pay this loan in 59 regular payments of \$3,679.30 each and one irregular last payment estimated at \$397,953.23. Borrower's first payment is due January 22, 2005, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on December 22, 2009, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs; then to any late charges; then to any accrued unpaid interest; and then to principal. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT PENALTY. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: Borrower may prepay all or any portion of the Loan provided, however, that in the event all or any portion of the Loan is prepaid by Borrower, whether voluntarily or by reason of default, acceleration or otherwise, the Borrower shall pay a prepayment fee equal to, 3% in year one of year two, 2% in year three or year four, and 1% in year five of the amount by which the sum of prepayment made in any Loan year exceeds scheduled payments under the note. Except for the foregoing, Borrower may pay all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: South Carolina Community Bank, Main Office, 1545 Sumter Street, Columbia, SC 29201.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the interest rate on this Note 2.000 percentage points. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately

**PROMISSORY NOTE
(Continued)**

Page 2

Loan No: 125096

due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes Lender's reasonable attorneys' fees in an amount not less than fifteen percent (15%) of the amount owing on this Note and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of South Carolina without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of South Carolina.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage dated December 22, 2004, to Lender on real property located in RICHLAND County, State of South Carolina.

DEPOSIT RELATIONSHIP. Borrower must maintain a primary deposit relationship with Bank or pay a fee on each anniversary of the Loan of 1/4% of the then outstanding balance throughout the life of the Loan.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

CAROLINA PROCUREMENT INSTITUTE INC

By:

GARY A WASHINGTON, President of CAROLINA
PROCUREMENT INSTITUTE INC

By:

MICHELE A WASHINGTON, Vice President of
CAROLINA PROCUREMENT INSTITUTE INC

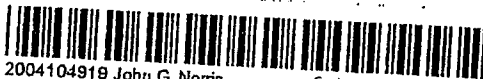
Exhibit "B"

Book 01009-3145

2004104919 12/28/2004 16:29 18-89

Fee: \$14.00 County Tax: \$0.00 State Tax: \$0.00

Mortgage



2004104919 John G. Norris

Richland County HOD

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

MAXIMUM LIEN. The lien of this Mortgage shall not exceed at any one time \$453,000.00.

THIS MORTGAGE dated December 22, 2004, is made and executed between GARY A WASHINGTON and MICHELE A WASHINGTON, whose address is 1324 FURMAN DRIVE, SUMTER, SC 29154 (referred to below as "Grantor") and South Carolina Community Bank, whose address is 1545 Sumter Street, Columbia, SC 29201 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in RICHLAND County, State of South Carolina:

See EXHIBIT A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as 1811 AND 1815 GERVAIS STREET, COLUMBIA, SC 29201.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all Indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties

Signature: Gary A. Washington
Signature: Michele A. Washington
Signature: [illegible]
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contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$5,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$5,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds

For [Signature] POA
[Signature]
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MORTGAGE (Continued)

Page 3

any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage; and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

For [Signature]
[Signature]

22 Dec 99

MORTGAGE (Continued)

Page 4

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and, as mortgagee-in-possession, collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not

For [Signature] M. [Signature] R. [Signature]
22 [Signature]
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MORTGAGE (Continued)

Page 5

any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Appraisal. Grantor hereby waives the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by Lender against Borrower in the event of foreclosure under this Mortgage.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees in an amount not less than fifteen percent (15%) of the amount owing on the Indebtedness and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of South Carolina without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of South Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and

For Michelson
22 Dec 97
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MORTGAGE (Continued)

Page 6

Grantor signing below is responsible for all obligations in this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of South Carolina as to all indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means CAROLINA PROCUREMENT INSTITUTE INC and includes all co-signers and co-makers signing the Note.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means GARY A WASHINGTON and MICHELE A WASHINGTON.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, earned interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means South Carolina Community Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated December 22, 2004, in the original principal amount of \$453,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is December 22, 2009.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

*For [Signature] POA vda.
Michael*

**MORTGAGE
(Continued)**

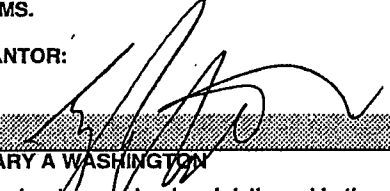
Page 7

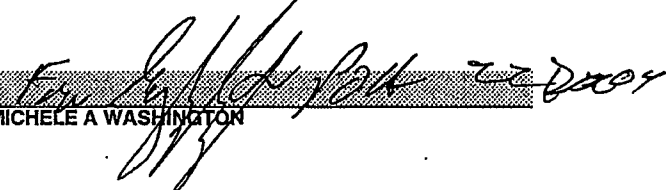
Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

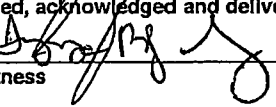
EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X 
GARY A WASHINGTON

X 
MICHELE A WASHINGTON

Signed, acknowledged and delivered in the presence of:

X 
Witness

X _____
Witness

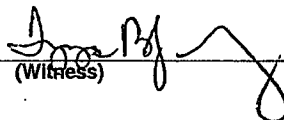
INDIVIDUAL ACKNOWLEDGMENT

STATE OF South Carolina)

) SS

COUNTY OF Richland)

PERSONALLY appeared before me and made oath that he or she saw the within-named Grantor(s) sign, seal, and, as his or her act and deed, deliver the within-written Mortgage for the uses and purposes therein mentioned, and that he or she with the other witness subscribed above witnessed the execution thereof.


(Witness)

SWORN to before me this _____

day of _____, A.D. 20_____

(Seal)

Notary Public

My Commission expires: _____

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**EXHIBIT A
of Mortgage**

Lender:	SC Community Bank	Date:	December 22, 2004
Borrower:	Carolina Procurement Institute	Loan No.:	125096
Property Address:	1811-1815 Gervais Street Columbia, SC 29201		

LEGAL DESCRIPTION

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the ?City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.

DERIVATION: This being the identical property conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Richland County Office of the Register of Deeds Book 639 at Page 1298

Also:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street and running thence along the edge of the right-of-way of Gervais Street South 72 degrees 51' West for distance of 52.59 feet to an iron; thence turning and running South 17 degrees 54' East for a distance of 170.56 feet to an iron; thence turning and running North 72 degrees 55' East for a distance of 52.40 feet to an iron; thence turning and running North 17 degrees 50' West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the identical property conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Richland County Office of the Register of Deeds Book 639 at Page 1298.

Richland County Tax Map No. 11306-16-19 & 11306-16-20

Property Address 1811 & 1815 Gervais Street, Columbia, SC 29201

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$453,000.00	12-22-2004	12-22-2009	125096			MM006	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: CAROLINA PROCUREMENT INSTITUTE INC (TIN: 57-1082386)
1815 GERVAIS STREET
COLUMBIA, SC 29201

Lender: South Carolina Community Bank
Main Office
1545 Sumter Street
Columbia, SC 29201
(803) 733-8100

THIS BUSINESS LOAN AGREEMENT dated December 22, 2004, is made and executed between CAROLINA PROCUREMENT INSTITUTE INC ("Borrower") and South Carolina Community Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement ("Loan"). Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of December 22, 2004, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until December 22, 2009.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of South Carolina. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 1815 GERVAIS STREET, COLUMBIA, SC 29201. Unless Borrower has designated otherwise in writing, this is the principal office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of incorporation or organization, or bylaws, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3)

Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than sixty (60) days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, prepared by Borrower.

Tax Returns. As soon as available, but in no event later than sixty (60) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by Borrower.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

<u>Names of Guarantors</u>	<u>Amounts</u>
GARY A WASHINGTON	Unlimited
MICHELE A WASHINGTON	Unlimited

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of

any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Compliance Certificates. Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This

includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Right to Cure. If any default, other than a default on indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after receiving written notice from Lender demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of South Carolina without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of South Carolina.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

BUSINESS LOAN AGREEMENT (Continued)

Loan No: 125096

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Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means CAROLINA PROCUREMENT INSTITUTE INC and includes all co-signers and co-makers signing the Note.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means South Carolina Community Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note executed by CAROLINA PROCUREMENT INSTITUTE INC in the principal amount of \$453,000.00 dated December 22, 2004, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: 125096

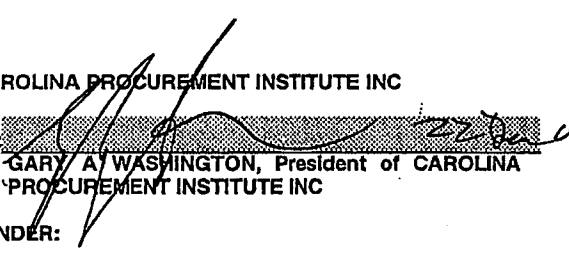
Page 6

mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

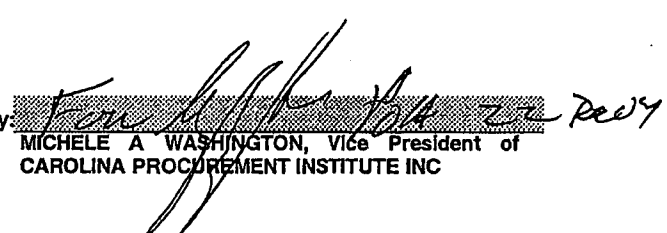
BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED DECEMBER 22, 2004.

BORROWER:

CAROLINA PROCUREMENT INSTITUTE INC

By:  22 Dec 04

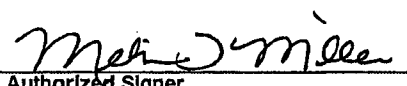
GARY A WASHINGTON, President of CAROLINA
PROCUREMENT INSTITUTE INC

By:  22 Dec 04

MICHELE A WASHINGTON, Vice President of
CAROLINA PROCUREMENT INSTITUTE INC

LENDER:

SOUTH CAROLINA COMMUNITY BANK

By:  22 Dec 04

Authorized Signer

Exhibit "D"
COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
						MM006	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: CAROLINA PROCUREMENT INSTITUTE INC (TIN: 57-1082386)
1815 GERVAIS STREET
COLUMBIA, SC 29201

Lender: South Carolina Community Bank
Main Office
1545 Sumter Street
Columbia, SC 29201
(803) 733-8100

Guarantor: GARY A WASHINGTON (SSN: 093-60-2294)
1324 FURMAN DRIVE
SUMTER, SC 29154

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, GARY A WASHINGTON ("Guarantor") absolutely and unconditionally guarantees and promises to pay to South Carolina Community Bank ("Lender") or its order, in legal tender of the United States of America, the indebtedness (as that term is defined below) of CAROLINA PROCUREMENT INSTITUTE INC ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

INDEBTEDNESS GUARANTEED. The indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the indebtedness. All renewals, extensions, substitutions, and modifications of the indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new indebtedness. This Guaranty shall bind Guarantor's estate as to indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of indebtedness, even to zero dollars (\$0.00), prior to Guarantor's written revocation of this Guaranty shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed indebtedness remains unpaid and even though the indebtedness guaranteed may from time to time be zero dollars (\$0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no

**COMMERCIAL GUARANTY
(Continued)**

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obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses arising by reason of (A) any right of appraisal, "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of South Carolina without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of South Carolina.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any Indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

**COMMERCIAL GUARANTY
(Continued)**

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means CAROLINA PROCUREMENT INSTITUTE INC and includes all co-signers and co-makers signing the Note.

Guarantor. The word "Guarantor" means each and every person or entity signing this Guaranty, including without limitation GARY A WASHINGTON.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means South Carolina Community Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED DECEMBER 22, 2004.

GUARANTOR:

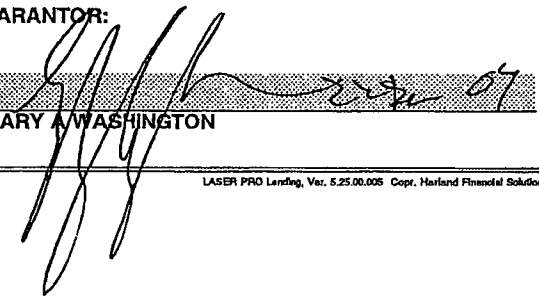
X 
GARY A WASHINGTON

Exhibit "E"

COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							MM006

Borrower: CAROLINA PROCUREMENT INSTITUTE INC (TIN:
57-1082386)
1815 GERVAIS STREET
COLUMBIA, SC 29201

Lender: South Carolina Community Bank
Main Office
1545 Sumter Street
Columbia, SC 29201
(803) 733-8100

Guarantor: MICHELE A WASHINGTON (SSN: 015-48-9784)
1324 FURMAN STREET
SUMTER, SC 29154

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, MICHELE A WASHINGTON ("Guarantor") absolutely and unconditionally guarantees and promises to pay to South Carolina Community Bank ("Lender") or its order, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of CAROLINA PROCUREMENT INSTITUTE INC ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

INDEBTEDNESS GUARANTEED. The Indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the Indebtedness. All renewals, extensions, substitutions, and modifications of the Indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new Indebtedness. This Guaranty shall bind Guarantor's estate as to Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of Indebtedness, even to zero dollars (\$0.00), prior to Guarantor's written revocation of this Guaranty shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed Indebtedness remains unpaid and even though the Indebtedness guaranteed may from time to time be zero dollars (\$0.00).

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**COMMERCIAL GUARANTY
(Continued)**

obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses arising by reason of (A) any right of appraisal, "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of South Carolina without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of South Carolina.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices: Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means CAROLINA PROCUREMENT INSTITUTE INC and includes all co-signers and co-makers signing the Note.

Guarantor. The word "Guarantor" means each and every person or entity signing this Guaranty, including without limitation MICHELE A WASHINGTON.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means South Carolina Community Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED DECEMBER 22, 2004.

GUARANTOR:

x 
MICHELE A WASHINGTON

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank

☒ Plaintiff

v.

Carolina Procurement, Et Al.,

☐ Defendant.

IN THE COURT OF COMMON PLEAS

CASE NO.

08-CP-40-8887

MOTION AND ORDER INFORMATION
FORM AND COVER SHEET

RICHLAND COUNTY
FILED
2009 JUL 31 AM 8:51
JEANETTE W. McBRIDE
C.C.P. & G.S.

Plaintiff's Attorney:
S. Nelson Weston, Jr., Bar No. 12902
Address:
1900 Barnwell Street
Columbia, SC 29201
phone: (803) 771-4400 fax: (803) 779-0016
e-mail: NWeston@rpclaw.com other:

Defendant's Attorney:
, Bar No.
Address:
phone: fax:
e-mail: other:

- ☒ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)
☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)
☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion: Order of Reference

Estimated Time Needed: Court Reporter Needed: ☐ YES / ☐ NO

SECTION II: Motion/Order Type

- ☒ Written motion attached
☐ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☒ Plaintiff / ☐ Defendant

7/23/09
Date submitted

SECTION III: Motion Fee

- ☒ PAID - AMOUNT: 25.00
☐ EXEMPT: ☐ Rule to Show Cause in Child or Spousal Support
(check reason) ☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter:
☐ Other:

JUDGE'S SECTION

- ☐ Motion Fee to be paid upon filing of the attached order.
☐ Other:

JUDGE

CODE: Date:

CLERK'S VERIFICATION

Collected by: Date Filed:

- ☐ MOTION FEE COLLECTED:
☐ CONTESTED - AMOUNT DUE:

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., et al.,

Defendants,

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

ORDER OF REFERENCE
(Foreclosure/Non-Jury)

JEANETTE W. McBRIDE
C.C.P. & G.S.

2009 JUL 31 AM 8:51

RICHLAND COUNTY
FILED

This matter comes before me upon motion of the Plaintiff for an Order of Reference.

It appears from the pleadings that the within action has been brought for the foreclosure of a mortgage and lies within the equity jurisdiction of this Court, and it further appears that the Defendant, Carolina Procurement Institute Inc., is in default.

NOW, THEREFORE, UPON MOTION of S. Nelson Weston, Jr., of Richardson, Plowden & Robinson, P.A., attorneys for the Plaintiff,

IT IS ORDERED that the above-captioned case be and the same is referred to the Master-In-Equity for Richland County, to take testimony, determine the issues involved and report his findings of fact and conclusions of law to this Court with all convenient dispatch, with leave to make findings of fact and conclusions of law as to any special matter, with authority to enter final judgment herein. The Master-In-Equity shall have authority to enter final judgment with appeal, if any, directly to the South Carolina Supreme Court.

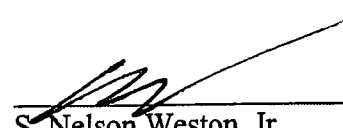
s/James R. Barber III

JUDGE

Cola, South Carolina

7/29, 2009

I SO MOVE:



S. Nelson Weston, Jr.
RICHARDSON, PLOWDEN
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
803-771-4400
ATTORNEYS FOR THE PLAINTIFF

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., et al.,

Defendants,

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

AFFIDAVIT OF DEFAULT

(Foreclosure/Non-Jury)

RICHLAND COUNTY
FILED
2009 JUL 31 AM 8:52
JANETTE W. McBRIDE
C.C.P. & G.S.

PERSONALLY APPEARED before me S. Nelson Weston, Jr., who, being first duly sworn, deposes and says that:

1. He is the attorney for the Plaintiff in the above-captioned action.
2. The Lis Pendens herein was duly filed on November 20, 2008, in the Office of the Clerk of Court for Richland County, South Carolina.
3. The Amended Lis Pendens, Summons and Complaint herein were duly filed on December 17, 2008, in the Office of the Clerk of Court for Richland County, South Carolina.
4. The Defendant, Carolina Procurement Institute, Inc., was served by a licensed private process server at 1815 Gervais St., Columbia, SC 29201 on December 30, 2008.
5. The Defendant, Gary A. Washington, was served by a licensed private process server at 1815 Gervais St., Columbia, SC 29201 on December 30, 2008.
6. The Defendant, Mary A. Washington, was served by Gary A. Washington, her Power of Attorney, accepting service on April 17, 2009.

7. The Defendant, First Palmetto Savings Bank, F.S.B., was served by Samuel r. Samll, Attorney For the Defendant, First Palmetto Savings Bank, F.S. B., accepting service on January 02, 2009.

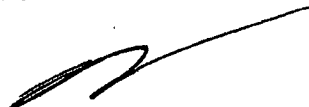
8. The Defendant, Branch Banking and Trust Company, was served by a licensed private process server at 75 Beattie Place, Greenville, SC 29601 on December 30, 2008.

9. The Defendant, Palmetto Health Alliance, was served by Russell Robinson accepting service on December 29, 2008.

10. The Defendant, South Carolina Department of Revenue, was served by a licensed private process server at 301 Gervais St., Columbia, SC 29201 on December 29, 2008.

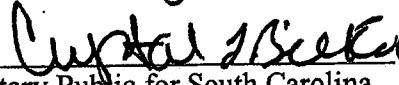
11. More than thirty (30) days have elapsed since the service of said Summons and Complaint upon the Defendants and said Defendants have served no Answer, Notice of Appearance or other pleadings in this matter and are now in default.

FURTHER DEPONENT SAYETH NOT.



