THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas
J.C. Nicholson, Jr., Circuit Court Judge

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SC Court of Appeals

Case No. 2015-CP-10-3919

Appellate Case No. 2017-002032

Athan Fokas.....Respondent/Appellant,

v.

Philip Ferderigos, Spiros Ferderigos,
and Jacob Ferderigos..... Defendants,

of Whom

Spiros Ferderigos and Philip Ferderigos are..... Appellants/Respondents,

And

Jacob Ferderigos is .....Respondent.

RECORD ON APPEAL (VOLUME I)

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STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	)	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT
Athan Fokas, Plaintiff, v. Phillip Ferderigos, Spiros Ferderigos, and Jacob Ferderigos, Defendant(s).	)	Case No.: 2015-CP-10-3919 ORDER GRANTING PLAINTIFF PARTIAL SUMMARY JUDGMENT

FILED
2017 AUG 31 AM 11:59
JULIE J. ARMSTRONG
CLERK OF COURT

THIS MATTER came before me for hearing on Plaintiff's Motions for Partial Summary Judgment as to the counterclaims by Defendants, Phillip and Spiros Ferderigos, on June 8, 2017. Specifically, Plaintiff moved for summary judgment as to the claims by these Defendants for defamation.

BACKGROUND

In this case, the Plaintiff seeks summary judgment as to the claims by Defendants Spiros Ferderigos and Phillip Ferderigos that Plaintiff published defamatory statements about them. This case was filed by Plaintiff alleging breach of a contract between himself and the Defendants, all brothers and the cousins of Plaintiff, to add floors to a building all of the parties own together as tenants in common at 229 King Street in downtown Charleston. Plaintiff also alleged breach of the duty of care by Defendants required by S.C. Code 33-44-409 for members of an LLC based on the same actions he alleges give rise to a breach of contract. The answers of Defendants in this case incorporated counterclaims by Spiros and Phillip Ferderigos for defamation in which they allege that Plaintiff published false and damaging statements against them. The statements allegedly made to third persons were:

a. That these Defendants did not agree to go forward with the plan to add additional rental suites at 229 King Street because Phillip Ferderigos and/or Spiros Ferderigos could not eat for free at the Old Towne Restaurant;

b. That either Phillip or Spiros Ferderigos do not have good business sense;

c. That either Phillip or Spiros Ferderigos are bad business people; and

d. That either Phillip or Spiros Ferderigos were accusing Athan Fokas of setting fire to 229 King Street.

In their response to Plaintiff's motion, Defendants raised additional statements by Plaintiff, not alleged in their pleadings or discovery responses, which they argue constitute defamation. These are that Plaintiff sent text messages to Defendants after this case was filed saying that Spiros Ferderigos had lied in his deposition and that he had threatened to use his position as an assistant solicitor to convince law enforcement to pursue a charge against Plaintiff for arson unless Plaintiff backed off his claim that Defendants were in breach of contract.

Discovery was completed prior to Plaintiff's motion and included interrogatories and requests to produce to Defendants as well as depositions of both. In their responses to interrogatories, the Defendants addressed their original allegations set forth in their counterclaim and said they had no specific information as to which third parties such statements were made, but that they thought he might have made them to his mother, Irene Fokas, Kevin Carroll and Justin Hansen. (Exh. B to Plaintiff's Motions as to both Defendants). They made similar statements in their deposition testimony. (Exh. C to Motions as to both Defendants). Irene Fokas was deposed in a companion case, Athan Fokas v. Phillip Ferderigos and Spiros Fokas; Civil Action No. 2015-CP-10-3819 and denied any such statements were made to her by Plaintiff. (Exh. D to Plaintiff's Motions). Justin Hansen denied by affidavit ever being told these things by Plaintiff. (Exh. F to

Plaintiff's Motions). Plaintiff denied in his deposition and affidavit testimony making any such statements to third parties. The publication these Defendants claimed "on information and belief" to have been made to third parties who are not parties to this action is not, therefore, supported by the scintilla of proof required to avoid summary judgment.

Defendants argue that Plaintiff's publication of all of the statements they claim to have been defamation to their brother and co-defendant, Jacob Ferderigos, satisfies the element of the cause of action for defamation of publication to a third party. The statements to Jacob Ferderigos were all in the form of text messages sent to all of the Defendants as part of the parties' discussion and disagreement over the project to add floors to the building at 229 King Street which resulted in the filing of this action. Some of these texts were sent after the commencement of this action.

STANDARD FOR SUMMARY JUDGMENT

The standard for summary judgment under South Carolina law is high. "Because it is a drastic remedy, summary judgment should be cautiously invoked so no person will be improperly deprived of a trial of the disputed factual issues." McCall v. State Farm Mut. Auto. Ins. Co., 359 S.C. 372, 376-77, 597 S.E.2d 181, 184 (Ct. App. 2004)(quoting Murray v. Holnam, Inc., 344 S.C. 129, 138, 542 S.E.2d 743, 747 (Ct. App. 2001). Furthermore, in determining whether any triable issues of fact exist, the court must view the evidence and all reasonable inferences that may be drawn from the evidence in the light most favorable to the non-moving party. Manning v. Quinn, 294 S.C. 383, 365 S.E.2d 24 (1988). If there is a "scintilla of evidence" in the record which gives rise to a genuine issue of material fact, summary judgment should not be granted. Howle v. Woods, 231 S.C. 75, 97 S.E.2d 205 (1957).

A trial court may grant a motion for summary judgment only when the "pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any,

show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Rule 56(c), SCRCP; *See also,* Tupper v. Dorchester County, 326 S.C. 318, 487 S.E.2d 187 (1997). "Even when there is no dispute as to evidentiary facts, but only as to the conclusions or inferences to be drawn from them, summary judgment should be denied."

However, the party opposing summary judgment has the burden of producing proof and not mere allegations in the face of proof submitted by the moving party. "Once the moving party carries its initial burden, the opposing party must come forward with specific facts that show there is genuine issue of fact remaining for trial." Sides v. Greenville Hospital System, 362 S.C. 250, 255, 607 S.E.2d 362, 364 (Ct. App. 2004). "When a plaintiff is faced with a defendant's motion for summary judgment that is supported by evidence, the plaintiff cannot defeat the motion by relying upon the mere allegations of his complaint, but must disclose the facts he intends to rely on by affidavit or other proof." Shupe v. Settle, 315 S.C. 510, 516, 445 S.E.2d 651, 655 (Ct. App. 1994); Dyer v. Moss, 284 S.C. 208, 325 S.E.2d 69 (Ct. App. 1985). "A conclusory statement as to the ultimate issue in a case is not sufficient to create a genuine issue of fact for purposes of resisting summary judgment." Shupe, 315 S.C. at 516-17, 445 S.E.2d at 655; German v. N.Y. Life Ins. Co., 286 S.C. 34, 331 S.E.2d 385 (Ct. App. 1985).

ELEMENTS OF DEFAMATION

The tort of defamation permits a plaintiff to recover for an injury to his reputation caused by false statements by another. Banks v. St. Matthew Baptist Church, 406 S.C. 156, 161, 750 S.E.2d 605, 607 (2013). To prove defamation, a plaintiff must show: (1) a false defamatory statement was made; (2) the unprivileged publication was made to a third party; (3) the publisher was at fault; and (4) either actionability of the statement irrespective of special harm or the existence of special harm caused by the publication." Erickson v. Jones St. Publishers, LLC, 368

S.C. 444, 464, 629 S.E.2d 653, 664 (2006). "A communication is defamatory if it tends to impeach the honesty, integrity, virtue or reputation..." Hubbard and Felix, The South Carolina Law of Torts, 462 (2nd Ed. 1997).

A statement may be actionable *per se*, in which case the defendant is presumed to have acted with common law malice and the plaintiff is presumed to have suffered general damages." Id. Under common law, slander is actionable *per se* only when it charges the plaintiff with one of five types of acts or characteristics: (1) commission of a crime or moral turpitude; (2) contraction of a loathsome disease; (3) adultery; (4) unchastity; (5) unfitness in one's business or profession. Holtzscheiter v. Thomsan Newspapers, Inc., 332 S.C. 502, 511 n.5, 506 S.E.2d 497, 502, n. 5 (1998). "Or a statement may be not actionable *per se*, in which case nothing is presumed and the plaintiff must plead and prove both common law malice and special damages." Erickson, 368 S.C. at 465, 620 S.E.2d at 664. Common law malice means the defendant acted with ill will toward the plaintiff or acted recklessly or wantonly, i.e. with a conscious disregard of the plaintiff's rights. Padgett v. Sun News, 278 S.C. 26, 32, 292 S.E.2d 30, 34 (1982). "The determination of whether or not a statement is actionable *per se* is a matter of law for the court to resolve." Erickson, 368 S.C. at 466, 629 S.E. 2d at 665.

A statement is not necessarily defamatory simply because it is unfavorable or critical. Dauterman v. State Record Co., 249 S.C.512, 154 S.E.2d 919 (1967), "It is true the complaint alleges that the publication tended to impeach the reputation of the plaintiff and to injure his business, but that bald allegation does not make the publication actionable, else a confessedly harmless act may be converted into a harmful act by a mere allegation. The inference of hurt arising out of a statement of facts in order to become actionable, must be such an inference as is established by the general consent of men, and the inference must be judged of by the court in the first instance.

The language complained of by the plaintiff was naturally displeasing to him and was unquestionably of an unfavorable nature. However, it by no means follows that a publication which is unfavorable is also libelous;" Costas v. Florence Printing Co., 237 S.C. 655, 118 S.E.2d 696 (1961), "We point out that there is no allegation that the respondent lost any customers, or had any diminution in trade. There is no allegation of special damages for losses sustained by reason of the publication of the alleged libelous statement. In short, the complaint does not allege special damages."; and Murphy v. News &Courier, 141 S.C. 51, 139 S.E. 18 (1927), "To hold libelous per se the mere statement that one has failed, or even that he was unable, to furnish bond-whether the amount required be large or small-would be carrying the law of libel beyond any precedent that has been called to our attention. Many a good citizen, if suddenly and unexpectedly arrested without reason for forearming himself against the contingency of such arrest, would very likely be unable to give immediate bond, or perhaps might be reluctant to call in friends who would relieve his embarrassment, but enjoy his misadventure."

FINDINGS OF FACT AND CONCLUSIONS OF LAW

There is no genuine issue of material fact on the record in this case as to the elements of defamation. There is no evidence that the plaintiff made defamatory statements to third parties. As to all but two of the statements Defendants allege to have been defamatory, such statements do not constitute defamation under the law. Publication to Jacob Ferderigos of the two statements concerning Sprios Ferderigos recently raised by Defendants does not constitute defamation as these statements were made to a party in this lawsuit and were made during the course of the disagreement between the parties that constitute the issues in this case and were part of that disagreement. As such, these statements were not defamation, but are protected by the litigation privilege.

Neither Phillip Ferderigos nor Spiros Ferderigos identified any person other than their brother and co-defendant, Jacob Ferderigos, to whom statements were made. None of the people they said in discovery to whom they thought Plaintiff "might" have made these statements came forward to say that Plaintiff made such statements. Both Irene Fokas and Justin Hansen specifically testified that he did not. The question thus becomes whether Plaintiff's statements to Jacob Ferderigos constitute publication in the context of a defamation claim. I conclude they do not.

All of the statements Plaintiff made in the form of text messages sent to all three Defendants, including Jacob Ferderigos, related directly to the dispute between the Ferderigos brothers and Plaintiff. The statements about "eating for free" and that Phillip and Sprios Ferderigos were displaying bad business judgment by not going forward with the project to add floors to 229 King Street were made in the disagreement that matured into this lawsuit and are directly related to the issues surrounding Plaintiff's allegations of breach of contract and breach of duty of care. Similarly, the statements concerning Spiros' Ferderigos testifying falsely in his deposition is directly related to the discovery proceedings in this case. The statement that Spiros Ferderigos threatened to use his position as an assistant solicitor to convince law enforcement to pursue a charge against Plaintiff if he pursued a breach of contract action is also directly related to the issues in this case and stem from an affidavit filed in the companion case, Athan Fokas v. Phillip Ferderigos and Spiros Fokas, Civil Action No. 2015-CP-10-3819.

As such, all of the statements alleged to be defamatory by Defendants are covered by the litigation privilege and are absolutely privileged. Any statement made as part of a judicial proceeding, in or out of court, is absolutely privileged under South Carolina law. Crowell v. Herring, 301 S.C. 424, 392 S.E.2d 464 (Ct. App. 1990). The statements Defendants complain of

concerning Plaintiff's allegation that they were accusing him of arson and other insurance fraud actions and the statements related to Sprios Ferderigos' deposition and the Affidavit of Stan Barnett fall squarely within the absolute litigation privilege. Similarly the statements concerning "eating for free" and Defendants' bad business judgment were made either as part of a dispute that matured into litigation or made during the course of that litigation and are also absolutely privileged. Sriberg v. Raymond, 370 Mass. 105, 345 N.E.2d 882 (1976); and Matthis v. Kennedy, 243 Minn. 219, 67 N.W.2d 413 (1954).

South Carolina also recognizes the doctrine of qualified privilege that protects from actions for defamation:

> A communication made in good faith on any subject matter in which the person communicating has an interest, or in reference to which he has a duty, is privileged if made to a person having a corresponding interest or duty, even though it contains matter which, without this privilege, would be actionable, and although the duty is not a legal one, but only a moral or social duty of imperfect obligation... The privilege arises from the necessity of full and unrestricted communication concerning a matter in which the parties have an interest or duty, and is not restricted within any narrow limits.

Conwell v. Spur Oil Co. of Western South Carolina, 240 S.C. 170, 125 S.E.2d 270, 274-2275 (1962).

As Jacob Ferderigos shared the interests of Plaintiff, albeit with a different position being taken by him, Plaintiff's statements to him about anything related to the project to build additional floors at 229 King Street falls, if not under the protection of absolute litigation privilege, under the protection of qualified privilege. Consequently, Plaintiff's statements to Jacob Ferderigos are not actionable.

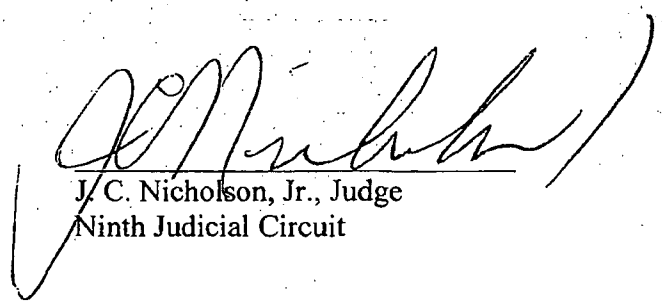
The only statements Defendants complain of which actually constitute defamation are those clearly covered by the absolute litigation privilege. These are the statements by Plaintiff by text message accusing Spiros Ferderigos of lying in his deposition taken in this case and the statement by Plaintiff recounting part of an affidavit in a companion litigation describing Spiros

Ferderigos' threat to use his position as assistant solicitor to cause Plaintiff to become the subject of a criminal charge if he pursued a breach of contract action. The other statements claimed to be defamatory are simply not defamation. They may have been statements unwelcome to Phillip and Spiros Ferderigos and critical of them, but they are not defamation.

The statement that Defendants refused to go forward with the agreement to add rental suites to 229 King Street because they could not "eat for free" does not impugn their honesty, integrity or proficiency in their profession, which is the practice of law. Similarly, the statement that they do not have good business sense in the context of the proposed project to add rental suites at 229 King Street is purely an opinion about that proposal and nothing more. Many people have different opinions about the wisdom of development projects, but disagreement does not equate to defamation. These statements may be critical of Defendants, but do not rise to the level of defamation merely because they hurt Defendants' feelings or even criticize a business decision the made. Dauterman v. State Record Co.; Costas v. Florence Printing Co.; and Murphy v. News &Courier.

There is no evidence giving rise to a genuine issue of material fact regarding the counterclaims by Spiros and Phillip Ferderigos for defamation against Plaintiff and they should be, therefore, dismissed on summary judgment. Plaintiff's motion for partial summary judgment as to the counterclaims for defamation asserted by both Spiros Ferderigos and Phillip Ferderigos is hereby granted.

IT IS SO ORDERED.



J. C. Nicholson, Jr., Judge
Ninth Judicial Circuit

8/30, 2017
Charleston, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CIVIL ACTION NO.: 2015-CP-10-3919

FILED
2017 SEP 28 PM 4:22
CLERK OF COURT

ATHAN FOKAS,

Plaintiff,

v.

PHILIP FERDERIGOS, JACOB FERDERIGOS, and SPIROS FERDERIGOS,

Defendants.

ORDER GRANTING SUMMARY JUDGMENT TO DEFENDANTS

THIS MATTER came before me for hearing on Defendants Spiros, Phillip and Jacob Ferderigos' Motions for Summary Judgment on June 8, 2017. Each of the Defendants filed his own Motion for Summary Judgment. Present in the Court were the following: Plaintiff and his attorney Stanley Barnett, Esquire; Defendant Phillip Ferderigos and his attorney Jennifer Thiem, Esquire; Defendant Jacob Ferderigos and his attorney John Massalon, Esquire; and Defendant Spiros Ferderigos and his attorney M. Dawes Cooke, Jr., Esquire.

A. BACKGROUND

Plaintiff alleges claims for breach of contract, specific performance, and breach of fiduciary duty/violation of the LLC statute in regard to an alleged oral agreement to build a new building at 229 King Street. Plaintiff and Defendants[1] own the real property located at 229 King Street as tenants in common. The 229 King Street property, located in the downtown portion of the Charleston peninsula, has an existing building which currently contains a restaurant on the first floor, "S&S Old Town Incorporated" (a corporation with Plaintiff Athan Fokas and Defendant Iakovos/Jacob Ferderigos as shareholders), and luxury rental suites on the second and third floors,

[1] Plaintiff and Defendants are cousins who own the 229 King Street property as tenants in common and are also members of Old Towne Suites, LLC. Defendants Phillip, Iakovos/Jacob, and Spiros Ferderigos are brothers.

"Old Towne Suites, LLC" (an LLC with Plaintiff Athan Fokas, Defendant Iakovos/Jacob Ferderigos, Defendant Spiros Ferderigos, and Defendant Phillip Ferderigos as members). The focus of Plaintiff's Complaint is an alleged oral agreement for a proposed project to build a new building on the 229 King Street property.

The oral agreement alleged in this case was two-fold; it was an alleged agreement to build a new building and an alleged agreement to mortgage previously unencumbered property to finance the construction. Plaintiff alleges the parties orally agreed to build a new building (or, as Plaintiff phrases it, "an expansion of the building") above the existing rental suites with the sole contingency being securing of financing for the proposed project. As part of the alleged oral agreement, Plaintiff alleges Defendants verbally agreed to mortgage their individual interests in 229 King Street to secure financing for the proposed project, as well as for Defendants to enter into numerous other contractual obligations and agreements. Plaintiff alleges he spent approximately $45,000 (his share of approximately $86,000) in fees for "engineering, architectural work, planning and zoning approval and design work so that by the time a final loan package was offered by the bank, all designs and plans and zoning approvals for the project were complete." In his Complaint, Plaintiff also alleges he agreed to an ancillary/side agreement Defendant Phillip Ferderigos required.

In contrast, Defendants deny there was an oral agreement or binding contract between the parties and further aver there was no meeting of the minds on the essential elements and material terms of a contract. Defendants further allege material terms were disputed and still being negotiated between the parties when they reached an impasse on multiple material terms. Defendants contend the parties were investigating the possibility of building a new building and

the funds expended toward the proposed project went toward exploring the possibility, feasibility, and desirability of the parties moving forward with the proposed project.

The record also reflects that, from before September 2014 until the parties reached an impasse, there were ongoing negotiations of material terms that were either still being negotiated or were unknown at the time the negotiations ceased and that there was no meeting of the minds between the parties on material terms such as the final cost of the proposed project, the possible financing of the proposed project, the various agreements Plaintiff demanded Defendants sign for the proposed project, the willingness of Defendants Spiros Ferderigos and Phillip Ferderigos to potentially mortgage their property interest in 229 King Street assuming the loan documents were corrected in accordance with Defendants Spiros Ferderigos' and Phillip Ferderigos' requirements, the personal exposure of Defendants Spiros Ferderigos and Phillip Ferderigos for any loan or for the proposed project, the ancillary/side agreement which was still being negotiated by the parties, as well as other material terms of the alleged agreement that were still in dispute at the time Plaintiff filed his lawsuit against Defendants.

B. STANDARD OF REVIEW

"Summary Judgment is proper when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. In determining whether any triable issue of fact exists, the evidence and all inferences which can reasonably be drawn therefrom must be viewed in the light most favorable to the nonmoving party. If triable issues exist, those issues must go to the jury." Miller v. Blumenthal Mills, Inc., 356 S.C. 204, 616 S.E.2d 722 (Ct. App. 2005). "Summary Judgment is appropriate if the pleadings, depositions, answers to interrogatories, and admissions of file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Id.

"[W]hen plain, palpable, and indisputable facts exist on which no reasonable minds cannot differ, summary judgment should be granted." Id. at 220. Moreover, "in cases applying the preponderance of the evidence burden of proof, the non-moving party is only required to submit a mere scintilla of evidence in order to withstand a motion for summary judgment." Hancock v. Mid-S Mgmt. Co., 381 S.C. 326, 330, 673 S.E.2d 801, 803 (2009).

"The party seeking summary judgment has the burden of clearly establishing the absence of a genuine issue of material fact. Once the party moving for summary judgment meets the initial burden of showing an absence of evidentiary support for the opponent's case, the opponent cannot simply rest on mere allegations or denials contained in the pleadings. Rather the nonmoving party must come forward with specific facts showing there is a genuine issue for trial." Miller, 356 S.C. at 220. Although the existence of a contract is ordinarily a question of fact for the jury, where the undisputed facts do not establish a contract, the question becomes one of law. Stevens and Wilkinson of South Carolina, Inc. v. City of Columbia, 409 S.C. 568 (S.C. 2014).

C. SOUTH CAROLINA LAW

To recover for a breach of contract, the plaintiff must establish three elements by the preponderance of the evidence: (1) a binding contract entered into by the parties; (2) breach or unjustifiable failure to perform the contract; and (3) damage suffered by the plaintiff as a direct and proximate result of the breach. Fuller v. E. Fire & Cas. Ins. Co., 240 S.C. 75, 89, 124 S.E.2d 602, 610 (1962). A binding, valid contract must exist for there to be a cause of action for breach of contract. The plaintiff must prove each element of the contract sued on. See also Tidewater Supply Co. v. Industrial Elec. Co., 253 S.C. 483, 171 S.E.2d 607 (1969) (action for damages for breach of contract is predicated on existence of contract). To constitute a valid and binding contract, it is essential all parties assent to the same thing in the same sense. See Player v. Chandler,

299 S.C. 101, 382 S.E.2d 891 (1989) (stating "South Carolina common law requires that, in order to have a valid and enforceable contract, there must be a meeting of the minds between parties with regard to all essential and material terms of agreement").

Although the existence of a contract is ordinarily a question of fact for the jury, where the undisputed facts do not establish a contract, the question becomes one of law. Stevens and Wilkinson of S.C., Inc. v. City of Columbia, 409 S.C. 568, 762 S.E.2d 696 (2014) citing Capital City Garage & Tire Co. v. Elec. Storage Battery Co., 113 S.C. 352, 101 S.E. 838 (S.C. 1920). A valid and enforceable contract requires a meeting of the minds between the parties as to *all* essential and material terms of the agreement. Id. at 578 citing Patricia Grand Hotel, LLC v. MacGuire Enters., 372 S.C. 634, 643 S.E.2d 692 (Ct. App. 2007); Player v. Chandler, 299 S.C. 101, 382 S.E.2d 891 (1989). Thus, for a contract to be binding, material terms cannot be left for future agreement ...[and]... an agreement which leaves open material terms is unenforceable. Id. at 578-579 citing Aperm of S.C. v. Roof, 290 S.C. 442, 351 S.E.2d 171 (Ct. App. 1986); see also id. at 579, citing 1 Corbin on Contracts § 4.1 (stating "A court cannot enforce a contract unless it can determine what it is. It is not enough that the parties think that they have made a contract. They must have expressed their intentions in a manner that is capable of being understood."); id. at 582 citing 1 Corbin on Contracts § 2.8 stating ("Frequently, agreements are arrived at piecemeal with different terms being discussed and agreed upon separately. However, as long as the parties know there is an essential term not yet agreed on, there is no contract. The preliminary agreements on specific items are mere preliminary negotiation building up the terms of the final offer that may or may not be made."). The "meeting of the minds" required to make a contract is not based on a secret purpose or intention on part of one party, stored away in his mind and not brought to the attention of the other party, but must be made on purpose and intention which has been made

known or which, from the circumstances, should be known. Id. at 105 citing McClintock v. Skelly Oil Co., 114 S.W.2d 181 (Mo. App. 1938).

Further, in relevant parts, the South Carolina Statute of Frauds provides that no action may be brought whereby: ...to charge any person upon any contract or sale of land, tenements or hereditaments or any interest in or concerning them [or] ...to charge any person upon any agreement that is not to be performed within the space of one year from the making thereof unless the agreement upon which such action is brought, or some memorandum or note thereof, is in writing and signed by the party to be charged therewith or some person lawfully authorized to do so by such party. See S.C. Code Ann. § 32-3-10. Therefore, any contract for an interest in land or any agreement that is not to be performed within one year must be in writing and signed by the party against whom it is seeking to be enforced. Id.; see also, Player v. Chandler, 299 S.C. 101, 382 S.E.2d 891 (1989). "[T]he term interest in land as used in the statute of frauds, means some portion of the title or right of possession, and does not include agreements which may affect land but which do not contemplate the transfer of any title, ownership or possession." Carter v. McCall, 193 S.C. 456, 8 S.E.2d 844 (1940). Failure to put such a contract in writing renders it void. Player v. Chandler, 299 S.C. 101, 382 S.E.2d 891 (1989); S.C. Code Ann. § 27-35-20 (1976)[2]. Thus, by virtue of the Statute of Frauds, certain contracts must be in writing to be enforceable. 30 S.C. Juris Contracts Sec. 16; see Player v. Chandler, 299 S.C. 101 (1989).

In addition, in order to satisfy the Statute of Frauds, there must be a writing signed by the party against whom enforcement is sought, and "the writings must establish the essential terms of the contract without resort to parol evidence." Cash v. Maddox, 265 S.C. 480, 220 S.E.2d 121 (1975). Further, when there is no writing, but part performance is alleged to remove an oral

[2] Similarly, S.C. Code Ann. § 27-35-20 provides "[a]ny agreement for the use or occupation of real estate for more than one year shall be void unless in writing."

contract from the Statute of Frauds, a court must find the following factors before it may compel performance of the oral contract: 1) *clear* evidence of an oral contract; 2) the contract had been partially executed; and 3) the party who requested performance had completed or was willing to complete his part of the oral contract. Fesmire v. Digh, 385 S.C. 296, 683 S.E.2d 803 (Ct. App. 2009). A writing sufficient to remove an oral agreement from the Statute of Frauds "must reasonably identify the subject matter of the contract, sufficiently indicate a contract has been made between the parties, and state with reasonable certainty the essential terms of the agreement." Player v. Chandler, 299 S.C. 101, 382 S.E.2d 891 (1989) citing Restatement (Second) of Contracts, § 131 (1981). Every essential element must be expressed in the writing for the contract to meet the Statute of Frauds. Cash v. Maddox, 265 S.C. 480, 220 S.E.2d 121 (1975). In regard to the burden of proving an oral contract, the Supreme Court has said: "we are not concerned primarily with the quantity of the evidence offered to establish the oral contract...[r]ather we are concerned more with the quality of the evidence." Parr v. Parr, 268 S.C. 58, 65, 231 S.E.2d 695 (1977). Clear, specific, definite evidence must convincingly prove the existence of the contract. Id. [A party] must establish the contract by "competent and satisfactory proof, such as is clear, definite, and certain." Cash v. Maddox, 265 S.C. 480, 484, 220 S.E.2d 121 (1975). Critically for purposes of this case, in order for part performance of an oral agreement to remove the agreement from the operation of the Statute of Frauds, the party must establish acts which relate clearly and unequivocally to the agreement, exclusive of any other relation between parties touching such agreement. See Player, 299 S.C. at 105-106 citing Aust v. Beard, 230 S.C. 515, 96 S.E.2d 558 (1957); Gibson v. Hrysikos, 293 S.C. 8, 358 S.E.2d 173 (Ct. App. 1987).

D. FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon a careful review of the record,[3] I make the following findings of fact and conclusions of law:

1. Statute of Frauds and Part Performance.

I HEREBY FIND the Statute of Frauds bars Plaintiff's claims. Contrary to Plaintiff's arguments, the Statute of Frauds does apply to a 5 year or 6 year or 20 year mortgage obligation (which clearly contemplates a transfer of land/property if the loan/mortgage obligations are not strictly satisfied[4]) and the contract to build a new building on real property. Not only does the alleged loan include a mortgage requirement that certainly contemplates the transfer of title, ownership, or possession of land (i.e. 229 King Street) if the payments are not timely made to the bank, but the alleged agreement is one that is not to be performed in the space of one year from the making thereof, and it is an alleged loan for a set term beyond one year. Further, the Standard Agreement Between Owner and Contractor that Plaintiff unilaterally signed sets forth a commencement date of 1/3/2014 and substantial completion date of 12/31/2015. Also, none of the Defendants signed any contract or agreement to build the new building. Moreover, Defendants

[3] Defendants filed Motions for Summary Judgment on February 28, 2017. The hearing was heard on June 8, 2017, and the Court allowed the parties additional time to provide the Court with any and all evidence, case law, and arguments any party wished to present prior to the Court issuing its decision. On June 13, 2017, Defendant Spiros Ferderigos provided the Court an Appendix with Exhibits. On June 15, 2017, Defendant Phillip Ferderigos provided the Court with Phillip Ferderigos' Supplemental Case Law and Evidence. On June 16, 2017, Plaintiff requested the Court allow Plaintiff additional time until June 22, 2017, to present any additional evidence, case law or arguments of counsel it wished to present in response to Defendants' submissions. The Court granted Plaintiff's request for additional time, and Plaintiff subsequently filed Plaintiff's Supplemental Memorandum in Opposition to Defendants' Motion for Summary Judgment on June 22, 2017. I find all parties were provided a full and fair opportunity to present any and all evidence, case law and arguments they wished to present in regard to Defendants' Motions for Summary Judgment and, after carefully reviewing all of the evidence, case law submitted by the parties, and considering the arguments of counsel, the Court makes the following findings of fact and conclusions of law as set forth herein.

[4] Plaintiff does not dispute that a mortgage is subject to the Statute of Frauds. Rather, he argues an agreement to enter into a mortgage is not subject to the statute. This is a difference without a distinction, as the purported agreement would clearly effect a transfer of an interest in real estate and would require more than a year to complete.

Spiros and Phillip Ferderigos did not sign the SouthCoast Loan Commitment Letter[5] or any other contract, agreement or signed writing concerning the financing for the proposed project.

Further, I find the part performance exception to the Statute of Frauds does not apply in this case, as the expenditures for the proposed project do not relate clearly and unequivocally to the oral agreement Plaintiff alleges, exclusive of any other relation between the parties touching such agreement. See, e.g., Aust v. Beard, 230 S.C. 515, 96 S.E.2d 558 (1957). By admission of Plaintiff in his Complaint, Plaintiff concedes all expenditures and expenses for the proposed project went to exploring/investigating the possibility of building the new building. In other words, this purported part performance is not clearly and unequivocally related to the purported agreement to build the project and finance it through personal mortgages but is equally consistent with the parties' admitted agreement to explore the feasibility of the project. Therefore, the part performance exception does not take the alleged oral contract to mortgage interests in 229 King Street out of the Statute of Frauds. See Plaintiff's Complaint, Par. 28, stating:

> "The parties entered into part performance in furtherance of their agreement in the form of payment of a total of $86,000 in fees for engineering, architectural work, planning and zoning approval and design work so that by the time a final loan package was offered by the bank, all designs and plans and all zoning approvals for the project were complete."

The alleged verbal agreement Plaintiff seeks to enforce is one *both* to build the new building and to mortgage 229 King Street to pay for it (as well as several other contracts Plaintiff requested of Defendants Spiros and Phillip Ferderigos). The expenditures alleged by Plaintiff as part performance are not related to any alleged agreement by Defendant Spiros and Phillip Ferderigos to mortgage their interests in 229 King Street, but, rather, are related to exploring the feasibility and building the building. Indeed, these expenditures began before the negotiations over

[5] Indeed, per the written communications, Defendants Spiros and Phillip Ferderigos were not sent a copy of the SouthCoast Loan Commitment Letter until sometime in September 2014.

financing even began. For these reasons, the Statute of Frauds applies and bars Plaintiff's breach of contract claims.

2. No Meeting of the Minds.

For the reasons set forth herein, I further find no genuine issue of material fact exists because there were no clear and explicit words to express the contract, there was no assent of all of the alleged contracting parties, there was no mutuality of agreement, and there was no mutuality of obligation between and among the parties concerning the essential elements and material terms of the oral agreement Plaintiff alleges.

a. The interest rate and term for Plaintiff's loan.

The evidence is clear Plaintiff misrepresented the terms on which the proposed project would be financed, and he never secured Defendants' agreement. On September 19, 2014 – long after Plaintiff received the bank commitment letter, and again on September 24, 2014, he enthusiastically informed Defendants he had a 20 year, 5% fixed rate loan:

> 9/19/2014: [Spiros cell] ... can you email us the details of the loan sometime this weekend if you have a chance?
>
> Athan: The banker just called me. I won't have the details till next week. **I'm sure it's 5% for 20 years.**
>
> 9/24/2014: [Athan gmail] **Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry.**

Plaintiff misrepresented the terms of the proposed loan, as demonstrated by the SouthCoast Loan Commitment Letter itself[6], as well as the testimony of Plaintiff's banker. As late as February 9, 2017, at Plaintiff's deposition, Plaintiff repeatedly testified Defendants had agreed to, and Plaintiff

[6]Although Plaintiff asserts Defendants Phillip and Spiros Ferderigos knew or should have known of the terms of the SouthCoast Loan Commitment Letter, the written correspondence between the parties reflects they did not even receive a copy of the SouthCoast Loan Commitment Letter until September 2014. Further, Defendants were not to be parties to the SouthCoast loan, and they were not expected to, nor did they, sign the Commitment Letter.

had received from his bank, a 20 year term loan, fixed at a 5% interest rate for the 20 years of the loan from his bank. Plaintiff, however, never actually received such a loan offer, but he actually had only been offered a six-year loan amortized over twenty years with a balloon payment and the hope of being able to refinance it then. Plaintiff testified the parties had an "oral" contract where the parties had agreed to a 5% fixed rate for a 20 year term loan for the proposed project; however, this is something Plaintiff never achieved.[7]

b. No personal guarantee by Defendants Phillip and Spiros Ferderigos.

Plaintiff concedes Defendants Phillip and Spiros Ferderigos never agreed to personally guarantee anything for the proposed project:

> Q. Okay. Any other - any conversation that you had in which they agreed to sign anything other than a mortgage.
> A. Other than a mortgage, hmm, the only stipulation that they have was that they don't want to be personal guarantors on the note. They never said that they wouldn't sign over whatever the other things the bank needed.
> Q. Yes, I'm asking you that question in the affirmative. **Neither Spiros nor Phillip ever agreed to sign anything other than, as you claim, a mortgage.**
> A. **The only thing I remember is Spiros and Phillip Agreeing that they would not personally guarantee the note.**
> Q. I'm going to ask you one more time, and you can say yes or no and then you can explain. **There was no circumstance in any conversation related to Old Towne Suites in which either Spiros or Phillip agreed to sign anything other than the mortgage you claim they were willing to sign.**
> A. **I don't remember.**

Deposition of Plaintiff, p. 412, lines 13 – 25; p. 413, lines 1 – 9.

> Q. **Right, so Phillip and Spiros never agreed to sign anything that exposed them to personal liability, correct?**
> A. **Personally guaranteeing, yes, their deal was they didn't want to personally guarantee the note.**

Deposition of Plaintiff, p. 413, lines 17 – 21.

> Q. **Other than the mortgage, neither Phillip nor Spiros ever agreed to sign anything that exposed them to personal liability.**
> A. **I don't know what that other thing would have been that they would have to agree that it would expose them to personal**

[7] There can be no meetings of the minds between Plaintiff and Defendants when Plaintiff himself misrepresented and/or did not understand the loan offer and term of the loan he believes he received from SouthCoast bank.

liability, but they said from the beginning, before we even started the note or before we even moved forward to spend money, big money on the project, that they would not personally guarantee the note.

Q. Okay. I understand that.

A. Okay.

Q. **They never agreed to sign anything that exposed them to personal liability other than to the extent that we're talking about the mortgage.**

A. Is that the same thing as them not personally guaranteeing the note?

Q. No, it's more expansive.

A. **More expansive, then I don't know.**

Q. **Okay. You don't know of anything that you can testify to that they –**

A. **Nothing I can testify today.**

Deposition of Plaintiff, p. 414, lines 14 – 25; p. 415, lines 1 – 10. Plaintiff further concedes this was a material term that was important for all parties:

Q. And the ability to obtain a mortgage under this agreement would be an important or material term, correct?

A. The ability to obtain a mortgage?

Q. Yes.

A bank would have to agree.

Q. **How about a personal guarantee, would that be an important or material term?**

A. **It's not important to me, but it was important to Phillip to not be a personal guarantor.**

Q. **Okay. So it's fair at least as to Phillip that's an important or material term.**

A. **For Phillip, yes.**

Q. **How about the exposure of risk, would that be an important or material term to the people that were going to participate in a deal?**

A. **Risk.**

Q. **Mm-hmm.**

A. **I'm sure that's important for everybody.**

Deposition of Plaintiff, p. 245, line 24 – p. 246, line 18.

I also find the requirement to have the LLC as a borrower on the note (or signing the HUD statement personally) potentially exposed Defendants Phillip and/or Spiros Ferderigos to personal liability on that note, which Plaintiff concedes was never part of the alleged oral agreement. Defendant Phillip Ferderigos emphasized this to Plaintiff during their negotiations. See Email from Defendant Phillip Ferderigos to Plaintiff, dated November 21, 2014:

"As for all the other stuff, I hope we can get there, I really do, but I want it to be done right and everyone knows what they are agreeing to. **Putting the LLC on the note is not necessary and in this fine State makes me indirectly liable for payment on the note. All the bank needs to do is revise the HUD and the note, putting you and Jacob on both, which y'all are personally guaranteeing. As I have indicated, if the side agreement that we forwarded is agreed to and signed, I am happy to sign a mortgage, even though I do not have to. This is a tremendous leap of faith on my end because, if you do not make the payments on time, I could lose Old Towne.**

On the flip side, I have not asked you to sign anything for me. If I don't make my payments for my loan I am getting, it does not affect you in the least. You cannot conflate the two issues … it is not you are making me sign something, so you need to sign something… You have asked me to do you a favor and, thus far, I have been willing to do it, but you are making it difficult."

Thus, there was no meeting of the minds on this material term. Even Plaintiff's closing attorney conceded this point when she said personal exposure existed for the note if the LLC's corporate veil were pierced:[8]

11/24/14: Email of Amy Haines (closing attorney) stating **"Nothing in the documents I have makes you personally liable for the debt … assuming the LLC corporate veil could not be pierced for some reason."**

c. The LLC being on the note.

It is undisputed Old Towne Suites, LLC, does not own the real property (229 King Street); rather, the individual parties own the real property as tenants in common. Accordingly, I HEREBY FIND no genuine issue of material fact exists because the SouthCoast Loan Commitment Letter executed by Plaintiff and Defendant Jacob Ferderigos (and <u>not</u> executed by Defendants Phillip and Spiros Ferderigos) does not bind Defendants Phillip or Spiros Ferderigos or Old Towne Suites, LLC. In key parts of his sworn testimony, Plaintiff admitted Old Towne Suites, LLC, took no formal action or vote concerning the SouthCoast Loan Commitment Letter. Originally, Defendants

[8] Also, SouthCoast's purported HUD Statement required Defendants Phillip and Spiros Ferderigos to personally sign the HUD statement individually, not in their capacity as LLC members, also potentially exposing them to personal liability for the note. Further, SouthCoast would require Defendants Phillip and Spiros Ferderigos to execute an LLC Resolution which would also potentially expose them to personal liability for the note. No evidence in the record exists that Defendants Phillip or Spiros Ferderigos agreed to any such material terms.

believed Plaintiff was seeking a loan where Plaintiff and Defendant Iakovos/Jacob Ferderigos were to obtain a mortgage over their own portion of the real property (as well as their own interest of the LLC). This is consistent with South Carolina tenants in common law cited above. At the hearing, Plaintiff's counsel argued the LLC was always supposed to be on the note. However, this is refuted by Plaintiff's own sworn testimony. Indeed, Plaintiff himself testified the LLC did not approve, vote for, or take any formal action concerning the proposed project[9] or any loan commitment letter:

> Q. Okay. Very good. **And are you aware of any formal action within the LLC, a referendum, a vote, minutes of any meeting, that would confirm that?**
> A. If the - **we discussed this as owners of the building.** The owners of the building don't have this LLC. We discussed as owners of the building that we would add property on top of our existing building.
> Q. Well, the LLC -
> A. **I don't think it has to go through the LLC. There's no documents that it go through the LLC. I make 50 percent of the decisions. The Ferderigos brothers make 50 percent of the decisions. If we both agree, then we continue.**
> Q. I want you to explain what you just said. You said there's no documents that say - I got confused. There's no documents that say what?
> A. You're trying to pin this and say, well, **Old Towne, LLC didn't have a meeting that made this. We had the meeting amongst the owners of the building. We don't have an LLC for the building. We, as owners of the building, decided to build another part of the building.**

Deposition of Plaintiff, p. 170, lines 7 – 25; p. 171, lines 1 – 4.

However, at the hearing, Plaintiff's counsel represented the opposite as arguments of counsel, contradicting Plaintiff's own sworn testimony.

d. No agreement as to Hypothecation Agreement.

Plaintiff concedes he and Defendants did not receive the Hypothecation Agreement until the day of or the day before closing. Indeed, Plaintiff's bank's counsel did not even know if the

[9] Further, Plaintiff did not even purport to sign the contract to build a new building on behalf of Old Towne Suites, LLC (and Defendants Iakovos/Jacob, Phillip or Spiros Ferderigos did not sign the contract to build the new building; rather, Plaintiff unilaterally signed this contract himself).

parties were being asked to sign a hypothecation agreement on November 21, 2014, when Plaintiff's bank's counsel stated, "There will also be hypothecation agreements, **I believe**." However, the written correspondence between the parties sets forth that Defendant Phillip Ferderigos never agreed and had rejected executing any such agreements. See Email from Defendant Phillip Ferderigos to Plaintiff, dated November 20, 2014:

> **I am not on your loan … my 1/6 monthly profit will be distributed to me timely and you can not float or make your payments out of my portion of the profit … if there is any misunderstanding about that, let's not move forward…**

In fact, Plaintiff was not even aware his bank documents would require the parties to sign a Hypothecation Agreement until the parties received the closing documents:

> Q. When did you first learn that there would be a hypothecation agreement required?
> A. Phillip was the first one that told me that. I didn't know what it was. He said, and this thing's asking for a Hypothecation Agreement.

Deposition of Plaintiff, p. 292, lines 7 – 11.

e. No agreement as to assignment of rents.

Similarly, Plaintiff testified he and Defendants agreed the first floor rent was not part of any assignment of rents for the proposed project:

> Q. **And you agree that neither Phillip nor Spiros nor Jacob nor you agreed to assign rent that the owners of 229 King received from S&S Old Town for this project.**
> A. That's lengthy. I can't put my head around it. Will you say that again?
> Q. Yes, I'll break it down. There was an assignment of rents that was tendered in the closing package, right?
> A. Assignment of rents, oh, with the bank, yes.
> Q. But leading up to the closing none of the owners of 229 King had discussed or agreed to assign rents that S&S Old Town pays to the owners as part of that assignment of rents.
> A. **S&S Old Town. Do you mean Old Town's rent, that Old Town's rent would have anything to do with Old Towne Suites?**
> Q. **Yes.**
> A. **No, I don't think so.**
> Q. **Okay. And it wasn't part of the deal.**
> A. **Old Town's rent and Old Towne Suites, no, I don't think that was part of the deal.**

Deposition of Plaintiff, p. 415 line 19 – p. 416 line 15.

> Q. The rent that S&S Old Town pays to 229 King, to the owners of 229 King, had nothing to do with the Old Towne Suites project.
> A. I think that's correct.

Deposition of Plaintiff, p. 416 line 21 – 25. However, the bank's Assignment of Rent and Hypothecation Agreement applied to all rent from 229 King Street, including the first floor restaurant (S&S Old Town Restaurant). Pursuant to the Plaintiff's own testimony, no party ever agreed to such material terms.

f. The final cost of the proposed project.

The SouthCoast Loan Commitment Letter and the contract to build the new building (which Plaintiff unilaterally signed himself) prove there was no meeting of the minds and no agreement as to the material terms as far as final cost of the proposed project. The SouthCoast Loan Commitment Letter as of 9/24/2014 sets forth that the new building, including the furnishings for the units, would be $1,800,000; whereas the contract to build the new building (executed unilaterally by Plaintiff) as of 10/15/2014 sets forth a construction price of $1,728,900.00; whereas Plaintiff conceded that, up to the present, the sprinkler system price had not yet been determined (much less negotiated or price agreed upon) and could cost anywhere between $10,000 and $100,000, and the furnishings would cost an additional $225,000. Accordingly, there was no meeting of the minds concerning the final price of the proposed project, and, as a result, each individual party's share of the proposed project.

g. Contract to build the new building signed by Plaintiff only.

Importantly, Plaintiff conceded he did not know if he ever even showed the contract to build the new building to Defendants before Plaintiff unilaterally signed it:

> Q. The contract with Kevin Carroll.
> A. Yes.
> Q. You never showed that to the Ferderigos brothers before you executed it, did you?

A. I probably have. I can't remember.

Deposition of Plaintiff, p. 430, lines 21 – 25.

Q. Do you recall when you or if you sent a copy of the contract signed with a contractor to any of the three brothers?
A. No. I don't recall when it was.

Deposition of Plaintiff, p. 197, lines 12 – 15.

Further, Plaintiff did not even purport to sign the contract to build a new building on behalf of Old Towne Suites, LLC (and that Jacob, Phillip or Spiros Ferderigos did not sign the contract to build the new building); rather, Plaintiff signed this contract himself. The written record reflects Defendants never agreed to be bound by (and did not even know about) any such contract to build a new building as is evidenced by the fact they never signed any such contract.

h. Details

The lack of a binding agreement between the parties and lack of a meeting of the minds on material terms is also reflected by Plaintiff's view of details that were never agreed to:

11/24/14: Email from Athan Fokas to Ferderigos Brothers stating: "I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait [sic] in the big picture." "In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows."

Email from Plaintiff to Defendants, dated 11/24/14.

Plaintiff acknowledges in his written correspondence these "stupid details" were never agreed to and Plaintiff was still negotiating the terms of financing for the proposed project when negotiations failed, and, thereafter, Plaintiff sued Defendants about an agreement that was still being negotiated. Ultimately, these details, which are material terms of any alleged agreement, resulted in the proposed project never being agreed to.

i. Ancillary/Side Agreement.

The evidence in the record reflects there was also no meeting of the minds as to an ancillary/side agreement protecting Defendant Phillip Ferderigos' collateral (his portion of the 229 King Street property). Initially, Plaintiff's Complaint alleges he agreed to sign Defendant Phillip Ferderigos' proposed ancillary/side agreement (See Complaint Par. 20, stating **"Plaintiff agreed to sign the agreement presented to him by Defendant Phillip Ferderigos in early 2015"**). In key parts of his testimony, Plaintiff admitted the same:

> Q. . . . **Did you agree to sign the Side Agreement, yes or no?**
> A. I **did.**

Deposition of Plaintiff, p. 417, lines 4 – 6.

However, Plaintiff also testified to the opposite, that he never agreed to sign the ancillary/side agreement:

> Q. Well, do you agree that the side agreement that was being negotiated between you and Phillip was material to these negotiations?
> A. **No, that was something that was sprung on me, and we never agreed to any side agreement.** He just brought that up all of a sudden out of the blue.

Deposition of Plaintiff, p. 242, lines 9 – 10.

Finally, Plaintiff also testified he was not sure if he agreed or did not agree to sign the ancillary/side agreement:

> Q. You and Phillip, **did you ever agree to every term in a proposed Side Agreement?**
> A. **I'm not sure.**

Deposition of Plaintiff, p. 428, lines 4 – 6.

At the hearing, contrary to Plaintiff's pleadings, Plaintiff's counsel argued Plaintiff had not agreed to the ancillary/side agreement. Accordingly, based on Plaintiff's inconsistent pleadings, testimony and arguments, Plaintiff apparently has no idea whether or not he ever agreed to such material term (again, evidencing no meeting of the minds as to material terms).

j. No binding agreement.

Finally, also demonstrating the absence of a meeting of the minds or intent to form a binding contract, Plaintiff's written correspondence repeatedly confirmed no party was bound by any agreement and any party could simply move forward with negotiations or "forget about it" at any time. Plaintiff has also purported to release Defendants from any alleged binding oral agreement he claims the parties reached regarding the proposed project being explored. See Exhibit V to Phillip's Answer and Counterclaim:

a. 10/21/14: Text from Athan Fokas to Ferderigos Brothers stating "I would rather leave it in your hands now and **keep me in the loop if and when you all are ready." "It's in your court now. I could care less**. My Zeus deal is bringing in plenty to keep my family happy."

b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating **"Think about the big picture talk to the bank yourselves and get things done if you like."**

c. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait [sic] in the big picture." "In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows."

d. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Are ya'll [sic] contacting the bank, my attorney, and the closing attorney **or are we just forgetting about it?"**

e. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and **either get it done or not**."

f. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right [sic] it off as a stupid transaction dealing with the Ferderigos Family."

g. 12/15/14: Text from Athan Fokas to Ferderigos Brothers stating **"We can discuss all options when we meet and hopefully come to a mutual agreement."**

The above texts/emails from Plaintiff himself prove there was never a binding agreement between the parties, and Plaintiff himself or Defendants could walk away from the negotiations at any time and that negotiations were on-going.

k. Plaintiff admits there was no agreement or even negotiations as to numerous material terms.

Further, in his deposition testimony, Plaintiff concedes he never told Defendants Phillip or Spiros Ferderigos about (much less negotiated, or reached an agreement on) the numerous agreements his bank would require Defendants Phillip or Spiros Ferderigos to execute (such as an Hypothecation Agreement, an Assignment of Rents, a HUD Statement, a Construction Mortgage, an Agreement to Provide Insurance, a Construction Loan/Agreement, a Guarantee of Completion and Performance Agreement, a Commercial Security Agreement, a Hazardous Substance Certificate and Indemnity Agreement, a UCC Financing Agreement and other agreements as well):

Q. The question was is it true that you had not seen this hypothecation agreement prior to the day of closing.
A. **I'm not sure when I saw it. It's whenever the attorney sent me the documents. Whenever the attorney sent me the documents, I gave it to them. I don't know if it was the day before the closing or the day of the closing.**
Q. **Do you remember ever having told Spiros that he would be signing an assignment of rents document prior to the day of the closing?**
A. **To me this is a standard closing document. I didn't go through and say, okay, this is an assignment of rent. I'm not sure. It's a standard closing document.**
Q. **Is the same true for the settlement statement, the HUD statement?**
A. **Yes, it's all part of what the bank requires.**
Q. **And so you did not see it, and therefore Spiros probably didn't see it until the attorney sent them to you.**
A. **Until the attorney sent them to us, that's correct.**
Q. **Would the same be true for the next document, the construction mortgage?**
A. **If it was all in the same closing document. Is this all the same closing document?**
Q. **Yes.**
A. **Yes, then that's when we got it from the attorney.**
Q. What about the **agreement to provide insurance,** when did you first learn that you were going to have to sign an agreement to provide insurance?
A. I'm not sure. I think the attorney had it listed. It was in an email, what would be signed that day; and maybe he sent that out and I sent it to Phillip and he said - he might have said he's not signing this before he even received it. I don't remember.

Q. Is the same true for the **construction loan agreement**, that is, that you did not see that agreement until the lawyer sent it to you?
A. Correct.
Q. Was that sent with the rest of the closing package?
A. Yes. I didn't receive the closing packet until the lawyer sent it to me and I forwarded it to the cousins.
Q. And what about the **guarantee of completion and performance document**, was that the same thing?
A. If it was all part of the closing document, when the attorney sent it to me, that's when I saw it.
Q. Same for the **commercial security agreement**?
A. I would think so if it was in the same closing document.
Q. Same for the **hazardous substances certificate and indemnity agreement**?
A. Yes, if it was in the closing documents.
Q. Same for the agreement to provide insurance?
A. Yes, if it was in the closing documents.
Q. And for the **UCC financing statement**?
A. If it was in the closing documents, yes.

Deposition of Plaintiff, p. 293, lines 8 – 25; p. 294 - 296, line 1.

Q. Okay. Any other – any conversation that you had in which they agreed to sign anything other than a mortgage.
A. Other than a mortgage, hmm, the only stipulation that they have was that they don't want to be personal guarantors on the note. They never said that they wouldn't sign over whatever the other things the bank needed.
Q. Yes, I'm asking you that question in the affirmative. **Neither Spiros nor Phillip ever agreed to sign anything other than, as you claim, a mortgage.**
A. **The only thing I remember is Spiros and Phillip Agreeing that they would not personally guarantee the note.**
Q. I'm going to ask you one more time, and you can say yes or no and then you can explain. **There was no circumstance in any conversation related to Old Towne Suites in which either Spiros or Phillip agreed to sign anything other than the mortgage you claim they were willing to sign.**
A. **I don't remember.**

Deposition of Plaintiff, p. 412, line 13 – p. 413 line 9.

E. CONCLUSION

Accordingly, based on the written correspondence and sworn testimony of the Plaintiff himself, I find no genuine issue of material fact exists because there was no meeting of the minds and no binding agreement existed between the parties as set forth above. I further find each one of these items listed above, in and of itself, is a material term which would defeat Plaintiff's claims

for breach of contract or specific performance. This case illustrates just why the law requires contracts involving large, complex transactions be reduced to writing. Every material term is critical, and there is too much opportunity for misunderstanding if all the material terms are not finalized and written out and the final agreement is not signed before it becomes binding. Plaintiff's claims fail as a matter of law, not only pursuant to the Statute of Frauds, but also because the multiple documents/contracts Plaintiff is asking Defendants to sign reflect material terms that are different than what Plaintiff himself alleges was the oral agreement the parties agreed to.

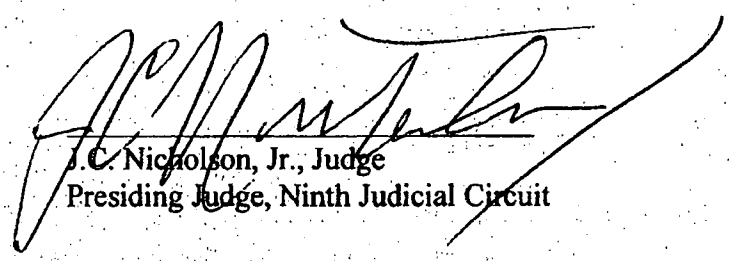
Furthermore, as for Defendant Iakovos/Jacob Ferderigos, Plaintiff has failed to set forth any evidence he breached any agreement or contract. Rather, as there was no binding agreement as to all parties, there was no binding agreement or contract which Defendant Iakovos/Jacob Ferderigos could have breached. Additionally, there is no evidence or genuine issue of material fact Defendant Iakovos/Jacob Ferderigos breached any contract or agreement with Plaintiff.

As for Plaintiff's breach of fiduciary duty/violation of the LLC statute S.C. Code § 33-44-409, I find no genuine issue of material fact exists as to such cause of action as to Defendants. Plaintiff has presented no evidence to the Court to create a genuine issue of material fact concerning such claim; moreover, as set forth previously, in key portions of his sworn testimony, Plaintiff testified Old Towne Suites, LLC, did not take any formal action, vote or even discuss the proposed project as part of Old Towne Suites, LLC, business. To the contrary, Plaintiff testified the parties allegedly agreed "as owners of the building [i.e. as individual tenants in common of 229 King Street]" to build the new building, not as members of an LLC. Accordingly, the LLC statute does not apply to Plaintiff's claims against Defendants.

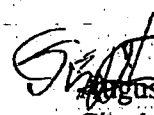
Moreover, for the reasons set forth herein, the Court rejects Plaintiff's equitable specific performance claim. I find it would be inequitable to require Defendants to specifically perform an alleged oral agreement upon material terms Defendants never agreed to.

Based on the above, I hereby grant Defendants' Motions for Summary Judgment as to all claims/causes of action as to all Defendants.

IT IS SO ORDERED.



J.C. Nicholson, Jr., Judge
Presiding Judge, Ninth Judicial Circuit



August 28, 2017
Charleston, SC

FORM 4

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

JUDGMENT IN A CIVIL CASE

CASE NO. 2015-CP-10-3919

Athan Fokas
PLAINTIFF(S)

Spiros Ferderigos, et al.
DEFENDANT(S)

Submitted by:	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. ☐ See Page 2 for additional information.

☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other

☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other

☐ **STAYED DUE TO BANKRUPTCY**

☐ **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.

FILED
2017 OCT 20 PM 3: 2
JULIE J. ARMSTRONG
CLERK OF COURT

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court: Plaintiff's Motion to Alter or Amend filed on October 9, 2017, is respectfully denied without a rehearing.

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.
Additional Information for the Clerk :

INFORMATION FOR THE JUDGMENT INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
N/A		

If applicable, describe the property, including tax map information and address, referenced in the order:
N/A

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.
E-Filing Note: In E-Filing counties, the Court will electronically sign this form using a separate electronic signature page.

Circuit Court Judge	2117 Judge Code	10/17/2017 Date

STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	)	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT
Athan Fokas, Plaintiff, v. Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos, Defendants.	)	Case No.: 2015-CP-10-3919 **ORDER REGARDING PLAINTIFF'S MOTION TO STRIKE ANSWERS AND COUNTERCLAIMS OF DEFENDANTS, SPIROS FERDERIGOS AND PHIILIP FERDERIGOS**

FILED
2015 DEC 16 PM 2:30
JULIE J. ARMSTRONG
CLERK OF COURT

This action was filed by Plaintiff alleging a breach of a contract between the parties to add floors to the building they own together at 229 King Street, the bottom floor of which houses the Old Towne Restaurant. Plaintiff alleges the same facts he has plead also make out a cause of action for breach of the duties owed by Defendants as members of the LLC through which they own the building. Two of the Defendants have answered, Spiros and Philip Ferderigos, and they alleged a number of counterclaims. Plaintiff has moved pursuant to S.C.R.C.P. 12(f) to strike specific portions of the Answers and Counterclaims of both Defendants, including several of the counterclaims. Substantively, the Answers of both Defendants are identical. They differ only in the numbering of a few paragraphs. This Court heard oral argument on the motions on December 9, 2015.

MOTION TO STRIKE THE COUNTERCLAIMS

Plaintiff included in his Rule 12(f) motion a request that the counterclaims included in the answers of both Defendants for Violation of the Duty of Care in S.C. Code Sec. 33-44-409, Defamation, Abuse of Process and Frivolous Proceedings be stricken for failure to allege sufficient facts to establish these causes of action. Based on the memoranda filed by the parties

and the arguments of counsel at the hearing of this matter, the Court finds that the motion to strike these counterclaims should be denied.

MOTION TO STRIKE MATTER THAT IS REDUNDANT, IMMATERIAL, IMPERTINENT AND/OR SCANDALOUS

Plaintiff's primary articulated objection to the parts of the Defendants' Answers is that reading these pleadings to the jury would prejudice their ability to hear Plaintiff's case. Avoiding such prejudice is one of the fundamental purposes of Rule 12(f). *Skadegaard v. Farrell,* 578 F.Supp. 1209, 1221 (D.N.J.1984); Wright & Miller 5C *Fed. Prac. & Proc. Civ.* § 1382 (3d ed.2011). At the hearing, counsel for both of these Defendants agreed that they would not read any part of these Answers and Counterclaims to a jury. Based on that agreement, this Court orders that no part of the Answers and Counterclaims of either Defendant may be read to a jury in this matter.

Plaintiff has asked that documents attached to these pleadings be stricken as they are redundant and because inclusion of documents which are unauthenticated and hearsay would, if read to a jury, subvert the rules of evidence, thereby prejudicing the Plaintiff's ability to prevent introduction to the jury of evidence otherwise improper. In light of the agreement of Defendants and this Courts Order that no part of their Answers and Counterclaims be read to a jury, it is not necessary to require the removal of the documents from these pleadings except as specified below with respect to allegations that are inherently prejudicial to Plaintiff and "scandalous" within the meaning of the Rule.

The Court is mindful of another of the purposes of Rule 12(f), "giving the allegations any other unnecessary notoriety inasmuch as, once filed, pleadings generally are public documents and become generally available." *Skadegaard,* supra; Wright & Miller, supra. Many of the allegations included in the Answers and Counterclaims filed by these Defendants have that

likelihood, while lacking any significant relevance to the matters in dispute. For that reason, this Court orders that the following language and exhibits be stricken from the Answers and Counterclaims of the Defendants:

1. Paragraph 104(a) and Exhibit R of the Answer of Philip Ferderigos which alleges that the Plaintiff was "half drunk" at a dinner party and told one of the Defendants that he hung "out with the ultra wealthy now and play their games"; and

Paragraph 103(a) and Exhibit R of the Answer of Spiros Ferderigos which is identical to the above paragraph in the Answer of Phillip Ferderigos.

2. Paragraph 106(a) and Exhibit S of the Answer of Philip Ferderigos which alleges that Plaintiff said he "was done paying your half of the food you so dearly like to eat at Old Towne…"; and

Paragraph 105(a) and Exhibit S of the Answer of Spiros Ferderigos which is identical to the above language.

3. Paragraph 108 and Exhibit T of the Answer of Philip Ferderigos which alleges that Plaintiff accused the Defendants of not going forward with the contract because they could not eat for free at the restaurant, insulted Philip Ferderigos' weight and said, "I bet your kids will be real proud of you in the future too. Your dad was right calling you 'palabo' (meaning "stupid" in Greek) Philipa."

Paragraph 107 and Exhibit T of the Answer of Spiros Ferderigos which is identical to the above language.

4. Paragraph 117, second sentence of the Answer of Philip Ferderigos, which reads, "This includes one email in which he specifically mentions that his lawsuits are not costing him anything because his attorney has taken on the case on a contingency fee"; and

Paragraph 116, second sentence of the Answer of Spiros Ferderigos which is identical to the above language.

5. Paragraph 127 x of the Answer of Philip Ferderigos which alleges that Plaintiff harassed Defendants by representing that he was going to make $25,000,000 as a consultant and that he said, "I hang out with the ultra wealthy now and play their games"; and

Paragraph 126 x of the Answer of Spiros Ferderigos which is identical to the above language.

6. Paragraph 127 aa of the Answer of Philip Ferderigos from the middle of the third line reading, "and that the proposed project fell apart because Philip could not eat for free at Old Towne Restaurant and by calling Philip Ferderigos stupid"; and

Paragraph 126 aa of the Answer of Spiros Ferderigos from the middle of the third line which is identical to the above language.

7. Paragraph 127 ff of the Answer of Philip Ferderigos which alleges that Plaintiff threatened to "take Philip and Spiros Ferderigos' homes and throw their children out on the street," unless they consummated the agreement Plaintiff alleges they made"; and

Paragraph 126 dd of the Answer of Spiros Ferderigos which is identical to the above language.

8. Paragraph 127 qq of the Answer of Philip Ferderigos which alleges that Plaintiff said his attorney was "working on a flat 20 percent contingency so he is not costing me anything until this case is settled" and that it will not cost him anything to proceed with his frivolous lawsuit strategy; and

Paragraph 126 oo of the Answer of Spiros Ferderigos which is identical to the above language.

NOW THEREFORE, it is ORDERED that:

1. Plaintiff's Motion to Strike counterclaims of the Defendants is denied;

2. Defendants shall not read any part of their Answers and Counterclaims to a jury in this matter;

3. Defendants shall within twenty (20) days of the date of this Order file Amended Answers and Counterclaims striking the language detailed above and removing the Exhibits R, S and T; and

4. Upon service of said Amended Answers and Counterclaims, Plaintiff shall have twenty (20) days to file Replies to any counterclaims contained therein.

IT IS SO ORDERED.

J. C. Nicholson, Jr.
Circuit Judge

12/16/15
Charleston, South Carolina

STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	)	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT
Athan Fokas, Plaintiff, v. Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos, Defendants.	)	Case No.: 2015-CP-10-3919 **ORDER REGARDING PLAINTIFF'S MOTION TO STRIKE ANSWERS AND COUNTERCLAIMS OF DEFENDANTS, SPIROS FERDERIGOS AND PHIILIP FERDERIGOS**

FILED
2016 JAN 28 PM 4:34
JULIE J. ARMSTRONG
CLERK OF COURT

This action was filed by Plaintiff alleging a breach of a contract between the parties to add floors to the building they own together at 229 King Street, the bottom floor of which houses the Old Towne Restaurant. Plaintiff alleges the same facts he has pleaded also make out a cause of action for breach of the duties owed by Defendants as members of an LLC. Two of the Defendants have answered, Spiros and Philip Ferderigos, and they alleged a number of defenses and counterclaims. In their Answers and Counterclaims, the Defendants deny Plaintiff's characterization of the proposed project and allege the proposed project involved the parties' investigation into the possibility of, feasibility of, and their interest in constructing a new building above 229 King Street to be used for rental units.

Plaintiff has moved pursuant to Rule 12(f), SCRCP, to strike specific portions of the Answers and Counterclaims of both Defendants, including the exhibits attached to the Answers and Counterclaims and several of the causes of action in the counterclaims. Substantively, the Answers of both Defendants are similar. This Court heard oral argument on the motions on December 9, 2015.

MOTION TO STRIKE THE COUNTERCLAIMS

Plaintiff included in his Rule 12(f) motion a request that the counterclaims included in the answers of both Defendants for Violation of the Duty of Care in S.C. Code Sec. 33-44-409, Defamation, Abuse of Process, and Frivolous Proceedings be stricken for failure to allege sufficient facts to establish these causes of action. Based on the pleadings and the arguments raised in the memoranda filed by the Defendants and the arguments of counsel at the hearing of this matter, the Court finds that the Defendants have sufficiently pleaded the various causes of action in their Counterclaims, and therefore, the motion to strike these counterclaims is denied. The Court does hereby order that the Defendants cannot read any portion of the allegations contained in their Answers and Counterclaims to the jury at trial.

MOTION TO STRIKE THE EXHIBITS TO ANSWERS AND COUNTERCLAIMS

Plaintiff included in his Rule 12(f) motion a request that the exhibits to the Defendants' Answers and Counterclaims be stricken. Based on the memoranda filed by the parties and the arguments of counsel at the hearing of this matter, the Court finds that the motion to strike the exhibits from the Answers and Counterclaims is denied. By way of this Order, the Court does not rule on the admissibility of these exhibits at trial and specifically reserves those rulings to the trial court. The Court does order that the Defendants cannot read any portion of any exhibit attached to their Answers and Counterclaims to the jury at trial, absent a ruling by the trial court that the exhibit is admissible into evidence.

MOTION TO STRIKE SPECIFIC ALLEGATIONS

Plaintiff included in his Rule 12(f) motion a request to strike specific allegations from the Answers and Counterclaims. The Court has had an opportunity to review the specific allegations at issue in the Plaintiff's Motion and the Court denies the motion to strike.

NOW THEREFORE, it is ORDERED that:

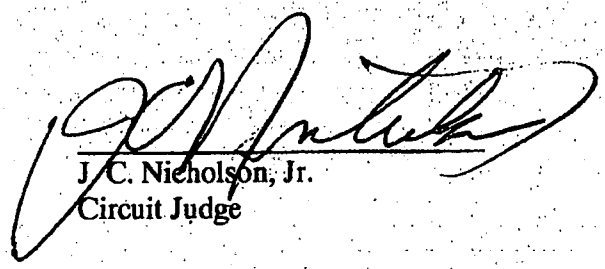
1. Plaintiff's Motion to Strike the counterclaims of the Defendants is denied;

2. Plaintiff's Motion to Strike the exhibits from the Answers and Counterclaims of the Defendants is denied; and

3. Defendants shall not read any part of their Answers and Counterclaims, including exhibits, to a jury in this matter absent a ruling by the trial court that a specific exhibit is admissible; and

4. The Court hereby takes Plaintiff's Rule 12(f) motion to strike specific factual allegations from the Defendants' Answers and Counterclaims is denied.

IT IS SO ORDERED.



J. C. Nicholson, Jr.
Circuit Judge

7/20/16
Charleston, South Carolina

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO.: 2015-CP-10-3919

ATHAN FOKAS
Plaintiff,
vs.
PHILLIP FERDERIGOS, JACOB FERDERIGOS, JACOB FERDERIGOS, AND SPIROS FERDERIGOS
Defendant.

MOTION AND ORDER INFORMATION FORM AND COVERSHEET

Plaintiff's Attorney:	Defendant's Attorney:
STANLEY BARNETT, Bar No. _____	John A. Massalon, Bar No. 10279
Address:	Address:
P.O. BOX 1542	P.O BOX 859
MT. PLEASANT, SC 29465	CHARLESTON, SC 29402
Phone: 843-881-1623 Fax 843-881-4406	Phone: 843-727-1144 Fax8433-727-7696
E-mail: stanleyb@s3blaw.comOther: _____	E-mail: jmassalon@wmalawfirm.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: _____
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 4/11/2016

SECTION III: Motion Fee

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

JUDGE'S SECTION	
☐ Motion Fee to be paid upon filing of the attached order.	JUDGE CODE _____
☐ Other: _____	Date: _____

CLERK'S VERIFICATION

Collected by: _____ Date Filed: _____
☐ MOTION FEE COLLECTED: $ _____
☐ CONTESTED – AMOUNT DUE: $ _____

FILED
2016 APR 15 AM 10: 20
JULIE J. ARMSTRONG
CLERK OF COURT

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	IN THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO.: 2015-CP-10-3919
Athan Fokas,	)	
Plaintiff,	)	
v.	)	**CONSENT ORDER REGARDING PLAINTIFF'S MOTION TO STRIKE ANSWER AND COUNTERCLAIMS OF DEFENDANT, JACOB FERDERIGOS**
Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos,	)	
Defendants.	)	

This action was filed by Plaintiff alleging a breach of contract between the parties to add floors to the building they own together at 229 King Street, the bottom floor of which houses the Old Towne Restaurant. Plaintiff alleges the same facts he has pleaded also make out a case of action for breach of the duties owned by Defendants as members of an LLC. Defendant, Jacob Ferderigos has answered and alleges a number of defenses and counterclaims. In his Answer and Counterclaims, Defendant denies Plaintiff's characterization of the proposed project and alleges the proposed project involved the parties' investigation into the possibility of, feasibility of, and his interest in constructing a new building above 229 King Street to be used for rental units.

Plaintiff has moved pursuant to Rule 12(f), SCRCP, to strike specific portions of the Answer and Counterclaim of Defendant, Jacob Ferderigos, including the exhibits attached to the Answer and Counterclaims and several of the causes of action in the counterclaims. This motion is substantively similar to Plaintiff's previously filed Motion to Strike the Answers and Counterclaims of Defendants, Spiros Ferderigos and Philip Ferderigos, which this Court heard on December 9, 2015 and issued an order on January 28, 2016. For this reason, the parties to this motion have consulted, and consent to resolve the within issues pursuant to the Court's order dated

January 28, 2016, as evidenced by the signatures of their attorneys below.

MOTION TO STRIKE THE COUNTERCLAIMS

Plaintiff included in his Rule 12(f) motion a request that the counterclaims included in the Answer of Defendant for Violation of the Duty of Care in S.C. Code Sec. 33-44-409, Defamation, Abuse of Process, and Frivolous Proceedings be stricken for failure to allege sufficient facts to establish these causes of action. Based upon the consent of the parties and the previous ruling of this Court, which found that the Defendants had sufficiently pleaded the various causes of action in their Counterclaims, the motion to strike these counterclaims is denied. The Court does hereby order that the Defendant cannot read any portion of the allegations contained in his Answer and Counterclaims to the jury at trial.

MOTION TO STRIKE THE EXHIBITS TO ANSWERS AND COUNTERCLAIMS

Plaintiff included in his Rule 12(f) motion a request that the exhibits to the Defendant's Answer and Counterclaims be stricken. Based upon the consent of the parties and the previous ruling of this Court the motion to strike the exhibits from the Answer and Counterclaims is denied. By way of this Order, the Court does not rule on the admissibility of these exhibits at trial and specifically reserves those rulings to the trial court. The Court does order that the Defendant cannot read any portion of any exhibits attached to his Answer and Counterclaims to the jury at trial, absent a ruling by the trial court that the exhibit is admissible into evidence.

MOTION TO STRIKE SPECIFIC ALLEGATIONS

Plaintiff included in his Rule 12(f) motion a request to strike specific allegations from the Answer and Counterclaims. Based upon the consent of the parties and the previous ruling of this Court, the Court denies the motion to strike.

NOW THEREFORE, IT IS ORDERED THAT:

1. Plaintiff's Motion to Strike the counterclaims of Defendant, Jacob Ferderigos is denied;
2. Plaintiff's Motion to Strike the exhibits from the Answer and Counterclaims of Defendant, Jacob Ferderigos is denied;
3. Defendant, Jacob Ferderigos shall not read any part of his Answer and Counterclaims, including exhibits, to a jury in this matter absent a ruling by the trial court that a specific exhibit is admissible; and
4. The Court hereby takes Plaintiff's Rule 12(f) motion to strike specific factual allegations from the Defendant's Answer and Counterclaims is denied.

IT IS SO ORDERED.

The Honorable J.C. Nicholson Jr.
Circuit Judge

April 19, 2016

Charleston, South Carolina

WE SO CONSENT:

Stanley E. Barnett, Esquire
Smith, Bundy, Bybee & Barnett, P.C.
Post Office Box 1542
Mt. Pleasant, South Carolina 29465-1542
(843) 881-1623
stanleyb@s3blaw.com

ATTORNEYS FOR PLAINTIFF

WE SO CONSENT:

John A. Massalon
I. Ryan Neville
WILLS MASSALON & ALLEN LLC
Post Office Box 859
Charleston, South Carolina 29402
(843) 727-1144
jmassalon@wmalawfirm.net
rneville@wmalawfirm.net

ATTORNEYS FOR DEFENDANT
JACOB FERDERIGOS

WMA
WILLS MASSALON & ALLEN LLC

97 Broad Street • Charleston, SC 29401 • Post Office Box 859 • Charleston, SC 29402
Phone: 843-727-1144 • Fax: 843-727-7696 • www.wmalawfirm.net

April 11, 2016

VIA HAND DELIVERY
The Honorable Julie J. Armstrong
Charleston County Clerk of Court
100 Broad Street, Suite 106
Charleston, South Carolina 29401

RE: Athan Fokas v. Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos
Case No.: 2015-CP-10-3919
Our File No.: 1056-1

Dear Julie:

In regard to the above-referenced matter, enclosed please find the original and one (1) copy of a Consent Order Regarding Plaintiff's Motion to Strike Answer and Counterclaims of Defendant, Jacob Ferderigos and Motion Coversheet. In addition, please find my firm's check in the amount of $25.00 representing the filing fee.

Please present the proposed order to Judge Nicholson for review. If the order meets his approval, please file the original, file-stamp the copy, and return the file-stamped copy to me in the self-addressed, stamped envelope provided. If you have any questions, please do not hesitate to contact me.

With kind regards, I am

Sincerely,

WILLS MASSALON & ALLEN LLC

John A. Massalon
jmassalon@wmalawfirm.net

JAM/cb
Enclosures
cc: Mr. Jacob Ferderigos
Stanley E. Barnett, Esquire
Richard A. Farrier, Jr., Esquire/Jennifer H. Thiem, Esquire
M. Dawes Cooke, Jr., Esquire/Jeremy E. Bowers, Esquire
Joseph R. Weston, Esquire

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
Athan Fokas)
Plaintiff(s))
)
vs.)
)
Philip Ferderigos, Jacob Ferderigos and Spiros Ferderigos)
Defendant(s))

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2015 -CP-10 -3919

(Please Print)
Submitted By: Stan Barnett
Address: 1037 Chuck Dawley Blvd., Suite 100
Building F, Mount Pleasant, SC 29464

SC Bar #: 533
Telephone #: 843.881.1623
Fax #: 843.881.4406
Other:
E-mail: stanleybess@law.com

FILED
2015 JUL 15 PM 2:28
REGISTER OF COURTS

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

DOCKETING INFORMATION (*Check all that apply*)

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

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

NATURE OF ACTION (*Check One Box Below*)

Contracts
- ☐ Constructions (100)
- ☐ Debt Collection (110)
- ☐ Employment (120)
- ☐ General (130)
- ☒ Breach of Contract (140)
- ☐ Other (199)

Torts - Professional Malpractice
- ☐ Dental Malpractice (200)
- ☐ Legal Malpractice (210)
- ☐ Medical Malpractice (220)

Previous Notice of Intent Case # 20____-CP-_____-_____
- ☐ Notice/ File Med Mal (230)
- ☐ Other (299)

Torts – Personal Injury
- ☐ Assault/Slander/Libel (300)
- ☐ Conversion (310)
- ☐ Motor Vehicle Accident (320)
- ☐ 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)
- ☐ Mandamus (520)
- ☐ Habeas Corpus (530)
- ☐ Other (599)

Judgments/Settlements
- ☐ Death Settlement (700)
- ☐ Foreign Judgment (710)
- ☐ Magistrate's Judgment (720)
- ☐ Minor Settlement (730)
- ☐ Transcript Judgment (740)
- ☐ Lis Pendens (750)
- ☐ Transfer of Structured Settlement Payment Rights Application (760)
- ☐ Other (799)

Administrative Law/Relief
- ☐ Reinstate Driver's License (800)
- ☐ Judicial Review (810)
- ☐ Relief (820)
- ☐ Permanent Injunction (830)
- ☐ Forfeiture-Petition (840)
- ☐ Forfeiture—Consent Order (850)
- ☐ Other (899)

Appeals
- ☐ Arbitration (900)
- ☐ Magistrate-Civil (910)
- ☐ Magistrate-Criminal (920)
- ☐ Municipal (930)
- ☐ Probate Court (940)
- ☐ SCDOT (950)
- ☐ Worker's Comp (960)
- ☐ Zoning Board (970)
- ☐ Public Service Commission (990)
- ☐ Employment Security Comm (991)
- ☐ Other (999)

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

Submitting Party Signature: Stan Barnett **Date:** 7/15/15

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

STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	)	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT
Athan Fokas, Plaintiff, v. Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos, Defendant(s).	)	Case No.: 2015-CP-10-3919 **SUMMONS** (Breach of Contract, Specific Performance, Breach of Fiduciary Duty) (Jury Trial Demanded)

FILED
2015 JUL 15 PM 2:28
JULIE J. ARMSTRONG
CLERK OF COURT

TO THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the complaint in this action, a copy of which is hereby served upon you, and to serve a copy of your answer to the said complaint upon the subscriber, Stan Barnett, of Smith, Bundy, Bybee & Barnett, P.C., Post Office Box 1542, Mt. Pleasant, South Carolina 29465-1542, within thirty (30) days after service thereof, exclusive of the day of service; and if you fail to do so judgment by default will be rendered against you for the relief demanded in the complaint.