S. NELSON WESTON, JR.
RICHARDSON, PLOWDEN
& ROBINSON, P.A.
1900 Barnwell Street
Post Office Drawer 7788
Columbia, South Carolina 29202
(803) 771-4400
Attorneys for Plaintiff

SWORN to before me this
24 day of July, 2009


_____(L.S.)
Notary Public for South Carolina
My Commission Expires: 12/23/12

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., et al.,

Defendants,

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

**AFFIDAVIT OF NONMILITARY
SERVICE**

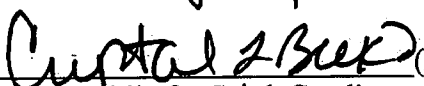
RICHLAND COUNTY
FILED
2009 JUL 31 AM 8:52
JANETTE W. McBRIDE
C.C.P. & G.S.

PERSONALLY APPEARED before me S. Nelson Weston, Jr., who, being first
duly sworn, deposes and says that:

1. He is one of the attorneys for the Plaintiff in the above-captioned action;
and
2. To the best of his knowledge and belief, the Defendants in default are not
in the Armed Forces of the United States or in the military service within the meaning of
the Soldiers' and Sailors' Civil Relief Act of 1940 or any amendments thereto.


S. Nelson Weston, Jr.

SWORN to before me this
24 day of July, 2009

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 12/23/12

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2008-CP-40-8887.

SOUTH CAROLINA COMMUNITY BANK,

CAROLINA PROCUREMENT INSTITUTE, INC., ET AL.,

PLAINTIFF(S)

DEFENDANT(S)

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), SCRCPP; ☐ Rule 41(a), SCRCPP (Vol. Nonsuit); ☐ Rule 43(k), SCRCPP (Settled); ☐ Other

☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRCPP; ☐ 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:

Dated at _____, South Carolina, this _____ day of _____, 20____.

PRESIDING JUDGE

This judgment was entered on the _____ day of _____, 20____, and a copy mailed first class this _____ day of _____, 20____ to attorneys of record or to parties (when appearing pro se) as follows:

S. NELSON WESTON, ESQUIRE
ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,
Plaintiff,

v.

Carolina Procurement Institute Inc., Gary
A Washington, Michele A Washington,
First Palmetto Savings Bank, F.S.B.,
Branch Banking and Trust Company of
South Carolina, Palmetto Health Alliance,
State of South Carolina Department of
Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

**MASTER IN EQUITY'S REPORT
AND JUDGMENT OF
FORECLOSURE**

RICHLAND COUNTY
FILED
09 OCT -8 PM 3:35
JEANETTE W. MCBRIDE
C.C.P. & G.S.

Pursuant to Rule 53, South Carolina Rules of Civil Procedure, the above entitled matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment in the cause. Any appeal from this Order is to the South Carolina Supreme Court.

Pursuant to the said Order of Reference a hearing was held, attended by the attorneys of record, the testimony was taken, which is reported herewith, and from the testimony and evidence, I find and conclude as follows:

FINDINGS OF FACT:

1. The Lis Pendens was filed on November 20, 20083.
2. The Amended Lis Pendens, Summons and Complaint were filed on December 17, 2008.
3. Service was made upon the Defendants named in this report as is shown by the proofs of service filed therein.

4. The Defendants Carolina Procurement Institute Inc., Gary A Washington, Michele A Washington, First Palmetto Savings Bank, F.S.B., Branch Banking and Trust Company of South Carolina, Palmetto Health Alliance are in default as shown by Affidavit of Default filed therein.

5. According to the Affidavit filed herein, the defendants in default are not in the military service of the United States of America, as contemplated under the Soldiers' and Sailors' Civil Relief Act of 1940, and any amendments thereto.

6. All Defendants were notified of the time, date and place of the hearing in this matter.

7. Carolina Procurement Institute Inc. and Michele A Washington, as Vice President of Carolina Procurement Institute Inc., for value received, did execute and deliver, a promissory note dated December 22, 2004, (the "Note") and payable to the order of South Carolina Community Bank in the sum of Four Hundred Fifty-three Thousand and no/100 Dollars (\$453,000.00) with interest on the amount financed at the rate of Wall Street Journal prime plus 1.00% per annum, repayable by monthly installments according to terms as more fully set forth in the Note.

8. To better secure the payment of the Note described above, the said Gary A Washington and Michele A Washington, made, executed and delivered to South Carolina Community Bank, a mortgage in writing, dated December 22, 2004, covering real property in Richland County, which is the same as that described in the Complaint. The Mortgage was filed of record on December 28, 2004, in the Office of the Register of Deeds for Richland County in Mortgage Book 01009 at page 3145.

9. This Mortgage is a first lien on the subject property.

10. That Defendants Gary A Washington and Michele A Washington, in their individual capacity, executed a Guaranty on or about December 22, 2004, wherein and whereby Defendants guaranteed payment on the Note absolutely, unconditionally and irrevocably, the punctual payment, as and when due, of all obligations requiring payment and the full and timely performance of all obligations requiring performance.

11. Under the terms of Guaranty, Defendants Gary A Washington and Michele A Washington guaranteed all of the liabilities and obligations of Defendant Carolina Procurement Institute, Inc., to the Plaintiff, which liabilities and obligations include all loans, advances, or financial accommodations extended by the Plaintiff from time to time to or for the account of, or for the benefit of, Defendant Carolina Procurement Institute, Inc. whether existing or at any other time or times hereinafter incurred or outstanding, whether original, renewed or extended.

12. A demand for payment was forwarded to the Defendant Carolina Procurement Institute, Inc. on October 27, 2008.

13. The Plaintiff in this action is the owner and holder of the Note and Mortgage it is seeking to foreclose.

14. The titleholder of record in and to the subject property as of the filing of the Lis Pendens in this action is Carolina Procurement Institute, Inc.

15. Payment due on the Note has not been made as provided for therein, and the Plaintiff, as the Holder thereof, has elected to accelerate payment of the entire indebtedness and has placed the Note and Mortgage in the hands of the attorney herein for collection.

16. The sum of \$4,000.00 is a reasonable fee to allow as attorneys' 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. Services anticipated to be performed until final adjudication contemplate completion of this matter within a reasonable time and do not include exceptional circumstances delaying conclusion beyond the normal time.

17: 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 as of September 16, 2009	\$413,053.43
(B) Accrued interest as of September 16, 2009	22.50
(C) Secondary Accrual as of September 16, 2009	35,185.95
(D) Attorneys costs	1,008.28
(E) Attorneys' fees	<u>4,000.00</u>

TOTAL DEBT SECURED BY NOTE AND MORTGAGE,
INCLUDING INTEREST TO DATE SHOWN \$ 453,270.16

Per Diem: \$68.84224

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 the judgment at the rate of 7.750% (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 the Mortgage through the date to which such interest is computed.

18. The Plaintiff is seeking the foreclosure of the Mortgage and has in the Complaint, or subsequently thereto in writing, expressly demanded the right to deficiency judgment against the Defendants, Carolina Procurement Institute, Inc., Gary A Washington and Michele A Washington, pursuant to South Carolina Code Section 29-3-660 (1976).

19. That Defendant, First Palmetto Savings Bank, F.S.B., claims or may claim an interest in the subject property by virtue of a Mortgage dated February 20, 2002, and recorded February 21, 2002 in the Richland County Register of Deeds office in Book R628 at Page 2680. Said mortgage has been paid in full and is no longer a lien against the property.

20. That Defendant, Branch Banking and Trust Company of South Carolina, claims or may claim an interest in the subject property by virtue of a Mortgage dated March 19, 2002, and recorded March 19, 2002 in the Richland County Register of Deeds office in Book R639 at Page 1302. Said mortgage has been paid in full and is no longer a lien against the property.

21. The Defendant, Palmetto Health Alliance, claims or may claim an interest in the subject property by virtue of a Judgment in the amount of \$1,599.92 recorded on November 14, 2002, Judgment Roll Number 245269 with the Richland County Clerk of Court against Michelle Y Washington. Said lien is against a different individual than the Mortgagor in this matter.

22. The Defendant, South Carolina Department of Revenue, claims or may claim an interest in the subject property by virtue of a State Tax Lien in the amount of \$363.07, recorded on June 07, 2007, in Book R 1322 at Page 1392 with the Richland County

Register of Deeds. The Judgment is junior and subordinate to the lien being foreclosed.

23. That the mortgage is not a mortgage subject to modification under the Homeowners Affordability and Stability Plan, the Home Affordable Modification Plan, and /or the United States Treasury Supplemental Directive 09-01. Further, the mortgage is not guaranteed by Fannie Mae or Freddie Mac.

CONCLUSIONS OF LAW

I, therefore, conclude as follows:

The Plaintiff should have judgment of foreclosure of the Mortgage and the mortgaged property should be ordered sold at public auction after due advertisement.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That there is due to the Plaintiff on the obligation and Mortgage set forth in the Complaint, the combined sum of \$453,270.16 representing the Total Debt due Plaintiff as set out in Paragraph 17 supra, together with interest at the rate provided therein on the balance of principal from the date aforesaid to the date hereof.

2. The amount due in the preceding paragraph (the "Total Debt" as set forth in paragraph 17 supra and later accrued interest on the principal) shall constitute the Total Judgment Debt due the Plaintiff and shall bear interest hereafter at the rate of 7.750%.

3. That the Defendant liable for the aforesaid Mortgage debt shall, on or before the date of sale of the property hereinafter described, pay to the Plaintiff, or Plaintiff's attorney, the amount of the 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 Judicial Center, County and State aforesaid, on some convenience sales day hereafter and should the regular day of judicial sales fall on a legal holiday, then and in such event, the sales day shall be on Tuesday next succeeding such holiday), on the following terms, that is to say:

A. FOR CASH: The successful bidder (other than the Plaintiff) will deposit with the Master in Equity, at the conclusion of the bidding, five (5%) percent of his bid, (in cash or equivalent), as evidence of good faith, same to be applied to the purchase price only upon compliance with the bid, but in case of non-compliance, same to be forfeited and applied first to costs and then to Plaintiff's debt.

B. The successful bidder will be required to pay interest on the amount of the bid from date of sale to date of compliance with the bid at the rate of NBSC prime rate plus 0.50% floating.

C. The sale shall be subject to taxes and assessments, existing easements and restrictions and easement and restrictions of record, and any other senior encumbrances.

D. Purchaser to pay for the Deed stamps and costs of recording the Deed.

E. Plaintiff may waive any of its rights, including its right to a deficiency judgment, prior to sale.

5. If Plaintiff be the successful bidder at the same 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. Personal or deficiency judgment having not been waived, the sale will remain open after the date of sale for thirty (30) days, pursuant to South Carolina Code of Laws, Section 15-39-720 (1976).

7. That 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 that if, upon such sale being made, the Purchaser, or Purchasers, should fail to comply with the terms hereof 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 highest bidder, and so from time to time thereafter until a full compliance shall be secured.

8. That the undersigned Master in Equity will apply the proceeds of the sale as follows:

FIRST: To the 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 of the Plaintiff or Plaintiff's attorney, of the amount of the Plaintiff's debt and interest or so much thereof as the purchase money will pay on the same; if the proceeds of sale be insufficient to pay the amounts hereinbefore authorized to be paid out of said proceeds, the parties hereto entitled to such deficiency have monetary judgment therefore against, Carolina Procurement Institute, Inc., Gary A

Washington and Michele A Washington, pursuant to South Carolina Code Ann. Section 29-3-660 (1976), and such judgment will be entered without further notice of hearing.

NEXT: Any surplus will be held pending further Order of this Court.

9. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that in the event the successful bidder is other than the Defendant(s) in possession herein, the Sheriff of County is ordered and directed to eject and remove from the premises the occupant(s) of the property sold, together with all personal property located thereon and put the successful bidder or his assigns in such peaceable possession.

10. AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that each Defendant named herein and all persons whomsoever 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.

11. IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. Section 30-9-31 (Supp. 1987), the deed of conveyance made pursuant to said sale shall be indexed in the Grantor index by the Register of Deeds in the name of the owner of record of subject property immediately prior to the execution of the Deed, as well as in the name of the undersigned Master in Equity, who executes such deed as Grantor.

12. The undersigned Master in Equity will retain jurisdiction to do all necessary acts incident to this foreclosure, including, but not limited to, the issuance of a writ of assistance and disposing of any surplus funds pursuant to Rule 71(C), of the South Carolina Rules of Civil Procedure.

13. The following is a description of the premises ordered to be sold:

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.

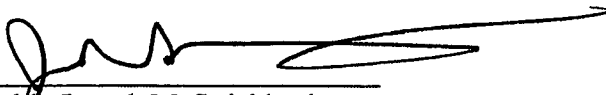
DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

ALSO:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street running thence along the edge of the right-of-way of Gervais Street South 72°51'West for a distance of 52.29 feet to an iron; thence turning and running South 17°54'East for a distance of 170.56 feet to an iron; thence turning and running North 72°55'East for a distance of 52.40 feet to an iron; thence turning and running North 17°50'West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

TMS#: 11406-16-20 & 11406-16-19



Honorable Joseph M. Strickland
Master in Equity for Richland County

Columbia, South Carolina

Oct. 5, 2009

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,
Plaintiff,

v.

Carolina Procurement Institute, Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch Banking
and Trust Company of South Carolina, Palmetto
Health Alliance, State of South Carolina
Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

**SUPPLEMENTAL ORDER
TO THE MASTER IN EQUITY'S ORDER
AND JUDGMENT
OF FORECLOSURE AND SALE**

RICHLAND COUNTY
FILED
2010 DEC 20 AM 10:49
JEANETTE W. McBRIDE
C.C.P. & G.S.

On October 5, 2009, this Court issued the Master in Equity's Order and Judgment of Foreclosure and Sale, which was filed on October 8, 2009.

Thereafter, on November 2, 2009, Defendant Carolina Procurement Institute, Inc. filed for protection under Chapter 11 in the U.S. Bankruptcy Court for the District of South Carolina, Bankruptcy Case Number 09-08248-dd. The bankruptcy case was dismissed on September 24, 2010 due to the debtors' failure to comply.

This Supplemental Order and Judgment of Foreclosure and Sale is issued for the limited purpose of updating and adjusting of the judgment debt figures.

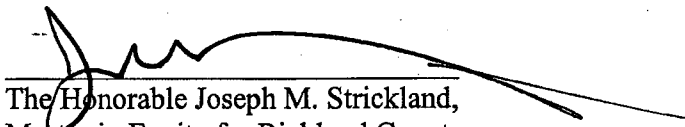
The sum of \$10,000.00 is a reasonable fee to allow as attorney's fees for Plaintiffs attorney for services performed and anticipated to be performed until final adjudication of the within action, under the terms of the note and mortgage (increased from \$4,000.00 awarded by the Court in the prior Order and Judgment of Foreclosure and Sale).

IT IS HEREBY ORDERED that the Master in Equity's Order and Judgment of Foreclosure and Sale of October 5, 2009 is supplemented to reflect the Total Debt as follows:

(A) Principal	\$ 419,575.11
(B) Interest from August 2, 2008 – November 17, 2010	\$ 64,899.71
(C) Costs	\$ 1,927.78
(D) Attorneys Fees	<u>\$ 10,000.00</u>

TOTAL DEBT SECURED BY NOTE AND MORTGAGE, INCLUDING INTEREST TO DATE SHOWN	\$ 496,402.60
--	----------------------

Per Diem \$70.33190


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

Columbia, South Carolina

Dec 13, 2010

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2008 CP-40-8887

SOUTH CAROLINA COMMUNITY BANK

CAROLINA PROCUREMENT INSTITUTE, INC., ET AL.

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: S. NELSON WESTON, JR. and CHARLES J. WEBB

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, 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 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)
		\$
		\$
		\$

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

Date

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2008 CP-40-8887

SOUTH CAROLINA COMMUNITY BANK

CAROLINA PROCUREMENT INSTITUTE, INC., ET AL.

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: S. NELSON WESTON, JR. and CHARLES J. WEBB

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, 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 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)
		\$
		\$
		\$

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

Date

For Clerk of Court Office Use Only

This judgment was entered on the 10th day of Sept, 2014 and a copy mailed first class or placed in the appropriate attorney's box on this 10th day of Sept, 2014 to attorneys of record or to parties (when appearing pro se) as follows:

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Jeannette W. McBride
CLERK OF COURT

Court Reporter:

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,
Plaintiff,

v.

Carolina Procurement Institute, Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch Banking
and Trust Company of South Carolina, Palmetto
Health Alliance, State of South Carolina
Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

**SECOND SUPPLEMENTAL ORDER
TO THE MASTER IN EQUITY'S ORDER
AND JUDGMENT
OF FORECLOSURE AND SALE**

RICHLAND COUNTY
FILED
2014 SEP 10 PM 12:08
JEANNETTE W. MCBRIDE
C.C.P. & G.S.

On October 5, 2009, this Court issued the Master in Equity's Order and Judgment of Foreclosure and Sale, which was filed on October 8, 2009.

Thereafter, on November 2, 2009, Defendant Carolina Procurement Institute, Inc. filed for protection under Chapter 11 in the U.S. Bankruptcy Court for the District of South Carolina, Bankruptcy Case Number 09-08248-dd. The bankruptcy case was dismissed on September 24, 2010 due to the debtors' failure to comply.

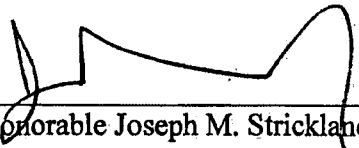
This Second Supplemental Order and Judgment of Foreclosure and Sale is issued for the limited purpose of updating and adjusting of the judgment debt figures.

The sum of \$22,000.00 is a reasonable fee to allow as attorney's fees for Plaintiffs attorney for services performed and anticipated to be performed until final adjudication of the within action, under the terms of the note and mortgage (increased from \$4,000.00 awarded by the Court in the prior Order and Judgment of Foreclosure and Sale and \$10,000.00 awarded by the Court at a Supplemental Hearing).

Deficiency Judgment is being sought against Defendant Carolina Procurement Institute, Inc., Defendant Gary A. Washington, and Defendant Michele A. Washington.

IT IS HEREBY ORDERED that the Master in Equity's Order and Judgment of Foreclosure and Sale of August 1, 2014 is supplemented to reflect the Total Debt as follows:

(A) Principal	\$ 340,455.55
(B) Interest from 2-1-09 through 8-1-14	\$ 144,520.96
(C) Property taxes for 2013	\$ 4,820.00
(D) Costs	\$ 4,400.00
(E) Attorneys Fees	\$ 22,500.00
TOTAL DEBT SECURED BY NOTE AND MORTGAGE, INCLUDING INTEREST TO DATE SHOWN	\$ 516,696.51
Per Diem	\$41.18414


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

Columbia, South Carolina
August 6, 2014

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

FORM 4

JUDGMENT IN A CIVIL CASE

CASE NO. 2008 CP-40-8887

SOUTH CAROLINA COMMUNITY BANK

CAROLINA PROCUREMENT INSTITUTE, INC., ET AL.

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: S. NELSON WESTON, JR. and CHARLES J. WEBB

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 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)
		\$
		\$
		\$

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

Date

For Clerk of Court Office Use Only

This judgment was entered on the 17 day of July, 2015 and a copy mailed first class or
placed in the appropriate attorney's box on this _____ day of _____, 20____ to attorneys of record or
to parties (when appearing pro se) as follows:

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter:

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,
Plaintiff,

v.

Carolina Procurement Institute, Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch Banking
and Trust Company of South Carolina, Palmetto
Health Alliance, State of South Carolina
Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

CASE # 2008-CP-40-8887

**THIRD SUPPLEMENTAL ORDER
TO THE MASTER IN EQUITY'S ORDER
AND JUDGMENT
OF FORECLOSURE AND SALE**

2015 JUL 17 PM 4:48
CLARENCE W. HOBBS
C.C.P. & G.S.

FILED

On October 5, 2009, this Court issued the Master in Equity's Order and Judgment of Foreclosure and Sale, which was filed on October 8, 2009.