Stan Barnett

Stan Barnett
SMITH, BUNDY, BYBEE & BARNETT
Post Office Box 1542
Mt. Pleasant, South Carolina 29465-1542
Telephone: (843) 881-1623
Attorneys for Plaintiff

Mount Pleasant, South Carolina
July 15, 2015

STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	)	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT
Athan Fokas, Plaintiff, v. Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos, Defendant(s).	)	Case No.: 2015-CP-10-3919 **COMPLAINT** (Breach of Contract, Specific Performance, Breach of Fiduciary Duty) (Jury Trial Demanded)

FILED
2015 JUL 15 PM 2:28
JULIE J. ARMSTRONG
CLERK OF COURT

COMES NOW the Plaintiff who for his complaint against the Defendants named above alleges as follows:

COMES NOW the Plaintiff, Athan Fokas, who for his Complaint against Defendants alleges as follows:

1. Plaintiff is a citizen and resident of Charleston County, South Carolina.
2. Defendant Philip Ferderigos is a citizen and resident of Charleston County, South Carolina.
3. Defendant Spiros Ferderigos is a citizen and resident of Charleston County, South Carolina.
4. Defendant Jacob Ferderigos is a citizen and resident of Charleston County, South Carolina.
5. Plaintiff and Defendants ("the Ferderigos brothers") are owners and principals of Old Towne Suites, LLC which operates a business in the building located at 229 King Street which houses the Old Towne Restaurant, said business being rental of luxury suites.

6. Plaintiff and Defendants Ferderigos together hold title to the building at 229 King Street with Plaintiff owning an undivided one half interest and the other one half undivided interest being held in equal shares by the said Ferderigos brothers.
7. The luxury suite rental business described above was commenced after the upper story of 229 King Street was converted from restaurant seating to luxury suites.
8. The success and profitability of the suites rental business was such that the parties agreed in 2012 to investigate the possibility of adding more rental suites by expanding the building.
9. In early 2013, the parties jointly agreed to investigate financing options and Defendants authorized Plaintiff to look for acceptable financing.
10. Plaintiff and Jacob Ferderigos worked in late 2012 and throughout 2013 with engineers, an architect and others to develop plans for the expansion of the building, all with the knowledge and consent of Philip and Spiros Ferderigos.
11. By January 2014, Plaintiff secured pre-approval of a loan for the building expansion for more rental suites in which he and Jacob Ferderigos would personally guarantee the loan but the other Defendants would not execute a personal guarantee.
12. The details of the loan package was explained to Defendants who were aware that they would be required to execute a mortgage for the building and that the LLC would be a signatory on the note to the lending bank and Defendants consented to these things being done.
13. Defendants Philip and Spiros Ferderigos agreed to execute the mortgage so long as they were not required to sign as personal guarantors on the note to the bank, and at no time were they asked by Plaintiff or any lending bank to do so.

14. Based on this agreement, Plaintiff expended considerable expense and effort toward securing planning and zoning approval for the project and in finalizing design plans.

15. A closing was scheduled by Plaintiff and Jacob Ferderigos with the bank for October 24, 2014.

16. Defendant Spiros Ferderigos refused to sign the mortgage for the closing as he was in contention for a seat on the South Carolina Circuit Court and informed Plaintiff the mortgage might affect his consideration.

17. A second closing was set for late November 2014.

18. Prior to the second closing Defendant Philip Ferderigos demanded that Plaintiff execute an agreement whereby specified penalties would be paid in the event payments were not made on the note to the lending bank. If this agreement were executed, said Defendant agreed he would execute the mortgage.

19. Initially, Plaintiff refused to sign the agreement as it was a change in the agreement of the parties and the scheduled closing was cancelled due to Defendants Philip and Spiros Ferderigos' refusal to sign the mortgage.

20. Plaintiff agreed to sign the agreement presented to him by Defendant Philip Ferderigos in early 2015.

21. Despite Plaintiff's agreement to sign the above agreement, Defendants refused to sign the mortgage and notified Plaintiff they would not go forward with the planned expansion of the building. Defendant Jacob Ferderigos has maintained he would not agree to going forward unless his brothers, Philip and Spiros, agreed to do so.

22. Defendants have continued to refuse to go forward with the agreement to expand the building and suites rental business despite repeated requests by Plaintiff to do so and despite the continued offer of the lending bank to complete the loan.

FOR A FIRST CAUSE OF ACTION
(Breach of Contract – Specific Performance)

23. Paragraphs 1 -21 are realleged herein.

24. A verbal contract was formed between the parties to expand the building at 229 King Street for the purpose of expanding the number of rental suites for their ongoing business.

25. The parties agreed to share the expense of the expansion planning in shares equal to their ownership of the building and of the LLC.

26. The parties agreed that they would all mortgage the building as part of a loan to finance the building expansion.

27. The parties agreed that only the LLC, Plaintiff and Jacob Ferderigos would sign the note as guarantors of the loan.

28. The parties entered into part performance in furtherance of their agreement in the form of payment of a total of $86,000 in fees for engineering, architectural work, planning and zoning approval and design work so that by the time a final loan package was offered by the bank, all designs and plans and all zoning approvals for the project were complete.

29. The sole contingency in said contract was securing of financing for the project.

30. Offer of a loan package by the lending bank, South Coast Bank, fulfilled the contingency so that all parties were bound to carry out their agreements making up the contract.

31. Defendants breached the contract by refusing to carry out their obligation to execute the mortgage on the building and other parts of the loan documentation.

32. Plaintiff has no adequate remedy at law as the contract involves a specific project at a specific property.

33. Plaintiff is entitled to specific performance of the contract whereby Defendants are ordered to execute the mortgage on 229 King Street as provided for in the loan package offered by South Coast Bank.

34. In addition, Plaintiff is entitled to associated damages he has incurred in the form of any increase in the costs to construct the building addition which have resulted from the delay in proceeding with the project, as well as the attorneys fees and costs incurred in proceeding with this action.

FOR A SECOND CAUSE OF ACTION
(Breach of Contract – Damages)

35. Paragraphs 1 -33 are realleged herein.

36. In the alternative, should specific performance not be ordered, Plaintiff is entitled by reason of Defendants' breach of contract to recover all damages incurred by reason of said breach in the form of lost profits from the rental suites expansion and associated costs incurred toward the project paid for by Plaintiff, as well as attorneys fees and costs incurred in bringing this action.

FOR A THIRD CAUSE OF ACTION
(Violation of the Duty of Care – S.C. Code Sec. 33-44-409)

37. Paragraphs 1 – 35 are realleged herein.

38. The duties of the members of the Old Towne Suites, LLC are governed by S.C. Code Sec. 33-44- 10, et seq. and specifically by 33-44-409.

39. Defendants as members of the LLC owe to Plaintiff a duty to refrain from engaging in conduct which is grossly negligent or reckless or which is intentional misconduct.

40. Defendants' refusal to execute the mortgage in accord with their agreement with Plaintiff and their brother Jacob as described above was grossly negligent, reckless and constitutes intentional misconduct, and as such constitutes a breach of their duty of care and a breach of the fiduciary duty they owe to Plaintiff.

41. By reason of the above breach of the duty of care and of their fiduciary duty to Plaintiff, Defendants are liable to Plaintiff for all damages he has incurred as a result of said breach in the form of lost profits, increased costs of construction of the building expansion and costs incurred by Plaintiff for the purpose of carrying out the building expansion as well as for the attorneys fees and costs incurred in pursuing this action.

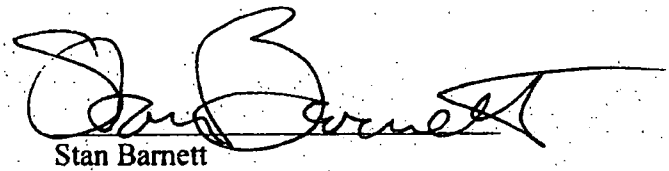
WHEREFORE, Plaintiff prays that this Honorable Court inquire into the mattes set forth herein and grant to Plaintiff:

1. Judgment against Defendants for specific performance requiring Defendants to consummate the contract between the parties by executing the documents necessary for the loan to finance the project which is the object of their contract;
2. Judgment against Defendants for damages incurred by Plaintiff as the result of Defendants' refusal to consummate the contract between the parties;
3. Judgment against Defendants for damages incurred by Plaintiffs as the result of Defendants' breach of their duty as members of the Old Towne Suites, LLC;

4. Judgment against Defendants for the Plaintiff's attorneys' fees and the costs of pursuing this action; and

5. Such other and further relief as this Court may deem just and proper.

Respectfully submitted,



Stan Barnett
Smith, Bundy, Bybee & Barnett, PC
P.O. Box 1542
Mount Pleasant, SC 29465
(843) 881-1623

July 15, 2015
Mount Pleasant, SC

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO. 2015-CP-10-3919
	)	
Athan Fokas,	)	
	)	
Plaintiff,	)	
v.	)	
	)	**SPIROS FERDERIGOS' ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS**
Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos,	)	
	)	
Defendants.	)	*Jury Trial Demanded*
	)	

FILED
2015 OCT -1 PM 4:20
JULIE J. ARMSTRONG
CLERK OF COURT
BY

Defendant Spiros Ferderigos through his undersigned counsel, respectfully submits the following Answer, Affirmative Defenses and Counterclaims to Plaintiff Athan Fokas' Complaint. Spiros Ferderigos denies each and every allegation not specifically admitted herein. Further, Spiros Ferderigos' Answers are limited to those allegations asserted against him. Spiros Ferderigos is not required to, and does not, respond to any allegations directed toward another defendant.

(1) Paragraph 1 does not contain allegations against Spiros Ferderigos. To the extent a response is required, Spiros Ferderigos admits Paragraph 1 upon information and belief.

(2) Paragraph 2 does not contain allegations against Spiros Ferderigos. To the extent a response is required, Spiros Ferderigos admits Paragraph 2.

(3) Spiros Ferderigos admits Paragraph 3.

(4) Paragraph 4 does not contain allegations against Spiros Ferderigos. To the extent a response is required, Spiros Ferderigos admits Paragraph 4.

(5) Spiros Ferderigos admits only that Athan Fokas and Defendants are members of Old Towne Suites, LLC (hereinafter "LLC"). Spiros Ferderigos denies the remainder of Paragraph 5.

(6) Spiros Ferderigos admits Paragraph 6.

(7) Spiros Ferderigos admits Paragraph 7 only to the extent that the currently existing rental business began after the upper two stories of 229 King Street were converted to rental units from restaurant seating. Spiros Ferderigos denies the remainder of Paragraph 7.

(8) Spiros Ferderigos admits Paragraph 8 only to the extent that in 2012, the parties began to investigate the possibility of, feasibility of, and their interest in constructing a new building above 229 King Street to be used for rental units. Spiros Ferderigos denies the remainder of Paragraph 8 and further denies the existence of any agreement to construct said building.

(9) Spiros Ferderigos denies Paragraph 9.

(10) Spiros Ferderigos admits Paragraph 10 only to the extent that, beginning no later than mid-2012, Athan Fokas and Jacob Ferderigos coordinated with an engineer(s), architect(s), and a contractor to develop plans to submit to the City of Charleston for possible approval to determine the cost, details, scope, feasibility and whether the City of Charleston would even allow the proposed project being considered by the parties. All activities at all times were for the consideration of a possible proposed project in the future; the parties entered into no agreements whatsoever, and all parties understood that any party could decide not to participate at any time. Spiros Ferderigos denies the remainder of Paragraph 10.

(11) Spiros Ferderigos admits Paragraph 11 only to the extent that Athan Fokas secured pre-approval of a loan for himself and for Jacob Ferderigos, the terms of which were never discussed with and/or agreed upon by Phillip and Spiros Ferderigos. Spiros Ferderigos denies the remainder of Paragraph 11. Athan Fokas and Jacob Ferderigos were supposed to get a personal loan for themselves which did not involve and/or affect Phillip and Spiros Ferderigos in any way whatsoever. Athan Fokas failed to secure such a loan.

(12) Spiros Ferderigos denies Paragraph 12.

(13) Spiros Ferderigos denies Paragraph 13.

(14) Spiros Ferderigos admits Paragraph 14 only to the extent that the parties expended expense and effort toward investigating the possibility of, feasibility of, and their interest in constructing the proposed project. Spiros Ferderigos denies the remainder of Paragraph 14 and denies that there was ever an agreement to construct the building between Athan Fokas and Spiros Ferderigos at any time whatsoever.

(15) Spiros Ferderigos denies Paragraph 15 as characterized.

(16) Spiros Ferderigos admits Paragraph 16 only to the extent that he was a candidate for a Family Court judgeship at the time Athan Fokas wrongfully demanded that Spiros Ferderigos mortgage his interest in 229 King Street and Athan Fokas unilaterally scheduled the closing for Athan Fokas' loan without consulting Spiros Ferderigos. As Spiros Ferderigos had never agreed to mortgage his interest in 229 King Street, Spiros Ferderigos was not willing to consider encumbering his interest in 229 King Street unless Athan Fokas signed a side/ancillary agreement that Spiros Ferderigos was satisfied would protect his most valuable asset known at the time. Spiros Ferderigos was further not

willing to amend his financial information and amend his judicial filings simply because Athan Fokas wrongfully demanded that Spiros Ferderigos encumber his financial interest(s). Spiros Ferderigos informed Athan Fokas that the timing of Athan Fokas' unilateral closing was not convenient for him, that he had never agreed to mortgage 229 King Street, and that he was not willing to even consider changing his financial status at the time.

(17) Spiros Ferderigos admits Paragraph 17.

(18) Spiros Ferderigos admits Paragraph 18 only to the extent that, if Athan Fokas would have signed the proposed written side/ancillary agreement prepared by Phillip and Spiros Ferderigos prior to the closing, Phillip and Spiros Ferderigos would have provided a mortgage of their portion of 229 King Street, assuming that the additional loan closing documents were also correct in all material aspects. Spiros Ferderigos denies the remainder of Paragraph 18.

(19) Spiros Ferderigos admits Paragraph 19 only to the extent that Athan Fokas refused to sign the side/ancillary agreement. Spiros Ferderigos denies the remainder of Paragraph 19. Specifically, Spiros Ferderigos denies that there was an agreement between the parties at any time.

(20) Spiros Ferderigos denies Paragraph 20.

(21) Spiros Ferderigos denies Paragraph 21 as characterized.

(22) Spiros Ferderigos denies Paragraph 22 as characterized and further denies that there was ever any agreement whatsoever between the parties at any time.

FOR A FIRST DEFENSE TO THE FIRST CAUSE OF ACTION
(Breach of Contract – Specific Performance)

(23) Responding to Paragraph 23, Spiros Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(24) Spiros Ferderigos denies Paragraph 24. Spiros Ferderigos has never verbally communicated with Athan Fokas about the proposed project being considered, and all communications between Spiros Ferderigos and Athan Fokas about the proposed project have been in writing.

(25) Spiros Ferderigos admits Paragraph 25 only to the extent that the parties were each responsible for their respective share of costs for considering the possibility of, feasibility of, and their interest in the proposed project being considered. Spiros Ferderigos denies the remainder of Paragraph 25.

(26) Spiros Ferderigos denies Paragraph 26.

(27) Spiros Ferderigos denies Paragraph 27.

(28) Spiros Ferderigos admits Paragraph 28 only to the extent that the parties paid expenses directly toward and directly for work to investigate the possibility of, feasibility of, and their interest in the proposed project being considered. Spiros Ferderigos denies the remainder of Paragraph 28 and denies that there was ever an agreement between the parties at any time.

(29) Spiros Ferderigos denies Paragraph 29.

(30) Spiros Ferderigos denies Paragraph 30.

(31) Spiros Ferderigos denies Paragraph 31.

(32) Spiros Ferderigos denies Paragraph 32.

(33) Spiros Ferderigos denies Paragraph 33.

(34) Spiros Ferderigos denies Paragraph 34.

FOR A FIRST DEFENSE TO THE SECOND CAUSE OF ACTION
(Breach of Contract -- Damages)

(35) Responding to Paragraph 35, Spiros Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(36) Spiros Ferderigos denies Paragraph 36.

FOR A FIRST DEFENSE TO THE THIRD CAUSE OF ACTION
(Violation of the Duty of Care -- S.C. Code Ann. § 33-44-409)

(37) Responding to Paragraph 37, Spiros Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(38) Paragraph 38 contains legal conclusions to which no response is required. To the extent a response is required, Spiros Ferderigos craves reference to the statutes cited in Paragraph 38 and, to the extent they are applicable, denies anything inconsistent therewith.

(39) Paragraph 39 contains legal conclusions to which no response is required. To the extent a response is required, Spiros Ferderigos craves reference to the statutes cited in Paragraph 39 and, to the extent they are applicable, denies anything inconsistent therewith. Spiros Ferderigos further denies that he owed any duty of care pursuant to

S.C. Code Ann. Section 33-44-409 to Athan Fokas relating to Spiros Ferderigos' real property interest in 229 King Street and/or the proposed project being considered. Spiros Ferderigos denies that the LLC statutes apply in this matter to impose any duty upon him, but, in the event the Court holds such duties do apply to him, Spiros Ferderigos denies that he breached any such duties.

(40) Spiros Ferderigos denies Paragraph 40.

(41) Spiros Ferderigos denies Paragraph 41.

FOR A SECOND DEFENSE TO ALL CAUSES OF ACTION

(42) Athan Fokas' claims fail to state facts sufficient to constitute a cause of action upon which relief can be granted. Therefore, pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure, the Complaint should be dismissed.

FOR A THIRD DEFENSE TO ALL CAUSES OF ACTION

(43) Athan Fokas' claims are barred, in whole or in part, by the doctrines of estoppel, ratification, waiver, laches, and/or unclean hands.

FOR A FOURTH DEFENSE TO ALL CAUSES OF ACTION
(Statute of Frauds and/or Statute of Limitations)

(44) Athan Fokas' Complaint states claims that are barred, in whole or in part, by the Statute of Frauds and/or statute of limitations.

FOR A FIFTH DEFENSE TO ALL CAUSES OF ACTION

(45) Athan Fokas has failed to mitigate his injuries and/or damages, if any.

FOR A SIXTH DEFENSE TO ALL CAUSES OF ACTION

(46) Spiros Ferderigos relies upon any other defenses that may become available or appear during discovery in the case and hereby reserves the right to amend this Answer to assert any such defenses. He also reserves the right to assert other and related defenses as may become available upon a determination of the law applicable to the action or any part thereof or claim therein.

FOR A SEVENTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Contributory/Comparative Negligence/Assumption of Risk)

(47) Any damage suffered by Athan Fokas is a direct and proximate result of his own comparative and contributory negligence and/or assumption of risk, and Athan Fokas'

recovery should be barred, or alternatively, reduced proportionately to Athan Fokas' comparative negligence/assumption.

FOR AN EIGHTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Release)

(48) The Plaintiff's claims are barred by release as the Plaintiff released Defendants from any alleged agreement on multiple occasions.

FOR AN NINTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Punitive Damages)

(49) The Defendant would show that the claim of Athan Fokas for punitive damages cannot be had because any award of punitive damages under South Carolina law without bifurcation of the trial so that any punitive damages issues are tried only after and if liability on the merits of the action have been found would violate Defendant's due process rights guaranteed by the United States Constitution and the South Carolina Constitution and would violate the common law and public policy of the State of South Carolina.

The Defendant would show that the claim of Athan Fokas for punitive damages cannot be had because an award of punitive damages under South Carolina law without being subject to a pre-determined limit on the amount of punitive damages that a jury might impose would violate Defendant's due process rights guaranteed by the United States Constitution and The South Carolina Constitution and would violate the common law of the State of South Carolina.

The Defendant alleges that the claim of Athan Fokas for punitive damages cannot be had because an award of punitive damages under South Carolina law by a jury that is not: a) provided with sufficiently clear standards for determining the appropriateness of the punitive damages award or size of such award; b) provided with accurate instructions as to the limits of punitive damages awards as determined by the principals underlying such an award; c) instructed that awarding punitive damages on invidiously discriminatory characteristics of the Defendant is improper; d) instructed to consider punitive damages under a standard for determining the amount that is neither vague, arbitrary nor capricious and that defines with reasonable clarity the actions of the Defendant upon which an award of punitive damages may be based; e) subjected to judicial review at both the trial and appellate court level under objective standards for determining appropriateness and reasonableness; and f) instructed that an award of punitive damages based on anything other than Defendant's conduct in connection with this alleged incident that is the subject of this lawsuit is forbidden; would violate the Defendant's equal protection and due process rights as guaranteed by the United Stated Constitution and the South Carolina Constitution and would also violate the laws of the State of South Carolina.

The Defendant alleges and says that the imposition of punitive damages on the basis of Athan Fokas' claims giving rise to this lawsuit would represent the deprivation of liberty and property without due process of law, the imposition of cruel and unusual punishment and excessive fines and deny the equal protection of the laws and violation of the Fifth, Sixth, Eighth, and Fourteenth Amendments to The Constitution of the United States and the comparable provisions of the State of South Carolina.

FOR A TENTH AFFIRMATIVE DEFENSE
(No Meeting of the Minds)

(50) Athan Fokas' claims are barred as there was no "meeting of the minds" and no binding agreement between the parties as to numerous material terms of the alleged agreement. Athan Fokas admits that Spiros Ferderigos did not agree to subject himself to personal liability on Fokas' personal loan involving the rental suite construction being considered at 229 King Street. A mortgage is a material term. It constitutes possible personal liability for Spiros Ferderigos by subjecting his most important and valuable asset known at the time, 229 King Street, to possible foreclosure in the event Fokas defaulted on his personal loan. Phillip Ferderigos told Athan Fokas that he would not mortgage or guarantee "anything" for Athan Fokas or anyone else. Spiros Ferderigos further informed Athan Fokas in writing on December 19, 2012, that he would not be willing to accumulate debt for the proposed project. A mortgage is a debt. In addition, Spiros Ferderigos signing his name as an individual (direct personal liability) and/or signing his interest as a member of the LLC (personal liability if the cooperate veil is pierced) for Athan Fokas' incorrect and non-agreed upon closing documents further constitutes exposure for a personal guarantee that Spiros Ferderigos never agreed to.

Athan Fokas' incorrect and non-agreed upon closing documents required Spiros Ferderigos to sign *as an individual* (1) a mortgage for Spiros Ferderigos' interest in 229 King Street, (2) an assignment of rents, (3) a hypothecation agreement, (4) a HUD Statement, (5) an agreement to provide insurance, and (6) a UCC Financing Statement/Addendum.

Athan Fokas' incorrect and non-agreed upon closing documents also required Spiros Ferderigos to assign his interests *as a member of the LLC* for (1) the Note as the Borrower for Athan Fokas' loan, (2) an assignment of rents for a construction loan agreement, (3) a guaranty of completion and performance agreement, (4) a commercial security agreement, (5) a hazardous substances certificate and indemnity agreement, (6) an agreement to provide insurance, and (7) a UCC Financing Statement/Addendum.

There were further numerous unknown material terms at the time Athan Fokas alleges the parties entered into an agreement that would make a meeting of the minds between the parties impossible, as the parties cannot and did not agree to material terms that were still unknown at the time. As such, the parties never reached a meeting of the minds as to the essential terms of a mortgage agreement, of a side agreement, and/or any material terms.

FOR AN ELEVENTH AFFIRMATIVE DEFENSE
(No Agreement to Agree)

(51) Athan Fokas' claims are barred as there was never even an "agreement to agree" between the parties. The cost of the proposed project, the scope of the proposed project, the financing details of the proposed project, the loan documentation details of the proposed project, and other material terms of the proposed project were simply unknown at the time Athan Fokas alleges an agreement was made. This is evidenced by the written documentation between the parties which have been attached as exhibits to Defendant(s) counterclaim(s).

FOR A TWELFTH AFFIRMATIVE DEFENSE
(No Consideration)

(52) Athan Fokas' claims fail for lack of consideration.

FOR A THIRTEENTH AFFIRMATIVE DEFENSE AND BY WAY OF COUNTERCLAIMS
(Facts)

(53) Athan Fokas is a citizen and resident of Charleston County, South Carolina. The text messages identified as (843) 813-5612 in the attached exhibits are text messages from Athan Fokas.

(54) Phillip Ferderigos is a citizen and resident of Charleston County, South Carolina.

(55) Spiros Ferderigos is a citizen and resident of Charleston County, South Carolina.

(56) Jacob Ferderigos is a citizen and resident of Charleston County, South Carolina.

(57) The father of Jacob Ferderigos, Phillip Ferderigos, and Spiros Ferderigos (hereinafter Ferderigos Brothers) established Old Towne Restaurant in 1972. Old Towne Restaurant is located at 229 King Street. The Parcel ID number for 229 King Street is 4570801063.

(58) Athan Fokas' father joined Ferderigos Brothers' father as a partner resulting in both Ferderigos Brothers' father and Athan Fokas' father each owning a respective fifty (50) percent interest in Old Towne Restaurant. Ferderigos Brothers' father and Athan Fokas' father purchased the real property located at 229 King Street with each receiving a fifty (50) percent respective interest in the real property.

(59) Ferderigos Brothers' father transferred his respective fifty (50) percent interest in the real property located at 229 King Street in equal shares to Ferderigos Brothers. Ferderigos Brothers' father further transferred his fifty (50) percent interest in Old Towne Restaurant to Jacob Ferderigos.

(60) Upon information and belief, Athan Fokas' father transferred his respective fifty (50) percent interest in Old Towne Restaurant and 229 King Street to Athan Fokas.

(61) Accordingly, Jacob Ferderigos and Athan Fokas each own a respective fifty (50) percent interest in Old Towne Restaurant. The Ferderigos Brothers own a combined fifty (50) percent interest in 229 King Street and Athan Fokas owns the remaining fifty (50) percent interest in 229 King Street.

(62) Old Towne Restaurant leases the first floor of 229 King Street from Ferderigos Brothers and Athan Fokas.

(63) In 2009, 229 King Street was burned in a fire. During the restoration period, Ferderigos Brothers and Athan Fokas converted the top two floors (second and third floor) into short term rental units (hereinafter "original rental units").

(64) Ferderigos Brothers and Athan Fokas paid their respective fifty (50) percent of all expenses for the original rental units in cash.

(65) Ferderigos Brothers and Athan Fokas did not mortgage 229 King Street for the original rental units.

(66) Ferderigos Brothers and Athan Fokas did not personally guarantee any asset and/or interest(s) for the original rental units (including but not limited to a mortgage).

(67) Ferderigos Brothers did not encumber any of their assets for Athan Fokas and Athan Fokas did not encumber any of his assets for Ferderigos Brothers for the original rental units.

(68) Ferderigos Brothers and Athan Fokas created Old Towne Suites, LLC (hereinafter the LLC) to distribute profits for the original rental units. Ferderigos Brothers own a combined fifty (50) percent interest of the LLC and Athan Fokas owns the remaining fifty (50) percent interest in the LLC. The LLC has no assets.

(69) After the LLC was created and the original rental units constructed, but no later than 2012, Athan Fokas informed one or more of the Ferderigos Brothers that he wanted to explore potentially adding new construction over the existing building at 229 King Street for additional short terms rental units (hereinafter "proposed project").

(70) Upon information and belief, Athan Fokas approached Phillip Ferderigos and told him that the parties should mortgage 229 King Street for the proposed project. Phillip Ferderigos informed Athan Fokas that he would not mortgage his interest in 229 King Street for the proposed project. Phillip Ferderigos has not had any substantive verbal communication(s) with Athan Fokas regarding the proposed project being explored since Phillip Ferderigos had the aforementioned communication wherein Phillip Ferderigos rejected Athan Fokas' request to encumber his asset(s).

(71) The Ferderigos Brothers were each individually comfortable exploring the possibility of, feasibility of, and exploring their interest in the proposed project; out of a matter of convenience, the Ferderigos Brothers and Athan Fokas paid their respective share of exploration expenses for the proposed project from their respective LLC profits.

(72) Ferderigos Brothers and Athan Fokas began exploring the proposed project in 2012 and by July 2012 were already accruing expenses for the exploration of the proposed project. *See Exhibit A and B.*

a. 08/06/12: First invoice from Tucker Architectural for concept drawings.
b. 12/11/12: Email from Tucker Architectural indicating that the concept drawings for the proposed project were approximately 80 percent complete.
c. 12/20/12: Final invoice from Tucker Architectural for concept drawings.

(73) By December 11, 2012, the architect hired by the parties was approximately eighty (80) percent complete with his concept drawings regarding the proposed project. *See Exhibit B.*

(74) Initially, Athan Fokas informed the Ferderigos Brothers the total cost of the proposed project would be approximately $900,000. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "the total cost for the project to build will be somewhere between $800,000 and $900,000 with spending about 25,000 per unit to furnish and make them luxury units. I hope we can keep this project somewhere around $900,000."

(75) Athan Fokas and Jacob Ferderigos began searching for a personal loan/loan commitment(s) for themselves in the event the City of Charleston would approve the construction of the proposed project being explored, assuming that the parties could reach an agreement for all material terms to build the proposed project.

(76) On December 19, 2012, Athan Fokas sent an email informing the Ferderigos Brothers that he is attempting to get an approximate $900,000 loan for the proposed project and that he believes all parties should personally guarantee and mortgage their interests in 229 King Street for the attempted loan. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "I hope we can keep this project somewhere around $900,000." "Our equity in Old Towne is somewhere between 5 and 10 million dollars. Many banks these days won't touch anything in the hospitality industry so it is no guaranteed that they will lend us the money. The note on the property should be somewhere in the neighborhood of $4000.00 a month if they let us carry the note for 30 years. If it is a 15 to 20 year note then the payments will be between $6000.00 and $8000.00 a month." "I'm only going to send information to banks that are very interested in doing the deal. I plan to give them Old Towne tax returns, Old Towne Suites income, and our personal

financial statements. Phillip asked if he would be personally guaranteeing the loan. Of course every loan out there wants the people taking out the loan to personally guarantee it. The loan is less than 20 percent of our total value and we have the income from our current suites that could easily pay the note so it's a no brainer. Let me know your thoughts."

(77) Spiros Ferderigos immediately responded, in writing, to Athan Fokas that he would not personally guarantee anyone else's loan or incur additional debts to accomplish the proposed project. Spiros Ferderigos stated that, if the proposed project moved forward, it would need to be in the same manner as the original rental units without Spiros Ferderigos accumulating debt, that Spiros Ferderigos anticipated paying cash for his share of the proposed project if the parties could reach an agreement, and that the cost of construction needed to be addressed. *See Exhibit D.*

a. 12/19/12: Spiros Ferderigos email response to Athan Fokas stating "Assuming all that pans out, there will be a continuing issue on how we finance. <u>If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it.</u> There is to much that can go wrong with a personal guarantee. I am confident that Phillip, Jacob and I will be able to come up with our end of the amount needed and <u>we can move forward without accumulating debt as we did for the first round of units.</u>" "The question is how do we get there, will it be by personally guaranteeing loans that could be catastrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. <u>I for one already have plenty of money sitting in a bank account for my share of the additional units.</u>" (Emphasis added).

(78) Spiros Ferderigos has never spoken verbally with Athan Fokas about the proposed project being explored. All communications between Spiros Ferderigos and Athan Fokas regarding the proposed project have been in writing.

(79) Athan Fokas and Jacob Ferderigos attempted several times to receive a personal loan/loan commitment(s) for the proposed project from numerous banks to no avail. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "With that said I don't even know if the bank will lend us the money. First Citizens said they are not allowed to touch the hospitality industry. BB&T is 50/50 and will let me know if they are interested in a couple of days. South Carolina Bank and Trust seems very interested according to their President but will have to see our current income to make sure the numbers work. I'm meeting with Suntrust tomorrow but I think they will be a long shot."

(80) In January 2013, Athan Fokas made initial contact with his South Coast Bank loan officer seeking a loan/loan commitment. *See Exhibit E.* South Coast Bank is the lending bank Athan Fokas refers to in his Complaint.

a. 01/11/13: Email from Jeffrey Odom (South Coast Bank loan officer) to Athan Fokas stating "It was a pleasure meeting you yesterday afternoon. I just received your fax so it looks like it went through. I have also received your emails with the attached financial information. Thank you for getting everything to us so quickly. We will get to work and will be in touch shortly."

(81) Phillip Ferderigos and Spiros Ferderigos were not involved in Athan Fokas' and Jacob Ferderigos' attempts to get a personal loan/loan commitment(s) and did not provide any financial information or make any assurances to the bank(s) for the loan Athan Fokas and Jacob Ferderigos were seeking. Furthermore, any prior loan/loan commitment(s) obtained by Athan Fokas and Jacob Ferderigos was for a personal loan between them only and to be personally guaranteed by Athan Fokas and Jacob Ferderigos only. *See Exhibit F.*

a. 06/17/14: Email correspondence between Spiros Ferderigos and Athan Ferderigos wherein Spiros Ferderigos asks Athan Fokas and Jacob Ferderigos "The loan pre-approval that you guys have for the suites...are ya'll going to have to personally guarantee the loan?" Athan Fokas responds "We are pre approved, and since we personally asked for the loan yes we are personally guaranteeing it."

(82) Unknown to Phillip and Spiros Ferderigos at the time, Athan Fokas and Jacob Ferderigos secured a personal loan commitment for themselves from South Coast Bank on February 5, 2013. The loan commitment was for a one million dollar personal loan to Athan Fokas and Jacob Ferderigos in which Athan Fokas and Jacob Ferderigos would provide a mortgage for their interest(s) in 229 King Street, their interest(s) in the LLC, and an assignment of their rents and leases, in addition to other interest(s) of Athan Fokas and Jacob Ferderigos. The loan commitment expired February 15, 2013. *See Exhibit G.*

(83) The February 5, 2013, loan commitment secured by Athan Fokas and Jacob Ferderigos for their personal loan (which was unknown to Phillip and Spiros Ferderigos at the time) was not sufficient for the proposed project being explored as the costs of the proposed project continued to increase as a result of the proposed plans being repeatedly rejected by the relevant governmental agency.

(84) Accordingly, Athan Fokas had to keep seeking approval for a new personal loan/loan commitment(s) from South Coast Bank that would be sufficient for the ever growing costs of the proposed project being explored.

(85) Athan Fokas did not inform Phillip and Spiros Ferderigos that the approximate cost for the proposed project being explored increased from approximately $900,000 to approximately $2,000,000 until September 9, 2014. *See Exhibit H.*

a. 09/09/14: Email from Athan Fokas to Ferderigos Brothers stating "It looks like our new project of six more units will cost us around two million to build."

(86) Accordingly, based upon information provided by Athan Fokas, Phillip and Spiros Ferderigos were paying expenses toward exploring the potential proposed project from as early as December 2012 through September 9, 2014, under the incorrect information provided by Athan Fokas that the approximate cost of the proposed project was $900,000, not double that amount of approximately $2,000,000.

a. 12/19/12: Email from Athan Fokas stated "the total cost for the project to build will be somewhere between $800,000 and $900,000 with spending about 25,000 per unit to furnish and make them luxury units. I hope we can keep this project somewhere around $900,000." *See Exhibit C.*
b. 09/09/14: Email from Athan Fokas to Ferderigos Brothers stating "It looks like our new project of six more units will cost us around two million to build." *See Exhibit H.*

(87) Athan Fokas did not receive approval of his $1,800,000 personal loan and did not receive the details for his personal loan for the proposed project from his banker until September 2014. *See Exhibit I.*

a. 09/19/14: Text from Athan Fokas to Ferderigos Brothers stating "Good news! We are approved for 1.8 million." Spiros Ferderigos responds "can you email us the details of the loan sometime this weekend if you have a chance?" Athan Fokas responds "The banker just cslled me. I won't have the details till next week." (Emphasis added).

(88) On September 24, 2014, Athan Fokas, either intentionally and/or negligently, incorrectly informed the Ferderigos Brothers that his loan terms were for a fixed 5% interest rate for 20 years, the life of the alleged loan. When Athan Fokas subsequently became aware that he was incorrect about his loan terms, Athan Fokas attempted to get his banker to change the terms to what Athan Fokas believed he had. Athan Fokas' attempts to change his loan terms were rejected by his banker. Athan Fokas response to Phillip Ferderigos when he was unable to get his banker to change his loan terms to what Athan Fokas believed he had was "Well at least I tried." *See Exhibit J.*

a. 09/24/14: Athan Fokas email to Ferderigos Brothers stating "Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry."
b. 09/25/14: Athan Fokas email to Jeffery Odom (South Coast Bank loan officer) asking his loan officer in regards to his loan terms "Can it say: 12 monthly payments of interest only followed by 239 consecutive monthly payments...so that it is truly a 20 years note. Just want to make sure that the note continues after 5 years."
c. 09/25/14: Jeffery Odom's response to Athan Fokas that "the note will be 12 months of interest only followed by 5 years of principal, interest, and escrow payments and then a balloon maturity, with monthly payments based on a 20 year

schedule. That is what you wanted and that is the same thing we are doing on your North Towne deal."

d. 09/25/14: Athan Fokas forwards Jeff Odom's email to Phillip Ferderigos and in response tells Phillip Ferderigos "Well at least I tried."

(89) The City of Charleston did not approve the proposed plans for the proposed project being explored until October 2014 and Athan Fokas informed the Ferderigos Brothers on October 10, 2014, that the permit for the proposed project being explored was approved. *See Exhibit K.*

(90) From 2012 to October 2014, the estimated costs of the proposed project increased from less than a million dollars to over two million dollars.

(91) When the city approved the proposed plans for the proposed project, Athan Fokas unilaterally scheduled a closing for what was to be Athan Fokas' and Jacob Ferderigos' personal loan. Jacob, Phillip, and Spiros Ferderigos were not informed nor involved in the scheduling of the closing date and were not informed of the closing date until after it had been scheduled by Athan Fokas.

(92) Upon information and belief, a few days prior to the closing for Athan Fokas' and Jacob Ferderigos' personal loan, Athan Fokas contacted Jacob Ferderigos and informed him that Phillip and Spiros Ferderigos would need to be present at the closing to mortgage their interests in 229 King Street for the loan. Jacob Ferderigos informed Athan Fokas that Phillip and Spiros Ferderigos never agreed to mortgage their interests in 229 King Street and that such a mortgage was outright rejected and never considered for the proposed project. Jacob Ferderigos further informed Athan Fokas that he did not believe Phillip and Spiros Ferderigos would agree to Athan Fokas' new material demand that they mortgage their interests in 229 King Street.

(93) Jacob Ferderigos informed Phillip and Spiros Ferderigos that Athan Fokas had scheduled a closing to be held in a few days and that Athan Fokas was demanding that Phillip and Spiros Ferderigos mortgage their interests in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan.

(94) Upon being informed of this new demand, Spiros Ferderigos communicated with all parties in writing that he never agreed to mortgage his interest in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan, however, he would consider mortgaging his interest in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan so long as Athan Fokas signed a side/ancillary agreement that Spiros Ferderigos believed was sufficient to protect his financial asset, assuming that all closing documents were correct.

(95) Phillip Ferderigos also informed Athan Fokas that, although he never agreed to mortgage his interest in 229 King Street, he would consider doing so if Athan Fokas, Jacob Ferderigos, and Spiros Ferderigos signed a side agreement that Phillip Ferderigos

believed was sufficient to protect his financial asset, assuming that all closing documents were correct.

(96) Spiros Ferderigos further informed Athan Fokas, Jacob Ferderigos, and Phillip Ferderigos that the closing date scheduled by Athan Fokas without Spiros Ferderigos' input was not convenient for Spiros Ferderigos and that the closing would have to be scheduled for a later date.

(97) Athan Fokas scheduled a second closing date for November 21, 2014. The Ferderigos Brothers were prepared to attend the closing with Phillip and Spiros Ferderigos willing to mortgage their interests in 229 King Street so long as Athan Fokas agreed to and signed the side agreement prepared by Phillip and Spiros Ferderigos, assuming that all closing documents were correct. *See Exhibit L.*

a. 11/21/14: Text chain correspondence between Athan Fokas and Phillip/Spiros Ferderigos the date of the second scheduled closing – Phillip: "if the closing is going to happen today, I need to have it as late in the day as possible…If there any issues, let's just kick it the next week." Athan: "They scheduled if for 3:00 pm today. Will that work?" Phillip: "Should work for me, ask the lawyer to email me the HUD/settlement statement and all paperwork beforehand and I can review it and we can go through the closing more quickly…" Spiros: "From my end, we need to have the agreement signed and a copy of the closing docs to review beforehand. I want to make sure I know what I am signing. So agreement needs to be done and hud/settlement statement like Phillip said. I will block off 3 pm. Where is the closing?" "Once we get the green light on the agreement and the closing docs are reviewed/accurate (which I don't see a reason why they wouldn't be) then we can move forward this afternoon. If there are any issues with the agreement, ect then we will need to revisit everything at a later time."