Thereafter, on November 2, 2009, Defendant Gary A. Washington and Defendant Michele A. Washington filed for protection under Chapter 11 in the U.S. Bankruptcy Court for the District of South Carolina, Bankruptcy Case Number 09-08248-dd. The bankruptcy case was dismissed on September 24, 2010 due to the debtors' failure to comply. That Defendant Gary A. Washington and Defendant Michele A. Washington filed for bankruptcy on February 3, 2011, Case No. 11-00625-dd and the loan was modified.

This Third Supplemental Order and Judgment of Foreclosure and Sale is issued for the limited purpose of updating and adjusting of the judgment debt figures.

The sum of \$30,000.00 is a reasonable fee to allow as attorney's fees for Plaintiffs attorney for services performed and anticipated to be performed until final adjudication of the within action, under the terms of the note and mortgage (increased from \$4,000.00 awarded by the Court in the prior Order and Judgment of Foreclosure and Sale, \$10,000.00 awarded by the Court at a Supplemental Hearing and \$22,500.00 awarded in Second Order of Judgment and

Foreclosure and Sale).

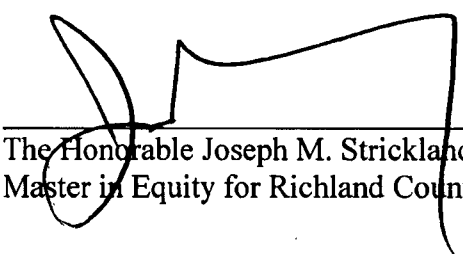
That Defendant Gary A. Washington and Defendant Michele A. Washington filed of bankruptcy on October 3, 2014, Case No. 14-5589-dd and the Plaintiff South Carolina Community Bank was granted Relief from Stay on February 26, 2015.

Deficiency Judgment is being sought against Defendant Carolina Procurement Institute, Inc., Defendant Gary A. Washington, and Defendant Michele A. Washington.

IT IS HEREBY ORDERED that the Master in Equity's Order and Judgment of Foreclosure and Sale of June 22, 2015 is supplemented to reflect the Total Debt as follows:

(A) Principal	\$ 340,455.55
(B) Interest from 2-1-09 through 6-22-2015	\$ 158,181.74
(C) Property taxes for 2013	\$ 4,820.00
(D) Costs	\$ 4,587.18
(E) Attorneys Fees	\$ 30,000.00
TOTAL DEBT SECURED BY NOTE AND MORTGAGE, INCLUDING INTEREST TO DATE SHOWN	\$ 538,044.47

Per Diem \$42.56



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

Columbia, South Carolina
June 30, 2015

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2018-CP-40-8887

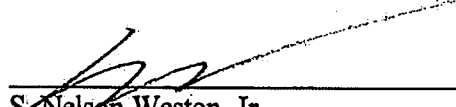
STIPULATION OF DISMISSAL
AS TO
CAROLINA PROCUREMENT
INSTITUTE, INC.
ONLY

FILED
SEP 30
PH 12:25
CLERK OF COURT
J. G. & P. C. MCBRIDE

Now comes the undersigned counsel, S. Nelson Weston, Jr., attorney for the Plaintiff, hereby dismissing the Defendant Carolina Procurement Institute Inc. in the within action, without prejudice, pursuant to Rule 41(a)(1) of the South Carolina Rules of Civil Procedure.

NOW THEREFORE,

KNOW ALL MEN BY THESE PRESENTS, that the Defendant Carolina Procurement Institute Inc. is hereby dismissed without prejudice.


S. Nelson Weston, Jr.

Charles J. Webb

RICHARDSON, PLOWDEN & ROBINSON, P.A.

P.O. Drawer 7788

Columbia, SC 29202

Attorney for Plaintiff

South Carolina Community Bank

September 16, 2015
Columbia, South Carolina

RICHARDSON
RICHARDSON PLOWDEN ROBINSON, P.A.
PLOWDEN
ATTORNEYS AT LAW

COLUMBIA P.O. Drawer 7788 • Columbia, SC 29202
1900 Barnwell St., Columbia, SC 29201 P 803.771.4400 F 803.779.0016

MYRTLE BEACH P.O. Box 3646 • Myrtle Beach, SC 29578
2103 Farlow St., Myrtle Beach, SC 29577 P 843.448.1008 F 843.448.1533

CHARLESTON 40 Calhoun St., Suite 220 • Charleston, SC 29401
P 843.805.6550 F 843.805.6599

www.richardsonplowden.com

October 1, 2015

Carolina Procurement Institute, Inc.
1815 Gervais Street
Columbia, SC 29201

Michele A. Washington
1815 Gervais Street
Columbia, SC 29201

Robert H. Cooper
The Cooper Law Firm
3523 Pelham Road, Suite B
Greenville, SC 29615

Branch Banking & Trust Company
of South Carolina
c/o C T Corporation
75 Beattie Place
Greenville, SC 29601

Palmetto Health Alliance
c/o Kathy Joy
P.O. Box 364
Columbia, SC 29202

Gary A. Washington
1815 Gervais Street
Columbia, SC 29201

First Palmetto Savings Bank
c/o Samuel R. Small
470 Dekalb Street
Camden, SC 29020

S.C. Department of Revenue
c/o Ronald W. Urban
PO Box 12265
Columbia, SC 29211

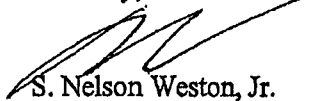
Re: South Carolina Community Bank v. Carolina Procurement, et al.
Case No: 2008-CP-40-8887
Our File No. 4286-99

Dear Defendants:

Please find enclosed a copy of the Notice of Sale for the above-referenced matter. The sale is scheduled for Monday, November 2, 2015 at 12:00 P.M. at the Richland County Judicial Center, 1701 Main Street, Columbia, South Carolina, before The Honorable Joseph M. Strickland, Master in Equity for Richland County in the above referenced matter.

If you have any questions or comments, please do not hesitate to call.

Sincerely,



S. Nelson Weston, Jr.

SNW/kct
Enc.

cc: Walter Taylor
The Honorable Joseph M. Strickland

NOTICE OF SALE
2008-CP-40-8887

BY VIRTUE of a judgment heretofore granted in the case of South Carolina Community Bank v. South Carolina Community Bank v. Gary A. Washington, Michele A. Washington, First Palmetto Savings Bank, F.S.B., Branch Banking and Trust Company of South Carolina, Palmetto Health Alliance, State of South Carolina Department of Revenue, Case No. 2008-CP-40-8887, I, Joseph M. Strickland, as Master in Equity for Richland County, will sell on Monday, November 2, 2015 at 12:00 Noon, at the Richland County Judicial Center, 1701 Main Street, Columbia, South Carolina, to the highest bidder:

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

TMS#: 11406-16-19

Property Address: 1815 Gervais Street

ALSO:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street running thence along the edge of the right-of-way of Gervais Street South 72°51' West for a distance of 52.29 feet to an iron; thence turning and running South 17°54' East for a distance of 170.56 feet to an iron; thence turning and running North 72°55' East for a distance of 52.40 feet to an iron; thence turning and running North 17°50' West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

TMS#: 11406-16-20

Property Address: 1811 Gervais Street

SUBJECT TO ASSESSMENTS, COUNTY TAXES, EXISTING EASEMENTS, EASEMENTS AND
RESTRICTIONS OF RECORD, AND OTHER SENIOR ENCUMBRANCES, IF ANY.

TERMS OF SALE: The successful bidder, other than the Plaintiff, will deposit with the Master in Equity at conclusion of the bidding, five (5%) of his bid, in cash or equivalent, as evidence of good faith, the same to be applied to purchase price in case of compliance, but to be forfeited and applied first to costs and then to Plaintiff's debt in the case of noncompliance. Should the last and highest bidder fail or refuse

to make the required deposit at the time of the bid or comply with the other terms or the bid within twenty (20) days, then the Master in Equity may resell the property on the same terms and conditions on some subsequent Sales Day (at the risk of the former highest bidder). A personal or deficiency judgment being demanded, the bidding will remain open for thirty (30) days after the date of sale; however, the Plaintiff herein reserves its right to waive the said deficiency judgment up to and including the day of sale, in which case, said bidding will not remain open for the additional 30-day period. The successful bidder will be required to pay interest on the amount of the bid from the date of sale to date of compliance with the bid at the rate of 7.750%. If Plaintiff or Plaintiff's representative does not appear at the above-described sale, then the sale of the property will be null, void, and of no force and effect. In such event, the sale will be rescheduled for the next available sales day. The Plaintiff may waive any of its rights, including its right to a deficiency judgment, prior to sale.

Joseph M. Strickland
Master in Equity for Richland County

S. Nelson Weston, Jr.
Charles J. Webb
Richardson Plowden and Robinson, P.A.
1900 Barnwell St.
Columbia, South Carolina 29201
(803)771-4400
Attorneys for Plaintiff

2008-CP-40-8887
 BY virtue of a judgment heretofore granted in the case of South Carolina Community Bank AGAINST Gary A. Washington, Michele A. Washington, First Palmetto Savings Bank, F.S.B., Branch Banking and Trust Company of South Carolina, Palmetto Health Alliance, State of South Carolina Department of Revenue, Case No. 2008-CP-40-8887, I, Joseph M. Strickland, as Master in Equity for Richland County, will sell on Monday, November 2, 2015 at 12:00 Noon, at the Richland County Judicial Center, 1701 Main Street, Columbia, South Carolina, to the highest bidder:
 All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709, at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.
 DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298. TMS#: 11406-16-19
 Property Address: 1815 Gervais Street
 ALSO:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1998, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04' East of its point of intersection with Barnwell Street running thence along the edge of the right-of-way of Gervais Street South 72°51' West for a distance of 52.29 feet to an iron; thence turning and running South 17°54' East for a distance of 170.56 feet to an iron; thence turning and running North 72°55' East for a distance of 52.40 feet to an iron; then turning and running North 17°50' West for a distance of 170.80 feet to the point of beginning, be all measurements a little more or less.

THE COLUMBIA STAR

COLUMBIA, SOUTH CAROLINA

08 - 8887

State of South Carolina
 County of Richland

Personally appeared before me,
MIMI M. MADDOCK,
 PUBLISHER OF THE COLUMBIA STAR,
 who makes oath that the advertisement

MASTER'S SALE
 SC Community Bank
 vs. Gary A. Washington, et al.

a clipping of which is attached hereto, was printed in
THE COLUMBIA STAR, a weekly newspaper of general circulation
 published in the City of Columbia, State and County aforesaid, in the issues of

October 16, 23, and 30, 2015

Mimi M. Maddock
 Mimi M. Maddock, Publisher

Sworn to before me on this
 20th day of Oct. 2015.

Linda G. Sosbee
 Linda G. Sosbee, Notary Public
 My commission expires February 1, 2021

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298. TMS#: 11406-16-20
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 TERMS OF SALE: The successful bidder, other than the Plaintiff, will deposit with the Master in Equity at conclusion of the bidding, five (5%) of his bid, in cash or equivalent, as evidence of good faith, the same to be applied to purchase price in case of compliance, but to be forfeited and applied first to costs and then to Plaintiff's debt in the case of noncompliance. Should the last and highest bidder fail or refuse to make the required deposit at the time of the bid or comply with the other terms or the bid within twenty (20) days, then the Master in Equity may resell the property on the same terms and conditions on some subsequent Sales Day (at the risk of the for-

mer highest bidder). A personal or deficiency judgment being demanded, the bidding will remain open for thirty (30) days after the date of sale; however, the Plaintiff herein reserves its right to waive the said deficiency judgment up to and including the day of sale, in which case, said bidding will not remain open for the additional 30-day period. The successful bidder will be required to pay interest on the amount of the bid from the date of sale to date of compliance with the bid at the rate of 7.750%. If Plaintiff or Plaintiff's representative does not appear at the above-described sale, then the sale of the property will be null, void, and of no force and effect. In such event, the sale will be rescheduled for the next available sales day. The Plaintiff may waive any of its rights, including its right to a deficiency judgment, prior to sale.
 Joseph M. Strickland
 Master in Equity for Richland County
 S. Nelson Weston, Jr.
 Charles J. Webb
 Richardson Plowden and Robinson, PA
 1900 Barnwell St.
 Columbia, South Carolina 29201
 (803)771-4400
 Attorneys for Plaintiff
 20

2015 NOV -4 PM 2:44
 JAMIE E. W. MCBRIDE
 C.C.P. & G.S.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

)
)
)

MASTER IN EQUITY'S DEED

TO ALL WHOM THESE PRESENTS SHALL CONCERN:

I, the Honorable Joseph M. Strickland, as Master in Equity for Richland County, in the said State, send Greetings:

WHEREAS, in an action in the Court of Common Pleas in Richland County with Civil Action No. 2008-CP-40-8887 between, South Carolina Community Bank, as Plaintiff, and Carolina Procurement Institute, Inc., et al., as Defendants, the undersigned, by Master in Equity's Third Supplemental Order and Judgment of Foreclosure and Sale filed on July 17, 2015, did decree that the property hereinafter described should be sold by the undersigned, as Master in Equity for Richland County, on the terms and for the purposes mentioned in said Judgment; and

WHEREAS, I, the undersigned, as Master in Equity for Richland County, after due advertisement of the said property for sale at public outcry, did openly and publicly, and after the manner of auction, sell the said property on November 2, 2015, for the sum of Three Hundred Seventy Thousand and 00/100 Dollars (\$370,000.00), said sum being the highest amount bid at said sale and having been made by the Plaintiff; and

WHEREAS, the Plaintiff has complied with the bid; and

NOW, KNOW ALL MEN That, I, the undersigned, as Master in Equity for Richland County, pursuant to the foregoing and also in consideration of the said bid paid as aforesaid by the said herein below-named Grantee, the receipt whereof is hereby acknowledged, have granted, bargained, sold, and released, and by these presents do grant, bargain, sell and release the following described property unto the Grantee, South Carolina Community Bank, 1545 Sumter Street, Columbia, South Carolina 29201:

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.

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TMS#: 11406-16-19

Book 2077-203

2015090154 12/18/2015 13:27:13:517

Master's Deed-Foreclosure

Fee:\$10.00 County Tax: \$0.00

State Tax: \$0.00



2015090154 John T. Hopkins II

Richland County R.O.D.

Property Address: 1815 Gervais Street

ALSO:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street running thence along the edge of the right-of-way of Gervais Street South 72°51'West for a distance of 52.29 feet to an iron; thence turning and running South 17°54'East for a distance of 170.56 feet to an iron; thence turning and running North 72°55'East for a distance of 52.40 feet to an iron; thence turning and running North 17°50'West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

TMS#: 11406-16-20

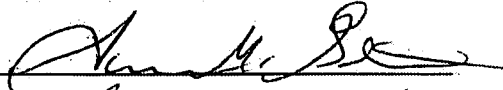
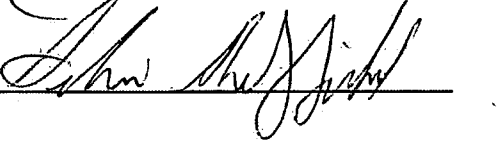
Property Address: 1811 Gervais Street

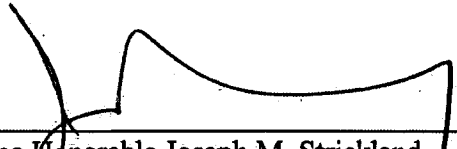
TOGETHER with all and singular the hereditaments, rights, members and appurtenances whatsoever to the said property belonging or in any wise incident or appertaining, and the reversions and remainders, rents, issues and profits thereof; and also any estate, right, title, interest, possession, benefit, claim or demand therein whatsoever of all parties to the said suit and of all other persons who might rightfully claim the same or any part thereof, by, from or under them, or either of them.

TO HAVE AND TO HOLD the said property, with its hereditaments, privileges and appurtenances, unto South Carolina Community Bank, its successors and assigns, for its own use, benefit and behoof, forever.

IN WITNESS WHEREOF, I, the undersigned, as Master in Equity for Richland County, under and by virtue of the said Order, have hereunto set my Hand and Seal this 18th day of December, 2015.

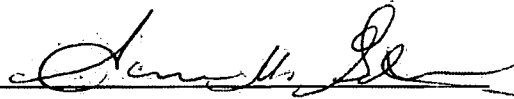
SIGNED, SEALED AND DELIVERED
in the Presence of:

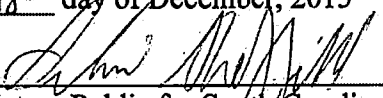

The Honorable Joseph M. Strickland
Master in Equity for Richland County

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw
The Honorable Joseph M. Strickland, as Master in Equity for Richland County, sign, seal and
deliver the within Deed; and that deponent together with the other witness signed their names as
witnesses thereto.



SWORN to before me this
18th day of December, 2015

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 6/18/23

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

AFFIDAVIT FOR EXEMPT TRANSFERS

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on the back of this affidavit and I understand such information.
2. The property being transferred is located at 1815 Gervais Street and 1811 Gervais Street, Columbia, South Carolina, bearing Richland County Tax Map Numbers 11406-16-19 and 11406-16-20, and was transferred to South Carolina Community Bank by deed dated December 18, 2015 from The Honorable Joseph M. Strickland.
3. The deed is exempt from the deed recording fee because: (13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed pursuant to foreclosure proceedings (See Information section of affidavit).
4. If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty?
Check Yes _____ or No _____
5. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Attorney for the Grantee, Charles J. Webb, Esquire.
6. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

CJ Webb

Charles J. Webb, Esquire

SWORN to before me this 18th day
of December, 2015

Katie C. Ryan
Notary Public for South Carolina
My Commission Expires: 3/8/16

INFORMATION

Except as provided in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other intangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on the land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayers may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

Exempted from the fee are deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws and Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
- (7) that constitute a contract for the sale of timber to be cut;
- (8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;

(9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which the beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);

(10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;

(11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and.

(12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, provided that no consideration of any kind is paid or is to be paid under the corrective or quitclaim deed.

(13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed pursuant to foreclosure proceedings.

(14) transferring realty from an agent to the agent's principal in which the realty was purchased with funds of the principal, provided that a notarized document is also filed with the deed that establishes the fact that the agent and principal relationship existed at the time of the original purchase as well as for the purpose of purchasing the realty.

(15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electrical utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 79I (a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act.

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

IN THE COURT OF COMMON PLEAS
JR Number 2008-CP-40-8887

South Carolina Community Bank,

Plaintiff (s),

vs.

Carolina Procurement Institute Inc.,
Gary A. Washington, Michele A. Washington,
First Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company, et al.,

Defendant (s).

Master's Report on Sale and Disbursements
and
Order of Confirmation

Pursuant to Rule 71, SCRCPP
(Public Sale)

2015 DEC 18 AM 11:40
FILED
RICHLAND COUNTY
JANIE W. ROBERTS
C.P. & G.S.

1. Pursuant to Order of Court and after due notice and advertisement, I sold subject property to:
 - (a) the Plaintiff for the sum of \$ 370,000.00, that amount being the highest bid made on Sales Day, November 2, 2015. The Plaintiff thereafter paid only the costs as provided in said Order and became the grantee/assigned its bid to -----.
 - (b) the highest bidder on Sales Day, ., for the sum of \$. The successful bidder thereafter complied with the bid, as provided for in said Order, and became the grantee/assigned the bid to .
2. That I have executed and delivered to said grantee a good and sufficient deed of conveyance of said property.
3. I have received and disbursed the costs as set out on the attached Statement of Disbursements which resulted in the disbursement of proceeds of sale/a surplus of \$ -----
4. , notice of which is being sent to all parties who may wish to apply for said surplus, pursuant to Rule 71(c), SCRCPP.