(98) Athan Fokas, however, refused to agree to and never agreed to or signed the written side agreement necessary for Phillip and Spiros Ferderigos to mortgage their interest in 229 King Street. *See Exhibit M.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "I'm not interested in you trying to bully me into signing any type of side agreement that is unnecessary. My attorney, as I said earlier, strongly was against it."
b. 11/24/14: Email response from Phillip Ferderigos to Athan Fokas stating "You are asking me to mortgage my part of Old Towne and you are unwilling to sign an Agreement to say that you will make your payments timely. I believe you have mortgaged your other properties and now you want to mortgage Old Towne. I am not your piggy bank. I will not mortgage my share of Old Towne for you unless you agree to make your payments timely. Unless you change your decision, there is no point in moving forward."
c. 11/24/14: Email response from Athan Fokas to Phillip Ferderigos stating "If you want me to sign a side agreement that guarantees I will pay the note then you will

sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences."

d. 11/24/14: Email response from Phillip Ferderigos to Athan Fokas stating "I do not care what your bank is requiring of you to get your loan...that has nothing to do with me. I will not sign off on any mortgage of my share unless you sign an agreement that you will make your payments timely. If you are an intelligent person you will see that I can not and will not agree to mortgage my share of Old Towne if you do not agree to make your payments on time."

e. 11/24/14: Email response from Athan Fokas to Phillip Ferderigos stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with Ferderigos Family."

(99) Furthermore, when the Ferderigos Brothers and Athan Fokas received the proposed closing documents to review just a few hours prior to the second closing, the closing documents included requirements that were never discussed and never agreed upon by Phillip and Spiros Ferderigos. *Exhibit N (closing documents).*

(100) The closing documents were incorrect in many ways by including provisions never agreed to or even discussed by the parties. Despite Athan Fokas' Complaint admitting that Phillip and Spiros Ferderigos never agreed to personally guarantee Athan Fokas' and Jacob Ferderigos' loan, the closing documents included terms that would expose Phillip and Spiros Ferderigos to personal liability such as (1) Phillip and Spiros Ferderigos signing their interests in the LLC as the borrower of the note (Athan Fokas' closing attorney admitted in writing that this could make Phillip and Spiros Ferderigos personally liable if the corporate veil were to be pierced and Athan Fokas admitted in an email that only Athan Fokas and Jacob Ferderigos were supposed to sign their individual memberships interests for the loan), (2) Phillip and Spiros Ferderigos signing a hypothecation agreement, (3) Phillip and Spiros Ferderigos assigning their rent profits for the benefit of the lending bank, (4) Phillip and Spiros Ferderigos personally signing the HUD Statement in their individual capacities, (5) Phillip and Spiros Ferderigos mortgaging their interests in 229 King Street, (6) Phillip and Spiros Ferderigos signing an agreement to provide insurance in their individual capacities, (7) Phillip and Spiros Ferderigos signing a UCC Financing Statement/Addendum in their individual capacities, and (8) Phillip and Spiros signing their interests in the LLC for a construction loan agreement, guaranty of completion and performance agreement, commercial security agreement, hazardous substances certificate and indemnity agreement, agreement to provide insurance, and UCC Financing Statement/Addendum, amongst other provisions. *See Exhibit N and O.*

a. 11/21/14: Email of Amy Haines (closing attorney) stating "Nothing in the documents I have makes you personally liable for the debt ... assuming the llc corporate veil could not be pierced for some reason." *See Exhibit O.*

b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "The bottom line is that the Old Towne Suites LLC on the note, that only Jacob and I are signing on as members, ..." *See Exhibit O.*

(101) Accordingly, the closing was canceled as Athan Fokas refused to agree to the terms of the side agreement and the closing documents included requirements never agreed to. *See Exhibit P.*

a. 11/21/14: Email from Phillip Ferderigos stating "it is clear that the bank has not been advised how to do the particulars correctly and this can not be rushed. Closing is off for today. If the docs can be fixed and all side agreements agreed to, then we can re-visit at that time."

(102) Later in the afternoon on the same date the second closing was cancelled, Athan Fokas informed the Ferderigos Brothers *for the first time* that he will be receiving approximately 2.7 million dollars on April 1, 2014, and that he intends to pay off his mortgage obligations at that time if Phillip and Spiros Ferderigos mortgage their interests in 229 King Street for his loan. *See Exhibit Q.*

a. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000 invested in. I then plan to pay off my debt in full."

(103) Given this new material information, Phillip and Spiros Ferderigos communicated to Athan Fokas that they would like to consider Athan Fokas, Phillip Ferderigos, and Spiros Ferderigos paying cash for their portion of the proposed project. Athan Fokas refused to move forward unless Phillip and Spiros Ferderigos agreed to mortgage 229 King Street and sign the incorrect closing documents. *See Exhibit R.*

a. 11/21/14: Email correspondence between Athan Fokas and Phillip/Spiros Ferderigos Brothers – Phillip: "If you're coming into all the money, why don't we just move forward in April and we don't even need this loan at all." Spiros: "That's a great idea." Athan: "I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months." Phillip: "Forget your bank, I have my bank…I think we should be fine, I like the idea…Athan, what do you say?" Spiros: "Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan." Phillip: "I agree this is certainly something we should explore." Spiros: "Why risk that huge loan if we don't have to?" Phillip: "Spiro, you are making a lot of sense, Athan, what do you think?" Athan: "I'm at a swanky dinner now and half drunk but by then I will be n the money and not interested in an ventures but my own. I'm also working on a deal where I get 25% of $100,000,000.00 for just being an expert consultant. I hang out with the ultra wealthy now and play their games."

(104) Athan Fokas rejected moving forward without the parties incurring millions of dollars in debt despite Phillip and Spiros Ferderigos maintaining since 2012 that they were unwilling to accumulate debt for the proposed project being explored and despite Athan Fokas' new revelation confirming that accumulating debt in the form of a multi-million dollar mortgage was unnecessary since Athan Fokas will be receiving 2.7 million

dollars in cash (this is nearly three times Athan Fokas' portion of costs for the proposed project).

(105) On November 24, 2014, after the parties yet again reached an impasse on negotiations for the proposed project being explored, Athan Fokas emailed the Ferderigos Brothers that the thirty (30) plus year custom of the Ferderigos and Fokas families eating at Old Towne Restaurant for free was to cease immediately. *See Exhibit S.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Oh it has been a pleasure to say the least. I'm also done with paying your half of the food you so dearly like to eat at Old Towne weekly on my dime. If you don't pay your portion to me then Jacob will have to. All management will be put on notice."

(106) This is despite the fact that it has been the custom for the Ferderigos and Fokas families to eat for free at Old Towne Restaurant since the 1970's when Athan Fokas' and the Ferderigos Brothers' parents became partners in the restaurant. Upon information and belief, Athan Fokas changed the aforementioned custom for the purpose of harassing, humiliating, and attempting to coerce and gain an upper hand in negotiations against Ferderigos Brothers.

(107) Athan Fokas then took things even a step further and texted Phillip Ferderigos that he can't wait to spread malicious rumors/defame him around the community by stating that a multimillion dollar project couldn't get done because Phillip Ferderigos couldn't eat for free at Old Towne Restaurant and that he is sure everyone will find it "hilarious." He further went on to insult Phillip Ferderigos' weight, made an inappropriate comment about Phillip Ferderigos as a father and called Phillip Ferderigos "palabo" which means "stupid" in Greek. *See Exhibit T.*

a. 12/15/14: Text message from Athan Fokas to Ferderigos Brothers referring to Phillip Ferderigos stating "I can't wait to spread the word that the suites multimillion dollar project couldn't get done cause Phillip can't eat for free. I'm sure everyone will find it hilarious. I'm probably doing you a favor. Smaller waist line. I bet your kids will be real proud of you in the future too. Your dad was right for calling you palabo [stupid] Philipa."

(108) Athan Fokas is the individual who terminated negotiations with Ferderigos Brothers and said he was no longer willing to move forward with exploring the proposed project. *See Exhibit U.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "I am interested in doing this deal now and will not do it later."
b. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family."

(109) Athan Fokas has also repeatedly released, in writing, the Ferderigos Brothers from any alleged agreement he claims the parties reached regarding the proposed project being explored. *See Exhibit V.*

a. 10/21/14: Text from Athan Fokas to Ferderigos Brothers stating "I would rather leave it in your hands now and keep me in the loop if and when you all are ready." "It's in your court now. I could care less. My Zeus deal is bringing in plenty to keep my family happy."
b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "Think about the big picture talk to the bank yourselves and get things done if you like."
c. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture." "In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows."
d. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Are ya'll contacting the bank, my attorney, and the closing attorney or are we just forgetting about it?"
e. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not."
f. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family."
g. 12/15/14: Text from Athan Fokas to Ferderigos Brothers stating "We can discuss all options when we meet and hopefully come to a mutual agreement."

(110) Athan has further repeatedly exonerated Jacob Ferderigos from any liability, alleged agreement, or any wrongdoing regarding this lawsuit by declaring that Jacob Ferderigos is the only "innocent person" in all of this and that he will keep Jacob Ferderigos out of the lawsuit. *See Exhibit W.*

a. 11/26/14: Email from Athan Fokas to Ferderigos Brothers stating "Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this."
b. 04/24/15: Text from Athan Fokas to Jacob Ferderigos stating "We figured out a way to keep you out the law suit."

(111) After the second closing was cancelled, Phillip Ferderigos and Spiros Ferderigos were made aware that the final costs for the proposed project were still unknown at the time of the second closing. *See Exhibit X* (the parties did not know the costs for the windows and/or sprinkler costs for windows).

a. 04/24/15: Text from Athan Fokas to Jacob Ferderigos stating "This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover."

(112) In addition, after the second closing was cancelled, the Ferderigos Brothers became aware for the first time that Athan Fokas entered into a written agreement with the contractor to build the proposed project being explored on October 15, 2014, without their knowledge or consent. *See Exhibit Y.*

(113) Athan Fokas entered into this agreement with the contractor (Kevin Carroll) without the prior consent or knowledge of the Ferderigos Brothers to enter into an agreement with the contractor, did not provide a copy of the agreement and/or its terms to the Ferderigos Brothers before or after signing the agreement, and signed on behalf of Jacob Ferderigos without his consent.

(114) Upon information and belief, Athan Fokas has further defamed Phillip and Spiros Ferderigos by informing a third party that the proposed project being explored was terminated because Phillip and Spiros Ferderigos were not willing to provide a mortgage for Jacob Ferderigos' portion of the proposed project and that Athan Fokas was not seeking Phillip and Spiros Ferderigos to mortgage Athan Fokas' portion of the proposed project.

(115) Upon information and belief, Athan Fokas for months continued to contact and tell the contractor (Kevin Carroll) that the proposed project was moving forward as planned despite being told by the Ferderigos Brothers that the proposed project being explored would not move forward.

(116) Although Phillip and Spiros Ferderigos have continued to ask Athan Fokas to stop harassing them with his ongoing emails, Athan Fokas has continued to send numerous emails to Phillip and/or Spiros Ferderigos in an effort to coerce them into agreeing to mortgage their interest(s) in 229 King Street and sign the incorrect closing documents, including sending emails threatening litigation in an effort to coerce Phillip and Spiros Ferderigos to give into his demands. This includes one email in which he specifically mentions that his lawsuits are not costing him anything because his attorney has taken on his case as a contingency fee. Upon information and belief, all of these emails have been sent to Phillip and Spiros Ferderigos in an effort to obtain an upper hand in negotiations and to wrongfully coerce Phillip and Spiros Ferderigos to succumb to Athan Fokas' rejected and/or non-agreed upon demands.

(117) Upon information and belief, Athan Fokas informed Jacob Ferderigos that he is going to file a lawsuit against Phillip and Spiros Ferderigos only if it does not cost him anything, and that he is going to take Phillip and Spiros' homes from them and they will be out on the street. Upon information and belief, Athan Fokas sent such communications to be relayed to Phillip and Spiros Ferderigos in bad faith and in an effort to obtain an upper hand in negotiations and to wrongfully coerce Phillip and Spiros Ferderigos to succumb to Athan Fokas' rejected and/or non-agreed upon demands.

(118) On July 14, 2015, Athan Fokas filed a defamation lawsuit against Phillip and Spiros Ferderigos based upon information Athan Fokas alleges he received from his mother (Irene Fokas). Specifically, Athan Fokas' defamation lawsuit alleges that Phillip and Spiros Ferderigos told their father (Stavros Ferderigos), who repeated to Athan Fokas' mother (Irene Fokas), that Athan Fokas hired someone to set fire to 229 King Street and that Athan Fokas has filed a false insurance claim(s). Irene Fokas allegedly confronted Athan Fokas about these allegations.

(119) Athan Fokas knowingly and willfully filed the defamation lawsuit knowing that there was absolutely no basis for the lawsuit and knowing that his mother (Irene Fokas) never told Athan Fokas the information he alleges in the Complaint.

(120) On August 18, 2015, Athan Fokas' mother (Irene Fokas) admitted that she never discussed the topics of Athan Fokas being involved in the 229 King Street fire and/or false insurance claim(s) with Defendants' father. *See Exhibit Z.*

a. August 21, 2015 email from Fanouris Ferderigos (Irene Fokas' brother) to Stan Barnett (Athan Fokas' attorney): "This letter is to make you aware that on August 18, 2015 my sister, Irene Fokas, adamantly denied to me in person that Stavros Ferderigos ever told her anything about the allegations set forth above from your Complaint and that she has never even discussed with Stavros Ferderigos the topics of Athan Fokas being involved, directly or indirectly, with the fire at 229 King Street and/or anything to do with any of Athan Fokas' insurance claims. Irene Fokas further told me that she would testify under oath that she never was told about these allegations by Stavros Ferderigos in any way whatsoever."

(121) Upon information and belief, Irene Fokas never told Athan Fokas that Phillip and/or Spiros Ferderigos were the source of the information alleged in Athan Fokas' defamation lawsuit against Phillip and Spiros Ferderigos.

(122) Upon information and belief, Athan Fokas has, without approval/permission of Jacob, Phillip, and/or Spiros Ferderigos, used 229 King Street for his own personal catering business and to store inventory for his own personal catering business and/or other side projects. Athan Fokas has done so for his own pecuniary gain and to the detriment of Jacob, Phillip, and/or Spiros Ferderigos, who have not received notice of these activities and/or any rent or other payments for Athan Fokas' unauthorized use of 229 King Street.

(123) That with the exception of highlighting for emphasis, the Exhibits attached to Defendants' Counterclaims have not been altered or amended and are true and accurate copies of the written documentation.

FOR A FOURTEENTH AFFIRMTAIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Violation of Duty of Care – S.C. Code Ann. § 33-44-409 and LLC Statutes)

(124) Spiros Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(125) Athan Fokas violated his duty of care to Spiros Ferderigos as set forth in the LLC statutes in numerous instances. While Spiros Ferderigos denies that the LLC statutes apply in this matter to impose any duties from Spiros Ferderigos to Athan Fokas, based on Athan Fokas' representations, conduct, and/or actions concerning the LLC, Athan Fokas breached his duty of care as further described below.

(126) Among other items, Athan Fokas violated his duty of care to Spiros Ferderigos by:

a. From December 19, 2012, until a few days before Athan Fokas' unilaterally scheduled closing, Athan Fokas never disclosed that he required Phillip and Spiros Ferderigos to mortgage their interest(s) in 229 King Street, personally guarantee their interests, and/or encumber their financial interests while Jacob, Phillip and Spiros Ferderigos continued to incur expenses for the proposed project under the belief that Athan Fokas was getting a personal loan with no assurances and/or encumbrances from Phillip and Spiros Ferderigos whatsoever;

b. Athan Fokas intentionally and improperly attempting to force Jacob, Phillip, and/or Spiros Ferderigos to do things that Jacob, Phillip, and/or Spiros Ferderigos never agreed to do;

c. While Jacob, Phillip, and/or Spiros Ferderigos continued to accrue significant expenses for the exploration of the proposed project under the belief from Athan Fokas that he and Jacob Ferderigos were getting their own personal loan, Athan Fokas purposefully, intentionally and/or negligently, did not

i. disclose he would be requiring Phillip and Spiros Ferderigos to mortgage their interests in 229 King Street for his benefit.

ii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interests in the LLC as borrower for Athan Fokas' loan for his benefit.

iii. disclose he would be requiring Phillip and Spiros Ferderigos to sign an assignment of rents for Athan Fokas' loan for his benefit.

iv. disclose he would be requiring Phillip and Spiros Ferderigos to sign a hypothecation agreement for Athan Fokas' loan for his benefit.

v. disclose he would be requiring Phillip and Spiros Ferderigos to sign a HUD Statement for Athan Fokas' loan for his benefit.

vi. disclose he would be requiring Phillip and Spiros Ferderigos to sign an agreement to provide insurance for Athan Fokas' loan for his benefit.

vii. disclose he would be requiring Phillip and Spiros Ferderigos to sign a UCC Financing Statement/Addendum for Athan Fokas' loan for his benefit.

viii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC on the Note and/or authorize their interest(s) in the LLC to be signed on the Note.

ix. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a construction loan agreement for Athan Fokas' loan for his benefit.

x. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a guaranty of completion and performance agreement for Athan Fokas' loan for his benefit.

xi. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a commercial security agreement for Athan Fokas' loan for his benefit.

xii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a hazardous substances certificate and indemnity agreement for Athan Fokas' loan for his benefit.

xiii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for an agreement to provide insurance for Athan Fokas' loan for his benefit.

xiv. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a UCC Financing Statement/Addendum for Athan Fokas' loan for his benefit.

d. Athan Fokas signing a loan commitment letter with his bank without the knowledge, consent, and/or approval of Phillip and Spiros Ferderigos, while now apparently claiming that the terms of that commitment letter somehow obligate

Phillip and Spiros Ferderigos to provide certain financial guarantees and/or encumbrances, which Phillip and Spiros Ferderigos had previously rejected.

e. Athan Fokas failing to obtain a personal loan to fund his portion of the proposed project.

f. Athan Fokas apparently having the funds to pay for his portion of the proposed project but choosing not to use his funds, but instead demanding Phillip and Spiros Ferderigos succumb to his demands which were outright rejected and never agreed upon.

g. Athan Fokas purposefully, intentionally, and/or negligently hiding from Jacob, Phillip, and/or Spiros Ferderigos the fact that Athan Fokas did not obtain a personal loan. Athan Fokas purposefully waited until a few days prior to Athan Fokas' unilaterally scheduled closing and after Jacob, Phillip and Spiros Ferderigos had already paid the vast majority of exploration costs before informing them that he did not have a personal loan. Athan Fokas willfully waited to disclose this material information in order to coerce Phillip and Spiros Ferderigos, who had by that time invested significant funds to explore the project, to give into his demands, which Phillip and Spiros Ferderigos had outright rejected and/or never agreed upon.

h. Athan Fokas purposefully waiting a few days before his first unilaterally scheduled closing to advise Jacob, Phillip, and Spiros Ferderigos that he needed Phillip and Spiros Ferderigos to underwrite his loan by providing him with a mortgage over their portion of 229 King Street, when Athan Fokas knew Phillip and Spiros Ferderigos had rejected such terms.

i. Athan Fokas demanding that Phillip and Spiros Ferderigos mortgage 229 King Street when Athan Fokas knew that Phillip and Spiros Ferderigos had outright rejected such material term.

j. Athan Fokas purposefully, willfully, and/or negligently unilaterally and continuously setting a closing date for his loan based on incorrect loan closing documents which would purport to require Phillip and Spiros Ferderigos to sign documents in Athan Fokas' favor, which Phillip and Spiros Ferderigos outright rejected and/or never agreed to sign.

k. Athan Fokas purposefully, willfully, and/or negligently and improperly adding new material terms in his loan documents that Phillip and Spiros Ferderigos had previously outright rejected and/or never agreed upon.

l. Athan Fokas negligently withholding and/or misrepresenting material terms of the proposed project.

m. Athan Fokas intentionally and negligently stating that Phillip and Spiros Ferderigos had made an oral agreement with him to mortgage their interests for his benefit in 229 King Street and to sign their respective interests in the LLC as a borrower for Athan Fokas' loan, when Athan Fokas knows that such statement are outright lies.

n. Athan Fokas purposefully, willfully, and/or negligently misrepresenting the requirements of his loan package and/or loan documents to Jacob, Phillip and/or Spiros Ferderigos.

o. Athan Fokas writing numerous communications to Defendants where Athan Fokas admitted to outrageous behavior, stating, he was "playing games," withholding material information, misrepresenting material information, introducing new material terms as a means to harass and annoy the Defendants, and threatening to spread malicious rumors and to defame the Defendant(s), all in an effort to improperly extort concessions out of the Ferderigos Brothers and to improperly coerce/force Phillip and Spiros Ferderigos to give Athan Fokas a mortgage over their portion of 229 King Street and to sign incorrect and improper loan closing documents.

p. Athan Fokas purposefully, intentionally, and/or negligently and falsely informing Jacob, Phillip, and/or Spiros Ferderigos that he needed a loan to fund his percentage of the project being explored. Athan Fokas purposefully, intentionally, and/or negligently hid the fact that he would be receiving 2.7 million dollars (nearly three times the amount necessary for his portion of the proposed project) within the building permit period in an effort to deceive and coerce Jacob, Phillip, and/or Spiros Ferderigos into believing it was necessary for them to mortgage their interests in 229 King Street for Athan Fokas' benefit and to deceive and to coerce them into signing incorrect closing documents for Athan Fokas' benefit. Athan Fokas hid such material information to try and force Phillip and Spiros Ferderigos into unnecessarily mortgaging their interest(s) in 229 King Street, and signing loan documents which Phillip and Spiros Ferderigos outright rejected and/or never agreed to sign.

q. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip, and/or Spiros Ferderigos that he intended to pay off his portion of the loan when he received 2.7 million dollars on April 1, 2015, in order to wrongfully persuade and deceive Phillip and Spiros Ferderigos into mortgaging their interests in 229 King Street and sign incorrect closing documents for Athan Fokas' benefit. Such representation was an intentional lie when made. Phillip and Spiros Ferderigos stated to wait a few months for when Athan Fokas had his cash and Athan Fokas, Phillip Ferderigos and Spiros Ferderigos could pay cash for the proposed project. A few days later, Athan Fokas reversed course and stated that, when he did receive his cash on April 1, 2015, he may instead decide to purchase another building downtown instead of paying off the loan. Athan Fokas intentionally gave false information to attempt to coerce Jacob, Phillip,

and/or Spiros Ferderigos to provide Athan Fokas with a mortgage of 229 King Street and to sign incorrect closing documents for his benefit.

r. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip and/or Spiros Ferderigos that he would not be willing to wait until April 1, 2015 (when he received his millions) to do the proposed project. Such representation was a lie when made. Athan Fokas misrepresented the fact that he would not wait until he received his millions on April 1, 2015, in an effort to deceive and coerce Jacob, Phillip, and/or Spiros Ferderigos into mortgaging their interests in 229 King Street for Athan Fokas' benefit and to deceive and to coerce Jacob, Phillip, and/or Spiros Ferderigos into signing the incorrect closing documents for Athan Fokas' benefit.

s. Athan Fokas refusing to wait until he received his millions of dollars on April 1, 2015, to consider moving forward with the proposed project.

t. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip, and Spiros Ferderigos that his bank would not wait until April 1, 2015, when Athan Fokas informed Jacob, Phillip, and Spiros Ferderigos that Athan Fokas would receive his millions of dollars, while now alleging in his Complaint that his bank is still willing to offer a loan package to Athan Fokas.

u. Athan Fokas refusing to sign a side agreement protecting Phillip and Spiros Ferderigos' collateral, while at the same time demanding Phillip and Spiros Ferderigos give him a mortgage over their portion of 229 King Street.

v. Athan Fokas purposefully, willfully, and/or negligently and falsely claiming in his pleadings that he agreed to sign the side agreement when Athan Fokas rejected and never agreed to sign any such side agreement, but rather made additional demands of material terms on behalf of Phillip Ferderigos as a condition to Athan Fokas possible approval for executing the side agreement.

w. Athan Fokas knowing that his refusal to sign the side agreement resulted in the proposed project being terminated; however, Athan Fokas telling third-parties that Phillip and Spiros Ferderigos terminated the proposed project for other reasons which Athan Fokas knew where false.

x. Athan Fokas harassing, threatening, mocking and attempting to coerce Jacob, Phillip, and Spiros Ferderigos by representing he was going to make twenty five million dollars ($25,000,000.00) as a consultant and by telling Jacob, Phillip, and Spiros Ferderigos "I hang out with the ultra wealthy now and play their games."

y. Athan Fokas interjecting new terms into the negotiations with ill will and actual malice by demanding that the parties change the thirty (30) plus year customary practice regarding food at Old Towne Restaurant for family members (both Ferderigos and Fokas family members) solely to be vindictive and to harass

Phillip and Spiros Ferderigos, and to otherwise coerce Phillip and Spiros Ferderigos to give into Athan Fokas' demands which had been rejected.

z. Athan Fokas defaming Phillip and/or Spiros Ferderigos because they would not give into Athan Fokas' demands, by telling third parties that Phillip and/or Spiros Ferderigos have no business sense and that the proposed projected fell apart because Phillip could not eat for free at Old Towne Restaurant and by calling Phillip Ferderigos stupid.

aa. Athan Fokas attempting to use the customary food practice at Old Towne Restaurant as a negotiating tactic to attempt to force Phillip and/or Spiros Ferderigos to give into Athan Fokas' demands which were rejected by Phillip and/or Spiros Ferderigos.

bb. Athan Fokas continuing to tell the contractor Kevin Carroll for months that the proposed project was moving forward despite Athan Fokas being repeatedly told by Jacob, Phillip, and/or Spiros Ferderigos that the proposed project was not moving forward.

cc. Athan Fokas repeatedly releasing Jacob, Phillip, and Spiros Ferderigos from any alleged agreement, liability and/or responsibility regarding the proposed project and then filing lawsuit(s) to attempt to coerce Jacob, Phillip and/or Spiros Ferderigos to do the very things that were released.

dd. Athan Fokas threatening to take Phillip and Spiros Ferderigos' homes and throw their children out on the street if Phillip and Spiros Ferderigos did not give Athan Fokas a mortgage and/or encumber their interests in Athan Fokas' favor and/or give into his demands, which Phillip and Spiros Ferderigos had rejected and/or were never agreed upon.

ee. Athan Fokas unilaterally and improperly executing a written contract with contractor Kevin Carroll to build the proposed project without the knowledge, consent and/or providing details of the contract to Jacob, Phillip, and/or Spiros Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

ff. Athan Fokas unilaterally and improperly executing a written contract with the contractor Kevin Carroll purportedly on behalf of the LLC, without the knowledge, consent, and/or the authorization of Jacob, Phillip, and/or Spiros Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

gg. Athan Fokas signing a written contract with contractor Kevin Carroll to build the proposed project on behalf of Jacob Ferderigos, by signing a signature line that included Jacob Ferderigos' name, without the knowledge, consent and/or providing details of the contract to Jacob Ferderigos. Athan Fokas purposefully

and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

hh. Athan Fokas publishing malicious rumors/defamatory statement(s) to third parties that Phillip and Spiros Ferderigos have no business sense and that it is very sad. This is in reference to Phillip and Spiros Ferderigos not giving into Athan Fokas' wrongful and outright rejected and/or non-agreed upon demands for the proposed project being explored.

ii. Athan Fokas publishing malicious rumors/defamatory statement(s) concerning Phillip and Spiros Ferderigos by inquiring third parties about Phillip and/or Spiros Ferderigos alleged statements concerning Athan Fokas' involvement in the fire of 229 King Street.

jj. Athan Fokas publishing malicious rumors/defamatory statement(s) to third parties that the proposed project was terminated because Phillip and/or Spiros Ferderigos could not eat for free at Old Towne.

kk. Athan Fokas publishing malicious rumors/defamatory statement(s) by telling third parties that the proposed project has been terminated because Phillip and Spiros Ferderigos were not doing what they agreed to do.

ll. Athan Fokas publishing malicious rumors/defamatory statement(s) by telling third parties that Athan Fokas was not/is not seeking a mortgage from Phillip and/or Spiros Ferderigos for the proposed project.

mm. Athan Fokas telling third parties that Phillip and/or Spiros Ferderigos refused to give Jacob Ferderigos a mortgage for Jacob Ferderigos' portion of the loan and that Athan Fokas was not seeking a mortgage from Phillip and/or Spiros Ferderigos.

nn. Athan Fokas continuing to contact Jacob, Phillip, and/or Spiros Ferderigos despite threatening his lawsuits and being told by Phillip and Spiros Ferderigos to stop communicating with them. Athan Fokas continued to send obnoxious emails to Jacob, Phillip, and/or Spiros Ferderigos about how profitable the current suites project is and how profitable it would have been had the parties built the proposed project as Athan Fokas had demanded. Athan Fokas continues to harass Jacob, Phillip, and/or Spiros Ferderigos and continues to try to intimidate Jacob, Phillip, and/or Spiros Ferderigos into doing the proposed project, as well as trying to scare Jacob, Phillip, and/or Spiros Ferderigos concerning the high legal costs to defend against his frivolous lawsuits.

oo. Athan Fokas harassing, threatening, and mocking Jacob, Phillip, and/or Spiros Ferderigos by writing to them that "my attorney is working on a flat 20 percent contingency so he is not costing me anything until this case is settled," while threatening to file a multi-million dollar lawsuit against Jacob, Phillip, and/or

Spiros Ferderigos. This written information was sent by Athan Fokas to Jacob, Phillip, and/or Spiros Ferderigos in an attempt to harass and to coerce them to give into Athan Fokas' rejected and non-agreed upon demands by threatening that a lawsuit will cost Jacob, Phillip, and/or Spiros Ferderigos money, but will not cost Athan Fokas anything to proceed with his frivolous lawsuit strategy.

pp. Athan Fokas conducting unauthorized business and/or storing unauthorized inventory within 229 King Street for his own pecuniary gain without the knowledge and/or consent, and to the detriment, of Jacob, Phillip and/or Spiros Ferderigos.

qq. Athan Fokas knowingly and intentionally filing a frivolous defamation lawsuit against Phillip and Spiros Ferderigos knowing that the allegations therein were false.

(127) As a direct and proximate result of Athan Fokas' actions, Spiros Ferderigos has been injured. Accordingly, Spiros Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR A FIFTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Negligent Misrepresentation)

(128) Spiros Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(129) Athan Fokas made false representations to Spiros Ferderigos as set forth in Paragraph 126 and its subsections (Spiros Ferderigos' violation of duty of care claim).

(130) Athan Fokas had a pecuniary interest in making these representations/statements.

(131) Athan Fokas owed a duty of care to see that Athan Fokas communicated truthful information to Spiros Ferderigos.

(132) Athan Fokas breached that duty by failing to exercise due care.

(133) Spiros Ferderigos justifiably relied on said representations.

(134) Spiros Ferderigos suffered pecuniary loss as a proximate result of his reliance on the representations of Athan Fokas and Athan Fokas acted willfully, wantonly, carelessly, and recklessly, and as a direct and proximate result, Spiros Ferderigos has been injured. Accordingly, Spiros Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR A SIXTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM

(Fraud, Constructive Fraud)
(Concealment with Duty to Disclose)

(135) Spiros Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(136) Athan Fokas further intentionally and purposely misrepresented facts set forth in Paragraph 126 and its subsections. (Spiros Ferderigos' violation of duty of care claim)

(137) Athan Fokas had a duty to disclose material information to Spiros Ferderigos and Athan Fokas failed to disclose such information.

(138) Prior to and/or during the negotiations with Athan Fokas, Athan Fokas implied and/or expressly represented to Spiros Ferderigos as set forth previously.

(139) Said representations were false.

(140) Said representations were material.

(141) Athan Fokas knew said representations were false when same were made. Alternatively, Athan Fokas knew his representations to Spiros Ferderigos were false and/or Athan Fokas' representations were made with reckless disregard as to their truth or falsity. Athan Fokas' failure to inform Spiros Ferderigos of his true intentions was intentional and/or negligent with reckless disregard to the truth upon which Spiros Ferderigos was relying.

(142) Athan Fokas intended Spiros Ferderigos to rely and act upon said representations. Spiros Ferderigos did not know said representations were false.

(143) Spiros Ferderigos had the right to rely upon, and in fact did rely upon, the truth of said representations. In the event that the element or scienter is not found, alternatively, that Spiros Ferderigos alleges and avers that Athan Fokas committed constructive fraud in that Athan Fokas breached legal, equitable, and fiduciary duty owed to Spiros Ferderigos.

(144) Athan Fokas acted willfully, wantonly, carelessly, and recklessly, and as a direct and proximate result, Spiros Ferderigos has been injured. Accordingly, Spiros Ferderigos is entitled to actual, consequential, and punitive damages as may be determined by a jury.

FOR A SEVENTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Defamation – Slander)

(145) Spiros Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(146) Athan Fokas published false and defamatory statements to Jacob Ferderigos in writing that Phillip and Spiros Ferderigos "have no business sense and I'm sure we will be butting heads with Greek properties in the future. Very sad!!!" *See Exhibit AA.*

(147) Upon information and belief, Athan Fokas published false and defamatory statements to other third parties that Phillip and/or Spiros Ferderigos are bad business people and/or do not have any business sense.

(148) Athan Fokas published false and defamatory statements to other third parties that Phillip and/or Spiros Ferderigos accused him of setting fire to 229 King Street.

(149) Athan Fokas published false and defamatory statements to other third parties that the proposed project was not moving forward because Phillip and/or Spiros Ferderigos were not doing what they agreed to do.

(150) Upon information and belief, Athan Fokas published false and defamatory statements to other third parties that he was not seeking a mortgage and/or other financial assurances from Phillip and/or Spiros Ferderigos for the proposed project; while at the same time, filing a lawsuit demanding that Phillip and Spiros Ferderigos mortgage and/or provide financial assurances of their interests for Athan Fokas' benefit for the proposed project.

(151) Upon information and belief, Athan Fokas verbally (slander) and in writing/conduct (libel) threatened to publish and/or has published, with premeditation, false malicious rumors and defamatory statements to third parties about Spiros Ferderigos.

(152) Athan Fokas' slander and libel is actionable per se where Athan Fokas has alleged defamatory statements charging Spiros Ferderigos with commission of a crime of moral turpitude and/or unfitness in his business or profession. Athan Fokas has also published slander and libel that is not actionable per se.

(153) Athan Fokas has made false and defamatory statements concerning Spiros Ferderigos.

(154) Athan Fokas has acted with common law malice.

(155) Athan Fokas has made such statements via an unprivileged publication to third parties.

(156) Athan Fokas is at fault in publishing the statements.

(157) Athan Fokas has harmed Spiros Ferderigos via his defamatory statements and caused harm and/or special harm to Spiros Ferderigos caused by the publication.

(158) As a direct and proximate result of Athan Fokas' defamatory statements, which were made with common law actual malice, Spiros Ferderigos has been injured. Accordingly, Spiros Ferderigos is entitled to general damages, special damages, actual damages, consequential damages, and punitive damages as determined by a jury.

FOR AN EIGHTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Abuse of Process)

(159) Spiros Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(160) Athan Fokas has employed the legal process for some purpose other than that for which it was intended by the law to effect – the improper use of a regularly issued process.

(161) Athan Fokas has commenced an action and caused process to issue without justification and is also misusing or misapplying the legal process for an end other than that which it was designed to accomplish.

(162) Athan Fokas is using the process for improper reasons with (1) an ulterior purpose; and (2) has done willful acts in the use of the process not proper in the regular conduct of the proceeding, to attempt to force Spiros Ferderigos to give Athan Fokas a mortgage and to sign incorrect loan documents by filing what Spiros Ferderigos believes to be frivolous lawsuits (where the exhibits attached to this pleading and the written documents of Athan Fokas himself prove Athan Fokas' lawsuits to be frivolous).

(163) As a direct and proximate result of Athan Fokas' actions, Spiros Ferderigos has been injured. Accordingly, Spiros Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR AN NINETEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Promissory Estoppel)

(164) Spiros Ferderigos incorporates all of the above paragraphs as fully as if reinstated verbatim herein.

(165) Jacob, Phillip, and/or Spiros Ferderigos acted in reasonable reliance on Athan Fokas' representations, promises, and other acts constituting inducements to continue moving forward with exploring the proposed project with Phillip and Spiros Ferderigos not being involved in and/or granting any assurances/encumbrances of any kind whatsoever for a loan. Jacob, Phillip, and/or Spiros Ferderigos continued to expend money towards receiving governmental approval for the new building being explored in reasonable reliance of Athan Fokas' representations, promises, and other acts.

(166) As a direct and proximate result of Athan Fokas' actions and Jacob, Phillip and/or Spiros Ferderigos' reasonable reliance thereon, Jacob, Phillip and/or Spiros Ferderigos suffered damages in an amount to be determined by a jury.

FOR A TWENTIETH DEFENSE AND BY WAY OF COUNTERCLAIM
(Initiation of Frivolous Proceedings, S.C. Code Ann. § 15-36-10)

(167) Spiros Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(168) The Complaint filed in this current action constitutes a frivolous pleading under the South Carolina Frivolous Civil Proceedings Sanction Act, S.C. Code Ann. § 15-36-10 (2005), in the following particulars to wit:

a. A reasonable attorney in the same circumstances would believe that the Plaintiff's claim "was clearly not warranted under existing law and that a good faith or reasonable argument did not exist for the extension, modification, or reversal of existing law"; and

b. A reasonable attorney presented with the same circumstances would believe that the initiation of this civil cause "was intended merely to harass or injure the other party."

c. A reasonable attorney presented with the same circumstances would believe the pleading is frivolous and was brought for a purpose other than proper adjudication of the claim.

d. The pleading makes frivolous arguments not supported by the facts.

(169) Spiros Ferderigos respectfully asks this Honorable Court to sanction the Plaintiff for this frivolous pleading pursuant to S.C. Code Ann. § 15-36-10(G) (2005), and specifically, Spiros Ferderigos prays for the following relief:

a. That the Plaintiff pay reasonable costs and attorney's fees to defend this action and for punitive damages; and

b. That the Plaintiff pay a reasonable fine to the Court.

WHEREFORE, having fully answered Plaintiff's Complaint, Spiros Ferderigos prays that the Court:

a) Dismiss Plaintiff's Complaint with prejudice;

b) That Plaintiff take nothing by reason of his suit;

c) That Spiros Ferderigos recover costs and reasonable attorney's fees in defending this action;

d) That the Plaintiff be sanctioned for the initiation of this frivolous proceeding by being fined by this Honorable Court;

e) Enter judgment for Spiros Ferderigos on his counterclaims and award him damages for his actual, consequential, incidental, and punitive damages, and pre and post judgment interest; and

f) Award such other relief as the Court may deem just and proper.

Respectfully submitted,

M. DAWES COOKE, JR., ESQUIRE
JEREMY E. BOWERS, ESQUIRE
BARNWELL WHALEY PATTERSON & HELMS LLC
Post Office Drawer H
Charleston, South Carolina 29402
PHONE: (843) 577-7700
FACSIMILE: (843) 577-7708
ATTORNEYS FOR THE DEFENDANT/COUNTERCLAIMANT,
SPIROS FERDERIGOS

October 1, 2015
Charleston, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO. 2015-CP-10-3919
	)	
Plaintiff Fokas,	)	
	)	
Plaintiff,	)	
v.	)	
	)	
Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos,	)	
	)	
Defendants.	)	
	)	

FILED
2015 OCT -1 PM 4:20
JULIE J. ARMSTRONG
CLERK OF COURT
BY

I hereby certify that this 1st day of October 2015, I forwarded a copy of the foregoing Answer and Counterclaims of the Defendant, Spiros Ferderigos, via U.S. Mail with sufficient postage affixed thereto, properly addressed as follows:

Counsel Served:

Stanley E. Barnett, Esquire
SMITH, BUNDY, BYBEE & BARNETT
Post Office Box 1542
Mt. Pleasant, SC 29465-1542
Attorneys for Plaintiff

John A. Massalon, Esquire
WILLS MASSALON & ALLEN LLC
P.O. Box 859
Charleston, SC 29402

Richard A. Farrier, Esquire
K&L Gates LLP
134 Meeting Street, Suite 200
Charleston, SC 29401

Cheryl Rebrand
Legal Assistant

Charleston, South Carolina

_____, 2015

From: "Joe Tucker" <tuckeraia@gmail.com>
Date: July 21, 2015 at 11:59:58 AM EDT
To: "'Jacob Federico'" <Jacobspita@yahoo.com>
Subject: Old Towne Suites 2

Jacob,

As we recently discussed by phone, we have attached an account of all payments for this project.

Let us know if you have other questions.

Regards,

Joe

TUCKER ARCHITECTURAL ASSOCIATES

772 Gypsy Lane, Mt. Pleasant SC 29464

TuckerAIA@Gmail.com

(843) 881 - 6426

payrec715.docx
13K

EXHIBIT
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Old Towne 2

Design prior to first BAR submittal

1,800.00	concept drawings	8/6/12
1,250.00	concept drawings	12/20/12
2,600.00	preliminary design one	4/12/13
2,600.00	preliminary design one	5/1/12
4,000.00	preliminary design two	5/23/13
$12,250.00		

Contract suspended

1,600.00	For additional services for BAR	7/9/13
1,250.00	For additional services for Artist	7/9/13
$ 2,850.00		

Old Towne 2 Revised

Design after second BAR submittal

No charge	Architecture	concept review with owner		
1,400.00	Architecture	concept review with agencies	1,400.00	10/7/13
800.00	Architecture	concept review with BAR	800.00	10/20/13
800.00	Artist	concept review with BAR	800.00	10/20/13
1,800.00	Architecture	preliminary with BAR	1,800.00	12/10/13
2,800.00	Architecture	final review with BAR	2,500.00	2/7/14
4,800.00	Architecture	preliminary drawings	1,300.00	2/14/14
			3,800.00	6/17/14
2,500.00	Engineering	preliminary drawings	5,500.00	6/3/14
2,500.00	Engineering	final drawings		
5,800.00	Architecture	final drawings	3,000.00	11/4/14
			2,800.00	11/4/14
500.00	additional mech engineering			6/3/14
$23,700.00			23,700.00	

Home Mail Search News Sports Finance Weather Games Answers Screen Flickr Mobile Try Mail on Firefox

Search Search Mail Search Web Home Jacob

Compose

Search results Delete Move More

Inbox (1)
Drafts
Sent
Spam (5)
Trash
Smart Views
Unread
Starred
People
Social
Travel
Shopping
Finance
Folders
Recent

Fwd: Old Towne

People

Begin forwarded message:

From: "Joe Tucker" <tuckerala@gmail.com>
Date: December 11, 2012, 3:56:47 PM EST
To: "Athen Fokas" <Fokasa@bellsouth.net>, "Jacob Federico" <Jacobspita@yahoo.com>
Cc: <kiawahwork@yahoo.com>
Subject: Old Towne

Athen / Jacob

Attached are the drawings which we have prepared for the pricing set. They are about 80% complete. We propose a payment of $2,500.00 which is the next portion of our fee, although this represents a substantial portion of our work. Also we propose $500.00 drafting fee for the structural drawings

We are sending these drawings to Russell Rosen so he can give a proposal for his portion, since structural engineering is outside our contract.

Not included (in the pricing set) are mechanical, plumbing and electrical engineering. We understand that Kevin's subs will do the best they can pricing from our drawings.

We met with the building inspector this morning and did not find any significant issues.

We also spoke with the zoning staff and we will discuss building height, parking requirement, and BAR review at our next meeting

Joe

TUCKER ARCHITECTURAL ASSOCIATES
843.881.6426 phone
843.881.2559 fax
www.tuckerarchitectural.com

8 Attachments View all Download all

A1_1240_SITE.pdf	View	Download
A2_1240_SITE.pdf	View	Download
A3_1240_PLN.pdf	View	Download
A4_1240_PLN.pdf	View	Download
A5_1240_SECT.pdf	View	Download
A6_1240_WSEC.pdf	View	Download
A7_1240_FND.pdf	View	Download
A8_1240_FRM.pdf	View	Download

Reply, Reply All or Forward | More

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tabbies
B
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Gmail

Jacob Ferderigos <iakovosstavros@gmail.com>

Fw: iakovosferderigos@gmail.com

6 messages

Athan Fokas <athanfokas@gmail.com> Wed, Dec 19, 2012 at 11:22 PM
To: Jacob Ferderigos <iakovosstavros@gmail.com>

It has come to my attention that there has been some questions about phase two of the Old Towne Suites project. I am going to try my best to enlighten you on the gold mine that has been stumbled upon. Each rental has to be a minimum stay of 3 days with exception to very slow months in which we will take two days. Very slow months seem to be November, December, January, and February.

The Old Towne suites started in late November 2011 and that month they had two rentals for a total income of $1943.00. Of the total our rental service keeps 15% and $81.00 to clean the rooms every time a tenant checks out.

In December 2011 we brought in $3228.44 with two rentals.
In January 2012 we brought in $3685..18 with four rentals.
In February 2012 we brought in $5118.75 with six rentals.
In March 2012 $17436.46
April 2012 $14290.50
May 2012 $15330.02
June 2012 $14172.37
July 2012 $13602.62
August 2012 $12529.98
September 2012 $12500.60
October 2012 $12747.27
November 2012 $13094.76
December 2012 $10571.16

Now we have hit the slow months and we are still seeing over $10000.00 because are properties have been around for a year and through word of mouth and repeat business we should continue to see the numbers grow and the prices of the units to grow. We were getting on average about $399.00 a night but now we are getting over $600.00 a night in busy months.

We have had many bookings for 2013 in which we did not see these bookings booked so far in advance in 2012 because we were brand new.

So far in January 2013 we have pre-booked $4752.94
February 2013 $7067.02
March 2013 $6167.00
April 2013 $13714.04
May 2013 $8032.98
And one booking in June so far for $1996.00.

The demand is definitely there and the bookings will only get better. We tend to only book three day booking and some longer than that but the biggest complaint is that we do not have kitchens for the tenants who want to stay for the weekly rentals.

Phase two is going to have 2 three bed room units with kitchens and 2 two bedroom units with kitchens. One of each on each floor with a rooftop garden above the top floor. An elevator will access all floors including the roof top.

The total cost for the project to build will be somewhere between $800,000.00 and $900,000.00 with spending about 25,000.00 per unit to furnish and make them luxury units. I hope that we can keep this project somewhere around $900,000.00.

I am currently talking to a few banks to see if anyone is interested in giving us a note. The banking industry has changed dramatically in the last couple of years and they will not lend on equity alone. Our equity in Old Towne is somewhere between 5 and 10 million dollars. Many banks these days won't touch anything in the hospitality industry so it is no guaranteed that they will lend us the money. The note on the property should be somewhere in the neighborhood of $4000.00 a month if they let us carry the note for 30 years. If it is a 15 to 20 year note then the payments will be between $6000.00 and $8000.00 a month.

Our current units paid us $117629.84 in 2012. Those are checks given to us after all the expenses tal which you will see in a register in my next emails that I will be forwarding you. Of that money the renta

EXHIBIT
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has taken out their 15%, around 3% for credit card fees for people booking their rooms with credit cards, cleaning and laundry fees of $81.00 which just went up to $97.00, and other expenses such as coded locks, $100.00 for Spiro parking in a tenants space, and coffee machines.
Weekly booking are extremely lucrative for example in the last month of December 2012 we had two weekly booking for $6626.18 and that was one week worth of business in Unit A and B.
Just think of the value if we could maximize that one week three times which would be around $20000.00 a week.
If phase 2 is successful we have room to put three more three bedroom units above the back parking lot with keeping the parking on the bottom floor.
Hotels downtown can have up to 80% occupancy rate and us being across from Charleston Place has made us a mini hotel with great returns.
In conclusion the reason for us not to wait another six months or a year for this project to start is that we are guaranteed returns and its money lost. If we get into some money later on we can always pay the note off early. I will be responsible for 50% of it and you three the remainder. I do not think this project would be a risk based on our future bookings that have already taken place.
With that said I don't even know if the bank will lend us the money. First Citizens said they are not allowed to touch the hospitality industry. BB&T is 50/50 and will let me know if they are interested in a couple of days. South Carolina Bank and Trust seems very interested according to their President but will have to see our current income to make sure the numbers work. I'm meeting with Suntrust tomorrow but I think they will be a long shot. I'm only going to send information to banks that are very interested in doing the deal. I plan to give them Old Towne tax returns, Old Towne Suites income, and our personal financial statements. Phillip asked if he would be personally guaranteeing the loan. Of course every loan out there wants the people taking out the loan to personally guarantee it. The loan is less than 20 percent of our total value and we have the income from our current suites that could easily pay the note so its a no brainer.
Let me know your thoughts.

---

spiros ferderigos <spirosferderigos@gmail.com> Wed, Dec 19, 2012 at 11:49 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Hey Athan,

Thanks for sending the detailed emails. I am sure it will answer a lot of the questions that we have. I will take a look at it in detail as soon as I can and let you know what other questions I have. Of course the issue of what we are currently making on the units and the cost to construct new ones are obvious questions which you appear to go into detail below(given the hour have only quickly glimpsed over your email).

Assuming all that pans out, there will be a continuing issue on how we finance. If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it. There is to much that can go wrong with a personal gaurantee. I am confident that Phillip, Jacob and I will be able to come up with our end of amount needed and we can move forward without accumulating debt as we did for the first round of units. I completely agree that adding more units above Old Towne is a gold mine and the way to move forward. The question is how do we get there, will it be by personally guarunteeing loans that could be chatostrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. I for one already have plenty of money sitting in a bank account for my share of the additional units. I am more than happy to have all of us sit down and discuss in more detail after the holidays. That will give everyone plenty of time to look over what you sent and determine the best way to move forward. Thanks to both you and Jacob for all the heard and great work you guys have been doing on these units.

Spiro
[Quoted text hidden]

Athan Fokas <athanfokas@gmail.com> Thu, Dec 20, 2012 at 6:49 AM
To: spiros ferderigos <spirosferderigos@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Personally I don't think it is a risk and if so it is a very low low risk because we show future incomes and the demand is there and we have the current income's third cash flow that could easily pay for it.
With that said, lets start collecting money and see what kind of money we can come up with to get this baby started.

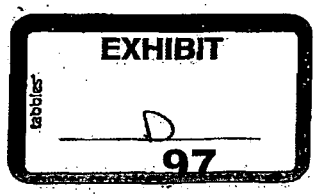
spiros ferderigos <spirosferderigos@gmail.com> Wed, Dec 19, 2012 at 11:49 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Hey Athan,

Thanks for sending the detailed emails. I am sure it will answer a lot of the questions that we have. I will take a look at it in detail as soon as I can and let you know what other questions I have. Of course the issue of what we are currently making on the units and the cost to construct new ones are obvious questions which you appear to go into detail below(given the hour have only quickly glimpsed over your email).

Assuming all that pans out, there will be a continuing issue on how we finance. If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it. There is to much that can go wrong with a personal gaurantee. I am confident that Phillip, Jacob and I will be able to come up with our end of amount needed and we can move forward without accumulating debt as we did for the first round of units. I completely agree that adding more units above Old Towne is a gold mine and the way to move forward. The question is how do we get there, will it be by personally guarunteeing loans that could be chatostrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. I for one already have plenty of money sitting in a bank account for my share of the additional units. I am more than happy to have all of us sit down and discuss in more detail after the holidays. That will give everyone plenty of time to look over what you sent and determine the best way to move forward. Thanks to both you and Jacob for all the heard and great work you guys have been doing on these units.

Spiro
[Quoted text hidden]



From: Jeffrey W. Odom [mailto:jodom@southcoastbank.com]
Sent: Friday, January 11, 2013 10:08 AM
To: 'ZEUS GRILL & SEAFOOD'
Cc: Tony Daniel
Subject: RE: Old Towne Suites 229 King St.

Athan,
It was a pleasure meeting you yesterday afternoon. I just received your fax so it looks like it went through. I have also received your emails with the attached financial information. Thank you for getting everything to us so quickly. We will get to work and will be in touch shortly.

Thanks,

Jeffrey W. Odom
Vice President / Loan Officer
Southcoast Community Bank
530 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
(Office) - 843.216.3087
(Fax) - 843.884.2886
(Cell) - 843.729.8224

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Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Re: Suites loan question

8 messages

Spiros Ferderigos <spirosferderigos@gmail.com> Tue, Jun 17, 2014 at 11:59 PM
To: Athan Fokas <fokasa@bellsouth.net>, Jacob Ferderigos <iakovosstavros@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>

The loan pre-approval that you guys have for the suites...are ya'll going to have to personally guarantee the loan?

Sent from my iPhone

Athan Fokas <fokasa@bellsouth.net> Wed, Jun 18, 2014 at 7:04 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Jacob Ferderigos <iakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

We are pre approved, and since we personally asked for the loan yes we are personally guaranteeing it. On another note we are hitting record sales and we are booking many weekday's which we didn't last year and with no cleaning fee we are laughing all the way under our mattresses. We have bookings through March of 2015 so we are in very high demand. After we build these and fill them we will look at building over the parking lot.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
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SOUTHCOAST
COMMUNITY BANK

February 5, 2013

Athanasios Fokas
Iakovos Ferderigos
Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Dear Messrs. Fokas and Ferderigos:

Southcoast Community Bank (hereinafter referred to as "Bank") is pleased to provide a loan commitment to Old Towne Suites, LLC, Athanasios Fokas, and Iakovos Ferderigos (hereinafter referred to as "Borrower") based on representations contained in the financial statements and other financial information made available to the Bank. Our loan is subject to the following terms and conditions:

Borrower(s): Old Towne Suites, LLC, Athanasios Fokas, and Iakovos Ferderigos JWO 9/24/14

Amount: ~~$1,000,000.00~~ $1,800,000.00 JWO 9/24/14

Purpose: The purpose of the loan is to provide a construction to permanent loan to build ~~4~~ 6 rental units above Old Towne Grill & Seafood at 229 King Street, Charleston, SC 29401. The loan will also include the purchase of furnishings for the units.

Terms and Conditions: ~~6~~ 12 monthly payments of interest only followed by 59 consecutive monthly payments of principal, interest, and escrow with one final payment of the remaining principal balance plus any accrued interest. The monthly payments will be based on a 240 month amortization schedule. ~~The interest rate will be based on the current Wall Street Journal Prime Rate plus one percentage point (1.00%) on the day of adjustment and will continue to adjust annually with a minimum floor rate of 5.00%.~~ The interest rate will be fixed at 5.00% for the life of the loan. JWO 9/24/14 JWO 9/24/14

Bank Fees:
1. Non-Refundable Commitment Fee of ½ of 1% of Loan Amount, of which, ½ is due upon the acceptance of this Commitment Letter with the remaining ½ due at Loan Closing. If the loan is not closed, the remaining fee will be due and payable upon receipt of Bank's invoice for same.
2. Underwriting Fee of $500.00
3. Mortgage Satisfaction Fee: $10.00
4. County UCC Satisfaction Fee: $10.00
5. Inspection Fee of $250.00 per visit (commercial structures)

Collateral:
1. First mortgage security interest on 229 King Street, Charleston, SC 29401 and an assignment of rents and leases.
2. All accounts receivables, inventory, and furniture fixtures and equipment now owned or hereinafter acquired.

Property Insurance: During construction, Builder's Risk and General Liability Insurance Policies will be required with Southcoast Community Bank named as mortgagee.

Title Insurance: A standard ALTA title insurance commitment insuring the Bank's first lien position, together with copies of all exceptions to the title will be required. After closing, a title insurance policy is to be issued in accordance with the title insurance commitment in a form and substance satisfactory to the Bank.

P.O. Box 1561 Mt. Pleasant, SC 29465 843-884-0504 Fax 843-884-28

EXHIBIT
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Escrow: The Bank will require Property Taxes and Hazard /Flood Insurance to be escrowed.

Survey: A current survey prepared and certified by a registered land surveyor showing the location of any and all setbacks, side lines, existing buildings, streets, roads, rights-of-way, easements, encroachments, etc. will be required in the event that the title insurance company takes exception to title for reason of survey. The survey shall include a certification as to the location of the property within any flood hazard area. On Construction Loans, the Foundation Survey will be required before the first draw, and a Final Survey will be required before final disbursement.

Appraisal: The loan is subject to the Bank receiving an appraisal addressed to Southcoast Community Bank in form, content and value acceptable to the Bank. The Bank will order the appraisal from a qualified appraiser acceptable to the Bank. The cost of the appraisal will be the full responsibility of the borrower. The Bank reserves the right to inspect the property prior to closing.

Disclosure of Right to Receive a Copy of an Appraisal: You are hereby notified that you have the right to a copy of the appraisal report used in connection with your application for credit. If you wish to have a copy, please write to the Bank at Southcoast Community Bank, Loan Servicing Department, PO Box 1561, Mt. Pleasant, SC 29465. We must hear from you no later than ninety (90) days after we notify you about the action taken on your credit application or no later than ninety (90) days after you withdraw your application. In your letter, give us the following information: Your name, your loan number (if applicable) and the property address of the appraisal you are requesting. Upon your request, the appraisal report will be sent to your address on file with the Bank.

Waiver of Appraisal Rights: You are hereby notified that a Waiver of Appraisal Rights will be required from you in connection with the above referenced transaction. As part of that transaction, you will be required to execute one or more documents containing the following language:

> The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

Environmental: In the event that there is notice of any environmental problems, evidence of the nature of the problem and its remedy will be required and such information may include opinions and certification from appropriate governmental authority, your counsel, and/or environmental specialist acceptable to us. Borrower agrees to complete the Environmental Risk Assessment form included with this commitment. Should the property contain hazardous material of any quantity or material unacceptable to us, the Bank reserves the right to void this commitment or require environmental studies if necessary.

Construction Loans:

The Bank will make Disbursements at regular intervals during the course of construction in accordance with the loan documents. Said disbursements shall be made under the procedures and title safeguards acceptable to the Bank. The Bank reserves the right at all times to retain funds in the undisbursed loan balance sufficient to fully complete the project. The Borrower must submit to the Bank the signed architect's certification for payment (AIA form) for each draw request. The Bank will inspect at each draw request the work completed and will base the draw on such inspection. Your draw request must be made by Tuesday for a Friday Disbursement.

Items required prior to loan closing:

1. Plans and Specification: Complete plans and specifications reflecting the certification of the architect and appropriate engineers are to be submitted to and approved by the Bank, the supervising architect and the Borrower.
2. Resume from the Contractor must be received by the Bank.
3. Copy of signed Contract(s).
4. Cost Estimate Sheet detailing cost for the project in satisfactory form showing that the loan proceeds will be sufficient to complete construction of the project in a timely manner in accordance with approved plans and specifications (may use AIA forms).
5. Assignment of construction contract with builder.
6. All permits and approvals from all government authorities needed to proceed immediately with the commencement of construction are to be submitted to the Bank's Attorney prior to the first draw request.
7. Operating Agreement for Old Towne Suites, LLC must be received by the Bank.
8. Detailed list of furniture, fixtures, and equipment to be purchased via loan proceeds must be received by the Bank.

Items required prior to 1st draw:

1. Current General Liability Insurance Policy (from contractor).

Items required before final draw:

1. Certificate of Completion of Appraised Value from appraiser.
2. Final Survey.
3. Title update.

Change Orders: All requests for changes in the Plans and Specifications, other than minor changes involving no extra cost, must be in writing, signed by Borrower and the architect, and delivered to Lender for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Lender. Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

Loan Documentation: The Borrower will enter into any and all documentation necessary to close this transaction in a form and substance acceptable to the Bank.

Closing Cost: All costs incurred in this transaction including, but not limited to, attorney fees will be the responsibility of the Borrower. This would include both the Borrower's and the Bank's closing attorney.

Prepayment: The Borrower shall have the right to prepay the principal and accrued interest in full or in part at anytime without premium or penalty.

Banking Relationship: The Borrower agrees to maintain a depository relationship with the Bank.

Financial Information: Before closing, the Bank must have current financial statements and signed copies of the last two years tax returns on the borrowing entity(s) if applicable, and all guarantors. Borrower and all guarantors agree to provide the Bank with the name of their accountant/tax preparer and by acceptance of this commitment authorize the Bank to request on an annual basis, and their accountant/tax preparer to provide, copies of all tax returns, extensions, and financial statements of the Borrower and guarantors.

Financial Condition: The Borrower and guarantors are at all times to maintain a satisfactory financial condition and are to submit at a minimum, annual financial statements, Tax Returns, and any other documentation as the Bank may request from time to time.

The commitment is for the sole and exclusive benefit of the Borrower and may not be assigned by the Borrower. No third party is intended to be benefited in any respect by this commitment.

This Commitment will also survive the Loan Closing.

We appreciate the opportunity to make this financing available to you. If you are in agreement with the above terms and conditions, please acknowledge by signing the enclosed copy and returning it to Southcoast Community Bank.

September 29, 2014 JWO 9/24/14

This Commitment to lend expires on ~~February 15, 2013~~. If not accepted by then, it becomes null and void. If accepted, closing must occur within 45 days of acceptance. Failure to close within the period set forth herein shall give the Bank the option to void this commitment.

Again, it is certainly a pleasure to extend this commitment. I look forward to hearing from you soon.

Sincerely,

Robert A. Daniel, Jr.
Robert A. Daniel, Jr.
Executive Vice President

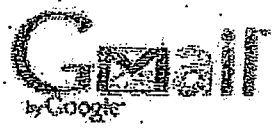
The terms and conditions of this commitment letter are hereby accepted this 7 day of February, 2013.

Borrower(s):

By: _____
Old Towne Suites, LLC

By: _____
Athanasios Fokas

By: _____
Iakovos Ferderigos



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

2 messages

Zeus Grill and Seafood <zeusseafood@bellsouth.net> Tue, Sep 9, 2014 at 1:45 PM
To: iakovosstavros@gmail.com, spirosferderigos@gmail.com, pferderigos@barnwell-whaley.com

Gentlemen,

I have enclosed info on checks received and booking info for the suites. We are currently up over $10,000.00 for the year and I expect that that number will grow closer to $15,000.00 by the end of the year. We have paid $2574.00 in cleaning fees this year that we won't have next year.

The rental company charges us 15% on our units now but that number goes to 12% once we have then new one's built which will give us a savings of around $4000.00 on our current units.

It looks like our new project of six more units will cost us around two million to build. The bank has agreed to one million so I am going to try to convince them to give us 1.8 million which will cover us for everything except furnishing and kitchen equipment. The reason I'm asking for 1.8 million is that we can justify that amount through the money that we already receive from the suites. Furnishing and kitchen equipment will be roughly $225,000.00. We should get permitting to start building this month and I do have two other bids coming in but I suspect that both will be higher.

Sincerely,

Athan

O T S.xlsx
20K

EXHIBIT
tabbies
H
104

Friday, September 19, 2014

(843) 813-5612

Good news! We are approved for 1.8 million. 3:22 PM

Spiro Cell

Sweet..good job...can you email us the details of the loan sometime this weekend if you have a chance? That is great news! 3:22 PM

Jacob

That's great news.. 3:22 PM

(843) 813-5612

The banker just called me. I won't have the details till next week. 3:24 PM

(843) 813-5612

I'm sure it's 5% for 20 years. 3:24 PM

Spiro Cell

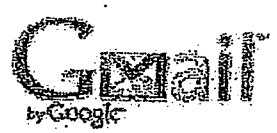
You da man 3:40 PM

EXHIBIT

tabbies

I

105



spiros ferderigos <spirosferderigos@gmail.com>

Fwd: Old Towne suits

3 messages

Athan Fokas <athanfokas@gmail.com> Wed, Sep 24, 2014 at 10:07 AM
To: "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry. Phillip show it to your banker quickly but they want to close this month and I don't see anybody beating this note in a timely manner.

Sent from my iPhone

Begin forwarded message:

> **From:** "Zeus Grill and Seafood" <zeusseafood@bellsouth.net>
> **Date:** September 24, 2014, 9:57:50 AM EDT
> **To:** "'Athan Fokas'" <athanfokas@gmail.com>
> **Subject: FW: Old Towne suits**

> From: "Jeffrey W. Odom" <jodom@southcoastbank.com>
> Date: September 24, 2014, 9:02:37 AM EDT
> To: 'Athan Fokas' <fokasa@bellsouth.net>
> **Subject: RE: Old Towne suits**

> Athan,
> Ok. See the changes. We are ok with that. Please also date beside your initials like I have done on this copy.

> Jeffrey W. Odom NMLS ID #500313
> Vice President | Commercial Lending
> Main Branch Manager

> Southcoast Community Bank
> NMLS ID# 477257
> 530 Johnnie Dodds Blvd.
> Mt. Pleasant, SC 29464
> (Office) - 843.216.3087
> (Fax) - 843.884.2886
> (Cell) - 843.729.8224

doc26026220140924075734.pdf
334K

EXHIBIT
J
106

From: Zeus Grill and Seafood [mailto:zeusseafood@bellsouth.net]
Sent: Thursday, September 25, 2014 10:53 AM
To: Jeffrey W. Odom
Subject: FW: Old Towne suits

Hey Jeff,

My cousin noticed that on terms and conditions it says 12 monthly payments of interest only followed by 59 consecutive monthly payments ... Then it says a 240 month amortization schedule. Can it say: 12 monthly payments of interest only followed by 239 consecutive monthly payments... so that it is truly a 20 years note. Just want to make sure that the note continues after 5 years.

Thanks,

Athan

Sent from my iPhone

From: Zeus Grill and Seafood [mailto:zeusseafood@bellsouth.net]
Sent: Thursday, September 25, 2014 11:15 AM
To: Phillip Ferderigos
Subject: FW: Old Towne suits

Well at least I tried.

From: Jeffrey W. Odom [mailto:jodom@southcoastbank.com]
Sent: Thursday, September 25, 2014 11:07 AM
To: 'Zeus Grill and Seafood'
Subject: RE: Old Towne suits

The note will be 12 months of interest only followed by 5 years of principal, interest, and escrow payments and then a balloon maturity, with monthly payments based on a 20 year schedule. That is what you wanted and that is the same thing we are doing on your North Towne deal. That is pretty standard on commercial loans...and I think a 6 year fixed rate (12 months plus the following 60 months) on a construction project with speculative income is a very good deal for you guys. We will revisit the deal at the end of the 5 year period (technically in 6 years) and we can apply for a simple renewal. You wont have to hire a closing attorney and pay all of the closing fees and all of that. The bank will just draw up a simple renewal form which we can sign in my office.

Jeffrey W. Odom NMLS ID #500313

Vice President | Commercial Lending

Friday, October 10, 2014

(843) 813-5612

3:54 PM

We got our permit. Can start building immediately

3:54 PM

EXHIBIT

K

109

Friday, November 21, 2014

Me

Lauren has been in Iowa and I missed a day at work because Nathan was sick. I have a very busy day today so, if the closing is going to happen today, I need to have it as late in the day as possible. If there any issues, let's just kick it the next week... 8:48 AM

(843) 813-5612

They scheduled it for 3:00 today. Will that work? 8:49 AM

Me

Should work for me, ask the lawyer to email me the HUD/settlement statement and all paperwork beforehand and I can review it and we can go through the closing more quickly... 8:52 AM

(843) 813-5612

Ok 8:53 AM

Spiro Cell

From my end, we need to have the agreement signed and a copy of the closing docs to review beforehand. I want to make sure I know what I am signing 8:53 AM

Spiro Cell

So agreement needs to be done and hud/settlement statement like Phillip said 8:54 AM

Spiro Cell

I will block off 3 pm. Where is the closing? 8:54 AM

(843) 813-5612

Sure. I sent the agreement to my attorney this morning. I did ask a few questions to you by email. The closing is at Amy Haines office in Mt. Pleasant 800 Johnnie Dodds Boulevard. 8:56 AM

Spiro Cell

I am in court until about 2 today so Phillip will need to respond to any questions 8:58 AM

EXHIBIT

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110

Me

Your questions have been answered. I could tell you went to an attorney, and I'm glad you did. I want everyone to have full disclosure and completely understand what they're agreeing to. everybody has to pay on time or there will be consequences.

8:59 AM

(843) 813-5612

I have not spoken to an attorney yet but have become familiar with legal documents over the years.

9:00 AM

Me

That's up to you, its best to have lawyer review it for you to make sure you understand everything. but it's your decision, you are a big boy and you can decide what's best for you.

9:04 AM

(843) 813-5612

As I stated above I didn't receive the agreement until last night and I forwarded to my attorney this morning. I'm not a big boy any more after running the bridge three days a week and working out with an aggressive F3 group three days a week. I'm now a lean boy!

9:12 AM

Spiro Cell

Hey. I don't want my phone going crazy while I am in court. Shoot a text out when you decide if you are good with the agreement or not. Feeling my phone vibrate while I am making arguments is distracting and I have to have my phone in in case my wife has an emergency. Once we get the green light on the agreement and the closing docs are reviewed/accurate (which I don't see a reason why they wouldn't be) then we can move forward this afternoon. If there are any issues with the agreement, ect then we will need to revisit everything g at a later time.

9:12 AM

Spiro Cell

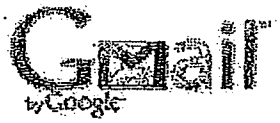
Still don't know why the email didn't go through to you yesterday at 3. I have the email and you got it the second time I sent it when you said you didn't have anything. If you need more time we can postpone today. Not a problem.

9:13 AM

(843) 813-5612

I'm good with 3:00 today. I just got the elevation certificate for the flood policy needed so I don't currently foresee any setbacks.

9:15 AM



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 12:13 PM
To: Phillip Ferderigos <pferderigos@bamwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I do what I will with whatever money I have and you can't dictate otherwise. I told you my intent but six months from now my intent may change. Regardless of that fact the bank wants to close this month if in fact we proceed. I'm not interested in you trying to bully me into signing any type of side agreement that is unnecessary. My attorney, as I said earlier, strongly was against it.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
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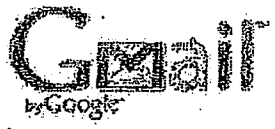
112



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Mon, Nov 24, 2014 at 1:00 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: iakovosstavros@gmail.com, spiros ferderigos <spirosferderigos@gmail.com>

Athan, once again, you can not even answer a simple question directly.

You are asking me to mortgage my part of Old Towne and you are unwilling to sign an Agreement to say that you will make your payments timely.

I believe you have mortgaged your other properties and now you want to mortgage Old Towne. I am not your piggie bank. I will not mortgage my share of Old Towne for you unless you agree to make your payments timely.

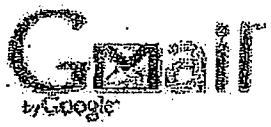
Unless you change your decision, there is no point in moving forward.

Phillip S. Ferderigos, Esq.
Member

288 Meeting St., Ste 200 (29401)
PO Drawer H
Charleston, SC 29402
Phone: (843) 577-7700
Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com

---Original Message---
From: Athan Fokas [mailto:fokasa@bellsouth.net]
[Quoted text hidden]



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:31 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I am not asking you to do anything. The bank is requiring that all parties sign off on the mortgage. I did secure that you didn't have to personally guarantee the note. Quit trying to put yourself on a pedestal. If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences. If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not. We are currently paying for an expensive business risk policy, paid for a flood policy we don't need if not constructing, have been paying two months on a storage container, and prepaid our over $20,000.00 property taxes two months early in order to close. Not to mention we have over $50,000.00 already invested in this deal.

Sent from my iPhone
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Mon, Nov 24, 2014 at 1:43 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: iakovosstavros@gmail.com, spiros ferderigos <spirosferderigos@gmail.com>

I do not care what your bank is requiring of you to get your loan...that has nothing to do with me.

I will not sign off on any mortgage of my share unless you sign an agreement that you will make your payments timely. If you are an intelligent person, you will see that I can not and will not agree to mortgage my share of Old Towne if you do not agree to make your payments on time.

Phillip S. Ferderigos, Esq.
Member

288 Meeting St., Ste 200 (29401)
PO Drawer H
Charleston, SC 29402
Phone: (843) 577-7700
Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com
---Original Message---
From: Athan Fokas [mailto:fokasa@bellsouth.net]
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family..

Sent from my iPhone
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Wed, Nov 26, 2014 at 11:46 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The irony in all this is that the son's want extra assurances that money will be paid back when the way our fathers always did it is with a hand shake. Ask your dad how many times my father loaned him money (his grocery store off America St, to buy Old Towne in 72, and to build our first apartment building in Greece) and there was no paperwork and all was paid back. In this case nobody is loaning anyone money but just a couple of hard headed kids who don't understand how family works. I don't think anybody owes anybody any money do they? I don't think anyone has any history of any money not being paid back do they?
We are all older now and our families have grown and we don't have to spend Thanksgiving together. Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this. Later on down the line when I'm in the money I may consider loaning Jacob the money and having a 25/75 split on the new building because I know that Jacob will pay me back and I won't need any side agreements trying to take more of his ownership if he doesn't pay. Bottom line is payments come out of profits and I know he is good for it.

Sent from my iPhone

> On Nov 24, 2014, at 2:17 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:
>
[Quoted text hidden]

Resolution of Old Towne Suites, LLC

Whereas Old Towne Suites, LLC, (the "Company") is a limited liability company organized and operating under the laws of the State of South Carolina; and,

Whereas the Articles of Organization and the Operating Agreement are attached hereto; and,

Whereas the undersigned are the only members of the Company;

Now therefore, the undersigned do resolve as follows:

RESOLVED, that the Company, is authorized to borrow the sum of $1,800,000.00 in the form of a construction loan from Southcoast Community Bank (the "Lender") in order to make improvements to the property located at 229 King Street, Charleston, South Carolina and is authorized to pledge assets of the Company as security for the debt through security agreements and financing statements.

RESOLVED, that Athan Fokas a/k/a Athanasios Fokas and Iakavos Ferderigos are authorized to execute the necessary documents on behalf of the Company to obtain the above referenced loan and are directed to do all other things and acts, to execute and deliver all other instruments, documents and certificates, and to pay all costs, fees and expenses as may be, in their judgment, necessary, proper or advisable in order to carry out and comply with the purposes and intent of these resolutions, and that all acts and deeds Athan Fokas and Iakavos Ferderigos that are consistent with the purposes and intent of these resolutions, be and hereby are ratified, approved and adopted as the acts and deeds of the Company.

RESOLVED, that Athan Fokas and Iakavos Ferderigo are authorized to disclose any information and provide any documentation necessary, proper or advisable in order to carry out and comply with the purposes and intent of these resolutions.

RESOLVED, that the Lender shall be entitled to rely upon a certified copy of this Resolution until written notice of rescission thereof has been received, and the receipt of such notice shall not affect any actions taken by the purchaser prior thereto.

I certify that the following signatures represent the true and complete listing of members of the Company, that all representations made herein are true and correct, and that I have read all of the provisions of this Resolution.

_____

Athan Fokas a/k/a Athanasios Fokas date

_____

Iakovos S. Ferderigos date

_____

Phillip S. Ferderigos date

_____

Spiros S. Ferderigos date

EXHIBIT

N

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0955

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old TowneSuites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Principal Amount: $1,800,000.00 **Date of Note:** _____

PROMISE TO PAY. Old TowneSuites, LLC ("Borrower") promises to pay to SOUTHCOAST COMMUNITY BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Eight Hundred Thousand & 00/100 Dollars ($1,800,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in accordance with the following payment schedule, which calculates interest on the unpaid principal balances as described in the "INTEREST CALCULATION METHOD" paragraph using the interest rates described in this paragraph: 12 monthly consecutive interest payments, beginning January 1, 2015, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days; 59 monthly consecutive principal and interest payments of $11,952.24 each, beginning January 1, 2016, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days; and one principal and interest payment of $1,516,249.38 on December 1, 2020, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the 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. All interest payable under this Note is computed using this method.

PREPAYMENT; MINIMUM INTEREST CHARGE. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of $50.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty 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: Southcoast Community Bank, Loan Servicing Department, P.O. Box 1561 Mt. Pleasant, SC 29465.

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, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under 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.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower 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 under this Note and all accrued unpaid interest immediately 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.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instruments listed herein:

(A) a Construction Mortgage to Lender on real property located in Charleston County, State of South Carolina.

(B) an Assignment of All Rents to Lender on real property located in Charleston County, State of South Carolina.

(C) Inventory, chattel paper, accounts, equipment, general intangibles, fixtures, standing timber and mineral, oil and gas described in a Commercial Security Agreement dated _____.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

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. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. 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.

NOTICE CONCERNING APPRAISAL WAIVER. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE(S) AND RELINQUISH(ES) THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

BORROWER:

OLD TOWNESUITES, LLC

By: _____
Athanasios Fokas, Manager of Old TowneSuites, LLC

By: _____
Iakovos S Ferderigos, Manager of Old TowneSuites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

LaserPro, Ver. 14.10.0.024 Copr. D+H USA Corporation 1997, 2014. All Rights Reserved. - NC C:\PROGRAMDATA\PRO\LP\G20.FC TR-7519 PR-13

HYPOTHECATION AGREEMENT

TO: SOUTHCOAST COMMUNITY BANK DATE: November ___, 2014

IN CONSIDERATION of your making, renewing or extending a loan or loans to the Borrower, the undersigned hereby authorizes Old Towne Suites, LLC (herein called the "Borrower") to hypothecate and pledge to Southcoast Community Bank (herein called "the Bank") as collateral for any loans or advances (including all liabilities relating thereto) made by your Bank to the Borrower and for any present or future indebtedness or other obligation of the Borrower to you and for any renewal, extension, or modification of any or all thereof, the following securities, instruments, or other property belonging to the undersigned namely:

The real estate and improvements known as 229 King Street, Charleston, SC 29401 (TMS# 457-08-01-063) more fully described in attached Exhibit A.

The undersigned further agrees that said collateral shall be subject to disposition in accordance with the terms and conditions of the instruments evidencing such indebtedness, obligation, and liabilities. The undersigned also authorizes you in your discretion from time to time to deliver to the Bank said collateral or any proceeds therefrom, the Borrower's receipt being sufficient acquittance to you therefor; and in general, authorize you to deal with said collateral and proceeds in the same way and with the same force and effect as if the Borrower was the absolute owner thereof. It is further agreed that any or all of the foregoing may be without notice to or further consent of the undersigned.

This agreement shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of you and your successors and assigns.

IN WITNESS WHEREOF, the undersigned execute this agreement the date and year written above.

IN THE PRESENCE OF:

_____ By: _____
Spiros S. Ferderigos

HYPOTHECATION AGREEMENT

TO: SOUTHCOAST COMMUNITY BANK DATE: November ___, 2014

IN CONSIDERATION of your making, renewing or extending a loan or loans to the Borrower, the undersigned hereby authorizes Old Towne Suites, LLC (herein called the "Borrower") to hypothecate and pledge to Southcoast Community Bank (herein called "the Bank") as collateral for any loans or advances (including all liabilities relating thereto) made by your Bank to the Borrower and for any present or future indebtedness or other obligation of the Borrower to you and for any renewal, extension, or modification of any or all thereof, the following securities, instruments, or other property belonging to the undersigned namely:

The real estate and improvements known as 229 King Street, Charleston, SC 29401 (TMS# 457-08-01-063) more fully described in attached Exhibit A.

The undersigned further agrees that said collateral shall be subject to disposition in accordance with the terms and conditions of the instruments evidencing such indebtedness, obligation, and liabilities. The undersigned also authorizes you in your discretion from time to time to deliver to the Bank said collateral or any proceeds therefrom, the Borrower's receipt being sufficient acquittance to you therefor; and in general, authorize you to deal with said collateral and proceeds in the same way and with the same force and effect as if the Borrower was the absolute owner thereof. It is further agreed that any or all of the foregoing may be without notice to or further consent of the undersigned.

This agreement shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of you and your successors and assigns.

IN WITNESS WHEREOF, the undersigned execute this agreement the date and year written above.

IN THE PRESENCE OF:

_____ By:_____
Phillip S. Ferderigos

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

"0115"

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated November 21, 2014, is made and executed between Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401; Iakovos S Ferderigos, whose address is 8 River Reach Way, Charleston, SC 29407; Spiros S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 and Phillip S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (referred to below as "Grantor") and SOUTHCOAST COMMUNITY BANK, whose address is 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Charleston County, State of South Carolina:

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

The Property or its address is commonly known as 229 King Street, Charleston, SC 29401. The Property tax identification number is 457-08-01-063.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT 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.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of South Carolina and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

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 Assignment 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 Assignment 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 Rents or 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 Assignment 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.

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

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

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment 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.