IS THEREFORE ORDERED that the said sale and the Master's Report on Sale and Disbursements are hereby confirmed as a judgment of this Court.

December 18, 2015

JOSEPH M. STRICKLAND
Master in Equity for Richland County

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2008 CP-40-8887

SOUTH CAROLINA COMMUNITY BANK

CAROLINA PROCUREMENT INSTITUTE, INC., ET AL.

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: S. NELSON WESTON, JR. and CHARLES J. WEBB

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 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)
SOUTH CAROLINA COMMUNITY BANK	Gary A. Washington	\$187,365.21
SOUTH CAROLINA COMMUNITY BANK	Michele A. Washington	\$187,365.21
		\$

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

Date

For Clerk of Court Office Use Only

This judgment was entered on the _____ day of _____, 20____ and a copy mailed first class or
placed in the appropriate attorney's box on this _____ day of _____, 20____ to attorneys of record or
to parties (when appearing pro se) as follows:

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter:

STATE OF SOUTH CAROLINA)
) MASTER IN EQUITY'S DEED
COUNTY OF RICHLAND)

TO ALL WHOM THESE PRESENTS SHALL CONCERN:

I, the Honorable Joseph M. Strickland, as Master in Equity for Richland County, in the said State, send Greetings:

WHEREAS, in an action in the Court of Common Pleas in Richland County with Civil Action No. 2008-CP-40-8887 between, South Carolina Community Bank, as Plaintiff, and Carolina Procurement Institute, Inc., et al., as Defendants, the undersigned, by Master in Equity's Third Supplemental Order and Judgment of Foreclosure and Sale filed on July 17, 2015, did decree that the property hereinafter described should be sold by the undersigned, as Master in Equity for Richland County, on the terms and for the purposes mentioned in said Judgment; and

WHEREAS, I, the undersigned, as Master in Equity for Richland County, after due advertisement of the said property for sale at public outcry, did openly and publicly, and after the manner of auction, sell the said property on November 2, 2015, for the sum of Three Hundred Seventy Thousand and 00/100 Dollars (\$370,000.00), said sum being the highest amount bid at said sale and having been made by the Plaintiff; and

WHEREAS, the Plaintiff has complied with the bid; and

NOW, KNOW ALL MEN That, I, the undersigned, as Master in Equity for Richland County, pursuant to the foregoing and also in consideration of the said bid paid as aforesaid by the said herein below-named Grantee, the receipt whereof is hereby acknowledged, have granted, bargained, sold, and released, and by these presents do grant, bargain, sell and release the following described property unto the Grantee, South Carolina Community Bank, 1545 Sumter Street, Columbia, South Carolina 29201:

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TMS#: 11406-16-19

Book 2077-203

2015090154 12/18/2015 13:27:13:517

Master's Deed-Foreclosure

Fee:\$10.00 County Tax: \$0.00

State Tax: \$0.00



2015090154 John T. Hopkins II

Richland County R.O.D.

81

Property Address: 1815 Gervais Street

ALSO:

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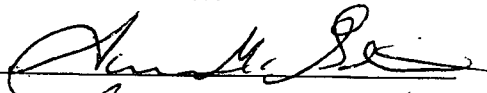
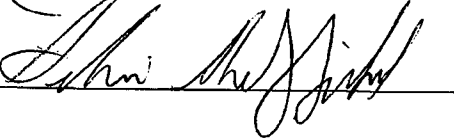
Property Address: 1811 Gervais Street

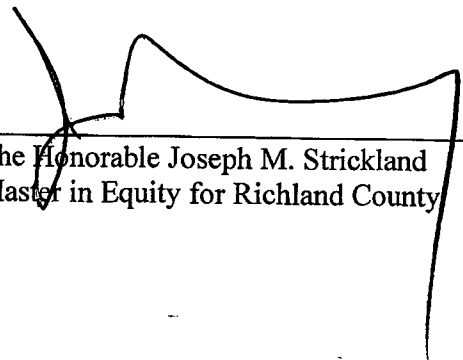
TOGETHER with all and singular the hereditaments, rights, members and appurtenances whatsoever to the said property belonging or in any wise incident or appertaining, and the reversions and remainders, rents, issues and profits thereof; and also any estate, right, title, interest, possession, benefit, claim or demand therein whatsoever of all parties to the said suit and of all other persons who might rightfully claim the same or any part thereof, by, from or under them, or either of them.

TO HAVE AND TO HOLD the said property, with its hereditaments, privileges and appurtenances, unto South Carolina Community Bank, its successors and assigns, for its own use, benefit and behoof, forever.

IN WITNESS WHEREOF, I, the undersigned, as Master in Equity for Richland County, under and by virtue of the said Order, have hereunto set my Hand and Seal this 18th day of December, 2015.

SIGNED, SEALED AND DELIVERED
in the Presence of:

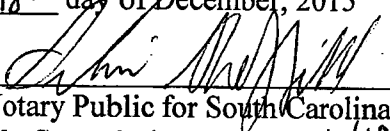

The Honorable Joseph M. Strickland
Master in Equity for Richland County

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw
The Honorable Joseph M. Strickland, as Master in Equity for Richland County, sign, seal and
deliver the within Deed; and that deponent together with the other witness signed their names as
witnesses thereto.



SWORN to before me this
18th day of December, 2015

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 6/18/23

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First Palmetto
Savings Bank, F.S.B., Branch Banking and Trust
Company of South Carolina, Palmetto Health
Alliance, State of South Carolina Department of
Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

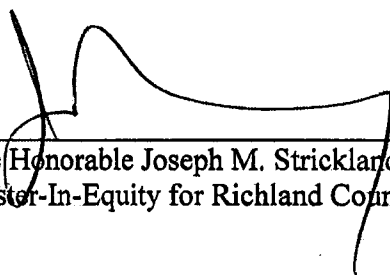
Case # 2008-CP-40-8887

ORDER OF DEFICIENCY JUDGMENT

RICHLAND COUNTY
FILED
2015 DEC 18 AM 11:40
JEANNETTE W. MCBRIDE
C.C.P. & G.S.

I have determined the existence of a deficiency after the sale of the real property which is the subject of this action in the amount of One Hundred Eighty Seven Thousand Three Hundred Sixty Five and 21/100ths (\$187,365.21) Dollars through December 3, 2015 and now proper for this amount to be entered as a monetary judgment.

IT IS THEREFORE ORDERED that Plaintiff South Carolina Community Bank has a judgment against Defendant Gary A. Washington and Defendant Michele A. Washington, in the amount of One Hundred Eighty Seven Thousand Three Hundred Sixty Five and 21/100ths (\$187,365.21) Dollars through December 3, 2015.


The Honorable Joseph M. Strickland
Master-In-Equity for Richland County

December 18, 2015.
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

Case # 2008-CP-40-8887

**DEFICIENCY JUDGMENT
CALCULATION**

Total Days for Interest -	164
Interest Rate -	7.75%
Cost of advertising Notice of Sale	\$ 585.00
Total Debt per Master-In-Equity's Report	\$ 538,044.47
F/C Bid Amount	\$(370,000.00)
Interest From Date of MIE's Report	<u>\$ 18,735.74</u>
Total Deficiency	\$ 187,365.21

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank
☐ Plaintiff

v.

Carolina Procurement Institute, Inc., Gary A.
Washington, Michele A. Washington, First Palmetto
Savings Bank, F.S.B., Branch Banking And Trust
Company, Et Al
☒ Defendant.

IN THE COURT OF COMMON PLEAS

CASE NO.
2008-CP-40-8887

MOTION AND ORDER INFORMATION
FORM AND COVER SHEET

Plaintiff's Attorney: Nelson Weston, Bar No. Address: 1900 Barnwell Street, Columbia, SC phone: 803-771-4400 fax: e-mail: other:	Defendant's Attorney: Jonathan M. Milling, Bar No. 15628 Address: 1614 Taylor St. Suite C phone: (803) 451-7700 fax: (803) 451-7701 e-mail: jmm@millinglaw.net other:
☒ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) ☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) ☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)	
SECTION I: Hearing Information Nature of Motion: Motion To Set Aside Foreclosure Sale Estimated Time Needed: Court Reporter Needed: ☒ YES / ☐ NO	
SECTION II: Motion/Order Type ☒ Written motion attached ☐ Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order. Signature of Attorney for ☐ Plaintiff / ☒ Defendant Jan. 27, 2016 Date submitted	
SECTION III: Motion Fee ☐ PAID - AMOUNT: ☐ EXEMPT: (check reason) ☐ Rule to Show Cause in Child or Spousal Support ☐ Domestic Abuse or Abuse and Neglect ☐ Indigent Status ☐ State Agency v. Indigent Party ☐ Sexually Violent Predator Act ☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy ☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRPC) ☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: ☐ Other:	
JUDGE'S SECTION ☐ Motion Fee to be paid upon filing of the attached order. ☐ Other:	JUDGE CODE: Date:
CLERK'S VERIFICATION Collected by: Date Filed:	

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

South Carolina Community Bank

Plaintiff,

vs.

Carolina Procurement Institute Inc., Gary A.
Washington, Michele A. Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company, et al.,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A #: 2008-CP-40-8887

**MOTION TO SET ASIDE
FORECLOSURE SALE**

2016 JAN 27 PM 2:29
JEANNETTE W. ROBERTS
C.C.P. & G.S.
RICHLAND COUNTY
FILED

Gary A. Washington and Michele A. Washington (collectively "Movants"), by and through their undersigned counsel hereby move this Honorable Court to vacate the Foreclosure Sale of property located at 1811 and 1815 Gervais Street, Columbia, South Carolina, more specifically defined and designated as

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at Page 0029, and having such metes and bounds as reference to said plat will show, all measurement being a little more or less.

ALSO: All that certain piece, parcel or lot of land, with any improvements thereon, situated, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street running thence along the edge of the

right-of-way of Gervais Street South 72 degrees 51'West for a distance of 52.29 feet to an iron; thence turning and running South 17 degrees 54'East for a distance of 170.56 feet to an iron; thence turning and running North 72 degrees 55'East for a distance of 52.40 feet to an iron; thence turning and running North 17 degrees 50'West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the same land and premises conveyed to Gary A. Washington and Michele A. Washington by deed of Carey W. Shealy and Suzanne Shealy, dated March 8, 2002 and recorded March 19, 2002 in the Register of Deeds for Richland County in Book R639 at Page 1298.

TMS#11406-16-19 and 11406-16-20

("the Property"). Pursuant to the edicts of *Poole v. Jefferson Life Ins. Co.*, 174 S.C. 150, 177 S.E. 24 (1934) and its progeny, the foreclosure sale in this action should be set aside as to allow the sale to stand would "*violat[e] principle [and] do[] injustice.*" See *Poole*, 177 S.E. at 26.

BACKGROUND

The above-styled action was filed in 2009, with the Richland County Master in Equity entering and Order and Judgment of Foreclosure and Sale on October 5, 2009, which was entered on October 8, 2009. Prior to the Foreclosure sale being conducted, Movants filed for protection under Chapter 11 in the United States Bankruptcy Court. Movants initial filing was dismissed on September 24, 2010, but a subsequent filing entered on February 3, 2011, and assigned Case No. 11-00625-dd. Movants and Plaintiff entered into a Consent Order resolving the debt which was filed on April 21, 2011, as Docket Entry 39. This filing was closed in July 2012, and a motion to reopen denied in December 2013.

A subsequent bankruptcy filing was initiated by Movants on October 3, 2014, and assigned Case No. 14-5589-dd. Plaintiffs filed a Motion for Relief from the Stay on December 9, 2014 (Docket No. 19), and an Amended Motion on December 10, 2014 (Docket No. 20). A hearing

was held on January 7, 2015, and a settlement announced by counsel for the Plaintiff. Pursuant to the terms of the settlement, payments were to begin being made to the Plaintiff by Movants on March 15, 2015. Counsel for the Plaintiff was to have notified other creditors of the Agreement and provide an opportunity to object. See Docket No. 23. There is no evidence this was done. Instead on January 21, 2015, Plaintiff filed another Motion for Relief from Stay (Docket No. 25).

A hearing was held on February 12, 2015, but Movants were not present due to a failure of notice, and an unavoidable conflict once they learned of the hearing date. No request to continue the hearing was filed by Movant's then counsel prior to the hearing and a request during the hearing was denied. The hearing was treated as preliminary, and another hearing scheduled for February 19, 2015. Plaintiff's motion for relief from the Stay was Granted as Movants failed to establish sufficient equity in the Property to protect the interests of Plaintiff.

A motion to reconsider lifting the stay was filed on March 5, 2015. Opposition to this request was filed on March 12, 2015, and an Order denying the request was entered on April 8, 2015, following a hearing on April 6, 2015. Movant's filed a motion to relieve their then counsel on April 8, 2015, with an Order granting that request on April 23, 2015. New counsel was engaged on May 27, 2015.

Once new counsel appeared, on June 29, 2015, a motion to disgorge funds from the initial lawyer was filed, based upon the ineffectiveness of that counsel. A hearing was held on August 13, 2015. (Docket No. 88, 96). Subsequently, in response to a motion for fees, Movants filed an objection, and a hearing on that motion held on September 16, 2015. An Order denying the initial counsel's request for fees, and requiring disgorgement was entered on September 17, 2015 (Docket No. 101).

A renewed motion to reconsider the lifting of the stay was filed by new counsel on December 14, 2015 (Docket No. 129). After a hearing on December 29, 2015, Movant's motion was denied, and the bankruptcy case dismissed (Docket No. 150, 152). On January 12, 2016, Movant's filed a notice of appeal of several matters including the denial of Movants' motion to reconsider the relief from the stay and the decision to dismiss the case. Such appeal is currently pending. For the reasons set forth herein, the foreclosure sale in the above-referenced matter should properly be set aside.

ARGUMENT

"A judicial sale will be set aside when either: (1) the sale price 'is so gross as to shock the conscience[;]' or (2) the sale 'is accompanied by other circumstances warranting the interference of the court.' *Wells Fargo Bank, NA v. Turner*, 662 S.E.2d 424, 425 (S.C. Ct. App. 2008)(citing *Poole v. Jefferson Standard Life Ins. Co.*, 177 S.E. 24, 27 (S.C. 1934)). While the sales price in the instant matter of Three Hundred Seventy Thousand and no/100 (\$370,000.00) Dollars isn't "so gross as to shock the conscience," the sale and circumstances attendant to this matter and the foregoing bankruptcy process are sufficiently concerning "to warrant the interference of the court." *See id.*

As previously noted, Movants' initial bankruptcy counsel was deficient, to the point where he was relieved as counsel, funds paid were disgorged, and he was left without compensation for his services in the matter. Particularly relevant to this motion, the issue of the potential equity of the property became supremely important. As noted in the various filings and hearings, if there were sufficient equity in the property to protect the interests of Plaintiff, then the matter would have remained in bankruptcy, the Property would have remained an asset of the bankruptcy estate, and made a part of the bankruptcy plan. The value of the property not only lies in it being an asset

of the estate, but because of the HUB designation, the true value lies in the ability of Movants to generate income through their ownership of the property. Initial counsel never properly demonstrated this to the bankruptcy court. Furthermore, the value of the property was understated such that the value was placed well below the lien amount, creating the absence of equity. Without amending the schedules, subpoenaing an appraiser who set the value much higher than the lien, or properly introducing any evidence of value in excess of the lien amount, the Court was left with no alternative but to determine that there was no equity and therefore relief from the stay was appropriate. Initial counsel attempted several times to "unwind the clock" and relitigate this issue, but the damage had been done. One final attempt was made by Movants' subsequent counsel, but as enunciated by the Court, the matter had been decided previously. This decision is now under appeal. These deficiencies by counsel placed Movants in the position in which they now stand. While certainly a civil action lies against the initial counsel, real property is unique; no two parcels are the same. Movants cannot be made whole by pursuing initial counsel; they may only be made whole by setting aside this foreclosure sale. Considering the value this property has to Movants, circumstances exist sufficient to warrant judicial intervention.

Beyond the deficiencies of counsel, in January 2015, Plaintiff and Movants reached an agreement in Court, which was published on the record. Prior to the date for the initial payment pursuant to that agreement, Plaintiff sought relief from the stay. Such is a curious development that should properly be explored to determine what prompted this abrupt change in position by the Plaintiff. At a minimum, however, it warrants judicial involvement to set aside the sale.

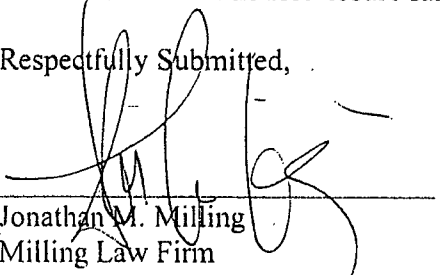
Finally, the Judgment fails to meet the requirements of Rule 71 of the South Carolina Rules of Civil Procedure, and furthermore, notice of the sale of November 2015 was not provided to Movants. Specifically, Rule 71(b) sets forth the requirements which must be included in the

judgment, including the property description, the date and time of the sale, and other information which was not included in the Third Supplemental Order to the Master in Equity's Order and Judgment of Foreclosure Sale date June 30, 2015, which upon information and belief was the final Judgment entered prior to the sale. These deficiencies are further complicated by the fact that a sale was scheduled for August 3, 2015, but did not occur as scheduled, instead occurring on November 2, 2015. Finally, as noted by the attached Affidavit of Gary Washington, Mr. Washington, as a defendant in this action, did not receive the notice of sale required to be mailed pursuant to South Carolina Code Annotated Section 15-9-740.

CONCLUSION

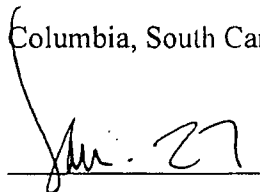
For the reasons set forth herein, as well as those that will be advanced at a hearing on this motion, Movants respectfully submit that just cause exists to set aside this foreclosure sale.

Respectfully Submitted,



Jonathan M. Milling
Milling Law Firm
1614 Taylor Street
Columbia, South Carolina 29201
803-451-7700
Attorney for the Defendants

Columbia, South Carolina

 27, 2016

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2008-CP-40-8887

PETITION FOR WRIT OF ASSISTANCE

2016 FEB -1 PM 1:52
CLERK OF COURT
CLERK OF COURT

The Petitioner, Plaintiff South Carolina Community Bank ("SCCB"), through their undersigned attorneys, would respectfully show unto the Court:

1. That on December 17, 2008, Plaintiff SCCB commenced a foreclosure action against Defendants, seeking to foreclose a mortgage as more fully set forth in the Complaint; thereafter, pursuant to the Master-In-Equity's Report and Judgment of Foreclosure and Sale filed October 8, 2009, as supplemented by three (3) Supplemental Orders filed December 20, 2010, September 10, 2014, and July 17, 2015, respectively (collectively, the "Judgment of Foreclosure"), and after due legal notice advertised and published according to law, the property hereafter described was auctioned on November 2, 2015, by Joseph M. Strickland, as Master in Equity for Richland County.