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

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

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 Assignment 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 Assignment 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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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 the Rents or 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.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. 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 Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower 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 any Event of Default and at any time thereafter, Lender 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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and 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 shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. 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 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.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

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 Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, 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, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

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

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment 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.

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

Governing Law. This Assignment 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 Assignment has been accepted by Lender in the State of South Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment 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 Grantor signing below is responsible for all obligations in this Assignment.

Merger. There shall be no merger of the interest or estate created by this assignment 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.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment 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 Assignment 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 Assignment. 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 Assignment, 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 Assignment 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 Assignment. Any party may change its address for notices under this Assignment 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.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment 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 Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment 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 Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

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

Waive Jury. All parties to this Assignment hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. 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 Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means Old Towne Suites, LLC.

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

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

Grantor. The word "Grantor" means Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos.

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.

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 Assignment, together with interest on such amounts as provided in this Assignment.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated November 21, 2014, in the original principal amount of $1,800,000.00 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.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

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 of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT. THIS DOCUMENT IS EXECUTED ON NOVEMBER 21, 2014.

GRANTOR:

X _____ Athanasios Fokas

X _____ Iakovos S Ferderigos

X _____ Spiros S Ferderigos

X _____ Phillip S Ferderigos

Signed, acknowledged and delivered in the presence of:

X _____ Witness

X _____ Witness

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Assignment 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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PR-13

OMB NO. 2502-0265

A.
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

SETTLEMENT STATEMENT

B. TYPE OF LOAN:
1. [ ] FHA 2. [ ] FmHA 3. [X] CONV. UNINS. 4. [ ] VA 5. [ ] CONV. INS.

6. FILE NUMBER: 14,140OLDTOWNE
7. LOAN NUMBER: 03400007519
8. MORTGAGE INS CASE NUMBER:

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*
1.0 3/86 (14.140OLDTOWNE.PFD/14.140OLDTOWNE/36)

D. NAME AND ADDRESS OF BORROWER:
Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

E. NAME AND ADDRESS OF SELLER:

F. NAME AND ADDRESS OF LENDER:
SouthCoast Community Bank
P.O. Box 1561
Mount Pleasant, SC 29465

G. PROPERTY LOCATION:
229 King Street
Charleston, SC 29401
Charleston County, South Carolina

H. SETTLEMENT AGENT: 27-4025801
Haines Law Firm, LLC

PLACE OF SETTLEMENT
800 Johnnie Dodds Blvd.
Mount Pleasant, South Carolina 29464

I. SETTLEMENT DATE:
November 21, 2014

J. SUMMARY OF BORROWER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:	
101. Contract Sales Price	
102. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	21,848.17
104.	
105.	
Adjustments For Items Paid By Seller in advance	
106. Homeowners Assoc to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	21,848.17
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s)	1,800,000.00
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207. Construction Draw	171,848.17
208.	
209.	
Adjustments For Items Unpaid By Seller	
210. Homeowners Assoc to	
211. County Taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BORROWER	171,848.17
300. CASH AT SETTLEMENT FROM/TO BORROWER:	
301. Gross Amount Due From Borrower (Line 120)	21,848.17
302. Less Amount Paid By/For Borrower (Line 220)	(171,848.17)
303. CASH (FROM) (X TO) BORROWER	150,000.00

K. SUMMARY OF SELLER'S TRANSACTION	
400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	
402. Personal Property	
403.	
404.	
405.	
Adjustments For Items Paid By Seller in advance	
406. Homeowners Assoc to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first Mortgage	
505. Payoff of second Mortgage	
506.	
507.	
508.	
509.	
Adjustments For Items Unpaid By Seller	
510. Homeowners Assoc to	
511. County Taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	
602. Less Reductions Due Seller (Line 520)	( )
603. CASH (TO) (FROM) SELLER	0.00

HUD-1 (3-86) RESPA, HB4305.2

L. SETTLEMENT CHARGES

		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %			
Division of Commission (line 700) as Follows:			
701. $ to			
702. $ to			
703. Commission Paid at Settlement			
704. to			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee % to			
802. Loan Discount % to			
803. Appraisal Fee to SouthCoast Community Bank		2,800.00	
804. Credit Report to			
805. Flood Hazard Determination Fee to SouthCoast Community Bank		13.50	
806. Mtg/Asmt of Rents Sat Fee to SouthCoast Community Bank		10.00	
807. Underwriting Fee to SouthCoast Community Bank		500.00	
808. Commitment Fee to SouthCoast Community Bank	POC: $2500.00b	9,000.00	
809. Secretary of State UCC Sat Fee to SouthCoast Community Bank		32.00	
810. County UCC Sat. Fee to SouthCoast Community Bank		8.00	
811.			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest From 11/21/14 to 12/01/14 @ $ 23.834700/day (10 days %)		238.35	
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for 1.0 years to			
904.			
905.			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance 2.000 months @ $ 517.33 per month		1,034.66	
1002. Mortgage Insurance months @ $ per month			
1003. Homeowners Assoc months @ $ per month			
1004. County Taxes 2.000 months @ $ 1,735.00 per month		3,470.00	
1005. Assessments months @ $ per month			
1006. months @ $ per month			
1007. Flood Insurance 2.000 months @ $ 186.33 per month		372.66	
1008. months @ $ per month			
1100. TITLE CHARGES			
1101. Settlement or Closing Fee to			
1102. Abstract or Title Search to Deborah Z. Ferris		305.00	
1103. Title Examination to			
1104. Title Insurance Binder to The Haines Law Firm, LLC		100.00	
1105. Document Preparation to			
1106. Misc Fax/Copy/Courier Charges to The Haines Law Firm, LLC		35.00	
1107. Attorney's Fees to The Haines Law Firm, LLC		350.00	
(includes above item numbers:)			
1108. Title Insurance to First American Title Insurance Company		3,510.00	
(includes above item numbers:)			
1109. Lender's Coverage $ 1,800,000.00 3,510.00			
1110. Owner's Coverage $			
1111. Insured Closing Letter Fee to First American Title Insurance Company		20.00	
1112.			
1113.			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording Fees: Deed $; Mortgage $ 14.00; Releases $		14.00	
1202. City/County Tax/Stamps: Deed ; Mortgage			
1203. State Tax/Stamps: ; Mortgage			
1204. Record UCCs to Charleston County Register of Deeds	$8 each x 3	24.00	
1205. Record Assignment of Rents to Charleston County Register of Deeds		11.00	
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey to			
1302. Pest Inspection to			
1303. Overnight Delivery Pkg/Payoff Haines FE Account			
1304.			
1305.			
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)		21,848.17	

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

Certified to be a true copy.

Haines Law Firm, LLC
Settlement Agent

(14.140OLDTOWNE / 14.140OLDTOWNE / 38)

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Borrower: Old Towne Suites, LLC
Lender: SouthCoast Community Bank
Settlement Agent: Haines Law Firm, LLC
(843)884-1593
Place of Settlement: 800 Johnnie Dodds Blvd.
Mount Pleasant, South Carolina 29464
Settlement Date: November 21, 2014
Property Location: 229 King Street
Charleston, SC 29401
Charleston County, South Carolina

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Old Towne Suites, LLC

By: Athanasios Fokas

By: Iakovos S. Ferderigos

By: Phillip S. Ferderigos

By: Spiros S. Ferderigos

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Haines Law Firm, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

HUD-1 (3-86) RESPA, HB4305.2

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

0745

CONSTRUCTION MORTGAGE

MAXIMUM LIEN. The amount of indebtedness secured by this Mortgage, including the outstanding amount of the Note and all future advances shall at no time exceed the principal amount of $2,700,000.00, plus interest, reasonable attorneys' fees, court costs and the expenses to preserve and protect the Property. Interest under the Note will be deferred, accrued or capitalized, but Lender shall not be required to defer, accrue or capitalize any interest except as provided in the Note.

THIS MORTGAGE dated _____, is made and executed between Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401; Iakovos S Ferderigos, whose address is 8 River Reach Way, Charleston, SC 29407; Spiros S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 and Phillip S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (referred to below as "Grantor") and SOUTHCOAST COMMUNITY BANK, whose address is 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (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 Charleston 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 229 King Street, Charleston, SC 29401. The Real Property tax identification number is 457-08-01-063.

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.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Borrower whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Borrower, together with all interest thereon; however, in no event shall such future advances (excluding interest) exceed in the aggregate $2,700,000.00. This Mortgage shall remain an open mortgage of record to secure future advances in accordance with Section 29-3-50, as amended, Code of Laws of South Carolina (1976) even in the event all sums secured by this Mortgage may be fully paid at any one time; however, upon request of Grantor, Lender will cause this Mortgage to be released and cancelled of record upon full payment of all indebtedness then owing, and upon such cancellation of this Mortgage of record, this Mortgage shall become null and void. Such release shall be without charge to Grantor; however, Grantor shall pay all costs of recordation, if any, and all documentary stamps due on the Note evidencing future advances secured by this Mortgage.

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 THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HEREWITH. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER 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.

CONSTRUCTION MORTGAGE. This Mortgage is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of South Carolina.

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 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, defend, 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 and defend, 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.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by South Carolina law.

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, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $10,000.00. 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 thirty (30) 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. The Real Property is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, 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 any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

TAX AND INSURANCE RESERVES. Subject to any limitations and consistent with any requirements set by applicable law, Lender may require Grantor to maintain with Lender reserves for payment of annual taxes, assessments, and insurance premiums, which reserves shall be created by an initial deposit and subsequent monthly payments, or payments at such other interval as payments under the Note may be due, of a sum estimated by Lender to be sufficient to pay the total annual taxes, assessments, and insurance premiums Lender reasonably anticipates to be paid from those reserves. The reserve funds shall be held by Lender as a general deposit from Grantor, which Lender may satisfy by payment of the taxes, assessments, and insurance premiums required to be paid by Grantor as they become due. Lender shall have the right to draw upon the reserve funds to pay such items, and Lender shall not be required to determine the validity or accuracy of any item before paying it. Nothing in the Mortgage shall be construed as requiring Lender to advance other monies for such purposes, and Lender shall not incur any liability for anything it may do or omit to do with respect to the reserve account. Subject to any limitations set by applicable law, if the reserve funds disclose a shortage or deficiency, Grantor shall pay such shortage or deficiency as required by Lender. All amounts in the reserve account are hereby pledged to further secure the Indebtedness, and Lender is hereby authorized to withdraw and apply such amounts on the Indebtedness upon the occurrence of an Event of Default. Lender shall not be required to pay any interest or earnings on the reserve funds unless required by law or agreed to by Lender in writing. Lender does not hold the reserve funds in trust for Grantor, and Lender is not Grantor's agent for payment of the taxes and assessments required to be paid by Grantor.

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:

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 and Grantor pay all the Indebtedness, including without limitation all future advances, when due, and Grantor 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.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

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.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the Indebtedness or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any of the Related Documents.

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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower 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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower 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 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.

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 Borrower or 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 waive 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 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.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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 Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos.

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. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances provision of this Mortgage, together with all interest thereon.

Lender. The word "Lender" means SOUTHCOAST 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 November 21, 2014, in the original principal amount of **$1,800,000.00** 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 1, 2020.

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.

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_____
Athanasios Fokas

X_____
Iakovos S Ferderigos

X_____
Spiros S Ferderigos

X_____
Phillip S Ferderigos

Signed, acknowledged and delivered in the presence of:

X_____
Witness

X_____
Witness

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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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PR-13

0035

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Grantor: Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos
229 King Street
Charleston, SC 29401

INSURANCE REQUIREMENTS. Grantor, Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Old Towne Suites, LLC ("Borrower") by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: 229 King Street, Charleston, SC 29401.
Type: Fire and extended coverage.
Amount: Loan Amount.
Basis: Replacement value.
Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY: Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FLOOD INSURANCE. Flood insurance for the Collateral securing this loan is described as follows:

Real Estate at 229 King Street, Charleston, SC 29401.
The Collateral securing this loan is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, 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. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

Southcoast Communtity Bank
P.O. Box 1561
Mt. Pleasant, SC 29465

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of November 21, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

X _____ Athanasios Fokas

X _____ Iakovos S Ferderigos

X _____ Spiros S Ferderigos

X _____ Phillip S Ferderigos

FOR LENDER USE ONLY

INSURANCE VERIFICATION

DATE: _____ PHONE _____

AGENT'S NAME: _____

AGENCY: _____

ADDRESS: _____

INSURANCE COMPANY: _____

POLICY NUMBER: _____

EFFECTIVE DATES: _____

COMMENTS: _____

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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	11-21-2014		03400007519		34000		

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Grantor: Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos
229 King Street
Charleston, SC 29401

TO: ATTN: Insurance Agent

DATE: November 21, 2014

RE: Policy Number(s):
Insurance Companies/Company:

Dear Insurance Agent:

Old Towne Suites, LLC ("Borrower"), is obtaining a loan from SOUTHCOAST COMMUNITY BANK. Please send appropriate evidence of insurance to SOUTHCOAST COMMUNITY BANK, together with the requested endorsements, on the following property, which Grantor, Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos ("Grantor") is giving as security for the loan.

Collateral: 229 King Street, Charleston, SC 29401.
Type: Fire and extended coverage.
Amount: Loan Amount.
Basis: Replacement value.
Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

FLOOD INSURANCE. Collateral securing this loan is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor must obtain and maintain Federal Flood Insurance, if available, 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.

GRANTOR:

X _____
Athanasios Fokas

X _____
Iakovos S Ferderigos

X _____
Spiros S Ferderigos

X _____
Phillip S Ferderigos

RETURN TO:

Southcoast Communtity Bank
P.O. Box 1561
Mt. Pleasant, SC 29465

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[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
Cindy Gleaton (843) 216-3016

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

SOUTHCOAST COMMUNITY BANK
530 Johnnie Dodds
Mt. Pleasant, SC 29464

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here [ ] and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
Fokas	Athanasios		

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here [ ] and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
Ferderigos	Iakovos	S	

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
SOUTHCOAST COMMUNITY BANK

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
530 Johnnie Dodds	Mt. Pleasant	SC	29464	USA

4. COLLATERAL: This financing statement covers the following collateral:

Debtor'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 Charleston County, State of South Carolina: See Exhibit A, which is attached to this UCC Financing Statement and made a part of this UCC Financing Statement as if fully set forth herein.

5. Check only if applicable and check only one box: Collateral is [ ] held in a Trust (see UCC1Ad, item 17 and Instructions) [ ] being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
[ ] Public-Finance Transaction [ ] Manufactured-Home Transaction [ ] A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
[ ] Agricultural Lien [ ] Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): [ ] Lessee/Lessor [ ] Consignee/Consignor [ ] Seller/Buyer [ ] Bailee/Bailor [ ] Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME
Fokas

FIRST PERSONAL NAME
Athanasios

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME
Ferderigos

INDIVIDUAL'S FIRST PERSONAL NAME
Spiros

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX
S

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:
Exhibit A.

17. MISCELLANEOUS:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME
Fokas

FIRST PERSONAL NAME
Athanasios

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME
Ferderigos

INDIVIDUAL'S FIRST PERSONAL NAME
Phillip

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)
S | SUFFIX

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

0245

CONSTRUCTION LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS CONSTRUCTION LOAN AGREEMENT dated November 21, 2014, is made and executed between Old Towne Suites, LLC ("Borrower") and SOUTHCOAST COMMUNITY BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for one or more loans for purposes of constructing the improvements on the Real Property described below. Lender is willing to fund the loan amount to Borrower solely under the terms and conditions specified in this Agreement and in the Related Documents, to each of which Borrower agrees. 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, and (B) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of November 21, 2014, 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 1, 2020.

LOAN. The Loan shall be in an amount not to exceed the principal sum of U.S. $1,800,000.00 and shall bear interest on so much of the principal sum as shall be advanced pursuant to the terms of this Agreement and the Related Documents. The Loan shall bear interest on each Advance from the date of the Advance in accordance with the terms of the Note. Borrower shall use the Loan Funds solely for the following specific purposes: for construction purposes only as described in plans and specifications submitted. The Loan amount shall be subject at all times to all maximum limits and conditions set forth in this Agreement or in any of the Related Documents, including without limitation, any limits relating to loan to value ratios and acquisition and Project costs.

PROJECT DESCRIPTION. The word "Project" as used in this Agreement means the construction and completion of all improvements contemplated by this Agreement, including without limitation the erection of the building or structure on the Real Property identified to this Agreement by Borrower and Lender, installation of equipment and fixtures, landscaping, and all other work necessary to make the Project usable and complete for the intended purposes.

The word "Property" as used in this Agreement means the Real Property together with all improvements, all equipment, fixtures, and other articles of personal property now or subsequently 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 all proceeds (including insurance proceeds and refunds of premiums) from any sale or other disposition of such property. The real estate described below constitutes the Real Property as used in this Agreement.

The real estate or its address is commonly known as:
Real Property located at 229 King Street, Charleston, SC 29401.

FEES AND EXPENSES. Whether or not the Project shall be consummated, Borrower shall assume and pay upon demand all out-of-pocket expenses incurred by Lender in connection with the preparation of loan documents and the making of the Loan, including without limitation the following: (A) all closing costs, loan fees, and disbursements; (B) all expenses of Lender's legal counsel; and (C) all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

NO CONSTRUCTION PRIOR TO RECORDING OF SECURITY DOCUMENT. Borrower will not permit any work or materials to be furnished in connection with the Project until (A) Borrower has signed the Related Documents; (B) Lender's mortgage or deed of trust and other Security Interests in the Property have been duly recorded and perfected; (C) Lender has been provided evidence, satisfactory to Lender, that Borrower has obtained all insurance required under this Agreement or any Related Documents and that Lender's liens on the Property and Improvements are valid perfected first liens, subject only to such exceptions, if any, acceptable to Lender.

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 limited liability company 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 is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. 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 an office at 229 King Street, Charleston, SC 29401. Unless Borrower has designated otherwise in writing, the principal office is the 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 organization or membership agreements, 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, defend, 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 and defend, 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.

Title to Property. Borrower has, or on the date of first disbursement of Loan proceeds will have, good and marketable title to the Collateral free and clear of all defects, liens, and encumbrances, excepting only liens for taxes, assessments, or governmental charges or levies not yet delinquent or payable without penalty or interest, and such liens and encumbrances as may be approved in writing by the Lender. The Collateral is contiguous to publicly dedicated streets, roads, or highways providing access to the Collateral.

Project Costs. The Project costs are true and accurate estimates of the costs necessary to complete the improvements in a good and workmanlike manner according to the Plans and Specifications presented by Borrower to Lender, and Borrower shall take all steps necessary to prevent the actual cost of the improvements from exceeding the Project costs.

Utility Services. All utility services appropriate to the use of the Project after completion of construction are available at the boundaries of the Collateral.

Assessment of Property. The Collateral is and will continue to be assessed and taxed as an independent parcel by all governmental authorities.

Compliance with Governing Authorities. Borrower has examined and is familiar with all the easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and federal, state, and local requirements affecting the Project. The Project will at all times and in all respects conform to and comply with the requirements of such easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and federal, state, and local requirements.

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.

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.

Approval of Contractors, Subcontractors, and Materialmen. Lender shall have approved a list of all contractors employed in connection with the construction of the improvements, showing the name, address, and telephone number of each contractor, a general description of the nature of the work to be done, the labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of the labor, work, or materials with respect to each contractor or materialman. Lender shall have the right to communicate with any person to verify the facts disclosed by the list or by any application for any Advance, or for any other purpose.

Plans, Specifications, and Permits. Lender shall have received and accepted a complete set of written Plans and Specifications setting forth all improvements for the Project, and Borrower shall have furnished to Lender copies of all permits and requisite approvals of any governmental body necessary for the construction and use of the Project.

Architect's and Construction Contracts. Borrower shall have furnished in form and substance satisfactory to Lender an executed copy of the Architect's Contract and an executed copy of the Construction Contract.

Related and Support Documents. Borrower shall provide to Lender in form satisfactory to Lender the following support documents for the Loan: **Architect's Certificate and Completion Guaranty.**

Budget and Schedule of Estimated Advances. Lender shall have approved detailed budget and cash flow projections of total Project costs and a schedule of the estimated amount and time of disbursements of each Advance.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the consummation of the Project and 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, in their sole discretion, may require.

Bond. If requested by Lender, Borrower shall have furnished a performance and payment bond in an amount equal to 100% of the amount of the Construction Contract, as well as a materialmen's and mechanics' payment bond, with such riders and supplements as Lender may require, each in form and substance satisfactory to Lender, naming the General Contractor as principal and Lender as an additional obligee.

Appraisal. If required by Lender, an appraisal shall be prepared for the Property, at Borrower's expense, which in form and substance shall be satisfactory to Lender, in Lender's sole discretion, including applicable regulatory requirements.

Plans and Specifications. If requested by Lender, Borrower shall have assigned to Lender on Lender's forms the Plans and Specifications for the Project.

Environmental Report. If requested by Lender, Borrower shall have furnished to Lender, at Borrower's expense, an environmental report and certificate on the Property in form and substance satisfactory to Lender, prepared by an engineer or other expert satisfactory to Lender stating that the Property complies with all applicable provisions and requirements of the "Hazardous Substances" paragraph set forth in this Agreement.

Soil Report. If requested by Lender, Borrower shall have furnished to Lender, at Borrower's expenses, a soil report for the Property in form and substance satisfactory to Lender, prepared by a registered engineer satisfactory to Lender stating that the Property is free from soil or other geological conditions that would preclude its use or development as contemplated without extra expense for precautionary, corrective or remedial measures.

Survey. If requested by Lender, Borrower shall have furnished to Lender a survey of recent date, prepared and certified by a qualified surveyor and providing that the improvements, if constructed in accordance with the Plans and Specifications, shall lie wholly within the boundaries of the Collateral without encroachment or violation of any zoning ordinances, building codes or regulations, or setback requirements, together with such other information as Lender in its sole discretion may require.

Zoning. Borrower shall have furnished evidence satisfactory to Lender that the Collateral is duly and validly zoned for the construction, maintenance, and operation of the Project.

Title Insurance. Borrower shall have provided to Lender an ALTA Lender's extended coverage policy of title insurance with such endorsements as Lender may require, issued by a title insurance company acceptable to Lender and in a form, amount, and content satisfactory to Lender, insuring or agreeing to insure that Lender's security agreement or other security document on the Property is or will be upon recordation a valid first lien on the Property free and clear of all defects, liens, encumbrances, and exceptions except those as specifically accepted by Lender in writing. If requested by Lender, Borrower shall provide to Lender, at Borrower's expense, a foundation endorsement to the title policy upon the completion of each foundation for the improvements, showing no encroachments, and upon completion an endorsement which insures the lien-free completion of the improvements.

Insurance. Unless waived by Lender in writing, Borrower shall have delivered to Lender the following insurance policies or evidence thereof: (a) an all risks course of construction insurance policy (builder's risk), with extended coverage covering the improvements issued in an amount and by a company acceptable to Lender, containing a loss payable or other endorsement satisfactory to Lender insuring Lender as mortgagee, together with such other endorsements as may be required by Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender; (b) owners and General Contractor general liability insurance, public liability and workmen's compensation insurance; (c) flood insurance if required by Lender or applicable law; and (d) all other insurance required by this Agreement or by the Related Documents.

Workers' Compensation Coverage. Provide to Lender proof of the General Contractor's compliance with all applicable workers' compensation laws and regulations with regard to all work performed on the Project.

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.

Satisfactory Construction. All work usually done at the stage of construction for which disbursement is requested shall have been done in a good and workmanlike manner and all materials and fixtures usually furnished and installed at that stage of construction shall have been furnished and installed, all in compliance with the Plans and Specifications. Borrower shall also have furnished to Lender such proofs as Lender may require to establish the progress of the work, compliance with applicable laws, freedom of the Property from liens, and the basis for the requested disbursement.

Certification. Borrower shall have furnished to Lender a certification by an engineer, architect, or other qualified inspector acceptable to Lender that the construction of the improvements has complied and will continue to comply with all applicable statutes, ordinances, codes, regulations, and similar requirements.

Lien Waivers. Borrower shall have obtained and attached to each application for an Advance, including the Advance to cover final payment to the General Contractor, executed acknowledgments of payments of all sums due and releases of mechanic's and materialmen's liens, satisfactory to Lender, from any party having lien rights, which acknowledgments of payment and releases of liens shall cover all work, labor, equipment, materials done, supplied, performed, or furnished prior to such application for an Advance.

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.

DISBURSEMENT OF LOAN FUNDS. The following provisions relate to the disbursement of funds from the Loan Fund.

Application for Advances. Each application shall be stated on a standard AIA payment request form or other form approved by Lender, executed by Borrower, and supported by such evidence as Lender shall reasonably require. Borrower shall apply only for disbursement with respect to work actually done by the General Contractor and for materials and equipment actually incorporated into the Project. Each application for an Advance shall be deemed a certification of Borrower that as of the date of such application, all representations and warranties contained in the Agreement are true and correct, and that Borrower is in compliance with all of the provisions of this Agreement.

Payments. At the sole option of Lender, Advances may be paid in the joint names of Borrower and the General Contractor, subcontractor(s), or supplier(s) in payment of sums due under the Construction Contract. At its sole option, Lender may directly pay the General Contractor and any subcontractors or other parties the sums due under the Construction Contract. Borrower appoints Lender as its attorney-in-fact to make such payments. This power shall be deemed coupled with an interest, shall be irrevocable, and shall survive an Event of Default under this Agreement.

Projected Cost Overruns. If Lender at any time determines in its sole discretion that the amount in the Loan Fund is insufficient, or will be insufficient, to complete fully and to pay for the Project, then within ten (10) days after receipt of a written request from Lender, Borrower shall deposit in the Loan Fund an amount equal to the deficiency as determined by Lender. The judgment and determination of Lender under this section shall be final and conclusive. Any such amounts deposited by Borrower shall be disbursed prior to any Loan proceeds.

Final Payment to General Contractor. Upon completion of the Project and fulfillment of the Construction Contract to the satisfaction of Lender and provided sufficient Loan Funds are available, Lender shall make an Advance to cover the final payment due to the General Contractor upon delivery to Lender of endorsements to the ALTA title insurance policy following the posting of the completion notice, as provided under applicable law. Construction shall not be deemed complete for purposes of final disbursement unless and until Lender shall have received all of the following:

(1) Evidence satisfactory to Lender that all work under the Construction Contract requiring inspection by any governmental authority with jurisdiction has been duly inspected and approved by such authority, that a certificate of occupancy has been issued, and that all parties performing work have been paid, or will be paid, for such work;

(2) A certification by an engineer, architect, or other qualified inspector acceptable to Lender that the improvements have been completed substantially in accordance with the Plans and Specifications and the Construction Contract, that direct connection has been made to all utilities set forth in the Plans and Specifications, and that the Project is ready for occupancy; and

(3) Acceptance of the completed improvements by Lender and Borrower.

Construction Default. If Borrower fails in any respect to comply with the provisions of this Agreement or if construction ceases before completion regardless of the reason, Lender, at its option, may refuse to make further Advances, may accelerate the indebtedness under the terms of the Note, and without thereby impairing any of its rights, powers, or privileges, may enter into possession of the construction site and perform or cause to be performed any and all work and labor necessary to complete the improvements, substantially in accordance with the Plans and Specifications.

Damage or Destruction. If any of the Collateral or improvements is damaged or destroyed by casualty of any nature, within sixty (60) days thereafter Borrower shall restore the Collateral and improvements to the condition in which they were before such damage or destruction with funds other than those in the Loan Fund. Lender shall not be obligated to make disbursements under this Agreement until such restoration has been accomplished.

Adequate Security. When any event occurs that Lender determines may endanger completion of the Project or the fulfillment of any condition or covenant in this Agreement, Lender may require Borrower to furnish, within ten (10) days after delivery of a written request, adequate security to eliminate, reduce, or indemnify Lender against, such danger. In addition, upon such occurrence, Lender in its sole discretion may advance funds or agree to undertake to advance funds to any party to eliminate, reduce, or indemnify Lender against, such danger or to complete the Project. All sums paid by Lender pursuant to such agreements or undertakings shall be for Borrower's account and shall be without prejudice to Borrower's rights, if any, to receive such funds from the party to whom paid. All sums expended by Lender in the exercise of its option to complete the Project or protect Lender's interests shall be payable to Lender on demand together with interest from the date of the Advance at the rate applicable to the Loan. In addition, any Advance of funds under this Agreement, including without limitation direct disbursements to the General Contractor or other parties in payment of sums due under the Construction Contract, shall be deemed to have been expended by or on behalf of Borrower and to have been secured by Lender's Mortgage, if any, on the Collateral.

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; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

LIMITATION OF RESPONSIBILITY. The making of any Advance by Lender shall not constitute or be interpreted as either (A) an approval or acceptance by Lender of the work done through the date of the Advance, or (B) a representation or indemnity by Lender to any party against any deficiency or defect in the work or against any breach of any contract. Inspections and approvals of the Plans and Specifications, the improvements, the workmanship and materials used in the improvements, and the exercise of any other right of inspection, approval, or inquiry

granted to Lender in this Agreement are acknowledged to be solely for the protection of Lender's interests, and under no circumstances shall they be construed to impose any responsibility or liability of any nature whatsoever on Lender to any party. Neither Borrower nor any contractor, subcontractor, materialman, laborer, or any other person shall rely, or have any right to rely, upon Lender's determination of the appropriateness of any Advance. No disbursement or approval by Lender shall constitute a representation by Lender as to the nature of the Project, its construction, or its intended use for Borrower or for any other person, nor shall it constitute an indemnity by Lender to Borrower or to any other person against any deficiency or defects in the Project or against any breach of any contract.

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 45 days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, reviewed by a certified public accountant satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than 45 days after the applicable filing date for the tax reporting period ended, Borrower's Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

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, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations as Lender may request from time to time.

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.

Insurance. Maintain fire and other risk insurance, hail, federal crop 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 thirty (30) 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.

Names of Guarantors	Amounts
Athanasios Fokas	Unlimited
Iakovos S Ferderigos	Unlimited

Loan Fees, Charges and Expenses. In addition to all other agreed upon fees, charges, and expenses, pay the following: Commercial Construction Loan Inspection Fee of $250.00 per visit. Whether or not the Project is completed, Borrower also shall pay upon demand all out-of-pocket expenses incurred by Lender in connection with the preparation of loan documents and the making of the Loan, including, without limitation, all closing costs, fees, and disbursements, all expenses of Lender's legal counsel, and all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

Loan Proceeds. Use all Loan proceeds solely for the following specific purposes: for construction purposes only as described in plans and specifications submitted.

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. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

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.

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.

Construction of the Project. Commence construction of the Project no later than November 21, 2014, and cause the improvements to be constructed and equipped in a diligent and orderly manner and in strict accordance with the Plans and Specifications approved by Lender, the Construction Contract, and all applicable laws, ordinances, codes, regulations, and rights of adjoining or concurrent property owners. Borrower agrees to complete the Project for purposes of final payment to the General Contractor on or before November 21, 2015, regardless of the reason for any delay.

Defects. Upon demand of Lender, promptly correct any defect in the improvements or any departure from the Plans and Specifications not approved by Lender in writing before further work shall be done upon the portion of the improvements affected.

Project Claims and Litigation. Promptly inform Lender of (1) all material adverse changes in the financial condition of the General Contractor; (2) any litigation and claims, actual or threatened, affecting the Project or the General Contractor, which could materially affect the successful completion of the Project or the ability of the General Contractor to complete the Project as agreed; and (3) any condition or event which constitutes a breach or default under any of the Related Documents or any contract related to the Project.

Payment of Claims and Removal of Liens. (1) Cause all claims for labor done and materials and services furnished in connection with the improvements to be fully paid and discharged in a timely manner, (2) diligently file or procure the filing of a valid notice of completion of the improvements, or such comparable document as may be permitted under applicable lien laws, (3) diligently file or procure the filing of a notice of cessation, or such comparable document as may be permitted under applicable lien laws, upon the happening of cessation of labor on the improvements for a continuous period of thirty (30) days or more, and (4) take all reasonable steps necessary to remove all claims of liens against the Collateral, the improvements or any part of the Collateral or improvements, or any rights or interests appurtenant to the Collateral or improvements. Upon Lender's request, Borrower shall make such demands or claims upon or against laborers, materialmen, subcontractors, or other persons who have furnished or claim to have furnished labor, services, or materials in connection with the improvements, which demands or claims shall under the laws of the State of South Carolina require diligent assertions of lien

claims upon penalty of loss or waiver thereof. Borrower shall, within ten (10) days after the filing of any claim of lien that is disputed or contested by Borrower, provide Lender with a surety bond issued by a surety acceptable to Lender sufficient to release the claim of lien or deposit with Lender an amount satisfactory to Lender for the possibility that the contest will be unsuccessful. If Borrower fails to remove any lien on the Collateral or Improvements or provide a bond or deposit pursuant to this provision, Lender may pay such lien, or may contest the validity of the lien, and Borrower shall pay all costs and expenses of such contest, including Lender's reasonable attorneys' fees.

Taxes and Claims. Pay and discharge when due all of Borrower's indebtedness, obligations, and claims that, if unpaid, might become a lien or charge upon the Collateral or Improvements; provided, however, that Borrower shall not be required to pay and discharge any such indebtedness, obligation, or claim so long as (1) its legality shall be contested in good faith by appropriate proceedings, (2) the indebtedness, obligation, or claim does not become a lien or charge upon the Collateral or Improvements, and (3) Borrower shall have established on its books adequate reserves with respect to the amount contested in accordance with GAAP. If the indebtedness, obligation, or claim does become a lien or charge upon the Collateral or Improvements, Borrower shall remove the lien or charge as provided in the preceding paragraph.

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.

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 in the Collateral and Improvements.

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.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Modification of Contract. Make or permit to be made any modification of the Construction Contract.

Liens. Create or allow to be created any lien or charge upon the Collateral or the Improvements.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

GENERAL PROJECT PROVISIONS. The following provisions relate to the construction and completion of the Project:

Change Orders. All requests for changes in the Plans and Specifications, other than minor changes involving no extra cost, must be in writing, signed by Borrower and the architect, and delivered to Lender for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Lender. Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

Purchase of Materials; Conditional Sales Contracts. No materials, equipment, fixtures, or articles of personal property placed in or incorporated into the Project shall be purchased or installed under any Security Agreement or other agreement whereby the seller reserves or purports to reserve title or the right of removal or repossession, or the right to consider such items as personal property after their incorporation into the Project, unless otherwise authorized by Lender in writing.

Lender's Right of Entry and Inspection. Lender and its agents shall have at all times the right of entry and free access to the Property and the right to inspect all work done, labor performed, and materials furnished with respect to the Project. Lender shall have unrestricted access to and the right to copy all records, accounting books, contracts, subcontracts, bills, statements, vouchers, and supporting documents of Borrower relating in any way to the Project.

Lender's Right to Stop Work. If Lender in good faith determines that any work or materials do not conform to the approved Plans and Specifications or sound building practices, or otherwise depart from any of the requirements of this Agreement, Lender may require the work to be stopped and withhold disbursements until the matter is corrected. In such event, Borrower will promptly correct the work to Lender's satisfaction. No such action by Lender will affect Borrower's obligation to complete the Improvements on or before the Completion Date. Lender is under no duty to supervise or inspect the construction or examine any books and records. Any inspection or examination by Lender is for the sole purpose of protecting Lender's security and preserving Lender's rights under this Agreement. No default of Borrower will be waived by any inspection by Lender. In no event will any inspection by Lender be a representation that there has been or will be compliance with the Plans and Specifications or that the construction is free from defective materials or workmanship.

Indemnity. Borrower shall indemnify, defend, and hold Lender harmless from any and all claims asserted against Lender or the Property by any person, entity, or governmental body, or arising out of or in connection with the Property, Improvements, or Project. Lender shall be entitled to appear in any proceedings to defend itself against such claims, and all costs and expenses reasonable attorneys' fees incurred by Lender in connection with such defense shall be paid by Borrower to Lender. Lender shall, in its sole discretion, be entitled to settle or compromise any asserted claims against it, and such settlement shall be binding upon Borrower for purposes of this indemnification. All amounts paid by Lender under this paragraph shall be secured by Lender's security agreement or Mortgage, if any, on the Property, shall be deemed an additional principal Advance under the Loan, payable upon demand, and shall bear interest at the rate applicable to the Loan.

Publicity. Lender may display a sign at the construction site informing the public that Lender is the construction lender for the Project. Lender may obtain other publicity in connection with the Project through press releases and participation in ground-breaking and opening ceremonies and similar events.

Actions. Lender shall have the right to commence, appear in, or defend any action or proceeding purporting to affect the rights, duties, or liabilities of the parties to this Agreement, or the disbursement of funds from the Loan Fund. In connection with this right, Lender may incur and pay reasonable costs, expenses and reasonable attorneys' fees. Borrower covenants to pay to Lender on demand all such expenses, together with interest from the date Lender incurs the expense at the rate specified in the Note, and Lender is authorized to disburse funds from the Loan Fund for such purposes.

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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

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.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any Loan.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

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.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, 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.

Breach of Construction Contract. The Improvements are not constructed in accordance with the Plans and Specifications or in accordance with the terms of the Construction Contract.

Cessation of Construction. Prior to the completion of construction of the Improvements and equipping of the Project, the construction of the Improvements or the equipping of the Project is abandoned or work thereon ceases for a period of more than ten (10) days for any reason, or the Improvements are not completed for purposes of final payment to the General Contractor prior to November 21, 2015, regardless of the reason for the delay.

Transfer of Property. Sale, transfer, hypothecation, assignment, or conveyance of the Property or the Improvements or any portion thereof or interest therein by Borrower or any Borrower without Lender's prior written consent.

Condemnation. All or any material portion of the Collateral is condemned, seized, or appropriated without compensation, and Borrower does not within thirty (30) days after such condemnation, seizure, or appropriation, initiate and diligently prosecute appropriate action to contest in good faith the validity of such condemnation, seizure, or appropriation.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower or Grantor, as the case may be, 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; REMEDIES. Upon the occurrence of any Event of Default and at any time thereafter, Lender may, at its option, but without any obligation to do so, and in addition to any other right Lender without notice to Borrower may have, do any one or more of the following without notice to Borrower: (a) Cancel this Agreement; (b) Institute appropriate proceedings to enforce the performance of this Agreement; (c) Withhold further disbursement of Loan Funds; (d) Expend funds necessary to remedy the default; (e) Take possession of the Property and continue construction of the Project; (f) Accelerate maturity of the Note and/or Indebtedness and demand payment of all sums due under the Note and/or Indebtedness; (g) Bring an action on the Note and/or Indebtedness; (h) Foreclose Lender's security agreement or Mortgage, if any, on the Property in any manner available under law; and (i) Exercise any other right or remedy which it has under the Note or Related Documents, or which is otherwise available at law or in equity or by statute.

COMPLETION OF IMPROVEMENTS BY LENDER. If Lender takes possession of the Collateral, it may take any and all actions necessary in its judgment to complete construction of the Improvements, including but not limited to making changes in the Plans and Specifications, work, or materials and entering into, modifying or terminating any contractual arrangements, subject to Lender's right at any time to discontinue any work without liability. If Lender elects to complete the Improvements, it will not assume any liability to Borrower or to any other person for completing the Improvements or for the manner or quality of construction of the Improvements, and Borrower expressly waives any such liability. Borrower irrevocably appoints Lender as its attorney-in-fact, with full power of substitution, to complete the Improvements, at Lender's option, either in Borrower's name or in its own name. In any event, all sums expended by Lender in completing the construction of the Improvements will be considered to have been disbursed to Borrower and will be secured by the Collateral for the Loan. Any such sums that cause the principal amount of the Loan to exceed the face amount of the Note will be considered to be an additional Loan to Borrower, bearing interest at the Note rate and being secured by the Collateral. For these purposes, Borrower assigns to Lender all of its right, title and interest in and to the Project Documents; however Lender will not have any obligation under the Project Documents unless Lender expressly hereafter agrees to assume such obligations in writing. Lender will have the right to exercise any rights of Borrower under the Project Documents upon the occurrence of an Event of Default. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently.

ADDITIONAL DOCUMENTS. Borrower shall provide Lender with the following additional documents:

Articles of Organization and Company Resolutions. Borrower has provided or will provide Lender with a certified copy of Borrower's Articles of Organization, together with a certified copy of resolutions properly adopted by the members of the company, under which the members authorized one or more designated members or employees to execute this Agreement, the Note and any and all Security Agreements directly or indirectly securing repayment of the same, and to consummate the borrowings and other transactions as contemplated under this Agreement, and to consent to the remedies following any default by Borrower as provided in this Agreement and in any Security Agreements.

Opinion of Counsel. When required by Lender, Borrower has provided or will provide Lender with an opinion of Borrower's counsel certifying to and that: (1) Borrower's Note, any Security Agreements and this Agreement constitute valid and binding obligations on Borrower's part that are enforceable in accordance with their respective terms; (2) Borrower is validly existing and in good standing; (3) Borrower has authority to enter into this Agreement and to consummate the transactions contemplated under this Agreement; and (4) such other matters as may have been requested by Lender or by Lender's counsel.

FIRST DRAW REQUIREMENTS. The following items are required prior to the first construction draw (1) Current General Liability Insurance policy, (2) Builder's Risk Insurance policy on the subject property, (3) Foundation Survey, (4) Soil Treatment Certification, (5) Flood Insurance policy and Elevation Certificate, (6) Permanent Steet Address. Forward these documents to our office as soon as they are available to facilitate the processing and disbursement of the first draw. Contact Linette R. Mower at (843) 216-3051 or lmower@southcoastbank.com with any questions concerning the construction process.

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.

Authority to File Notices. Borrower appoints and designates Lender as its attorney-in-fact to file for the record any notice that Lender deems necessary to protect its interest under this Agreement. This power shall be deemed coupled with an interest and shall be irrevocable while any sum or performance remains due and owing under any of the Related Documents.

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.

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.

Indemnification of Lender. Borrower agrees to indemnify, to defend and to save and hold Lender harmless from any and all claims, suits, obligations, damages, losses, costs and expenses (including, without limitation, Lender's reasonable attorneys' fees, as well as Lender's architect's and engineering fees), demands, liabilities, penalties, fines and forfeitures of any nature whatsoever that may be asserted against or incurred by Lender, its officers, directors, employees, and agents arising out of, relating to, or in any manner occasioned by this Agreement and the exercise of the rights and remedies granted Lender under this. The foregoing indemnity provisions shall survive the cancellation of this Agreement as to all matters arising or accruing prior to such cancellation and the foregoing indemnity shall survive in the event that Lender elects to exercise any of the remedies as provided under this Agreement following default hereunder.

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.

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.

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.

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.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Construction Loan Agreement, as this Construction Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Construction Loan Agreement from time to time.

Architect's Contract. The words "Architect's Contract" mean the architect's contract between Borrower and Tucker & Associates, the architect for the Project.

Borrower. The word "Borrower" means Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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.

Completion Date. The words "Completion Date" mean November 21, 2015.

Construction Contract. The words "Construction Contract" mean the contract between Borrower and Kevin W Carroll, the general contractor for the Project, and any subcontracts with subcontractors, materialmen, laborers, or any other person or entity for performance of work on the Project or the delivery of materials to the Project.

Contractor. The word "Contractor" means Kevin W Carroll, the general contractor for the Project.

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 and any guarantor under a completion guaranty agreement.

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 buildings, structures, facilities, fixtures, additions, and similar construction on the Collateral.

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 SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Loan. The word "Loan" means the loan or loans made to Borrower under this Agreement and the Related Documents as described.

Loan Fund. The words "Loan Fund" mean the undisbursed proceeds of the Loan under this Agreement together with any equity funds or other deposits required from Borrower under this Agreement.

Note. The word "Note" means the promissory note dated November 21, 2014, in the original principal amount of $1,800,000.00 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.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Plans and Specifications. The words "Plans and Specifications" mean the plans and specifications for the Project which have been submitted to and initialed by Lender, together with such changes and additions as may be approved by Lender in writing.

Project. The word "Project" means the construction project as described in the "Project Description" section of this Agreement.

Project Documents. The words "Project Documents" mean the Plans and Specifications, all studies, data and drawings relating to the Project, whether prepared by or for Borrower, the Construction Contract, the Architect's Contract, and all other contracts and agreements relating to the Project or the construction of the Improvements.

Property. The word "Property" means the property as described in the "Project Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in the "Project Description" section of this 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 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 CONSTRUCTION LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS CONSTRUCTION LOAN AGREEMENT IS DATED NOVEMBER 21, 2014.

BORROWER:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

By: _____
Authorized Signer

0455

GUARANTY OF COMPLETION AND PERFORMANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000		

References in the boxes above 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.

Guarantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS GUARANTY OF COMPLETION AND PERFORMANCE ("Guaranty") is made as of November 21, 2014, by Old Towne Suites, LLC ("Guarantor") to and for the benefit of SOUTHCOAST COMMUNITY BANK ("Lender").

THE LOAN. Guarantor proposes to borrow from Lender the principal amount of One Million Eight Hundred Thousand & 00/100 Dollars ($1,800,000.00) pursuant to the terms and conditions of the Construction Loan Agreement. As a condition and inducement to making the Loan, Guarantor has requested that Guarantor duly execute and deliver this Guaranty guaranteeing the lien-free completion of the construction of the Project and the performance of other covenants, which are all considered by Lender to be material regarding Lender's decision to make the Loan.

GUARANTY. Guarantor hereby unconditionally and absolutely warrants and guarantees to Lender that: (a) construction of the Project shall be commenced and shall be substantially completed within the time limits set forth in the Construction Loan Agreement; (b) the Project shall be constructed and completed in accordance with the Loan Documents and the Plans and Specifications, without substantial deviation therefrom unless approved by Lender in writing; (c) except for Lender's security agreements, the Project will be constructed and completed free and clear of all liens and encumbrances, including without limitation all mechanics' liens, materialmen's liens, and equitable liens; and (d) all costs of constructing the Project will be paid when due, and no stop notices shall be served on Lender.

OBLIGATIONS OF GUARANTOR UPON EVENT OF DEFAULT. Should an Event of Default (as defined in any Construction Loan Agreement) occur or if the Project shall not be constructed and completed as provided above, Guarantor shall: (a) diligently proceed to cure such default and procure completion of the Project at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the construction of the Project; and (c) pay such amounts as may be necessary to release and discharge all claims of stop notices, mechanics' liens, materialmen's liens, and equitable liens, if any, that may come into existence in connection with the construction of the Project.

NATURE OF GUARANTY. This Guaranty is an original and independent obligation of Guarantor, separate and distinct from Guarantor's obligations to Lender under the Loan Documents. The obligations of Guarantor to Lender under this Guaranty are direct and primary, regardless of the validity or enforceability of the Loan Documents. This Guaranty is for the benefit of Lender, and is not for the benefit of any third party. This Guaranty shall continue until (A) the Project has been completed, free and clear of all liens and encumbrances as provided above, and (B) all obligations of Guarantor to Lender under this Guaranty have been performed in full.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) to make or approve changes to the Plans and Specifications; (b) to make modifications to the Construction Loan Agreement and the other Loan Documents; (c) to make one or more additional secured or unsecured loans to Guarantor; (d) to repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Loan or any part of the Loan, including increases and decreases of the rate of interest on the Loan; extensions may be repeated and may be for longer than the original loan term; (e) to take and hold security for the payment of the Loan or this Guaranty, and exchange, enforce, waive, and release any such security, with or without the substitution of new collateral; (f) to release, substitute, agree not to sue, or deal with any one or more of Guarantor's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (g) to determine how, when, and what application of payments and credits shall be made on the Loan; (h) 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 Lender's discretion may determine; (i) to sell, transfer, assign or grant participations in all or any part of the Loan; and (j) 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 Guarantor's request and not at the request of Lender to induce Lender to disburse the Loan to Guarantor pursuant to the terms of the Loan Documents and that Lender would not make and disburse the Loan to Guarantor pursuant to the Loan Documents were it not for the execution and delivery of this Guaranty; (c) 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; (d) neither the execution nor the delivery of this Guaranty nor compliance with the terms hereof will conflict with or result in the breach of any law or statute, will constitute a breach or default under any agreement or instrument to which Guarantor may be a party, or will result in the creation or imposition of any charge or lien upon any property or assets of Guarantor; (e) Lender has made no representation to Guarantor as to the creditworthiness of Guarantor; (f) the most recent financial statements of Guarantor heretofore delivered to Lender are true and correct in all material respects and fairly present the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the date of the most recent financial statements; and (g) Guarantor has established adequate means of obtaining from Guarantor on a continuing basis information regarding Guarantor'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 obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Guarantor.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender: (A) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Loan or of any nonpayment related to any security agreement, or notice of any action or nonaction on the part of Guarantor, Lender, any surety, endorser, or other guarantor in connection with the Loan or in connection with the creation of new or additional loans or obligations; (B) to resort for payment or to proceed directly or at once against any person, including Guarantor or any other guarantor; (C) to proceed directly against or exhaust any collateral held by Lender

from Guarantor, any other guarantor, or any other person (D) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Guarantor or to comply with any other applicable provisions of the Uniform Commercial Code; (E) to pursue any other remedy within Lender's power; or (f) 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 "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 Guarantor for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging any Loan Indebtedness; (C) any disability or other defense of Guarantor, of any other guarantor, or of any other person, or by reason of the cessation of Guarantor's liability from any cause whatsoever, other than payment in full in legal tender, of any Loan Indebtedness; (D) any failure or invalidity of, or any defect in, the Construction Loan Agreement or any other Loan Document; (E) any right to claim discharge of any Loan Indebtedness on the basis of unjustified impairment of any collateral for any Loan Indebtedness; or (F) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding Loan Indebtedness of Guarantor to Lender which is not barred by any applicable statute of limitations. If payment is made by Guarantor, whether voluntarily or otherwise, or by any third party, on any Loan and thereafter Lender is forced to remit the amount of that payment to Guarantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Loan shall be considered unpaid for the purpose of 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 Guarantor, 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 Guarantor's 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.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor 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. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

RIGHTS AND REMEDIES. If Guarantor shall fail to perform promptly as provided in this Guaranty, Lender shall have the following rights and remedies:

Perform Work. Lender, at its option, but without any obligation to do so, may proceed to perform on behalf of Guarantor any and all work on the Project and to pay any costs incurred in connection with the work. Guarantor, upon Lender's demand, shall promptly pay to Lender all such sums expended together with interest thereon at the interest rate set forth in the Note.

Cure Defaults. Lender, at its option, but without any obligation to do so, may cure any defaults, including without limitation, paying any unpaid bills and liens, including without limitation those for construction, labor, and materials. Guarantor, upon Lender's demand, shall promptly pay to Lender all such sums expended together with interest thereon at the interest rate set forth in the Note.

Specific Performance. From time to time and without first requiring performance on the part of Guarantor and without being required to exhaust any security held by Lender for the Loan, to require Guarantor specifically to perform Guarantor's obligations under this Guaranty, by action at law or in equity or both, and further, to collect in any such action, compensation for all loss, cost, damage, injury and expense sustained or incurred by Lender as a direct or indirect consequence of Guarantor's failure to perform, with interest thereon at the interest rate set forth in the Note.

Other Rights and Remedies. In addition, Lender shall have and may exercise any or all of the rights and remedies it may have available at law, in equity, or otherwise.

SUBORDINATION OF GUARANTOR'S DEBTS TO GUARANTOR. Guarantor agrees that the Loan, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Guarantor, whether or not Guarantor becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Guarantor, upon any account whatsoever, to any claim that Lender may now or hereafter have against Guarantor. In the event of insolvency and consequent liquidation of the assets of Guarantor, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Guarantor 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 Loan. Guarantor does hereby assign to Lender all claims which it may have or acquire against Guarantor or against any assignee or trustee in bankruptcy of Guarantor; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Loan. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Guarantor 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,

laws of the State of South Carolina without regard to its conflicts of law provisions.

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.

Notices. Any notice required to be given under this Guaranty 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 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.

Interpretation. In all cases where there is more than one 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 Guarantor named in this Guaranty or when this Guaranty is executed by more than one, the words "Guarantor" shall mean all and any one or more of them. Reference to the phrase "Guarantor" includes the heirs, successors, assigns, and transferees of each of them.

Severability. If a court of competent jurisdiction finds any provision of this Guaranty 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 Guaranty. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Guaranty shall not affect the legality, validity or enforceability of any other provision of this Guaranty.

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. If ownership of the Collateral becomes vested in a person other than Guarantor, Lender, without notice to Guarantor, may deal with Guarantor's successors with reference to this Guaranty and the Loan by way of forbearance or extension without releasing Guarantor from the obligations of this Guaranty or liability under the Loan.

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 Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Guarantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Guaranty.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Old Towne Suites, LLC, and in each case, any signer's successors and assigns.

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

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Loan. The word "Loan" means the loan made to Guarantor under the Construction Loan Agreement and the Loan Documents as described below.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Plans and Specifications. The words "Plans and Specifications" mean the plans and specifications for the Project which have been submitted to and initialed by Lender, together with such changes and additions as may be approved by Lender in writing.

Project. The word "Project" means the construction, renovation, or other work on the improvements as set forth in the Plans and Specifications.

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.

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. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 21, 2014.

NOTICE CONCERNING APPRAISAL WAIVER. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE(S) AND RELINQUISH(ES) THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

GUARANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

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COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS COMMERCIAL SECURITY AGREEMENT dated November 21, 2014, is made and executed between Old Towne Suites, LLC ("Grantor") and SOUTHCOAST COMMUNITY BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

(A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.

(B) All products and produce of any of the property described in this Collateral section.

(C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.

(D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.

(E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor 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. Grantor 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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of South Carolina, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as

otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, including without limitation all environmental laws, ordinances, rules and regulations, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral 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 Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, 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 thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a 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. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds $5,000.00, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. This includes making sure Lender is shown as the first and only security interest holder on the title covering the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. Grantor will promptly notify Lender of any change to Grantor's name or the name of any individual Grantor, any individual who is a partner for a Grantor, and any individual who is a trustee or settlor or trustor for a Grantor under this Agreement. Grantor will also promptly notify Lender of any change to the name that appears on the most recently issued, unexpired driver's license or state-issued identification card, any expiration of the most recently issued driver's license or state-issued identification card for Grantor or any individual for whom Grantor is required to provide notice regarding name changes.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for

application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement 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 Agreement 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 Collateral and paying all costs for insuring, maintaining and preserving the 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 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 Agreement 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.

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

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

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any Indebtedness.

Other Defaults. Grantor 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 Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor'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.

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.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of 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 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 Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if 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.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

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.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. 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 Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor 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. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the South Carolina Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral 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 Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, 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 Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its 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. Grantor 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 Grantor 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. Grantor also shall pay all court costs and such additional fees as may be directed by the court. This Agreement also secures all of these amounts.

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.

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 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 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, 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.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

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.

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

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

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

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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:

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

Borrower. The word "Borrower" means Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement 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 Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means Old Towne Suites, LLC.

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.

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 Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this 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 Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

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WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

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HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

THIS HAZARDOUS SUBSTANCES AGREEMENT dated November 21, 2014, is made and executed among Old Towne Suites, LLC, whose address is 229 King Street, Charleston, SC 29401 (sometimes referred to below as "Borrower" and sometimes as "Indemnitor"); Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401 and Iakovos S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (sometimes referred to below as "Guarantor" and sometimes as "Indemnitor"); and SOUTHCOAST COMMUNITY BANK, Commercial Lending, 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Charleston County, State of South Carolina:

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

The Real Property or its address is commonly known as 229 King Street, Charleston, SC 29401. The Real Property tax identification number is 457-08-01-063.

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

Use of Property. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, disposal, release, or threatened release of any Hazardous Substances by any person on, under, or about the Property.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Property, whenever and whether owned by previous Occupants, has ever contained asbestos, PCBs, lead paints or other Hazardous Substances, whether used in construction or stored on the Property.

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters, ambient air or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Indemnitor covenants with Lender as follows:

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substances, PCBs, lead paint or asbestos.

Compliance with Environmental Laws. Indemnitor shall cause the Property and the operations conducted on it to comply with any and all Environmental Laws and orders of any governmental authorities having jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental permits and authorizations required by Environmental Laws with respect to such Property or operations. Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Preventive, Investigatory and Remedial Action. Indemnitor shall exercise extreme care in handling Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) (a) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or minimize property damage (including damage to Occupant's own property), personal injury or damage to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Property or operations of any Occupant on the Property. In the

event Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor to Lender upon demand with interest at the Note default rate, or in the absence of a default rate, at the Note interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and appropriate.

Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

(1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.

(2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.

(3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.

(4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.

(5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that Indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at Indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. 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 any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION. Indemnitor hereby agrees to and shall indemnify, defend, and hold harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents from and against any and all claims, demands, losses, liabilities, costs, fines, penalties and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review, consultants' fees, remedial action costs, natural resource damages and diminution in value) incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property, or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, including without limitation any natural resource damages, or (b) arising out of or related to any noncompliance with or violation of Environmental Laws or any applicable permits or approvals, or (c) on account of injury to Lender or any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant, representation or warranty contained in this Agreement, (ii) the violation of any Environmental Laws, permits, authorizations or approvals, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Property, or (iv) the contamination of any of the Property by, or the presence, release or threatened release of, Hazardous Substances by any means whatsoever (explicitly including without limitation any presently existing contamination of the Property, whether or not previously disclosed to Lender), or (d) pursuant to this Agreement. Indemnitor's obligations under this section shall survive the termination of this Agreement and as set forth below in the Survival section. In addition to this indemnity, Indemnitor hereby releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Note default rate, or in the absence of a default rate, at the Note interest rate.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the Indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

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. If Lender institutes any suit or action to enforce any of the terms of this Agreement, 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. Indemnitor also will pay any court costs, in addition to all other sums provided by law.

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.

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.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

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 Indemnitor, shall constitute a waiver of any of Lender's rights or of any of Indemnitor'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. Indemnitor hereby waives notice of acceptance of this Agreement by 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, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

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.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement 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 Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the Indebtedness.

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

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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:

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

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.

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 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 Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the Property, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

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

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

BORROWER:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

GUARANTOR:

X _____
Athanasios Fokas, Individually

X _____
Iakovos S Ferderigos, Individually

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Agreement 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: _____

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Agreement 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: _____

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

PERSONALLY appeared before me and made oath that he or she saw the within-named authorized agent for SOUTHCOAST COMMUNITY BANK, sign, seal, and, as his or her act and deed, deliver the within-written Agreement 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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PR-13

TAX RECORD

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Loan #: _____
Taxes Listed in the name of: _____
Borrower's Name(s): _____
Property Address: _____
Mailing Address: _____

TAXING AUTHORITY

County: _____ Next Due Date: _____ Date Paid Through: _____
Amount Due: $_____ Amount of Taxes for Following Year: $_____

Taxes are Payable:
( ) Annually ( ) Semi-Annually ( ) Quarterly

Taxes for the Current Year are based on:
( ) Acreage ( ) Vacant Lot ( ) Partial Construction ( ) Complete Construction

TAX DESCRIPTION

Parcel ID / TMS #: _____ Township: _____
Lot: _____ Block: _____ Subdivision: _____

SPECIAL ASSESSMENTS - NO ESCROW TO BE SET UP FOR PAYMENT OF ASSESSMENTS WITHOUT PRIOR APPROVAL OF LENDER

Public Service District: _____ Amount: _____
Sewer: _____ Amount: _____
Street Paving: _____ Amount: _____
Other Assessment: _____ Amount: _____

Assessments due: ( ) Annually ( ) Semi-Annually ( ) Quarterly

This information is Certified By: _____
Signature of Closing Attorney: _____
Date Loan Closed: _____

INSTRUCTION FOR COMPLETION OF TAX RECORD

1. Tax Description must be exactly as shown on tax records
2. Assessments should be shown only if to be paid from escrow.
3. City taxing authority to be shown only if city taxes are to be paid.
4. Tax bills are obtained from information on this form. All information must be completed in full.

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AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843)-884-0504

INSURANCE REQUIREMENTS. Grantor, Old Towne Suites, LLC ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: All Inventory, Equipment, Fixtures, Timber and Minerals, Oil and Gas.
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, proof of the required insurance as provided above, with an effective date of November 21, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____ PHONE _____

AGENT'S NAME: _____
AGENCY: _____
ADDRESS: _____
INSURANCE COMPANY: _____
POLICY NUMBER: _____
EFFECTIVE DATES: _____

COMMENTS: _____

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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	11-21-2014		03400007519		34000	****	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

TO: ATTN: Insurance Agent

DATE: November 21, 2014

RE: Policy Number(s):
Insurance Companies/Company:

Dear Insurance Agent:

Grantor, Old Towne Suites, LLC ("Grantor") is obtaining a loan from SOUTHCOAST COMMUNITY BANK. Please send appropriate evidence of insurance to SOUTHCOAST COMMUNITY BANK, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

Collateral: All Inventory, Equipment, Fixtures, Timber and Minerals, Oil and Gas.
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

RETURN TO:

Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
Cindy Gleaton (843) 216-3016

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

SOUTHCOAST COMMUNITY BANK
530 Johnnie Dodds
Mt. Pleasant, SC 29464

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Old Towne Suites, LLC				
OR 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 229 King Street	CITY Charleston	STATE SC	POSTAL CODE 29401	COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR 2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME SOUTHCOAST COMMUNITY BANK				
OR 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 530 Johnnie Dodds	CITY Mt. Pleasant	STATE SC	POSTAL CODE 29464	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: ☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box: ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
Old Towne Suites, LLC

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

10c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☒ covers timber to be cut ☒ covers as-extracted collateral ☒ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Amy Haines <amy.haineslawfirm@gmail.com> Fri, Nov 21, 2014 at 2:10 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Athan Fokas <athanfokas@gmail.com>, iakovosstavros@gmail.com

Nothing in the documents I have makes you personally liable for the debt. The note is in the llc's name. Only the LLC assets and the property by virtue of the mortgage are at risk, assuming the llc corporate veil could not be pierced for some reason.

That said, I understand you do not agree to the LLC being the borrower or I would assume the guarantor.

Other than the resolution and the settlement statement, Southcoast generates the documents sent, so Southcoast will need to be the one to work with on this.

Thanks,

Amy

HAINES LAW FIRM

800 Johnnie Dodds Blvd.

Mt. Pleasant, SC 29464

Phone: (843) 884-1593 x203

Fax: (843) 284-0417

Please be aware that funds brought to a real estate closing in excess of $1000 should be in the form of a wire. If you cannot wire funds, please contact us in advance so alternate arrangements can be made. PLEASE CALL TO CONFIRM WIRING INSTRUCTIONS WITH OUR OFFICE BEFORE WIRING.

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IRS CIRCULAR 230 NOTICE: Internal Revenue Service regulations generally provide that, for the purpose of a... penalties, a taxpayer may rely only on formal written advice meeting specific requirements. Any tax advice in this... attachment to this message, does not meet those requirements. Accordingly, any such tax advice was not intend...

EXHIBIT

tabbies

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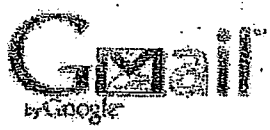


spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Athan Fokas <fokasa@bellsouth.net> Fri, Nov 21, 2014 at 3:07 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Spiros Ferderigos <spirosferderigos@gmail.com>, Athan Fokas <athanfokas@gmail.com>, " <iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The bottom line is that the Old Towne Suites LLC on the note, that only Jacob and I are signing on as members, has nothing to do with the payment of the loan. If payments aren't paid then the bank goes after the building regardless if the Old Towne Suites LLC is on the note. Maybe a hard headed Greek wouldn't get that but it's common sense otherwise.
And if you are requiring me to sign a document saying that I will give up interest if payments are not made, common sense says that all parties should do the same.
Maybe we can talk about the specifics over Thanksgiving while playing a game of chess. Ha! Ha!

Sent from my iPhone

On Nov 21, 2014, at 2:48 PM, Phillip Ferderigos <pferderigos@barnwell-whaley.com> wrote:

> This is not humorous to me. I take this very seriously. I wish you would to...
>
> Phillip S. Ferderigos, Esq.
>
> Member
>
> <image001.jpg>
>
> [Quoted text hidden]
> [Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 1:54 PM
To: Amy Haines <amy.haineslawfirm@gmail.com>
Cc: Teri Baker <teri.haineslawfirm@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, Athan Fokas <athanfokas@gmail.com>, iakovosstavros@gmail.com, Spiros Ferderigos <spirosferderigos@gmail.com>

I have been in a meeting, after looking at all of the email from everyone, it is clear that the bank has not been advised how to do the particulars correctly and this can not be rushed. Closing is off for today. If the docs can be fixed and all side agreements agreed to, then we can re-visit at that time.

Please call if you would like to discuss. Thanks, Phillip.

Phillip S. Ferderigos, Esq.

Member

BARNWELL WHALEY 75 YEARS
PATTERSON & HELMS LLC
Attorneys at Barnwell & Whaley Professionals Since 1935

288 Meeting St., Ste 200 (29401)

PO Drawer H

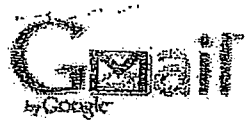
Charleston, SC 29402

Phone: (843) 577-7700

Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com

EXHIBIT
P



spiros ferderigos <spirosferderigos@gmail.com>

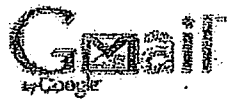
Current Suites report

Athan Fokas <athanfokas@gmail.com> Fri, Nov 21, 2014 at 5:57 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>, " <iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture. Comments like when I asked what side agreement and Phillip responds "it's going to cost you big if you don't pay" is just ego's blowing smoke. You guys recommended that I show it to my attorney and you didn't like his response. At first he told me "I would never tell my clients to ever sign anything like this". I convinced him it's ok because I love the chance to own more percentage if possible. Do you imagine the imbalance of power that I would have owning more than 50%? I could make every decision and not tell any of you what I did. Not really an ideal situation for a family that started out 50/50. It's ego's trying to get an upper hand on the other. Currently we all need loans to get this deal done. On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000.00 invested in. I then plan to pay off my debt in full.
In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my iPhone

EXHIBIT
tabbies
Q



spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 6:52 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Spiros Ferderigos <spirosferderigos@gmail.com>, iakovosstavros@gmail.com

Your quote of what I said is not accurate, but that's besides the point... here's a thought that we could kick around... Not an offer...If you're coming into all this money, why don't we just move forward in April and we don't even need this loan at all...at that point, it will just be Jacob that needs to get a loan, and then I'm sure that you will agree to mortgage Oldtown so he can get it...these are just thoughts, thinking out loud...

Sent from my iPhone

On Nov 21, 2014, at 5:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
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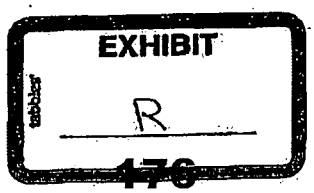
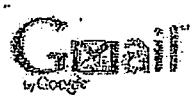
Sent from my IPhone





spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Fri, Nov 21, 2014 at 7:02 PM

Spiros Ferderigos <spirosferderigos@gmail.com>
To: Athan Fokas <athanfokas@gmail.com>
Cc: Phillip Ferderigos <pferderigos@bamwell-whaley.com>, Athan Fokas <fokasa@bellsouth.net>, "<lakovosstavros@gmail.com>" <lakovosstavros@gmail.com>

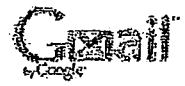
Just fund your percentage. You aren't giving anything other than collateralizing your interest in old Towne for Jacob which doesn't cost anything. Only loan hanging out there would be Jacobs for 350. Much better than a 2 million dollar loan. Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan.

Sent from my iPhone

On Nov 21, 2014, at 6:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months.

Sent from my iPhone



spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 7:03 PM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, iakovosslavros@gmail.com

I agree, this is certainly something we should explore...

Sent from my IPhone

On Nov 21, 2014, at 7:02 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:

> Just fund your percentage. You aren't giving anything other than collateralizing your interest in old Towne for Jacob which doesn't cost anything. Only loan hanging out there would be Jacobs for 350. Much better than a 2 million dollar loan. Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan.
>
> Sent from my IPhone

Gmail

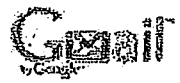
spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com> Fri, Nov 21, 2014 at
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

It just protects everyone's property interest in 229 king if we have a 350 k loan instead of 1.8 million loan. Why risk that huge loan if we don't have to?

Sent from my IPhone



spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

hilip Ferderigos <pferderigos@barnwell-whaley.com>
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, lakovosstavros@gmail.com

Fri, N

Spiro, you are making a lot of sense, Athen, what do you think?.

Gmail

spiros ferderigos <spirosferderigos@gmail.com>

181

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com>
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Spiros Ferderigos <spirosferderigos@gmail.com>, iakovosstavros@gmail.com

Fri, Nov 21, 2014 at 8:25 PM

Not much I can say to that, I am honored to be in the presence of such wealthy royalty... Once you're done drinking and you sober up, if you want to talk like an adult, then maybe we can chat tomorrow... Have a fun time tonight...

Sent from my iPhone

On Nov 21, 2014, at 7:24 PM, Athan Fokas <fokasa@bellsouth.net> wrote:

> I'm at a swanky dinner now and half drunk but by then I will be n the money and not interested in an ventures but my own. I'm also working on a deal where I get 25% of $100,000,000.00 for just being an expert consultant. I hang out with the ultra wealthy now and play their games.
>
> Sent from my iPhone
>
> On Nov 21, 2014, at 7:19 PM, Phillip Ferderigos <pferderigos@barnwell-whaley.com> wrote:
>
>> Spiro, you are making a lot of sense. Athan, what do you think?
>>
>> Sent from my iPhone

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:55 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Oh it has been a pleasure to say the least. I'm also done with paying your half of the food you so dearly like to eat at Old Towne weekly on my dime. If you don't pay your portion to me then Jacob will have to. All management will be put on notice.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
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(843) 813-5612

I can't wait to spread the word that the suites multimillion dollar project couldn't get done cause Phillip can't eat for free. I'm sure everyone will find it hilarious. I'm probably doing you a favor. Smaller waist line. I bet your kids will be real proud of you in the future too. Your dad was right for calling you palabo Philipa. 4:52 PM

Tuesday, December 16, 2014

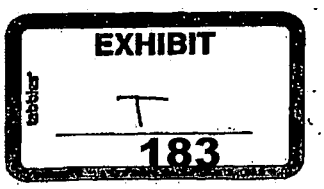
(843) 813-5612

As I was running this morning I came up with a proposal. I will agree to let you eat for free if you are out of the note and you put your 350 g's in escrow. This is because you will sign off on the mortgage without needing to. And this will take place as long as my portion of the mortgage is not paid off. If we go the other rout where we split everything 50/50 on the loan then you are signing for your own 16% interest and therefore we are even. 7:18 AM

Wednesday, December 17, 2014

(843) 813-5612

I just spoke to your dad and he doesn't think everyone should eat at Old Towne for free either. 1:45 PM



Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 11:55 AM
To: Phillip Ferderigos <pferderigos@bamwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

My intent is always to pay off debt as I have extra funds available. I am interested in doing this deal now and will not do it later. When I do have my money in April I may decide to buy another building downtown but will make that decision then.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
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184

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family..

Sent from my iPhone
[Quoted text hidden]

(843) 813-5612

I realize that I don't have authorize to close by myself. And I don't think I ever gave that impression and everyone has been in the loop from the beginning. Jacob know's of every expenditure and he wrote most of the checks to the contractor, architects, and engineers. Once again selective amnesia and your texts to me say two different things. I would rather leave it in your hands now and keep me in the loop if and when you all are ready. We do have expenses incurred that need to be paid and we will pay they as money becomes available. 8:28 AM

(843) 813-5612

Spiro there is no bullying going on here. Just giving information of actual expenses. If you read that text above where you were cursing and told me "DO YOU UNDERSTAND" that might come across as threatening me which is defiantly un- businesslike. 8:39 AM

Spiro Cell

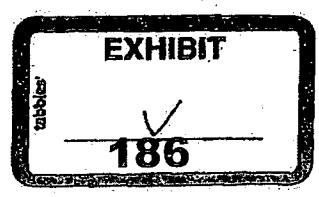
I was threatening you....that I don't do business with bullies. You couldn't just let it go. 8:47 AM

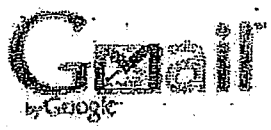
(843) 813-5612

Label as you like but everything we have done till now was agreed upon. It's in your court now. I could care less. My Zeus deal is bringing in plenty to keep my family happy. 8:50 AM

Spiro Cell

Good. I'm glad your deals are working out for you. 8:52 AM





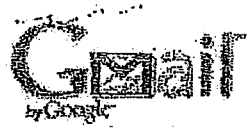
spiros ferderigos <spirosferderigos@gmail.com>

Re: Final email from me regarding the closing.

Athan Fokas <fokasa@bellsouth.net> Fri, Nov 21, 2014 at 3:31 PM
To: spiros ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Jacob Ferderigos <lakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

That was funny! I just found out last night what you guys wanted me to sign and my attorney instructed me what to do and you saw his letter. I like how you portray Phillip as Mother Theresa. Think about the big picture talk to the bank yourselves and get things done if you like. I have no problem signing the agreement but of course, as any business partner should, would like assurances that every party puts in what they are supposed to. If you are sending an email and asking for no reply, then I suggested that no content is put in there. Bullying is a word you like to use but the bottom line is to be fair to all parties involved and the fact that you and Phillip are not personally guaranteeing anything puts you way ahead of the rest of us in this deal.

Sent from my iPhone
[Quoted text hidden]



spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Athan Fokas <athanfokas@gmail.com> Fri, Nov 21, 2014 at 5:57 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

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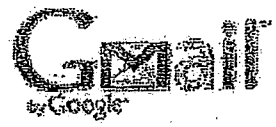
Sent from my iPhone



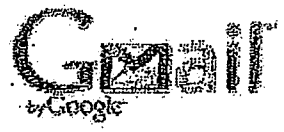
spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 10:18 AM
To: "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

I'm wondering if there is a next Ferderigos plan of action. Are ya'll contacting the bank, my attorney, and the closing attorney or are we just forgetting about it?

Sent from my iPhone



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:31 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I am not asking you to do anything. The bank is requiring that all parties sign off on the mortgage. I did secure that you didn't have to personally guarantee the note. Quit trying to put yourself on a pedestal. If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences. If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not. We are currently paying for an expensive business risk policy, paid for a flood policy we don't need if not constructing, have been paying two months on a storage container, and prepaid our over $20,000.00 property taxes two months early in order to close. Not to mention we have over $50,000.00 already invested in this deal.

Sent from my iPhone
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family.

Sent from my iPhone
[Quoted text hidden]

Monday, December 15, 2014

(843) 813-5612

Cousins, we have recurring expenses that are cutting into all of our bottom lines monthly that we either need to stop spending or come to some kind of mutual agreement. A sit down sometime this week would be much appreciated. We can't continue to spend money on a business risk policy, flood policy, and storage unit if all are not necessary. 10:27 AM

Me

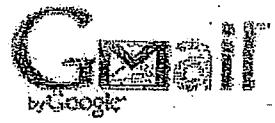
Thanks for your email, I am extremely busy until Thursday as I have a big hearing in Darlington. However, I do want to meet and discuss the possible options with you.

Before we go there, however, I'm going to require that we go back to the status quo as far as this whole old town and whether our families can eat there for free thing. This is nonnegotiable and the first step if you want to discuss options with me. You cannot ask for my help to allow you to get a mortgage on my part of old town with your right hand while, at the same time, you try to insult/slap me with your left hand. If you are unwilling to agree to this first step, that is fine, but I would have no interest in building a building with you. 1:22 PM

Please take time to think about your response before you respond. I do not require an immediate response. I'm not exaggerating when I tell you I am strongly leaning towards not moving forward at all.

(843) 813-5612

We can discuss all options when we meet and hopefully come to a mutual agreement. 1:22 PM



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Wed, Nov 26, 2014 at 11:46 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The irony in all this is that the son's want extra assurances that money will be paid back when the way our fathers always did it is with a hand shake. Ask your dad how many times my father loaned him money (his grocery store off America St, to buy Old Towne in 72, and to build our first apartment building in Greece) and there was no paperwork and all was paid back. In this case nobody is loaning anyone money but just a couple of hard headed kids who don't understand how family works. I don't think anybody owes anybody any money do they? I don't think anyone has any history of any money not being paid back do they?
We are all older now and our families have grown and we don't have to spend Thanksgiving together. Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this. Later on down the line when I'm in the money I may consider loaning Jacob the money and having a 25/75 split on the new building because I know that Jacob will pay me back and I won't need any side agreements trying to take more of his ownership if he doesn't pay. Bottom line is payments come out of profits and I know he is good for it.

Sent from my iPhone

> On Nov 24, 2014, at 2:17 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:
>
[Quoted text hidden]

EXHIBIT
W
133

Friday, April 24, 2015

Athan Fokas

My attorney asked me to find out how much the project would have increased if it was started in a month and after a week and a half of crunching numbers this is what Kevin sent me:

Keep in mind I have good me tuning to do when you says its a go. But looks like 12.5% will be difference. This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover. The quote I got on fire rated was 145k so add 90k for worse case. But that is not extra due to delay. It has always been an allowance item. 10:22 AM

So 1,946,250.00 plus windows over allowance and then any / all owner items.

Athan Fokas

We figured out a way to keep you out the law suit. 1:48 PM

Friday, April 24, 2015

Athan Fokas

My attorney asked me to find out how much the project would have increased if it was started in a month and after a week and a half of crunching numbers this is what Kevin sent me:

Keep in mind I have good me tuning to do when you says its a go. But looks like 12.5% will be difference. This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover. The quote I got on fire rated was 145k so add 90k for worse case. But that is not extra due to delay. It has always been an allowance item.
So 1,946,250.00 plus windows over allowance and then any / all owner items. 10:22 AM

Athan Fokas

We figured out a way to keep you out the law suit. 1:48 PM

Monday, April 27, 2015

Athan Fokas

I've already applied that beer check on the owe sheet for the stuff Maki and I brought back after family cup. 6:34 PM

Jacob Ferderigos

Ok let's get it cleared up and not leave it for long periods of time... Maybe every time we exchange the books. 6:37 PM

Athan Fokas

I was going to wait after We do the food booths for the hospitals the week after Greek fest cause then we are done till September. 6:38 PM

Jacob Ferderigos

Ok 6:46 PM

Tuesday, April 28, 2015

Athan Fokas

I bought a case of hummus but only needed two tubs so I left the other two at old Towne and put on owe sheet. I also brought in 12 large throw away pans and lids for the rep deliveries I booked through Old Towne today. That's four this week that booked through Zeus. 7:55 AM

Athan Fokas

Go ahead and transfer 57000 miles out of the credit card. 8:37 AM

EXHIBIT
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Standard Agreement
Between Owner and Contractor
A 107

For CONSTRUCTION PROJECTS OF LIMITED SCOPE where
the Basis of Payment is a STIPULATED SUM

This document includes General Conditions, A201-L, and should not be used with other general conditions.

AGREEMENT

made as of the 15th day of October in the year of Two Thousand and Fourteen.

BETWEEN the Owner: Athan Fokas, Iakovos ferderigos
Old Town Suites
229 king street
Charleston, sc. 29401

and the Contractor: Kevin W. Carroll 1079 Harts Bluff Rd. Wadmalaw Island SC 29487

The Project is: Old Town Suites
229 King Street
Charleston, SC 29401

The Architect is: Joe Tucker
Tucker & associates
772 Gypsy Lane
Mount Pleasant, SC 29464

The Owner and Contractor agree as set forth below.

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EXHIBIT
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ARTICLE 1

THE WORK OF THIS CONTRACT

1.1 The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others, or as follows.

Scope of Work: Erection of 3 story hotel suites as per drawings provided by Tucker and asscoiates.Project to be completed with interior items consistant with existing suites., subsitutions allowed per agreement with owner.Work Not included: Engineering,Architectural services, utilities, impact fees and/ or cost to supply. Builders Risk coverage, furnishings, Appliances, Fire protection services. Any and all Fire Protection, monitoring,alarms, sprinkler systems or life safety items. Contractor to work closely with architect, engineer,
Owner to provide proper size water and sewer service as required to perform project. including any and all impact fees and any associated cost with service.Owner / Contractor agree to an allowance on windows and window installation of $55000.00 any and all cost accosiated with window package,delivery and installation above allowance to be additional cost. Owner / Contractor agree that any substitution of material or labor withinin industry standards are allowed without written notice as long as the finished product is consistant with existing suites and allowed by code. Contractor may confir with architect and engineers for changes to ensure substitution is acceptable by the codes. Owner may request changes /aditional items to be added to contract with verbal communication, approved via email.