2. That Plaintiff SCCB was the highest bidder at said sale for the sum of Three Hundred Seventy Thousand and No/100 (\$370,000.00) Dollars, and the Honorable Joseph M. Strickland, as Master in Equity for Richland County, thereafter executed a deed to the property hereinafter described, conveying same unto South Carolina Community Bank.

3. That Plaintiff SCCB, through its attorneys, is informed and believes that the subject property is currently occupied by persons, including certain Defendants and their tenants, who have refused, and continue to refuse, to vacate the premises.

4. That the Judgment of Foreclosure referenced above orders the Sheriff of Richland County to eject and remove from the said premises all such occupants of the property, together with all personal property located therein, and to put the successful bidder or his assigns in full, quiet, and peaceable possession of the premises.

5. That the real property which is the subject of this Petition and was the subject of the aforementioned foreclosure action is described on the attached Exhibit A.

WHEREFORE, the Petitioner prays that this Court issue its Order Granting Writ of Assistance, ordering the Sheriff of Richland County to remove any occupants and all personal property located therein from said premises, and granting Petitioner such other and further relief as this Court may deem just, proper, or equitable.

Respectfully Submitted,

RICHARDSON PLOWDEN & ROBINSON, P.A.



Charles J. Webb (S.C. Bar # 73757)

Post Office Box 7788

Columbia, South Carolina 29202

(803) 771-4400

ATTORNEYS FOR PETITIONER SOUTH CAROLINA
COMMUNITY BANK

January 8, 2016
Columbia, South Carolina

EXHIBIT "A"

All that piece, parcel and lot of land, with the improvements thereon, situate, lying and being on the northern side of Gervais Street, between Barnwell and Gregg Streets, in the City of Columbia, in the County of Richland, in the State of South Carolina, being shown and delineated on a plat prepared for Carey W. Shealy and Suzanne Shealy by Cox and Dinkins, Inc., Engineers and Surveyors, dated April 17, 1998, and recorded in the office of the Register of Deeds for Richland County in Plat Book 000709 at page 0029, and having such metes and bounds as reference to said plat will show, all measurements being a little more or less.

DERIVATION: This being the same land and premises conveyed to South Carolina Community Bank by Master in Equity's Deed of the Honorable Joseph M. Strickland, Richland County Master in Equity, dated December 18, 2015, and recorded December 18, 2015 in the Office of the Register of Deeds for Richland County in Book 2077 at Page 203.

TMS#: 11406-16-19

Property Address: 1815 Gervais Street, Columbia, South Carolina 29201

ALSO:

All that certain piece, parcel or lot of land, with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, and shown on plat prepared for George S. Bailey and Ford B. Bailey by Cox and Dinkins, Inc., Engineers and Surveyors, dated October 10, 1986, to be recorded, and according to said plat, having the following metes and bounds, to-wit: Beginning at an iron on the northern edge of the right-of-way of Gervais Street approximately 108.04" East of its point of intersection with Barnwell Street running thence along the edge of the right-of-way of Gervais Street South 72°51' West for a distance of 52.29 feet to an iron; thence turning and running South 17°54' East for a distance of 170.56 feet to an iron; thence turning and running North 72°55' East for a distance of 52.40 feet to an iron; thence turning and running North 17°50' West for a distance of 170.60 feet to the point of beginning, be all measurements a little more or less.

DERIVATION: This being the same land and premises conveyed to South Carolina Community Bank by Master in Equity's Deed of the Honorable Joseph M. Strickland, Richland County Master in Equity, dated December 18, 2015, and recorded December 18, 2015 in the Office of the Register of Deeds for Richland County in Book 2077 at Page 203.

TMS#: 11406-16-20

Property Address: 1811 Gervais Street, Columbia, South Carolina 29201

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2008-CP-40-8887

RULE TO SHOW CAUSE

2016 FEB - 1 10:15:52

Pursuant to Rule 53 of the South Carolina Rules of Civil Procedure, the above-captioned matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment and Writ of Assistance in the cause.

NOW, THEREFORE, upon reading and filing of the within Petition and upon motion of Charles J. Webb, Attorney for Plaintiff South Carolina Community Bank,

IT IS ORDERED THAT Defendants, their tenants, or any other occupant of 1811 Gervais Street and/or 1815 Gervais Street, Columbia, South Carolina, do show cause before the undersigned Joseph M. Strickland, Master in Equity for Richland County, at the Richland County Judicial Center, Courtroom 2-D, on the 19th day of FEBRUARY, 2016, at 2:45 o'clock P.M., or as soon thereafter as counsel may be heard, as to why a Writ of Assistance should not be issued by this Court to the Sheriff of Richland County, South Carolina, ordering and directing him to remove the Defendants, together with any and all persons claiming under the said Defendant or otherwise occupying the premises described in the Petition, and all of their personal property located within or on the subject premises described in the Petition.

Honorable Joseph M. Strickland,
Master in Equity for Richland County

Columbia, South Carolina
January 27, 2016

83.60
1/11/16
6

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2008-CP-40-8887

**ORDER DENYING MOTION TO
SET ASIDE FORECLOSURE SALE**

RICHLAND COUNTY
FILED
2016 MAR 23 AM 11:23
JEANETTE W. MCCLIDE
C.C.P. & G.S.

THIS MATTER came before the Court on February 19, 2016, upon a Motion Set Aside Foreclosure Sale (the "Motion") filed by Defendants Gary A. Washington and Michele A. Washington (the "Washington Defendants"). Appearing for Plaintiff South Carolina Community Bank ("SCCB") was S. Nelson Weston, Jr., Esquire, and Benjamin P. Carlton, Esquire, both of Richardson Plowden & Robinson, P.A., and appearing for the Washington Defendants was Jonathan M. Milling, of the Milling Law Firm, LLC. Prior to the hearing, Mr. Milling contacted the Court, moving for a continuance, following notification that Mr. Washington was under doctors' care and prescription narcotics, and therefore would be unable to attend. Mr. Milling submitted a picture of Mr. Washington's prescription bottle and a copy of the corresponding doctors' orders. Neither of the Washington Defendants personally appeared. Their motion to continue was denied.

After considering the Washington Defendants' Motion; the other filings and Orders in the above-captioned matter, including the post-sale documents conveying title to the subject

premises to Plaintiff SCCB¹; certain Orders issued and other documents entered in In re Gary Allen Washington and Michele Anne Washington, No. 14-05589-DD, by the United States Bankruptcy Court for the District of South Carolina²; the history of this case³ and the related bankruptcy cases⁴; and the arguments of counsel, and having denied the Washington Defendants' request for a continuance, made on February 19, 2016, this Court finds, in its sound discretion, as follows:

1. As an initial matter, the Washington Defendants are in default.
2. Moreover, as conceded by the Washington Defendants, the sales price of Three Hundred Seventy Thousand and No/100 (\$370,000.00) Dollars is not "so gross as to shock the conscience"; therefore, such sales price is not grounds to set aside the judicial sale previously consummated in this matter. See Wells Fargo Bank, NA v. Turner, 378 S.C. 147, 150, 662 S.E.2d 424, 425 (Ct. App. 2008) (quoting Poole v. Jefferson Standard Life Ins. Co., 174 S.C. 150, 157, 177 S.E. 24, 27 (1934)).

¹ On December 18, 2015, the Master in Equity's Deed to the subject premises and the corresponding Release of Mortgage by Foreclosure were recorded with the Richland County Register of Deeds Office in Book 2077 at Page 203 and Book 2077 at Page 209, respectively.

² Specifically, this Court finds the following Bankruptcy Orders compelling and relevant to the Washington Defendants' instant Motion: Order Granting Relief from Stay, entered February 26, 2015 (Dkt. No. 33); Order Denying Motion to Alter or Amend, entered April 9, 2015 (Dkt. No. 41); and Order Denying Motion to Reconsider, entered December 30, 2015 (Dkt. No. 150). The Washingtons, through their counsel, also suggested that relevant to their motion, requesting that I consider, which I did, the settlement agreement, which was never reduced to writing or noticed to creditors, discussed during the Bankruptcy hearing held on January 7, 2015, which relates to the instant property (Dkt. Nos. 23 and 30); the subsequent Motion which gave rise to the Order Granting Relief from Stay; the transcripts from the hearings wherein the Washingtons opposed the lifting of the stay and subsequently filed motions to reconsider (Dkt. Nos. 34, 38, 79, 88, 96, 99, 101, 104, 105, 129, 133, 134) as well as the transcripts from the hearings dated August 13, 2015 and September 16, 2015 wherein the Washingtons challenged the effectiveness of their counsel.

³ Counsel for Plaintiff SCCB represented to the Court that the Washington Defendants have made no payments towards the relevant SCCB loan since March 6, 2014.

⁴ During the pendency of the above-captioned matter, the Washington Defendants have filed and pursued three separate bankruptcies: No. 09-08248-DD; No. 11-00625-DD; and No. 14-05589-DD. Additionally, the Washington Defendants' company, Carolina Procurement Institute ("CPI"), has filed and pursued an additional bankruptcy—No. 15-04646-DD.

3. Additionally, no other circumstances warrant the interference of this Court and allowing the sale to stand would not “violat[e] principle or do[] injustice.” See Poole v. Jefferson Standard Life Ins. Co., 174 S.C. 150, 177 S.E. 24, 26 (1934) (quoting Farr v. Gilreath, 23 S.C. 502 (1885)).

4. In particular, the Washington Defendants’ arguments as to deficient bankruptcy counsel and an alleged settlement agreement were appropriately addressed and denied by the United States Bankruptcy Court for the District of South Carolina and do not warrant interference by this Court.⁵

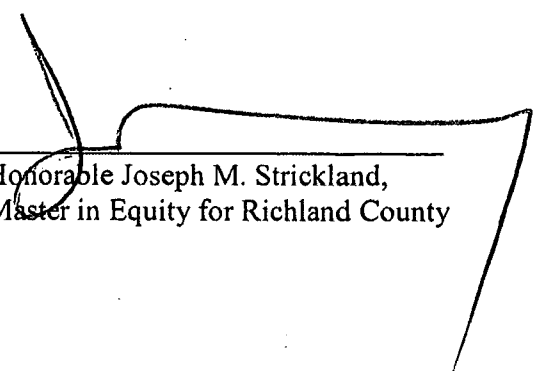
5. Likewise, notice of the November 2, 2015 sale of the subject premises was appropriately published and noticed to the Washington Defendants.

6. Finally, the Master in Equity’s Report and Judgment of Foreclosure, filed October 8, 2009, as supplemented by the Third Supplemental Order to the Master in Equity’s Order and Judgment of Foreclosure and Sale, filed July 17, 2015, complies with the requirements of Rule 71 of the South Carolina Rules of Civil Procedure.

THEREFORE, IT IS HEREBY ORDERED that the Washington Defendants’ Motion is **DENIED** and that the previously completed judicial sale of the subject properties in the above-captioned matter is upheld and shall not be disturbed.

⁵ As to the Washington Defendants’ deficient bankruptcy counsel argument, this Court finds it noteworthy that the Washington Defendants have alleged no claim of ineffective assistance of counsel as to counsel in this foreclosure matter and that the Washington Defendants admitted the value of the subject properties in their bankruptcy plan and disclosure statement; failed to amend such schedules; and, even with current bankruptcy counsel, are still utilizing the same or lower property values when it suits them. See Order Denying Motion to Reconsider, at p.5–6, entered December 30, 2015 (Dkt. No. 150).

Likewise, as to the Washington Defendants’ argument regarding an alleged settlement, this Court finds it noteworthy that the United States Bankruptcy Court for the District of South Carolina (1) denied the Washington Defendants’ request to enforce the “settlement” for lack of prosecution, see Order Denying Motion to Alter or Amend, at p.1, n.1, entered April 9, 2015 (Dkt. No. 41), and (2) found that “there was no settlement” because the terms of the tentative, conditional agreement had not been reduced to writing and noticed to creditors. See Order Denying Motion to Reconsider, at p.2, entered December 30, 2015 (Dkt. No. 150). This alleged settlement issue, which has been addressed on several occasions over the period of one year, is not a new, “curious development” and does not warrant the interference of this Court into the completed judicial sale of the subject properties.



Honorable Joseph M. Strickland,
Master in Equity for Richland County

Columbia, South Carolina
March 2, 2016

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2008-CP-40-8887

ORDER FOR WRIT OF ASSISTANCE

RICHLAND COUNTY
FILED
2016 MAR 28 AM 10:53
JEANNETTE W. MCBRIDE
C.C.P. & G.S.

THIS MATTER came before the Court on February 19, 2016, upon a Petition for Writ of Assistance (the "Petition"), filed by Plaintiff South Carolina Community Bank ("SCCB"), requesting that the Sheriff of Richland County remove and eject Defendants, their tenants, and any other occupants, and all of their personal property located within or on the premises described in the Petition. Appearing for Plaintiff SCCB was S. Nelson Weston, Jr., Esquire, and Benjamin P. Carlton, Esquire, both of Richardson Plowden & Robinson, P.A., and appearing for Defendants Gary A. Washington and Michele A. Washington (the "Washington Defendants") was Jonathan M. Milling, of the Milling Law Firm, LLC. Prior to the hearing, Mr. Milling contacted the Court, moving for a continuance, following notification that Mr. Washington was under doctors' care and prescription narcotics, and therefore would be unable to attend. Mr. Milling submitted a picture of Mr. Washington's prescription bottle and a copy of the corresponding doctors' orders. Neither of the Washington Defendants personally appeared. Their motion to continue was denied.

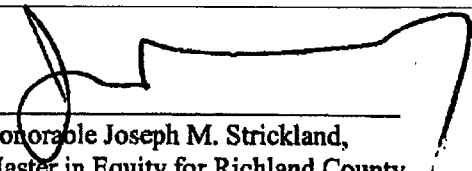
After examining the Judgment of Foreclosure and Sale, as supplemented by various Orders of this Court, issued in the above-captioned case; reviewing the Petition and post-sale

documents conveying title to the subject premises to Plaintiff SCCB; and considering the arguments of counsel, and having denied the Washington Defendants' Motion to Set Aside Foreclosure Sale, dated January 27, 2015, and the Washington Defendants' request for a continuance, made on February 19, 2016, it appears to the Court that a Writ of Assistance should be issued against the above-named Defendants, their tenants, and any other occupants of the subject premises.

THEREFORE, IT IS HEREBY ORDERED that the Sheriff of Richland County or his authorized deputies be, and they hereby are, authorized and directed to enter upon the premises described in the Petition and in the Judgment of Foreclosure and Sale, as supplemented, at any time after 5:00 P.M., on the 2nd day of May, 2016, and to either peaceable or forcibly remove and eject the Defendants, their tenants, and any other occupant and all personal property of same located within or on the premises, and that force may be used, if necessary, to enter the premises.

PROPERTY ADDRESS: 1811 and 1815 Gervais Street, Columbia, South Carolina 29201

TMS #: 11406-16-19 and 11406-16-20


Honorable Joseph M. Strickland,
Master in Equity for Richland County

Columbia, South Carolina
March 25, 2016

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank

☐ Plaintiff

v.

Carolina Procurement Institute Inc., Gary A.
Washington, Michele A. Washington, First Palmetto
Savings Bank et al.

☒ Defendant.

IN THE COURT OF COMMON PLEAS

CASE NO.

2008-CP-40-8887

MOTION AND ORDER INFORMATION
FORM AND COVER SHEET

Plaintiff's Attorney: _____, Bar No. _____ Address: _____ phone: _____ fax: _____ e-mail: _____ other: _____		Defendant's Attorney: Jonathan M. Milling, Bar No. 15628 Address: _____ 1614 Taylor Street, Suite C Columbia, SC 29201 phone: (803) 451-7700 fax: (803) 451-7701 e-mail: jmm@millinglaw.net other: _____	
☐ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) ☒ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) ☒ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)			
SECTION I: Hearing Information			
Nature of Motion: Motion to Reconsider Estimated Time Needed: _____ Court Reporter Needed: ☐ YES / ☒ NO			
SECTION II: Motion/Order Type			
☒ Written motion attached ☐ Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order.			
Signature of Attorney for ☐ Plaintiff / ☒ Defendant		Date submitted	
SECTION III: Motion Fee			
☐ PAID - AMOUNT: _____ ☐ EXEMPT: ☐ Rule to Show Cause in Child or Spousal Support (check reason) ☐ Domestic Abuse or Abuse and Neglect ☐ Indigent Status ☐ State Agency v. Indigent Party ☐ Sexually Violent Predator Act ☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy ☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRPC) ☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: _____ ☐ Other: _____			
JUDGE'S SECTION			
☐ Motion Fee to be paid upon filing of the attached order. ☐ Other: _____		JUDGE _____	
		CODE: _____ Date: _____	
CLERK'S VERIFICATION			
Collected by: _____		Date Filed: _____	

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary
A Washington, Michele A Washington,
First Palmetto Savings Bank, F.S.B.,
Branch Banking and Trust Company of
South Carolina, Palmetto Health Alliance,
State of South Carolina Department of
Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2008-CP-40-8887

MOTION TO RECONSIDER

Gary A. Washington and Michele A. Washington ("Washingtons") hereby move this Honorable Court, pursuant to Rule 59(e) of the South Carolina Rules of Civil Procedure, requesting reconsideration of the Order for Writ of Assistance and Order Denying Motion to Set Aside Foreclosure Sale, both of which were argued on February 19, 2016.¹ For the reasons set forth herein, the undersigned submits that this Court should reconsider its decision in these Orders, and thereafter deny the Motion for Writ of Assistance and grant the Motion to Set Aside Foreclosure Sale.

As an initial matter, the Washingtons ask that the Court award another hearing on these motions wherein the Washingtons could participate. While the Orders note the Washingtons' motion to continue the hearing based upon Gary Washington being under the influence of prescription narcotics and doctors' care, no rationale is explained as to why just cause had not been

¹ The Order for Writ of Assistance was executed on March 25, 2016, filed on March 28, 2016, and emailed to the undersigned counsel on April 4, 2016. April 4, 2016, was the first time the undersigned was made aware of the entry of the order. The Order Denying Motion to Set Aside Foreclosure Sale was executed on March 2, 2016, filed on March 23, 2016. The undersigned received a copy of this Order on April 5, 2016, from opposing counsel, which was when counsel was made aware of the entry of the order.

presented. It was not a situation where Gary Washington simply failed to appear. Rather, evidence was presented that he was under doctor's care, and under the influence of prescription drugs. Court records reflect the Washingtons reside in Sumter County, South Carolina, and as such Gary Washington was unable to drive to the hearing, or face criminal penalties for driving under the influence, and likewise was in no condition to testify under oath. Gary Washington was in a position to testify as to the equitable basis for seeking to set aside the foreclosure sale. Washingtons ask this Court to reconsider the entry of the Orders without providing Washingtons an opportunity to testify.

1. Paragraph 3 of the Order Denying Motion to Set Aside Foreclosure Sale notes that "[a]dditionally, no other circumstances warrant the interference of this Court and allowing the sale to stand would not "violat[e] principle or do[] injustice." See Poole v. Jefferson Standard Life Ins. Co., 174 S.C. 150, 177 S.E. 24, 26 (1934) (quoting Farr v. Gilreath, 23 S.C. 502 (1885))." Paragraph 4 outlines "[i]n particular, the Washington Defendants' arguments as to deficient bankruptcy counsel and an alleged settlement agreement were appropriately addressed and denied by the United States Bankruptcy Court for the District of South Carolina and do not warrant interference by this Court."² These conclusions fail to properly take into account the impact the deficient counsel had on the instant foreclosure matter, as without these deficiencies, the Stay

² As to the Washington Defendants' deficient bankruptcy counsel argument, this Court finds it noteworthy that the Washington Defendants have alleged no claim of ineffective assistance of counsel as to counsel in this foreclosure matter and that the Washington Defendants admitted the value of the subject properties in their bankruptcy plan and disclosure statement; failed to amend such schedules; and, even with current bankruptcy counsel, are still utilizing the same or lower property values when it suits them. See Order Denying Motion to Reconsider, at p.5-6, entered December 30, 2015 (Dkt. No. 150).

Likewise, as to the Washington Defendants' argument regarding an alleged settlement, this Court finds it noteworthy that the United States Bankruptcy Court for the District of South Carolina (1) denied the Washington Defendants' request to enforce the "settlement" for lack of prosecution, see Order Denying Motion to Alter or Amend, at p. 1, n.1, entered April 9, 2015 (Dkt. No. 41), and (2) found that "there was no settlement" because the terms of the tentative, conditional agreement had not been reduced to writing and noticed to creditors. See Order Denying Motion to Reconsider, at p.2, entered December 30, 2015 (Dkt. No. 150). This alleged settlement issue, which has been addressed on several occasions over the period of one year, is not a new, "curious development" and does not warrant the interference of this Court into the completed judicial sale of the subject properties.

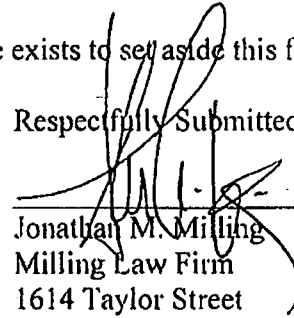
would not have been lifted, and the foreclosure would not have proceeded. As argued at the February 2016 hearing on these motions, the actual value of the subject property was much higher than the value relied upon by the Plaintiff, and thereafter the Court. See Exhibit A. As such, the Washingtons ask this Court to reconsider the Order.

Additionally, as it relates to the notice of the hearing and the propriety of the Judgment, Paragraph 5 of the Order Denying Motion to Set Aside Foreclosure Sale succinctly states "Likewise, notice of the November 2, 2015 sale of the subject premises was appropriately published and noticed to the Washington Defendants" while Paragraph 6 notes "[f]inally, the Master in Equity's Report and Judgment of Foreclosure, filed October 8, 2009, as supplemented by the Third Supplemental Order to the Master in Equity's Order and Judgment of Foreclosure and Sale, filed July 17, 2015, complies with the requirements of Rule 71 of the South Carolina Rules of Civil Procedure." No further analysis is presented in response to the Washington's suggestion that "Rule 71(b) sets forth the requirements which must be included in the judgment, including the property description, the date and time of the sale, and other information which was not included in the Third Supplemental Order to the Master in Equity's Order and Judgment of Foreclosure Sale date June 30, 2015, which upon information and belief was the final Judgment entered prior to the sale." It is clear that the Judgment does not include the property description, or the sale date and time. The Third Supplemental Order likewise does not include this information, which is required by the Rules. No finding of fact or conclusion of law was made in the Order which justifies or excuses this omission. Similarly, no evidence was presented to rebut the Affidavit of Gary Washington regarding notice of the hearing. As such, the Washingtons respectfully request that the Court reconsider the Order Denying Motion to Set Aside Foreclosure Sale.

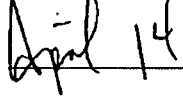
Based upon the foregoing, the Washingtons further ask the Court to reconsider the Order for Writ of Assistance, as the Writ of Assistance should not properly be entered while the validity of the Foreclosure Sale is in dispute.

For the reasons set forth herein, as well as those that will be advanced at a hearing on this motion, Movants respectfully submit that just cause exists to set aside this foreclosure sale.

Respectfully Submitted,


Jonathan M. Milling
Milling Law Firm
1614 Taylor Street
Columbia, South Carolina 29201
803-451-7700
Attorney for the Defendants

Columbia, South Carolina

 April 14, 2016

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

COURT OF COMMON PLEAS

SOUTH CAROLINA COMMUNITY BANK,
Plaintiff(s),

vs.

Case No.: 2008-CP-40-8887

CAROLINA PROCUREMENT INSTITUTE, GARY A.
WASHINGTON, MICHELE A. WASHINGTON, FIRST
PALMETTO SAVINGS BANK FSB, BRANCH BANKING
AND TRUST CO OF SOUTH CAROLINA, PALMETTO
HEALTH ALLIANCE, AND THE SOUTH CAROLINA
DEPARTMENT OF REVENUE,

Defendant(s).

H E A R I N G

BEFORE THE HONORABLE JOSEPH M. STRICKLAND

DATE: Monday, April 28, 2016

TIME: 3:06 P.M.

LOCATION: Richland County Courthouse
1701 Main Street
Columbia, South Carolina

REPORTED BY: CAROLL ANNE BOUTAHAR
Certified Verbatim Reporter

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1 APPEARANCES:

2 ATTORNEYS FOR THE PLAINTIFF
3 SOUTH CAROLINA COMMUNITY BANK:

4 RICHARDSON PLOWDEN
5 BY: CHARLES J. WEBB, ESQUIRE
6 1900 Barnwell Street
7 Columbia, South Carolina 29201
8 cwebb@richardsonplowden.com
9 803.253.8707

10 ATTORNEYS FOR THE DEFENDANT -
11 BRANCH BANKING AND TRUST OF SOUTH
12 CAROLINA, CAROLINA PROCUREMENT
13 INSTITUTE INC., FIRST PALMETTO
14 SAVINGS BANK FSB, PALMETTO HEALTH
15 ALLIANCE, GARY A. WASHINGTON, AND
16 MICHELE A. WASHINGTON:

17 THE MILLING LAW FIRM
18 BY: JONATHAN McKEY MILLING, ESQUIRE
19 2910 Devine Street
20 Columbia, South Carolina 29205
21 jmm@millinglaw.net
22 803.451.7700

23 ALSO PRESENT:

24 GARY A. WASHINGTON

25

(INDEX AT REAR OF TRANSCRIPT)

1 THE COURT: This is Civil Action Number
2 2008-CP-40-8887, South Carolina Community Bank against
3 Procurement Institute, Incorporated, and others.

4 Was this a commercial foreclosure, Mr. Webb?

5 MR. WEBB: Yes, sir.

6 THE COURT: So it's not a residence.

7 MR. WEBB: That's correct.

8 THE COURT: And we're talking about
9 tenants. We're talking about commercial tenants,
10 businesses.

11 MR. WEBB: That's correct, Your Honor.

12 THE COURT: I thought this case was over.
13 We did have a hearing on the writ of assistance and a
14 motion to set aside the judicial sale.

15 Mr. Webb, when was the judicial sale
16 conducted?

17 MR. WEBB: The sale was, I believe, in
18 November. At this time, off the top of my head, I
19 can't remember. The property actually transferred, and
20 the deed was recorded in December.

21 THE COURT: Okay. So --

22 MR. WEBB: We're quite some time removed
23 from that. The sale was either October or November. I
24 can look it up and tell you.

25 THE COURT: And we've had a hearing on the

1 motion to set aside the sale as well as the writ of
2 assistance.

3 MR. WEBB: That's correct. That was back in
4 February, I believe, Your Honor.

5 THE COURT: All right. Let me ask -- I'm
6 sorry.

7 MR. WEBB: Just to clear up, too, I believe
8 the order on the writ of assistance was -- it was
9 filed, I think, March 23. We got it at the beginning
10 of April and gave it to Mr. Milling -- April 4, I
11 believe, is when he first got it.

12 MR. MILLING: Yes, sir.

13 THE COURT: Mr. Milling, tell me why --
14 this case was filed eight years ago?

15 MR. MILLING: Yes, sir.

16 THE COURT: Was there a bankruptcy in the
17 interim or something that explains why it took so long?

18 MR. MILLING: I believe there were two
19 different bankruptcies in the interim, Your Honor.

20 We got named as two different defendants
21 here CPI, Carolina Procurement Institute, which had a
22 bankruptcy proceeding which was just recently
23 dismissed, as I understand.

24 We've got Gary and Michele Washington,
25 in whose name the property was actually titled.

1 THE COURT: Mm-hmm.

2 MR. MILLING: They also had an individual
3 bankruptcy. And really, that's what gives rise to
4 where we are here today because there was a series of
5 hearings back in January and February of 2015.

6 THE COURT: Mm-hmm.

7 MR. MILLING: And we talked about this a
8 little bit at the last hearing, but there was some
9 discussion about a settlement whereby this piece of
10 property, which is on Gervais Street, would have stayed
11 in the bankruptcy estate.

12 Subsequent to that discussion, and things
13 being placed on the record in the bankruptcy
14 proceeding, the bank filed a motion to set aside the
15 automatic stay. And, as I recall, chronologically,
16 it was even before the initial payment would
17 have been due under that agreement which was
18 reached.

19 There was a hearing held in front of
20 Judge Duncan, and I do not believe that Mr. Washington
21 was able to -- I don't think he got noticed until the
22 day before the hearing, and he was out of town, so he
23 wasn't able to make it to that hearing. So a second
24 hearing was held.

25 And, really, the key issue at those two

1 hearings was what was the valuation of the property,
2 because under the bankruptcy rules, if there was
3 sufficient equity in the property to protect the lien
4 of the mortgage holder, in this case South Carolina
5 Community Bank, then it would probably be an asset
6 of the estate, and it wouldn't be kicked back to the
7 foreclosure proceedings.

8 That same issue was raised as recently as
9 December 2015 in a motion to reconsider Judge Duncan's
10 order. He denied that based upon a lot of different
11 procedural issues, as I understand it. I wasn't a
12 party to that proceeding.

13 Judge, since that hearing and, quite
14 frankly, since the hearing that we had in this case
15 in February, an appeal has been filed of that and
16 has been designated to Judge Currie in district
17 court.

18 An attorney by the name of Alex Wathen,
19 who is based out of Houston, Texas, has been admitted
20 pro hac vice, and I actually sponsored his admission
21 in that case, Judge.

22 The initial brief of appellants Gary
23 and Michele Washington was initially due Monday
24 coming up, May 2, the same date that is identified
25 as the date to vacate in this case.

1 THE COURT: Mm-hmm.

2 MR. MILLING: Mr. Wathen has been in the
3 hospital, as I understand it, recently, and he's asked
4 The Court for an additional two weeks to be able to
5 submit the initial brief, which would put it in mid-
6 May. Thirty days from there would be when the
7 respondents' briefs would be due.

8 Judge, that's sort of, in a nutshell,
9 chronologically and procedurally, how we get here.

10 And, Judge, at the last hearing --
11 we did not have a court reporter here for the last
-12 hearing, but at the last hearing, we talked a
13 little bit about the valuation issue, and I
14 understand that Your Honor had pause as to how the
15 valuation issue is relevant before the Court in this
16 particular proceeding.

17 One of the questions that Your Honor
18 asked of Mr. Weston on behalf of the bank was when
19 was the last time that Mr. Washington had made
20 payments. He wasn't here to be able to provide
21 me guidance as to when he made payments or what
22 other investments he may have made in the property.

23 He is here today, and he's got
24 documentation showing, really, since 2014, the
25 investments, which are sizeable, that he's made in this

1 piece of property down on Gervais Street to protect the
2 investment and protect the asset, which is something
3 that we didn't have here. And I do think it's
4 something that shows, really, how this situation is a
5 little bit different. It's not just we've got a
6 bankruptcy case that was kicked out, and now we're
7 here.

8 But, Judge, perhaps more importantly --
9 and I pointed this out in both the initial motion to
10 set aside the sale and also the motion to reconsider --
11 is if we look at Rule 71, which is something Mr. Webb
12 and I talked about outside -- if we look at Rule 71, it
13 goes over, really, what the rules and procedures are in
14 foreclosure partition sales. Your Honor handles these
15 every day. Mr. Webb handles them a lot more regularly
16 than I do. I'm not a true foreclosure lawyer.

17 But if we go in and look at Rule 71(b), it
18 talks in specific terms of what should be included in
19 the judgment order. And in this case, because of the
20 tortured history -- as you noted, it was 2008. Now we
21 are in 2016, some eight years later. I can understand
22 that it may be procedurally difficult to make sure that
23 Rule 71(b) is complied with.

24 But if we go through and look, very
25 specifically it says that the judgment shall contain

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1 the legal description of the property. The most
2 recent judgment in this case was the third
3 supplemental order. And I understand from speaking
4 with Mr. Webb, and I think the record will support
5 this, that the initial order did have a property
6 description, provision for the necessary
7 advertisement, which is included; the time and
8 location of the sale.

9 And that's really where we've got
10 a problem, Judge. And I understand -- like I said,
11 because of how old this is, the initial judgment
12 order is not going to include that. But what
13 we've got in the third supplemental order, which was
14 entered in July 2015 -- our position is, in that
15 order there should have been a provision where
16 the sale is going to take place on this date.

17 Now, I understand from speaking with
18 Mr. Webb that from a procedural standpoint, a lot
19 of times it's not practical, that the sale may
20 be delayed, it may be continued, it may be
21 rescheduled, and it would be a burden on the
22 Court to come back to court each and every
23 time.

24 Judge, I think you don't have to come
25 back to court to enter a supplemental order changing

1 the date, but if we look at the plain language
2 of the rule, it pretty clearly says that the judgment
3 is supposed to include this language and this
4 information.

5 And, Judge, the purpose behind things
6 here, the notice provisions, is to make sure that
7 the judicial sale is going to be fair, it's going
8 to be impartial, and, quite frankly, make sure
9 that it's going to have as many bidders there as
10 possible.

11 And, Judge, I've got two cases that I'd
12 like to pass up. The first is Ex parte Moore.
13 The citation is 575 S.E.2nd 561. It's a case from
14 our State Supreme Court in 2003.

15 THE COURT: Mm-hmm.

16 MR. MILLING: The specific language that
17 I'm looking at here, Judge, is on page 562, and it
18 says, The terms and conditions of a judicial sale are
19 controlled by court order, Rule 71, South Carolina
20 Rules of Civil Procedure, and statute. And in that
21 explanation, it says, Rule 71(b) states the
22 requirements for a court order.

23 THE COURT: Mm-hmm.

24 MR. MILLING: Not the suggestions, but
25 rather the requirements.

1 And then cited in that is Ex parte Keller.

2 And I've got a copy of that as well, Judge.

3 Ex parte Keller is 194 S.E.2d 15, again from our
4 State Supreme Court from 1937, so before any of us
5 were around.

6 THE COURT: Thank you.

7 MR. MILLING: But we do have some very
8 important language in here. And if we go and look on
9 page 19 -- and this is the Headnote 1, 2, and 3 -- it
10 says, A public sale is one made at auction to the
11 highest bidder, a sale where all persons have the right
12 to come in and bid.

13 For this reason, the courts have always
14 been careful to guard against any irregularities
15 in the conduct of a judicial sale. It must be held
16 in a public place, and full and ample notice of the
17 time and place of the sale and the terms thereof
18 are required to be given. And the chilling of
19 bids has often been the grounds for vacating or
20 vitiating the judicial sale.

21 Headnote 4 goes on to say, citing
22 Corpus -- 35 C.J 39,40, Since it is in the interest
23 of justice that a judicial sale should be so
24 conducted as to yield to the owner the best
25 price that can fairly be had, free, fair, and

1 competitive bidding is contemplated at such a judicial
2 sale, and the law does not tolerate any influence
3 likely to prevent competition.

4 Judge, I understand that when we're
5 dealing with foreclosure sales like this, we have
6 the notices that go out to alert everyone. The
7 practical realities are when these notices go out
8 in the classified ads, they do not garner as much
9 attention as perhaps they could.

10 If someone knows that this property on --
11 I think it's 1811 or 1815 Gervais Street is subject to
12 foreclosure, what they're going to do, they're not
13 necessarily going to go look in the newspapers to find
14 out how and when it's going to happen. Rather,
15 they're going to go to the filings. They're
16 going to look at the third supplemental order, the
17 master-in-equity order, and look to see when is this
18 bid going to take place. When is the sale? Where do I
19 need to go?

20 THE COURT: Mm-hmm.

21 MR. MILLING: Absent from this order is that
22 information. And if the purposes behind -- as outlined
23 in Ex parte Moore and Ex parte Keller, the purpose is
24 to bring in as many people as we can.

25 MR. WEBB: Your Honor, if I can just butt

1 in for one second.

2 The notice of sale would be recorded
3 in the file and would be in those public filings
4 immediately either on top of that or right below it,
5 so I think it's a little bit of a stretch to say that
6 the order is going to bring in a whole bunch more
7 people.

8 The notice of sale is recorded with
9 the Clerk of Court. It's advertised. There's
10 certainly no prejudice to Mr. Washington. He was
11 given notice of the date and time of the sale
12 and a legal description. All that information
13 is contained in the notice of sale, which, again,
14 goes out -- an advertisement goes out to all
15 defendants, and it's a matter of public record.

16 The only place the order shows up is in the
17 public record as well. So if anyone is taking the
18 initiative to look for the order, they will find the
19 notice of sale right there with it.

20 MR. MILLING: Judge, I'm just looking
21 at the strict, plain language of the rule as to what is
22 required. And someone who goes to this rule and says,
23 I need to look at the judicial order, and it doesn't
24 include the description, the order would not be in
25 compliance.

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1 And attached to the motion to set aside
2 the sale was an affidavit of Mr. Washington
3 indicating that he did not receive a copy of the
4 notice. And I believe the correspondence that was sent
5 out under Richardson Plowden's letterhead was sent to
6 the Gervais Street property as opposed to
7 Mr. Washington's home address, which is in Sumter,
8 South Carolina, which Richardson Plowden would have
9 been aware of based upon their participation also
10 in the bankruptcy proceedings.

11 THE COURT: Let me ask you, Mr. Milling --

12 MR. MILLING: Yes, sir.

13 THE COURT: And I'll just cut to the chase.

14 MR. MILLING: Yes, sir.

15 THE COURT: I see the debt was \$516,696.51
16 at the time that I signed the order, the judgment, and
17 decree of foreclosure and sale. And this was the
18 second supplemental order.

19 If I grant your motion to set aside
20 the sale and you win, what do you win? Do we have
21 another sale? Is that what you want? Do you want
22 another judicial sale?

23 MR. MILLING: Yes, sir, Your Honor. I
24 think that another judicial sale with an opportunity to
25 bring in the highest possible bid to satisfy this

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1 judgment --

2 Judge, we've gotten -- I hesitate to get
3 into the valuation issue because of Your Honor's ruling
4 at the last hearing, but that really is the nuts and
5 bolts of what we have here because if the value is
6 consistent with what my client now submits that it is,
7 it's going to be in excess of \$450 to \$500,000, which,
8 if we could get a bid there, my client's equity would
9 be realized, and my client would be in a much better
10 position.

11 Conversely, if people don't come in, my
12 client's in a much better position to make bids
13 at that sale.

14 Judge, also, I'm looking at some
15 information that my client has just provided
16 to me, and I'll show it to Mr. Webb.

17 This is a statement from South
18 Carolina Community Bank dated December 26, 2014,
19 so roughly 15 months ago, which would have
20 been about six months before the sale. It shows
21 the balance of the loan as being \$340,455.55,
22 which, obviously, some interest would have accrued
23 between the date of this and your third supplemental
24 order, but that's another issue, Judge, that we would
25 be dealing with at a subsequent foreclosure sale.

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1 THE COURT: Now let me ask you, is your
2 client in a position to redeem the property? In other
3 words, can he pay the debt and --

4 MR. MILLING: It is my understanding,
5 Judge, that he is working diligently toward that. And
6 part of the issue with him maintaining possession of
7 this property is, he has got significant governmental
8 contracts which are tied to this property as being a
9 HUD zone.

10 THE COURT: Mm-hmm.

11 MR. MILLING: And, Judge, losing the
12 property, he loses the contracts and loses the ability
13 to pay it. Staying in the property allows him to
14 maintain these government contracts, which allows him
15 to continue to receive income and redeem the property.

16 THE COURT: Now, as a practical matter,
17 now, the property is already owned by Mr. Webb's
18 client. Is that --

19 MR. WEBB: That's correct, as of December.

20 MR. MILLING: Yes, sir.

21 MR. WEBB: We're now almost in May.

22 THE COURT: That's right.

23 MR. WEBB: And we haven't received a
24 payment since March of 2014.

25 THE COURT: And what's happened to the

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1 contract since -- because Mr. Webb's client has owned
2 the property since the time of the judicial sale. And,
3 again, y'all filed your deed in December. You recorded
4 your deed in December. And I'm trying to remember.
5 Again, what was the sale date, the judicial sale?

6 MR. MILLING: I believe the sale date was
7 sometime in November.

8 THE COURT: The first Monday in November?

9 MR. MILLING: I think that's right.

10 THE COURT: And did y'all waive your demand
11 for a deficiency judgment, or did you --

12 MR. WEBB: We sought the deficiency
13 judgment, Your Honor, and --

14 THE COURT: And what did we -- I probably
15 signed an order of sale and disbursements, and I
16 usually sign an order giving the amount. What was the
17 amount of the deficiency judgment?

18 MR. WEBB: The bid was 370, Your Honor, so
19 that's certainly reasonable for -- I think 538,000 was
20 the final amount. Bear with me just a second.

21 THE COURT: Do y'all know what the
22 deficiency judgment amount was?

23 MR. MILLING: I don't off the top of my
24 head, Judge, but again, the fact that there is a
25 deficiency judgment, any irregularity in the notice of

1 sale certainly demonstrates that my client was
2 prejudiced as a result of that.

3 MR. WEBB: But there was no irregularity in
4 the notice of sale.

5 MR. MILLING: The judgment, Your Honor.

6 THE COURT: Okay.

7 MR. WEBB: Bear with me, Your Honor. As we
8 said, this is a 2008 case, so as you can imagine --

9 THE COURT: Oh, I understand.

10 MR. WEBB: -- the file is rather large.

11 MR. MILLING: And, Your Honor, I will
12 attempt to --

13 MR. WEBB: The bid amount was 370, and the
14 third supplemental order showed 538, so we're looking
15 at the difference between that, plus a little bit of
16 interest.

17 THE COURT: All right.

18 Mr. Milling, does the government know
19 that he no longer owns the buildings?

20 MR. MILLING: That, I don't know. I have
21 not had any conversations with --

22 THE COURT: Mr. Washington, do you want to
23 say something?

24 MR. WASHINGTON: Yes. I did make mention
25 to the government, and I sent them a copy of the

1 appeal, and they said when that is determined, that
2 they will make their determination under the HUD zone.

3 THE COURT: The case is on appeal now?

4 MR. WASHINGTON: Yes, it is.

5 MR. MILLING: I think he's referencing the
6 foreclosure -- not the foreclosures, the bankruptcy
7 order being under appeal --

8 THE COURT: Okay. Okay.

9 MR. MILLING: -- which would have -- and
10 again, flowing backwards, that would have lifted the
11 stay.

12 THE COURT: The reason I asked, if this
13 case is on appeal, then I have no jurisdiction, no
14 authority to do anything.

15 MR. MILLING: It's not, Your Honor, and
16 that's something that --

17 MR. WASHINGTON: May I have one second?

18 THE COURT: Yes, sir.

19 MR. MILLING: Judge, he was making
20 reference to the bankruptcy appeal.

21 THE COURT: But there is a deficiency
22 judgment that's been entered. We have to look and
23 remind ourselves of what the amount was. And again,
24 my question was, can your client redeem the
25 property? Mr. Washington was going to address that.

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1 Yes, sir. Can you pay for it now?

2 MR. WASHINGTON: Yes. I'm in the midst of
3 making a deal with the bank. They would actually buy
4 the property, or finance it, and we'd have to put down
5 substantial collateral.

6 Right now that's what we're in the midst
7 of doing. We've been doing it for about, maybe, 30 or
8 35 days.

9 THE COURT: What bank?

10 MR. WASHINGTON: First Citizens.

11 THE COURT: And who are you dealing with
12 over there?

13 MR. WASHINGTON: The person there is
14 Michael Marvin.

15 THE COURT: All right. Does he know that
16 you no longer own the property?

17 MR. WASHINGTON: He knows that it's in
18 appeal. Yes. And he knows that I don't own the
19 property, but if I could redeem it, then, in fact, they
20 would go ahead and take a lump sum of money from us and
21 assign our CPI contracts that we have with Fort Jackson
22 and with Shaw Air Force Base so they get their first
23 monthly payment out of it.

24 And then he looked at a portion -- well,
25 he looked and evaluated the amount of the settlement

1 agreement that they had made and came up with
2 approximately the same amount of monthly payment
3 that I would have to make, which was 2600 a month.

4 THE COURT: Now, now --

5 MR. MILLING: And Judge, I see Mr. Webb
6 rising. I think that was an agreement which was
7 discussed on the record in the bankruptcy proceeding in
8 January of 2015.

9 THE COURT: Well, you know, of course, this
10 is not bankruptcy court.

11 MR. MILLING: Yes, sir. Yes, sir.

12 THE COURT: And state law, state case law
13 gives Mr. Washington the right to redeem it up until
14 the time of the judicial sale.

15 MR. MILLING: Yes, sir.

16 THE COURT: That time has expired,
17 obviously.

18 MR. MILLING: Yes, sir.

19 THE COURT: And again, I'm inclined to
20 figure out a way to resolve this that's fair to both
21 sides, and that's why I say if I rule in your favor,
22 what do you get?

23 MR. MILLING: Yes, sir.

24 THE COURT: Another sale and a chance to
25 find some investors?

1 MR. MILLING: Yes, sir.

2 THE COURT: Mr. Webb, do you want to
3 address that issue?

4 MR. WEBB: Yes, sir. I mean, with regard
5 to them still being in the property and Monday not
6 being enough time, this is a 2008 case. They haven't
7 made a payment since 2014. The Washingtons have filed
8 three separate bankruptcy actions in '09, '11, and '14.
9 CPI, the entity, has filed a bankruptcy action in that
10 time period.

11 They've known this has been coming for
12 a long time. We've owned the property since December.
13 They've known this was coming. They're just
14 not wanting to get out. There's a big difference
15 between needing more time because we can't quite get
16 out and knowing it's coming and just not wanting to
17 move, and that's where we are.

18 THE COURT: Mr. Webb, would your client be
19 willing to sell the property back to Mr. Washington if
20 he can find --

21 MR. WEBB: I'm sure they'd be willing to
22 sell it to anybody if they can get the right price for
23 it. Yes, sir, Your Honor.

24 THE COURT: Okay.

25 Mr. Washington?

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1 MR. WASHINGTON: Yes, sir. I spoke with the
2 chairman, and he said he was willing to talk to me about
3 it.

4 THE COURT: Who was that?

5 MR. WASHINGTON: Mr. -- I want to say
6 Milton, but he's the chairman of the bank. He had --
7 he invited us over, my wife and I, and we sat down.
8 And then Mr. Felder was -- he's gone now.

9 THE COURT: You said the bank. I'm --

10 MR. WASHINGTON: South Carolina Community
11 Bank. I'm sorry.

12 THE COURT: Okay. I was thinking of the
13 people that were going to lend you the money to buy the
14 property from them. I thought you were talking about
15 First Citizens.

16 MR. WASHINGTON: Oh, yes. I met with them
17 before, but I was saying that --

18 THE COURT: You said --

19 MR. WASHINGTON: When you said if he was
20 able to talk with his bank, were they willing, I met
21 with their person also.

22 MR. WEBB: Your Honor, I'm not trying to be
23 disrespectful, but we've heard that we're in the midst
24 of a loan and we've got people we're talking to. We've
25 heard that for eight years now. In all these different

1 bankruptcy filings, all the hearings we've had, we've
2 heard that over and over again.

3 THE COURT: Okay. Now I'm confused. Let
4 me make sure I know what's going on. My question was,
5 I guess, Mr. Webb, is your client willing to let
6 somebody buy the property, to let Mr. Washington buy it
7 back?

8 MR. WEBB: They don't want to own it. I
9 mean, they want to try to recoup the money they've lost
10 on it. So yeah, they're going to be putting it up for
11 sale as soon as they can get the tenants out and get it
12 in a position where they can market it.

13 THE COURT: Now, Mr. Washington, you said
14 that you've talked to First Citizens, right?

15 MR. WASHINGTON: Yes, sir.

16 THE COURT: That's what I thought you were
17 referring to. And First Citizens has indicated they
18 are willing to work with you and lend you the money to
19 buy this property back from South Carolina Community
20 Bank?

21 MR. WASHINGTON: Yes, but they hadn't
22 looked at my financials which we provided to them.
23 They also hadn't looked at our contractors --
24 contracts -- and we had this thing called a sequester --

25 THE COURT: Right.

1 MR. WASHINGTON: -- which cut down all the
2 government work, and that's why I had a deficiency for
3 a while. And now it's back earning money.

4 THE COURT: Okay, but do they know he owned
5 the building?

6 MR. WASHINGTON: Yes.

7 THE COURT: You're conducting business --

8 MR. WASHINGTON: Yes.

9 THE COURT: -- in a building that's owned by
10 somebody else? Are your tenants paying rent to you?

11 MR. WASHINGTON: Yes, they have.

12 THE COURT: They have? They've been paying
13 rent to you since the building has been owned by South
14 Carolina Community Bank?

15 MR. WASHINGTON: Yes.

16 THE COURT: How much have they paid you?

17 MR. WASHINGTON: Approximately \$3800.

18 THE COURT: Each?

19 MR. WASHINGTON: And I put it back into the
20 building.

21 THE COURT: \$3800 each?

22 MR. WASHINGTON: No, sir.

23 THE COURT: That's the total rent, \$3800
24 per month?

25 MR. WASHINGTON: Yes, sir.

1 THE COURT: And they've been paying you
2 even though you don't own the building?

3 MR. WASHINGTON: Correct. And I've been
4 doing the repairs in full, the upkeep of the building,
5 because it was actually flooded where we actually had
6 to put a new roof on it. I put over \$60,000 in it, and
7 I have the receipts to substantiate it.

8 THE COURT: Just a minute.

9 Mr. Webb, did you know about that?

10 MR. WEBB: I don't know that we were aware
11 that he was still --

12 THE COURT: Collecting rent?

13 MR. WEBB: -- collecting rent. We
14 certainly haven't seen any of the money. As far as
15 putting the money back into the building, we've been
16 hearing that for eight years too, and we just don't get
17 to see the money.

18 THE COURT: Sir, how much have you
19 collected since South Carolina Community Bank has owned
20 this building? Do you know?

21 MR. WASHINGTON: Yes. I've had to figure
22 it out. It's approximately 3800 a month.

23 THE COURT: For how many months?

24 MR. WASHINGTON: He said since December.

25 MR. WEBB: December 20, so we're almost to

1 six months now.

2 MR. WASHINGTON: And that's 60,000 in there.

3 THE COURT: All right. One moment, please.

4 MR. MILLING: Your Honor, while we're
5 discussing the investments that Mr. Washington has made
6 on the property, I've got a packet we can mark as
7 Exhibit A.

8 THE COURT: What's the exhibit?

9 MR. MILLING: It is various invoices and
10 receipts and payments that if you'd like for me to get
11 Mr. Washington --

12 MR. WEBB: I don't think this is relevant,
13 Your Honor.

14 THE COURT: Well, it may be relevant to
15 something else because he's been making repairs and
16 everything else and collecting money.

17 Hold on one second. The court reporter's
18 going to have to mark this.

19 (Defendant's Exhibit A, Invoices
20 and Receipts, marked for identification.)

21 MR. MILLING: Judge, I know that Mr. Webb
22 mentioned that Mr. Washington is simply delaying
23 the inevitable and that his clients are ready for
24 immediate possession of the space, but the practical
25 reality is, if Your Honor denies our motion and

1 continues with the vacate date on whatever date, my
2 client still has his rights to file a notice of appeal
3 of the decisions here.

4 He would have to file a written undertaking
5 under S.C. Code Ann. 18-9-170, and we'd have to have
6 a hearing to determine what the appropriate undertaking
7 amount would be.

8 And so my client is seriously invested in
9 this piece of property. He's got all kinds of vested
10 interest in maintaining possession, from his livelihood
11 to everything that he's put into it. And in looking at
12 Rule 71 and in looking at the requirements of the
13 order, I would just submit that he's got a significant
14 interest in making sure that as many possible people
15 have notice of this. If it's to increase the price,
16 then it decreases the amount of any deficiency.

17 I just think that he is prejudiced,
18 contrary to what the bank has represented. I think
19 that he is prejudiced. He's testified that he's got
20 the ability to come in and bid on the property. And to
21 say, Oh, you made reference to the right to redeem
22 before the judicial sale --

23 THE COURT: He doesn't have to do that. If
24 he's got the money, South Carolina Community Bank will
25 take it. He doesn't have to wait for a new sale to

1 give him a chance to bid.

2 MR. MILLING: Yes, sir. Well --

3 THE COURT: If he's got the money, I'm sure
4 Mr. Webb -- in fact, I'd venture to say that the Court
5 might assist him in getting closed if y'all want to
6 sell it back to him --

7 MR. MILLING: I mean --

8 THE COURT: -- if he's got the money.

9 But the problem I'm left with -- and this
10 is something that my staff has never heard me say --
11 but this is a court of equity. And when you come in
12 asking for equity and it turns out that you've been
13 collecting rent on property you don't own for six
14 months, in my opinion, you've got unclean hands.
15 Something is wrong with that.

16 If you're collecting rent knowing that
17 you didn't own the property, and then even making
18 investments on the property that you didn't own,
19 and then you come to court and say, Your Honor,
20 as a matter of equity, rule that I should have
21 another sale, that there have been irregularities,
22 you've got unclean hands.

23 I don't think I can rule in favor in
24 light of the fact that Mr. Washington has, in fact,
25 been collecting rent on property that he does not own.

1 MR. MELLING: Beg Your Honor's indulgence
2 for one moment.

3 THE COURT: Yes, sir.

4 Okay, Mr. Melling?

5 MR. MELLING: Your Honor, in speaking with
6 my client, these funds that were paid by the tenants
7 were directly invested back into the premises in the
8 way of electrical bills, water bills, janitorial bills,
9 those types of maintenance of the property which
10 benefit the bank.

11 It's my understanding that the roof
12 repairs were just completed, and funds out of those
13 were used to repair the roof. Foundation issues
14 which helped to preserve the asset, no matter who
15 owns it.

16 I would submit that these are
17 not unclean hands, that they were rather taking the
18 funds to reinvest them in the premises, which benefits
19 the ultimate owner, whether it's the bank, whether it's
20 Mr. Washington, whether it's a third party that comes
21 in and buys it down the road.

22 THE COURT: Did he pay the property taxes?

23 MR. MILLING: Yes, sir. The property taxes
24 have been paid. I --

25 THE COURT: Mr. Washington paid them?

1 MR. MILLING: Your Honor, it's my --

2 MR. WASHINGTON: I paid the one for 2000 --
3 I paid in 2015, \$13,885.

4 MR. WEBB: The bank has paid plenty of them
5 in the past, Your Honor.

6 THE COURT: I understand. I understand
7 that. That's what I was asking.

8 When did you pay that money?

9 MR. WASHINGTON: January 6, 2015.

10 THE COURT: That was before the judicial
11 sale.

12 MR. WASHINGTON: Okay.

13 THE COURT: So you were still the owner at
14 that point. Is that correct?

15 MR. MILLING: Yes, Your Honor. This was --

16 THE COURT: You were still the owner when
17 you paid the property taxes, which, of course, you were
18 obligated to pay anyway.

19 MR. WASHINGTON: Mm-hmm.

20 THE COURT: Now, you hadn't paid property
21 taxes for several years prior to that. Is that accurate?

22 MR. WASHINGTON: Um, no. I had paid one
23 other tax before that. Yes, sir.

24 THE COURT: Which year was that. Do you
25 remember?

1 MR. WASHINGTON: I think 2013.

2 THE COURT: Okay.

3 MR. WASHINGTON: I believe so.

4 THE COURT: Mr. Webb, do you know what
5 taxes your client paid?

6 MR. WEBB: There were several years that
7 were missed, Your Honor. I can --

8 THE COURT: Well, I think in the
9 foreclosure decree, it does note that.

10 MR. WEBB: We paid the property taxes for
11 2013. I know that one off the top.

12 All the things that were mentioned,
13 utilities, roof, that's all stuff that someone who
14 owns the property has to keep up with on top of
15 paying the mortgage and paying the taxes and paying
16 the insurance.

17 At that time, Mr. Washington had no
18 right to make that decision. He didn't own the
19 property. Any money that came to him, it wasn't
20 his. And we're six months removed, and he's still
21 there. They're still doing business as usual.
22 We've got to get this thing over with.

23 THE COURT: Mr. Washington and Mr. Milling,
24 do your tenants know that you don't own the property?

25 MR. WASHINGTON: Yes. I've spoken with

1 each one of them.

2 THE COURT: They know that, and they're
3 willing to pay your rent anyway?

4 MR. WASHINGTON: Right. Until -- what we
5 were trying to do was wait until the appeal gets
6 finished, and more importantly, we were waiting to try
7 to come and make an offer.

8 THE COURT: Now, you're talking about
9 appeal of the bankruptcy court order. You're appealing
10 the bankruptcy court order to the United States
11 District Court. Is that --

12 MR. MILLING: That is currently pending,
13 Your Honor.

14 THE COURT: Say again, sir.

15 MR. MILLING: That is currently pending.

16 THE COURT: All right. Not an appeal to
17 the State Court of Appeals or the State Supreme Court.

18 MR. MILLING: Nothing from this court has
19 been appealed at this point.

20 THE COURT: Okay.

21 MR. WEBB: This court still has
22 jurisdiction.

23 THE COURT: All right. Thank you. You
24 read my mind.

25 MR. WEBB: Yes, sir.

1 THE COURT: I wanted to make that clear.

2 Well, based on what's presented here today,
3 your motion to reconsider is denied.

4 As far as the motion to vacate, we'd set
5 a move-out date for May 2, I think.

6 MR. WEBB: That's correct, Your Honor.

7 THE COURT: All right. And, of course, I
8 don't think the tenants -- if you come to them tomorrow
9 and say, You've got to move out by Monday, that's not
10 going to be possible.

11 What type of tenants
12 are they, Mr. Washington?

13 MR. WASHINGTON: I have a general
14 contractor. I have home health care. I have a
15 hairdresser. I have a nonprofit that actually works
16 with kids from School District One, Concerned Black
17 Men. And also we have a real estate agent.

18 MR. MILLING: I think most --

19 MR. WASHINGTON: And my company is a moving
20 company.

21 THE COURT: Say again, sir.

22 MR. WASHINGTON: My company is a moving
23 company.

24 THE COURT: All right.

25 Mr. Webb?

1 MR. WEBB: Your Honor, I just want Your
2 Honor to keep in mind that, again, we're talking about
3 a 2008 foreclosure case. We've owned the property --
4 the bank's owned the property since December. This
5 isn't a surprise.

6 Because they haven't acted to remove
7 their property and move the tenants out, that
8 shouldn't prejudice the bank. They've known for over
9 a month now that May 2 was the date, about 20 days
10 now, 30 days now, so they've had plenty of time to
11 move out.

12 THE COURT: Now, how were the tenants
13 notified? Was Mr. Washington supposed to notify them,
14 or was it the bank? Did the court notify them?

15 MR. WEBB: We've been sending everything to
16 the Gervais Street address as well, and we've sent
17 everything to whatever counsel of record Mr. Washington
18 has had over the course of state court, bankruptcy
19 court proceedings, which has been many.

20 MR. MILLING: I think what the judge was
21 asking was whether or not y'all have sent specific
22 notice to any of the tenants or posted a notice.

23 MR. WEBB: We sent it to you, and then we
24 didn't post it because it was available to you.

25 MR. MILLING: Yes, sir.

1 MR. WEBB: And I guess we were relying on
2 Mr. Washington to let his tenants know that were paying
3 that money that, Look, I don't own this, and I think he
4 has told them that.

5 THE COURT: Okay.

6 MR. MILLING: And Judge, I fully understand
7 Mr. Webb's position regarding -- we've had -- I think
8 it's 20 to 25 days. I think we got the notice, as he
9 indicated, April 4, 5, something like that, even though
10 it was entered a couple weeks before that. But we did
11 timely file the motion to reconsider. And as Your
12 Honor has heard, I think we have legitimate issues
13 that we were raising to this court. If Your Honor
14 granted our motion, there's no need for anybody to
15 vacate.

16 And we've still got available to us the
17 right to appeal, to make an undertaking with this
18 Court to stay the eviction order, if you will.
19 And so, Your Honor, we would just submit that
20 additional time would be appropriate.

21 And I submitted earlier that 30 days
22 from the date of Your Honor's order would give ample
23 time. That's the time period for us to file the
24 notice of appeal. It would give us time to come
25 back before Your Honor for us to have a hearing

1 on what the appropriate amount of surety would be.

2 And I think, from a practical
3 standpoint, because you've got references made in the
4 statute to rental values and things like that, we may
5 have to bring a roofer in here to talk about that.

6 THE COURT: Okay. Now, now as far as an
7 appeal is concerned, because we're talking about a
8 title to real estate, that means your client is going
9 to have to post a bond.

10 MR. MILLING: Yes, sir.

11 THE COURT: Is that correct?

12 MR. MILLING: Yes, sir. That's under
13 18-9-170.

14 THE COURT: Okay. But I'm wondering --
15 now, I'll have to refresh my recollection on the rules.
16 If the client lost the property back last year, back in
17 November, I guess --

18 MR. WEBB: December is when the deed was
19 transferred.

20 THE COURT: Yes, the deed was recorded in
21 December, and today is April 28, 2016, and the deed was
22 recorded in December of 2015. It's not my call whether
23 or not an appeal would be timely or not, but --

24 MR. MILLING: Judge, I think --

25 THE COURT: -- again, I won't make the call

1 on that, but the record's clear on that.

2 MR. MILLING: Yes, sir. And I would submit
3 that the appeal would be of Your Honor denying the
4 motion to vacate the sale.

5 THE COURT: Okay. Now, the money that has
6 been collected while Mr. Washington did not own the
7 property --

8 Mr. Washington, do you have any of that
9 money left? You said you put it all back into
10 the property.

11 MR. WASHINGTON: I have, and more, yes.

12 THE COURT: All right. But you did that
13 knowing you didn't own the property, or you weren't
14 sure of the fact that, having lost it back last year,
15 you were no longer the owner of the property?

16 MR. WASHINGTON: Well, they were working
17 with me as owner of the property.

18 THE COURT: Oh, South Carolina Community
19 Bank was working with you?

20 MR. WASHINGTON: Yes, sir.

21 THE COURT: Okay.

22 MR. WASHINGTON: That was specifically the
23 chairperson.

24 THE COURT: All right.

25 Is that accurate, Mr. Webb?

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1 MR. WEBB: I want to be clear what time
2 period we're talking about, Your Honor.

3 MR. WASHINGTON: I have his cell phone
4 number. He's been calling me. I met with him four
5 different times.

6 THE COURT: Who's that?

7 MR. WASHINGTON: I'm trying to think of the
8 gentleman's name.

9 THE COURT: The new CEO?

10 MR. WASHINGTON: No. He took Mr. Felder's
11 place. The chairman.

12 MR. WEBB: Mr. Kreighbaum?

13 MR. WASHINGTON: Who is it?

14 MR. WEBB: Mr. Kreighbaum?

15 MR. WASHINGTON: No.

16 MR. WEBB: He's the person who took
17 Mr. Felder's place.

18 MR. WASHINGTON: No. Yeah, he's the
19 president there, but this person is over him. He's the
20 chair. Mr. -- he owns a paper company. He's the
21 person who invited my wife and several other people
22 there, and he went over everything with me and said
23 that he was very upset about how things had transpired --

24 THE COURT: Oh, he was?

25 MR. WASHINGTON: -- and that he would work

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1 with me.

2 THE COURT: So he's going to let you
3 collect rent even though you don't own the property?

4 Did y'all talk about that specifically?

5 MR. WASHINGTON: I told him I would sell the
6 property, and I was making payments on the repairs that
7 needed to be done, and the roof had a major leak, and I
8 just put a \$40,000 roof on it.

9 He said, Keep the property up.

10 THE COURT: So the chairman of the board of
11 South Carolina Community Bank has been working with you.

12 MR. WASHINGTON: Yes, sir.

13 THE COURT: All right. And they are
14 expecting their attorneys to proceed as quickly as
15 possible because this foreclosure has been pending for
16 eight years? I'm not good at math, but -- I'm sorry.
17 Yeah, it was 2008. This is 2016. That would make it
18 eight years.

19 MR. WASHINGTON: Well, well --

20 THE COURT: And you've said that you can
21 pay Mr. Webb's client. You can redeem the property.
22 You've said that, right?

23 MR. WASHINGTON: Based on the bank working
24 with me, yes, sir.

25 THE COURT: When you say working with you,

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1 what do you mean?

2 MR. WASHINGTON: They have some more
3 financials they want, and they want me to come and meet
4 with them to go over the profit margin of my contracts.

5 MR. MELLING: I think he's referencing First
6 Citizens.

7 THE COURT: Are you talking about First
8 Citizens, or are you talking about Community Bank?

9 MR. WASHINGTON: First Citizens.

10 THE COURT: Okay. How many contracts do
11 you have, sir?

12 MR. WASHINGTON: Four.

13 THE COURT: And what are they supposed to
14 pay you?

15 MR. WASHINGTON: Sir?

16 THE COURT: What are the contracts supposed
17 to pay you?

18 MR. WASHINGTON: I have a contract with
19 Shaw Air Force Base. We do all the base housing and
20 the moving, and that is 950,000 a year.

21 THE COURT: Well, that has nothing to do
22 with this building, though, does it, this particular
23 building that's in foreclosure, does it?

24 MR. WASHINGTON: Yes, sir.

25 THE COURT: It does?

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1 MR. WASHINGTON: I also have a contract
2 with Fort Jackson, which is \$270,000 a year.

3 I have a contract with Greenville Housing
4 Authority. I think it's 150,000.

5 I have a contract with Clemson University
6 for 140.

7 But those -- Clemson University and the
8 Housing Authority in Greenville does not, but Fort
9 Jackson and Shaw awarded me the contracts and set-aside
10 contract because of Carolina Procurement Institute
11 being HUD-zone certified with that address.

12 So they looked at the finances and
13 determined, based on ownership of the property, that I
14 fulfilled their criteria, and they gave me the
15 certification. If I were to move out or if I were to
16 rent, then, in fact, they would reevaluate.

17 THE COURT: When were these contracts
18 entered into?

19 MR. WASHINGTON: One was entered into three
20 years ago, and every year they rolled it over. The
21 contract with Shaw Air Force Base was renewed in
22 January, this January, but that started --

23 THE COURT: So the government renewed a
24 contract with you in January, but that doesn't have
25 anything to do with this building, does it?

1 MR. WASHINGTON: Yes, sir. The building is
2 a set-aside based on the tract, the census tract.
3 Certain depressed areas, if you hire people that are
4 underprivileged, under a certain dollar amount per
5 month of their income, the government will set aside
6 contracts so the open market will not be able to bid on
7 those, and they're called set-asides.

8 THE COURT: Okay.

9 MR. WASHINGTON: One of the criteria is
10 that 1815 and 1811 are in a HUD-zone certified
11 location. If I were to switch ownership or I were to
12 switch locations, then they would come back and say,
13 You're no longer HUD-zone certified, and they'd put the
14 project on the street for open bid. So I would lose
15 those contracts.

16 THE COURT: Okay. I don't know much about
17 contracts with the federal government, and I presume
18 that all these contracts -- you say they were linked to
19 the buildings. When you rolled it over in January, for
20 example, you had already lost the buildings for 2015.

21 Does the government know you don't own these
22 buildings?

23 MR. WASHINGTON: Yes.

24 THE COURT: They do know that?

25 MR. WASHINGTON: Right. They're waiting

1 for the appeal to come through. I sent a copy of the
2 bankruptcy.

3 THE COURT: All right. How do they know
4 that you no longer own this property?

5 MR. WASHINGTON: Because I sent them a copy
6 of the bankruptcy, and I told them --

7 MR. MILLING: Your Honor, if I may, I think
8 that order would have included reference to lifting of
9 the stay for this case to proceed in foreclosure.

10 THE COURT: Mm-hmm.

11 MR. MILLING: And I think in response to
12 your question as to whether or not these two factors,
13 which are the most significant ones are related to the
14 property, it appears -- and I'm no HUD-zone expert, but
15 --it appears to me that Mr. Washington and his company
16 earned these contracts based upon -- it was probably a
17 combination of the bid and also the designations of
18 them being HUD-zoned properties or certified.

19 And based upon that -- and he's indicated
20 that he's made the government aware, in renewing these
21 contracts, of the status of the litigation and the
22 status of the ownership of this property.

23 So if Your Honor maintains the order, they
24 vacate the property, and they are unsuccessful with
25 the appeal, he loses those contracts, his employees

1 lose their jobs, and he loses the ability to be a good
2 debtor in this market.

3 THE COURT: Well, I've already ruled on the
4 motion to reconsider.

5 MR. MILLING: Yes, sir.

6 THE COURT: As far as the move-out date,
7 I'm willing to change the move-out date until June 6,
8 2016.

9 Mr. Webb?

10 MR. WEBB: Your Honor, is there any way you
11 can shorten that time period? I was expecting maybe
12 another week at most. I just really don't see --

13 THE COURT: I know your client --

14 MR. WEBB: We're the ones who are -- we
15 always talk about who's prejudiced and where the
16 prejudice is with a case. We're eight years in on the
17 foreclosure action. We're six months in on owning the
18 property. And to set it out another month, they're
19 trying to take cards out of their sleeves again and
20 file some other motions here and keep extending this
21 thing. When does it end?

22 THE COURT: Okay.

23 Mr. Milling?

24 MR. MILLING: I think from a practical
25 standpoint, regarding pulling cards out of the sleeve,

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1 we filed a motion to vacate the sale. We filed a
2 motion to reconsider. And I do think that both motions
3 had merit to them.

4 We look at what's next. I think the next
5 step would be to file a notice of appeal. It doesn't
6 do any good without posting a bond. If a bond cannot
7 be posted, it doesn't stay anything.

8 MR. WEBB: Your Honor, just to that point,
9 just briefly, the issues that are being raised, some of
10 them are bankruptcy matters that have been raised
11 numerous times. They were considered, reconsidered,
12 and reconsidered by Judge Duncan, have been ruled upon,
13 and they're over.

14 The other matters that would be under
15 Your Honor's jurisdiction, they've had ample
16 opportunity to raise those throughout the case of
17 the eight-year foreclosure action.

18 We've had several foreclosure hearings.
19 We've had supplemental foreclosure hearings. This
20 case needs to be over, they need to move out, and
21 we need to let South Carolina Community Bank have
22 their opportunity to try and recoup their losses
23 on this.

24 MR. MILLING: Judge, if I may, the primary
25 issue, as you recall, we argued today was Rule 71,

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1 which didn't come into effect until the foreclosure
2 sale. That was an eight-year, tortured process. I
3 still think that the order should have included the
4 date and time of the sale. Your Honor denied our
5 motion on that. But until the sale happens, it's not
6 light for us to raise.

7 THE COURT: Okay. Mr. Webb, you can tell
8 your client that the judge considered your argument,
9 and we'll leave the move-out date at June 6.

10 MR. WEBB: Thank you, Your Honor.

11 THE COURT: Again, keep in mind, though --
12 is there any mechanism --

13 Mr. Webb, do you want to talk to your
14 clients? I don't know if they realize that
15 Mr. Washington's collected rent.

16 Is there any way to turn the rent over to
17 Mr. Webb without appointing a receiver?

18 Or I guess you really don't need a
19 receiver because y'all already own the property.

20 But is there any way -- how soon could
21 he get that money turned over to Mr. Webb and
22 his clients?

23 MR. MILLING: Judge, I will speak to my
24 client at the conclusion of this hearing and talk about
25 when the rents are coming in, how the rents are coming

1 in, and things like that.

2 THE COURT: All right.

3 Mr. Webb, I think you need to be part
4 of that discussion, though, or does your client not
5 care if he's collecting rent on property that he
6 doesn't own?

7 MR. WEBB: I'm sure they would appreciate
8 any money from Mr. Washington at this point. But, as
9 Your Honor said, they've owned the property for quite
10 some time. They want the property, and they want it as
11 soon as they can get it.

12 THE COURT: Okay. All right.

13 MR. WEBB: Thank you.

14 THE COURT: Thank you.

15 Mr. Webb, you'll do the order denying the
16 motion to reconsider and assigning the new move-out
17 date?

18 MR. WEBB: Yes, sir.

19 THE COURT: And talk to your clients about
20 the fact that money has been coming in that hasn't gone
21 to them in this building that they own.

22 MR. WEBB: Thank you, Your Honor.

23 THE COURT: Yes, sir.

24 MR. MILLING: Thank you, Your Honor.

25 THE COURT: Thank you.

(The hearing was concluded at 3:52 p.m.)

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1 CERTIFICATE OF REPORTER

2
3 I, Carroll Anne Boutahar, Certified
4 Verbatim Reporter and Notary Public for the State of
South Carolina at Large, do hereby certify:

5 That the foregoing proceeding was
6 taken before me on the date and at the time and location
7 stated on page 1 of this transcript; that all statements
8 made on the record at the time of the proceeding were
9 recorded by me and were thereafter transcribed; that the
foregoing proceeding as typed is a true, accurate, and
complete record of the proceeding to the best of my
ability.

10 I further certify that I am neither
11 related to nor counsel for any party to the case pending
or interested in the events thereof.

12 Witness my hand, I have hereunto
13 affixed my official seal this 14th day of November,
2016, at Columbia, Richland County, South Carolina

14
15
16
17 *Carroll Anne Boutahar*
18 Carroll Anne Boutahar
19 Certified Verbatim Reporter,
20 Notary Public
South Carolina at Large
My Commission Expires:
December 13, 2021



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Certificate of Reporter

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E X H I B I T

Defendant's

A Invoices and Receipts

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(The exhibit was retained by the Court.)

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

South Carolina Community Bank,

Plaintiff,

v.

Carolina Procurement Institute Inc., Gary A
Washington, Michele A Washington, First
Palmetto Savings Bank, F.S.B., Branch
Banking and Trust Company of South
Carolina, Palmetto Health Alliance, State of
South Carolina Department of Revenue,

Defendants.

IN THE COURT OF COMMON PLEAS

C/A NO.: 2008-CP-40-8887

**ORDER DENYING MOTION TO
RECONSIDER**

RICHLAND COUNTY
FILED
2016 JUN - 1 AM 8:55
JEANETTE W. MCBRIDE
C.C.P. & G.S.

THIS MATTER came before the Court on April 28, 2016, upon a Motion to Reconsider the Order For Writ of Assistance and the Order Denying Defendant's Motion to Set Aside Foreclosure Sale (collectively, the "Motion") filed by Defendants Gary A. Washington and Michele A. Washington (the "Washington Defendants"). Appearing for Plaintiff South Carolina Community Bank ("SCCB") was Charles J. Webb, Esquire, of Richardson Plowden & Robinson, P.A., and appearing for the Washington Defendants was Jonathan M. Milling, of the Milling Law Firm, LLC.

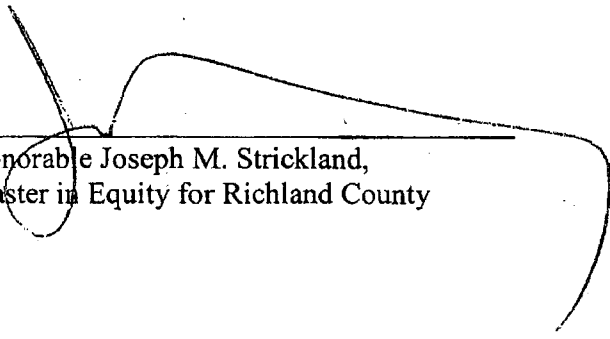
After considering the Washington Defendants' Motion; the other pleadings, filings and Orders in the above-captioned matter, including the post-sale documents conveying title to the subject premises to Plaintiff SCCB; the history of this case and the related bankruptcy cases; and the arguments of counsel made on April 28, 2016, this Court finds, in its sound discretion, as follows:

1. The Motion of the Washington Defendants is denied.
2. The Order for Writ of Assistance is amended to provide that the Sheriff of Richland County or his authorized deputies be, and they hereby are, authorized and directed to

enter upon the premises described in the Petition and in the Judgment of Foreclosure and Sale, as supplemented, specifically 1811 and 1815 Gervais Street with Richland County TMS No.: 11406-16-19 and 11406-16-20, at any time after 5:00 P.M. on the 6th day of June, 2016, and to either peaceably or forcibly remove and eject the Defendants, their tenants, and any other occupants and all personal property of same located within or on the premises, and that force may be used, if necessary, to enter the premises; and

3. Any rent shall be made payable to South Carolina Community Bank and delivered to 1545 Sumter Street, Columbia, South Carolina 29201. If any rent is received by the Washington Defendants it must be endorsed and made payable to South Carolina Community Bank before being delivered to 1545 Sumter Street, Columbia, South Carolina 29201.

THEREFORE, IT IS HEREBY ORDERED that the Washington Defendants' Motion is **DENIED**.



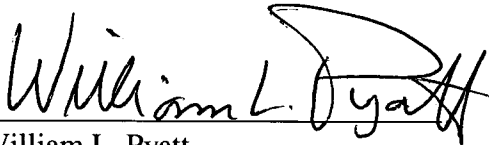
Honorable Joseph M. Strickland,
Master in Equity for Richland County

Columbia, South Carolina
May 31, 2016

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.

March 17, 2017



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Pyatt Law Firm, LLC
Post Office Box 12041
Columbia, South Carolina 29211
(803) 750-5929
Attorney for Appellants

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SC Court of Appeals