ARTICLE 2

DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 The date of commencement is the date from which the Contract Time of Paragraph 2.2 is measured, and shall be the date of this Agreement, as first written above, unless a different date is state below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

11-3-2014

2.2 The Contractor shall achieve Substantial Completion of the entire Work no later than

Completion: 12-31-2015

Bonus for early completion: ZERO (no compensation for early delivery)

The completion date is subject to adjustments of this Contract Time as provided in the Contract Documents.

Penalty: ZERO (owner and contractor agree to no penalties for delayed completion)

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ARTICLE 3

CONTRACT SUM

3.1 Subject to additions and deductions as provided in the Contract Documents, the Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract Sum of One Million, Seven Hundred Twenty Eight Thousand, Nine Hundred & no/100 Dollars ($ 1,728,900.00).

3.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

Contract is fixed price agreement. (with exclusions) Any
And all work required to meet any government, fire marshall, building official and or owner not shown in plans will be considered an additional item. If additional item is required, a meeting with contractor / owner shall be called to find agreed solution and cost to perform needed work. additional items can be agreed by verbal communication and confirmed via email.

3.3 Unit prices, if any, are as follows:

None

ARTICLE 4

PROGRESS PAYMENTS AND PAYMENT SCHEDULE

4.1 Based upon Applications for Payment submitted to the Owner, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents:

Mobilization Fee of $ 150,000.00 (one hundred fifty thousand dollars and zero cents)
Draw request will be made on or before Mondays for payment to be made on or before the following Monday. if payment is to be with-held or partially paid, owner is to notify contractor by the prior friday.

4.2 Documentation Required For Payment

Written draw request in form of invoice due. (weekly billing as requested)

4.3 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

None (contractor and owner agree there will be no late fee or interest on delayed payment)
If payment is with-held contractor or owner may stop work untill resolved.

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

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ARTICLE 5

FINAL PAYMENT

5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when the Work has been completed and the Contract fully performed, subject to the provisions listed under **OTHER CONDITIONS OR PROVISIONS** on page 6.

ARTICLE 6

ENUMERATION OF CONTRACT DOCUMENTS

6.1 The Contract Documents consist of this Agreement, Conditions of the Contract, Drawings, Addenda issued prior to the execution of this Agreement, and other documents listed here. Except for Modifications issued after execution of this Agreement, the documents are as follows:

6.1.1 The Agreement is this executed Abbreviated Agreement Between Owner and Contractor, A107-L.

6.1.2 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Pages	Title
NONE	None	None

6.1.3 The Specifications are those contained in the Project Manual dated as in Subparagraph 6.1.2 and are as follows:

Section	Pages	Title
None	None	None

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6.1.4 The Drawings are as follows, and are dated July 21, 2014 unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Pages	Title
N/A	54	229 KING STREET

6.1.5 The Addenda, if any, are as follows:

Number	Pages	Title
NONE	None	None

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 6.

6.1.6 Other documents, if any, forming part of the Contract Documents are as follows:

None

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ARTICLE 7

LICENSES AND INSURANCE REQUIREMENTS

7.1 Licenses, permits and bonds to be supplied and paid by as follows:

Contractor to acquire and pay for permits related to the work to be performed.

7.2 Insurance Requirements:

Contractor to Supply: Certificate of Insurance.

ARTICLE 8

GENERAL PROVISIONS

Contractor is to include all labor and approved materials, appliances and services of every kind necessary for proper execution of work. Contractor shall re-execute any work that fails to conform to the requirements of the contract. Contractor will remove all of his construction debris from the site and leave premises in broom-clean condition. All work shall be completed in a workmanship like manner and in compliance with all codes and other applicable laws. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work. Contractor has the right to let other contracts in connection with the work contracted for. Contractor shall adequately protect the work, adjacent property and the public and shall be responsible for any damage or injury due to his act or neglect. Change Orders shall be in writing and signed by both parties to this Agreement.

To the fullest extent permitted by law, the Contractor shall hold harmless and indemnify the Owner and their Agent(s) from and against any and all claims, damages, losses, expenses and fees arising out of or resulting from performance of the Contractor's Work, including hazardous materials, Worker's Compensation claims and subrogation.

OTHER CONDITIONS OR PROVISIONS

Not responsible for delays caused by the site developer. The contract start date will be modified as stated herein. Start date will be 30 days after site developer has delivered the project site ready for foundation excavation.

Warranty: one year labor on all trades, any and all material or manufacturer warranties to convey

See attachment(s): ☐ Yes ☒ No

General Conditions A201-L Included: ☐ Yes ☒ No

This Agreement entered into as of the day and year first written above.

OWNER	CONTRACTOR
Signature	Signature
Athan Fokas, Iakovos ferderigos	kevin w carroll
Name and title	Name and title

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August 21, 2015

Stan Barnett
Smith, Bundy, Byebee & Barnett, P.C.
1037 Chuck Dawley Boulevard
Suite 100, Building F
Mount Pleasant, SC 29464

Dear Mr. Barnett,

My name is Dr. Fanouris Ferderigos and I am the uncle of the Plaintiff and Defendants in case number 15-CP-10-3891 that you have filed in Charleston County, South Carolina. Your lawsuit alleges that my sister, Irene Fokas (which is Plaintiff Athan Fokas' mother), confronted Athan Fokas about "(a) Hiring someone to set fire to the second floor of the building at 229 King Street for the purpose of collecting insurance proceeds. (b) Falsely claiming in an insurance claim that he had been injured working in the restaurant business operated on the first floor of said building when he had, in fact, been injured in ways not related to the business, all for the purpose of collecting insurance proceeds." Your lawsuit alleges that Irene Fokas confronted Athan Fokas about these allegations, and Irene Fokas informed Athan Fokas that my brother, Stavros Ferderigos (which is Defendants' father), told her about the allegations stated above and set forth in your Complaint. Your lawsuit further alleges Irene Fokas informed Athan Fokas that Stavros Ferderigos identified Defendants (Phillip and Spiros Ferderigos) as the source of those statements.

This letter is to make you aware that on August 18, 2015 my sister, Irene Fokas, adamantly denied to me in person that Stavros Ferderigos ever told her anything about the allegations set forth above from your Complaint and that she has never even discussed with Stavros Ferderigos the topics of Athan Fokas being involved, directly or indirectly, with the fire at 229 King Street and/or anything to do with any of Athan Fokas' insurance claims. Irene Fokas further told me that she would testify under oath that she never was told about these allegations by Stavros Ferderigos in any way whatsoever.

With Kindest Regards, I am

Dr. Fanouris Ferderigos

Cc: Dawes M. Cook (288 Meeting Street, Suite 200, Charleston, SC 29401)

Richard Farrier (134 Meeting Street, Charleston, SC 29401)

EXHIBIT
Z
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Jacob Ferderigos <iakovosstavros@gmail.com>

Fwd: Flood Policy - Cancellation

1 message

Iakovos Ferderigos <iakovosstavros@gmail.com> Sun, Jan 11, 2015 at 7:28 PM
To: Spiros Ferderigos <spirosferderigos@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

Sent from my iPhone

Begin forwarded message:

> **From:** Athan Fokas <fokasa@bellsouth.net>
> **Date:** December 17, 2014 at 9:48:07 AM EST
> **To:** "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>
> **Subject: Fwd: Flood Policy - Cancellation**
>
> I cancelled the flood insurance below so we can get our money back. The storage unit date was just missed so we are paid thru Jan 12. I don't think we are going to recover any money from Kevin because he is going to say that was work to get us here. We still owe the structural engineer $3000.00 and we owe the bank for the appraisal which is about $2000.00. Your brother's have no business sense and I'm sure we will be butting heads with Greek properties in the future. Very sad!!!
>
> Sent from my iPhone

EXHIBIT
tabbies
A A
203

BARNWELL WHALEY
PATTERSON & HELMS LLC
75 YEARS 1938-2013
Attorneys for businesses & professionals since 1938

Jeremy E. Bowers, Associate
jbowers@barnwell-whaley.com

October 1, 2015
VIA HAND DELIVERY

5033.001
Charleston County Clerk of Court
100 Broad Street, Suite #106
Charleston, South Carolina 29401-2258

RE: Fokas v. Ferderigos, et al.
Case No.: 2015-CP-10-3891

Dear Madam Clerk:

Enclosed please find the original and one (1) copy of the Answer and Counterclaims of the Defendant, Spiros Ferderigos, in the above-referenced matter. Please file the original and return the filed stamped copy to me via our courier.

By copy of this letter, I am informing counsel for the Plaintiff of this communication with the Court and serving him with a copy of the Answer and Counterclaims. If you have any questions, please do not hesitate to contact me at (843) 577-7700. Again, thank you for your cooperation in this matter. With kind regards, I am

Sincerely,

Jeremy E. Bowers

Encl.
cc w/encl.: Stanley E. Barnett, Esquire (via U.S. Mail and e-mail)
Richard A. Farrier, Jr., Esquire (via U.S. Mail and e-mail)

M. Dawes Cooke, Jr.
B.C. Killough*
Randell C. Stoney, Jr.
Phillip S. Ferderigos
K. Michael Barfield
David S. Cox

William C. Helms, III'

* Registered patent attorney
' Retired

Ernest B. Lipscomb, III*
J. Gail Rahn
Todd M. Musheff
John A. Jones
Lucinda D. Gardner
John W. Fletcher

Alissa D. Fleming
Barbara J. Wagner, Ph.D.
Jeremy E. Bowers
D. Summers Clarke, II
Jeffrey M. Bogdan
Bradley B. Banias

288 Meeting Street, Suite 200, Charleston, SC 29401
Mail: P.O. Drawer H, Charleston, SC 29402 P 843.577.7700 F 843.577.7708
www.barnwell-whaley.com

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO. 2015-CP-10-3919
	)	
Athan Fokas,	)	
	)	
Plaintiff,	)	
v.	)	
	)	**PHILLIP FERDERIGOS' ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS**
Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos,	)	
	)	
Defendants.	)	*Jury Trial Demanded*
	)	
	)	
	)	

FILED
2015 OCT -1 PM 4:44
JULIE J. ARMSTRONG
CLERK OF COURT

Defendant Phillip Ferderigos through his undersigned counsel, respectfully submits the following Answer, Affirmative Defenses and Counterclaims to Plaintiff Athan Fokas' Complaint. Phillip Ferderigos denies each and every allegation not specifically admitted herein. Further, Phillip Ferderigos' Answers are limited to those allegations asserted against him. Phillip Ferderigos is not required to, and does not, respond to any allegations directed toward another defendant.

(1) Paragraph 1 does not contain allegations against Phillip Ferderigos. To the extent a response is required, Phillip Ferderigos admits Paragraph 1 upon information and belief.

(2) Phillip Ferderigos admits Paragraph 2.

(3) Paragraph 3 does not contain allegations against Phillip Ferderigos. To the extent a response is required, Phillip Ferderigos admits Paragraph 3.

(4) Paragraph 4 does not contain allegations against Phillip Ferderigos. To the extent a response is required, Phillip Ferderigos admits Paragraph 4.

(5) Phillip Ferderigos admits only that Athan Fokas and Defendants are members of Old Towne Suites, LLC (hereinafter "LLC"). Phillip Ferderigos denies the remainder of Paragraph 5.

(6) Phillip Ferderigos admits Paragraph 6.

(7) Phillip Ferderigos admits Paragraph 7 only to the extent that the currently existing rental business began after the upper two stories of 229 King Street were converted to rental units from restaurant seating. Phillip Ferderigos denies the remainder of Paragraph 7.

(8) Phillip Ferderigos admits Paragraph 8 only to the extent that in 2012, the parties began to investigate the possibility of, feasibility of, and their interest in constructing a new building above 229 King Street to be used for rental units. Phillip Ferderigos denies the remainder of Paragraph 8 and further denies the existence of any agreement to construct said building.

(9) Phillip Ferderigos denies Paragraph 9.

(10) Phillip Ferderigos admits Paragraph 10 only to the extent that, beginning no later than mid-2012, Athan Fokas and Jacob Ferderigos coordinated with an engineer(s), architect(s), and a contractor to develop plans to submit to the City of Charleston for possible approval to determine the cost, details, scope, feasibility and whether the City of Charleston would even allow the proposed project being considered by the parties. All activities at all times were for the consideration of a possible proposed project in the future; the parties entered into no agreements whatsoever, and all parties understood that any party could decide not to participate at any time. Phillip Ferderigos denies the remainder of Paragraph 10.

(11) Phillip Ferderigos admits Paragraph 11 only to the extent that Athan Fokas secured pre-approval of a loan for himself and for Jacob Ferderigos, the terms of which were never discussed with and/or agreed upon by Phillip and Spiros Ferderigos. Phillip Ferderigos denies the remainder of Paragraph 11. Athan Fokas and Jacob Ferderigos were supposed to get a personal loan for themselves which did not involve and/or affect Phillip and Spiros Ferderigos in any way whatsoever. Athan Fokas failed to secure such a loan.

(12) Phillip Ferderigos denies Paragraph 12.

(13) Phillip Ferderigos denies Paragraph 13.

(14) Phillip Ferderigos admits Paragraph 14 only to the extent that the parties expended expense and effort toward investigating the possibility of, feasibility of, and their interest in constructing the proposed project. Phillip Ferderigos denies the remainder of Paragraph 14 and denies that there was ever an agreement to construct the building between Athan Fokas and Phillip Ferderigos at any time whatsoever.

(15) Phillip Ferderigos denies Paragraph 15 as characterized.

(16) Paragraph 16 does not contain allegations against Phillip Ferderigos. To the extent a response is required, Phillip Ferderigos denies Paragraph 16 as characterized.

(17) Phillip Ferderigos admits Paragraph 17.

(18) Phillip Ferderigos admits Paragraph 18 only to the extent that, if Athan Fokas would have signed the proposed written side/ancillary agreement prepared by Phillip and Spiros Ferderigos prior to the closing, Phillip and Spiros Ferderigos would have provided

a mortgage of their portion of 229 King Street, assuming that the additional loan closing documents were also correct in all material aspects. Phillip Ferderigos denies the remainder of Paragraph 18.

(19) Phillip Ferderigos admits Paragraph 19 only to the extent that Athan Fokas refused to sign the side/ancillary agreement. Phillip Ferderigos denies the remainder of Paragraph 19. Specifically, Phillip Ferderigos denies that there was an agreement between the parties at any time.

(20) Phillip Ferderigos denies Paragraph 20.

(21) Phillip Ferderigos denies Paragraph 21 as characterized.

(22) Phillip Ferderigos denies Paragraph 22 as characterized and further denies that there was ever any agreement whatsoever between the parties at any time.

FOR A FIRST DEFENSE TO THE FIRST CAUSE OF ACTION
(Breach of Contract – Specific Performance)

(23) Responding to Paragraph 23, Phillip Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(24) Phillip Ferderigos denies Paragraph 24.

(25) Phillip Ferderigos admits Paragraph 25 only to the extent that the parties were each responsible for their respective share of costs for considering the possibility of, feasibility of, and their interest in the proposed project being considered. Phillip Ferderigos denies the remainder of Paragraph 25.

(26) Phillip Ferderigos denies Paragraph 26.

(27) Phillip Ferderigos denies Paragraph 27.

(28) Phillip Ferderigos admits Paragraph 28 only to the extent that the parties paid expenses directly toward and directly for work to investigate the possibility of, feasibility of, and their interest in the proposed project being considered. Phillip Ferderigos denies the remainder of Paragraph 28 and denies that there was ever an agreement between the parties at any time.

(29) Phillip Ferderigos denies Paragraph 29.

(30) Phillip Ferderigos denies Paragraph 30.

(31) Phillip Ferderigos denies Paragraph 31.

(32) Phillip Ferderigos denies Paragraph 32.

(33) Phillip Ferderigos denies Paragraph 33.

(34) Phillip Ferderigos denies Paragraph 34.

FOR A FIRST DEFENSE TO THE SECOND CAUSE OF ACTION
(Breach of Contract -- Damages)

(35) Responding to Paragraph 35, Phillip Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(36) Phillip Ferderigos denies Paragraph 36.

FOR A FIRST DEFENSE TO THE THIRD CAUSE OF ACTION
(Violation of the Duty of Care -- S.C. Code Ann. § 33-44-409)

(37) Responding to Paragraph 37, Phillip Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(38) Paragraph 38 contains legal conclusions to which no response is required. To the extent a response is required, Phillip Ferderigos craves reference to the statutes cited in Paragraph 38 and, to the extent they are applicable, denies anything inconsistent therewith.

(39) Paragraph 39 contains legal conclusions to which no response is required. To the extent a response is required, Phillip Ferderigos craves reference to the statutes cited in Paragraph 39 and, to the extent they are applicable, denies anything inconsistent therewith. Phillip Ferderigos further denies that he owed any duty of care pursuant to S.C. Code Ann. Section 33-44-409 to Athan Fokas relating to Phillip Ferderigos' real property interest in 229 King Street and/or the proposed project being considered. Phillip Ferderigos denies that the LLC statutes apply in this matter to impose any duty upon him, but, in the event the Court holds such duties do apply to him, Phillip Ferderigos denies that he breached any such duties.

(40) Phillip Ferderigos denies Paragraph 40.

(41) Phillip Ferderigos denies Paragraph 41.

FOR A SECOND DEFENSE TO ALL CAUSES OF ACTION

(42) Athan Fokas' claims fail to state facts sufficient to constitute a cause of action upon which relief can be granted. Therefore, pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure, the Complaint should be dismissed.

FOR A THIRD DEFENSE TO ALL CAUSES OF ACTION

(43) Athan Fokas' claims are barred, in whole or in part, by the doctrines of estoppel, ratification, waiver, laches, and/or unclean hands.

FOR A FOURTH DEFENSE TO ALL CAUSES OF ACTION
(Statute of Frauds and/or Statute of Limitations)

(44) Athan Fokas' Complaint states claims that are barred, in whole or in part, by the Statute of Frauds and/or statute of limitations.

FOR A FIFTH DEFENSE TO ALL CAUSES OF ACTION

(45) Athan Fokas has failed to mitigate his injuries and/or damages, if any.

FOR A SIXTH DEFENSE TO ALL CAUSES OF ACTION

(46) Phillip Ferderigos relies upon any other defenses that may become available or appear during discovery in the case and hereby reserves the right to amend this Answer to assert any such defenses. He also reserves the right to assert other and related defenses as may become available upon a determination of the law applicable to the action or any part thereof or claim therein.

FOR A SEVENTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Contributory/Comparative Negligence/Assumption of Risk)

(47) Any damage suffered by Athan Fokas is a direct and proximate result of his own comparative and contributory negligence and/or assumption of risk, and Athan Fokas' recovery should be barred, or alternatively, reduced proportionately to Athan Fokas' comparative negligence/assumption.

FOR AN EIGHTH DEFENSE
AND BY WAYOF AN AFFIRMATIVE DEFENSE THERETO
(Release)

(48) The Plaintiff's claims are barred by release as the Plaintiff released Defendants from any alleged agreement on multiple occasions.

FOR AN NINTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Punitive Damages)

(49) The Defendant would show that the claim of Athan Fokas for punitive damages cannot be had because any award of punitive damages under South Carolina law without

bifurcation of the trial so that any punitive damages issues are tried only after and if liability on the merits of the action have been found would violate Defendant's due process rights guaranteed by the United States Constitution and the South Carolina Constitution and would violate the common law and public policy of the State of South Carolina.

The Defendant would show that the claim of Athan Fokas for punitive damages cannot be had because an award of punitive damages under South Carolina law without being subject to a pre-determined limit on the amount of punitive damages that a jury might impose would violate Defendant's due process rights guaranteed by the United States Constitution and The South Carolina Constitution and would violate the common law of the State of South Carolina.

The Defendant alleges that the Complaint of Athan Fokas for punitive damages cannot be had because an award of punitive damages under South Carolina law by a jury that is not: a) provided with sufficiently clear standards for determining the appropriateness of the punitive damages award or size of such award; b) provided with accurate instructions as to the limits of punitive damages awards as determined by the principals underlying such an award; c) instructed that awarding punitive damages on invidiously discriminatory characteristics of the Defendant is improper; d) instructed to consider punitive damages under a standard for determining the amount that is neither vague, arbitrary nor capricious and that defines with reasonable clarity the actions of the Defendant upon which an award of punitive damages may be based; e) subjected to judicial review at both the trial and appellate court level under objective standards for determining appropriateness and reasonableness; and f) instructed that an award of punitive damages based on anything other than Defendant's conduct in connection with this alleged incident that is the subject of this lawsuit is forbidden; would violate the Defendant's equal protection and due process rights as guaranteed by the United Stated Constitution and the South Carolina Constitution and would also violate the laws of the State of South Carolina.

The Defendant alleges and says that the imposition of punitive damages on the basis of Athan Fokas' claims giving rise to this lawsuit would represent the deprivation of liberty and property without due process of law, the imposition of cruel and unusual punishment and excessive fines and deny the equal protection of the laws and violation of the Fifth, Sixth, Eighth, and Fourteenth Amendments to The Constitution of the United States and the comparable provisions of the State of South Carolina.

FOR A TENTH AFFIRMATIVE DEFENSE
(No Meeting of the Minds)

(50) Athan Fokas' claims are barred as there was no "meeting of the minds" and no binding agreement between the parties as to numerous material terms of the alleged agreement. Athan Fokas admits that Phillip Ferderigos did not agree to subject himself to personal liability on Fokas' personal loan involving the rental suite construction being considered at 229 King Street. A mortgage is a material term. It constitutes possible

personal liability for Phillip Ferderigos by subjecting his most important and valuable asset known at the time, 229 King Street, to possible foreclosure in the event Fokas defaulted on his personal loan. Phillip Ferderigos told Athan Fokas that he would not mortgage or guarantee "anything" for Athan Fokas or anyone else. Spiros Ferderigos further informed Athan Fokas in writing on December 19, 2012, that he would not be willing to accumulate debt for the proposed project. A mortgage is a debt. In addition, Phillip Ferderigos signing his name as an individual (direct personal liability) and/or signing his interest as a member of the LLC (personal liability if the cooperate veil is pierced) for Athan Fokas' incorrect and non-agreed upon closing documents further constitutes exposure for a personal guarantee that Phillip Ferderigos never agreed to.

Athan Fokas' incorrect and non-agreed upon closing documents required Phillip Ferderigos to sign *as an individual* (1) a mortgage for Phillip Ferderigos' interest in 229 King Street, (2) an assignment of rents, (3) a hypothecation agreement, (4) a HUD Statement, (5) an agreement to provide insurance, and (6) a UCC Financing Statement/Addendum.

Athan Fokas' incorrect and non-agreed upon closing documents also required Phillip Ferderigos to assign his interests *as a member of the LLC* for (1) the Note as the Borrower for Athan Fokas' loan, (2) an assignment of rents for a construction loan agreement, (3) a guaranty of completion and performance agreement, (4) a commercial security agreement, (5) a hazardous substances certificate and indemnity agreement, (6) an agreement to provide insurance, and (7) a UCC Financing Statement/Addendum.

There were further numerous unknown material terms at the time Athan Fokas alleges the parties entered into an agreement that would make a meeting of the minds between the parties impossible, as the parties cannot and did not agree to material terms that were still unknown at the time. As such, the parties never reached a meeting of the minds as to the essential terms of a mortgage agreement, of a side agreement, and/or any material terms.

FOR AN ELEVENTH AFFIRMATIVE DEFENSE
(No Agreement to Agree)

(51) Athan Fokas' claims are barred as there was never even an "agreement to agree" between the parties. The cost of the proposed project, the scope of the proposed project, the financing details of the proposed project, the loan documentation details of the proposed project, and other material terms of the proposed project were simply unknown at the time Athan Fokas alleges an agreement was made. This is evidenced by the written documentation between the parties which have been attached as exhibits to Defendant(s) counterclaim(s).

FOR A TWELFTH AFFIRMATIVE DEFENSE
(No Consideration)

(52) Athan Fokas' claims fail for lack of consideration.

FOR A THIRTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIMS
(Facts)

(53) Athan Fokas is a citizen and resident of Charleston County, South Carolina. The text messages identified as (843) 813-5612 in the attached exhibits are text messages from Athan Fokas.

(54) Phillip Ferderigos is a citizen and resident of Charleston County, South Carolina.

(55) Spiros Ferderigos is a citizen and resident of Charleston County, South Carolina.

(56) Jacob Ferderigos is a citizen and resident of Charleston County, South Carolina.

(57) The father of Jacob Ferderigos, Phillip Ferderigos, and Spiros Ferderigos (hereinafter Ferderigos Brothers) established Old Towne Restaurant in 1972. Old Towne Restaurant is located at 229 King Street. The Parcel ID number for 229 King Street is 4570801063.

(58) Athan Fokas' father joined Ferderigos Brothers' father as a partner resulting in both Ferderigos Brothers' father and Athan Fokas' father each owning a respective fifty (50) percent interest in Old Towne Restaurant. Ferderigos Brothers' father and Athan Fokas' father purchased the real property located at 229 King Street with each receiving a fifty (50) percent respective interest in the real property.

(59) Ferderigos Brothers' father transferred his respective fifty (50) percent interest in the real property located at 229 King Street in equal shares to Ferderigos Brothers. Ferderigos Brothers' father further transferred his fifty (50) percent interest in Old Towne Restaurant to Jacob Ferderigos.

(60) Upon information and belief, Athan Fokas' father transferred his respective fifty (50) percent interest in Old Towne Restaurant and 229 King Street to Athan Fokas.

(61) Accordingly, Jacob Ferderigos and Athan Fokas each own a respective fifty (50) percent interest in Old Towne Restaurant. The Ferderigos Brothers own a combined fifty (50) percent interest in 229 King Street and Athan Fokas owns the remaining fifty (50) percent interest in 229 King Street.

(62) Old Towne Restaurant leases the first floor of 229 King Street from Ferderigos Brothers and Athan Fokas.

(63) In 2009, 229 King Street was burned in a fire. During the restoration period, Ferderigos Brothers and Athan Fokas converted the top two floors (second and third floor) into short term rental units (hereinafter "original rental units").

(64) Ferderigos Brothers and Athan Fokas paid their respective fifty (50) percent of all expenses for the original rental units in cash.

(65) Ferderigos Brothers and Athan Fokas did not mortgage 229 King Street for the original rental units.

(66) Ferderigos Brothers and Athan Fokas did not personally guarantee any asset and/or interest(s) for the original rental units (including but not limited to a mortgage).

(67) Ferderigos Brothers did not encumber any of their assets for Athan Fokas and Athan Fokas did not encumber any of his assets for Ferderigos Brothers for the original rental units.

(68) Ferderigos Brothers and Athan Fokas created Old Towne Suites, LLC (hereinafter the LLC) to distribute profits for the original rental units. Ferderigos Brothers own a combined fifty (50) percent interest of the LLC and Athan Fokas owns the remaining fifty (50) percent interest in the LLC. The LLC has no assets.

(69) After the LLC was created and the original rental units constructed, but no later than 2012, Athan Fokas informed one or more of the Ferderigos Brothers that he wanted to explore potentially adding new construction over the existing building at 229 King Street for additional short terms rental units (hereinafter "proposed project").

(70) Athan Fokas approached Phillip Ferderigos and told him that the parties should mortgage 229 King Street for the proposed project. Phillip Ferderigos informed Athan Fokas that he would not mortgage his interest in 229 King Street for the proposed project. Phillip Ferderigos has not had any substantive verbal communication(s) with Athan Fokas regarding the proposed project being explored since Phillip Ferderigos had the aforementioned communication wherein Phillip Ferderigos rejected Athan Fokas' request to encumber his asset(s).

(71) Specifically, the first and last substantive conversation Phillip Ferderigos had with Athan Fokas about the proposed project was when Athan Fokas accosted Phillip Ferderigos at the Hellenic Center trying to convince Phillip Ferderigos that the parties should build a new building. Phillip Ferderigos specifically told Athan Fokas that he would not mortgage or guarantee "anything" for any proposed project and that he intended to pay cash for his portion of the proposed project. Athan Fokas proceeded to call Phillip Ferderigos a "pussy," "ignorant" and a "moron" and stated it was "ridiculous" that Phillip Ferderigos would not mortgage Old Towne for the proposed project. Phillip Ferderigos told Athan Fokas that he did not care what Athan Fokas thought and that he would not mortgage or guarantee "anything." Phillip Ferderigos explained that he was very debt averse and did not want to mortgage 229 King Street because he did not want to accumulate debt for the proposed project. Athan Fokas again said Phillip Ferderigos was being "ridiculous" and then Athan Fokas asked Phillip Ferderigos to sell him his rights to allow Athan Fokas to build the building himself. Phillip Ferderigos rejected Athan Fokas' ridiculous offer and again told Athan Fokas that he would not mortgage 229 King Street but instead would only consider doing a proposed project if he had the cash to do so. After such an unpleasant discussion with Athan Fokas, Phillip Ferderigos

has purposely avoided substantively discussing the proposed project with Athan Fokas and any substantive communications concerning the proposed project thereafter were in writing.

(72) The Ferderigos Brothers were each individually comfortable exploring the possibility of, feasibility of, and exploring their interest in the proposed project; out of a matter of convenience, the Ferderigos Brothers and Athan Fokas paid their respective share of exploration expenses for the proposed project from their respective LLC profits.

(73) Ferderigos Brothers and Athan Fokas began exploring the proposed project in 2012 and by July 2012 were already accruing expenses for the exploration of the proposed project. *See Exhibit A and B.*

a. 08/06/12: First invoice from Tucker Architectural for concept drawings.
b. 12/11/12: Email from Tucker Architectural indicating that the concept drawings for the proposed project were approximately 80 percent complete.
c. 12/20/12: Final invoice from Tucker Architectural for concept drawings.

(74) By December 11, 2012, the architect hired by the parties was approximately eighty (80) percent complete with his concept drawings regarding the proposed project. *See Exhibit B.*

(75) Initially, Athan Fokas informed the Ferderigos Brothers the total cost of the proposed project would be approximately $900,000. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "the total cost for the project to build will be somewhere between $800,000 and $900,000 with spending about 25,000 per unit to furnish and make them luxury units. I hope we can keep this project somewhere around $900,000."

(76) Athan Fokas and Jacob Ferderigos began searching for a personal loan/loan commitment(s) for themselves in the event the City of Charleston would approve the construction of the proposed project being explored, assuming that the parties could reach an agreement for all material terms to build the proposed project.

(77) On December 19, 2012, Athan Fokas sent an email informing the Ferderigos Brothers that he is attempting to get an approximate $900,000 loan for the proposed project and that he believes all parties should personally guarantee and mortgage their interests in 229 King Street for the attempted loan. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "I hope we can keep this project somewhere around $900,000." "Our equity in Old Towne is somewhere between 5 and 10 million dollars. Many banks these days won't touch anything in the hospitality industry so it is no guaranteed that they will lend us the money. The note on the property should be somewhere in the neighborhood of $4000.00 a

month if they let us carry the note for 30 years. If it is a 15 to 20 year note then the payments will be between $6000.00 and $8000.00 a month." "I'm only going to send information to banks that are very interested in doing the deal. I plan to give them Old Towne tax returns, Old Towne Suites income, and our personal financial statements. Phillip asked if he would be personally guaranteeing the loan. Of course every loan out there wants the people taking out the loan to personally guarantee it. The loan is less than 20 percent of our total value and we have the income from our current suites that could easily pay the note so it's a no brainer. Let me know your thoughts."

(78) Spiros Ferderigos immediately responded, in writing, to Athan Fokas that he would not personally guarantee anyone else's loan or incur additional debts to accomplish the proposed project. Spiros Ferderigos stated that, if the proposed project moved forward, it would need to be in the same manner as the original rental units without Spiros Ferderigos accumulating debt, that Spiros Ferderigos anticipated paying cash for his share of the proposed project if the parties could reach an agreement, and that the cost of construction needed to be addressed. *See Exhibit D.*

a. 12/19/12: Spiros Ferderigos email response to Athan Fokas stating "Assuming all that pans out, there will be a continuing issue on how we finance. <u>If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it.</u> There is to much that can go wrong with a personal guarantee. I am confident that Phillip, Jacob and I will be able to come up with our end of the amount needed and <u>we can move forward without accumulating debt as we did for the first round of units.</u>" "The question is how do we get there, will it be by personally guaranteeing loans that could be catastrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. <u>I for one already have plenty of money sitting in a bank account for my share of the additional units.</u>" (Emphasis added).

(79) Upon information and belief, Spiros Ferderigos has never spoken verbally with Athan Fokas about the proposed project being explored. All communications between Spiros Ferderigos and Athan Fokas regarding the proposed project have been in writing.

(80) Athan Fokas and Jacob Ferderigos attempted several times to receive a personal loan/loan commitment(s) for the proposed project from numerous banks to no avail. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "With that said I don't even know if the bank will lend us the money. First Citizens said they are not allowed to touch the hospitality industry. BB&T is 50/50 and will let me know if they are interested in a couple of days. South Carolina Bank and Trust seems very interested according to their President but will have to see our current income to make sure the numbers work. I'm meeting with Suntrust tomorrow but I think they will be a long shot."

(81) In January 2013, Athan Fokas made initial contact with his South Coast Bank loan officer seeking a loan/loan commitment. *See Exhibit E.* South Coast Bank is the lending bank Athan Fokas refers to in his Complaint.

a. 01/11/13: Email from Jeffrey Odom (South Coast Bank loan officer) to Athan Fokas stating "It was a pleasure meeting you yesterday afternoon. I just received your fax so it looks like it went through. I have also received your emails with the attached financial information. Thank you for getting everything to us so quickly. We will get to work and will be in touch shortly."

(82) Phillip Ferderigos and Spiros Ferderigos were not involved in Athan Fokas' and Jacob Ferderigos' attempts to get a personal loan/loan commitment(s) and did not provide any financial information or make any assurances to the bank(s) for the loan Athan Fokas and Jacob Ferderigos were seeking. Furthermore, any prior loan/loan commitment(s) obtained by Athan Fokas and Jacob Ferderigos was for a personal loan between them only and to be personally guaranteed by Athan Fokas and Jacob Ferderigos only. *See Exhibit F.*

a. 06/17/14: Email correspondence between Spiros Ferderigos and Athan Ferderigos wherein Spiros Ferderigos asks Athan Fokas and Jacob Ferderigos "The loan pre-approval that you guys have for the suites...are ya'll going to have to personally guarantee the loan?" Athan Fokas responds "We are pre approved, and since we personally asked for the loan yes we are personally guaranteeing it."

(83) Unknown to Phillip and Spiros Ferderigos at the time, Athan Fokas and Jacob Ferderigos secured a personal loan commitment for themselves from South Coast Bank on February 5, 2013. The loan commitment was for a one million dollar personal loan to Athan Fokas and Jacob Ferderigos in which Athan Fokas and Jacob Ferderigos would provide a mortgage for their interest(s) in 229 King Street, their interest(s) in the LLC, and an assignment of their rents and leases, in addition to other interest(s) of Athan Fokas and Jacob Ferderigos. The loan commitment expired February 15, 2013. *See Exhibit G.*

(84) The February 5, 2013, loan commitment secured by Athan Fokas and Jacob Ferderigos for their personal loan (which was unknown to Phillip and Spiros Ferderigos at the time) was not sufficient for the proposed project being explored as the costs of the proposed project continued to increase as a result of the proposed plans being repeatedly rejected by the relevant governmental agency.

(85) Accordingly, Athan Fokas had to keep seeking approval for a new personal loan/loan commitment(s) from South Coast Bank that would be sufficient for the ever growing costs of the proposed project being explored.

(86) Athan Fokas did not inform Phillip and Spiros Ferderigos that the approximate cost for the proposed project being explored increased from approximately $900,000 to approximately $2,000,000 until September 9, 2014. *See Exhibit H.*

a. 09/09/14: Email from Athan Fokas to Ferderigos Brothers stating "It looks like our new project of six more units will cost us around two million to build."

(87) Accordingly, based upon information provided by Athan Fokas, Phillip and Spiros Ferderigos were paying expenses toward exploring the potential proposed project from as early as December 2012 through September 9, 2014, under the incorrect information provided by Athan Fokas that the approximate cost of the proposed project was $900,000, not double that amount of approximately $2,000,000.

a. 12/19/12: Email from Athan Fokas stated "the total cost for the project to build will be somewhere between $800,000 and $900,000 with spending about 25,000 per unit to furnish and make them luxury units. I hope we can keep this project somewhere around $900,000." *See Exhibit C.*
b. 09/09/14: Email from Athan Fokas to Ferderigos Brothers stating "It looks like our new project of six more units will cost us around two million to build." *See Exhibit H.*

(88) Athan Fokas did not receive approval of his $1,800,000 personal loan and did not receive the details for his personal loan for the proposed project from his banker until September 2014. *See Exhibit I.*

a. 09/19/14: Text from Athan Fokas to Ferderigos Brothers stating "Good news! We are approved for 1.8 million." Spiros Ferderigos responds "can you email us the details of the loan sometime this weekend if you have a chance?" Athan Fokas responds "The banker just cslled me. I won't have the details till next week." (Emphasis added).

(89) On September 24, 2014, Athan Fokas, either intentionally and/or negligently, incorrectly informed the Ferderigos Brothers that his loan terms were for a fixed 5% interest rate for 20 years, the life of the alleged loan. When Athan Fokas subsequently became aware that he was incorrect about his loan terms, Athan Fokas attempted to get his banker to change the terms to what Athan Fokas believed he had. Athan Fokas' attempts to change his loan terms were rejected by his banker. Athan Fokas response to Phillip Ferderigos when he was unable to get his banker to change his loan terms to what Athan Fokas believed he had was "Well at least I tried." *See Exhibit J.*

a. 09/24/14: Athan Fokas email to Ferderigos Brothers stating "Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry."
b. 09/25/14: Athan Fokas email to Jeffery Odom (South Coast Bank loan officer) asking his loan officer in regards to his loan terms "Can it say: 12 monthly payments of interest only followed by 239 consecutive monthly payments...so that it is truly a 20 years note. Just want to make sure that the note continues after 5 years."

c. 09/25/14: Jeffery Odom's response to Athan Fokas that "the note will be 12 months of interest only followed by 5 years of principal, interest, and escrow payments and then a balloon maturity, with monthly payments based on a 20 year schedule. That is what you wanted and that is the same thing we are doing on your North Towne deal."

d. 09/25/14: Athan Fokas forwards Jeff Odom's email to Phillip Ferderigos and in response tells Phillip Ferderigos "Well at least I tried."

(90) The City of Charleston did not approve the proposed plans for the proposed project being explored until October 2014 and Athan Fokas informed the Ferderigos Brothers on October 10, 2014, that the permit for the proposed project being explored was approved. *See Exhibit K.*

(91) From 2012 to October 2014, the estimated costs of the proposed project increased from less than a million dollars to over two million dollars.

(92) When the city approved the proposed plans for the proposed project, Athan Fokas unilaterally scheduled a closing for what was to be Athan Fokas' and Jacob Ferderigos' personal loan. Jacob, Phillip, and Spiros Ferderigos were not informed nor involved in the scheduling of the closing date and were not informed of the closing date until after it had been scheduled by Athan Fokas.

(93) Upon information and belief, a few days prior to the closing for Athan Fokas' and Jacob Ferderigos' personal loan, Athan Fokas contacted Jacob Ferderigos and informed him that Phillip and Spiros Ferderigos would need to be present at the closing to mortgage their interests in 229 King Street for the loan. Jacob Ferderigos informed Athan Fokas that Phillip and Spiros Ferderigos never agreed to personally mortgage their interests in 229 King Street and that such a mortgage was outright rejected and never considered for the proposed project. Jacob Ferderigos further informed Athan Fokas that he did not believe Phillip and Spiros Ferderigos would agree to Athan Fokas' new material demand that they mortgage their interests in 229 King Street.

(94) Jacob Ferderigos informed Phillip and Spiros Ferderigos that Athan Fokas had scheduled a closing to be held in a few days and that Athan Fokas was demanding that Phillip and Spiros Ferderigos mortgage their interests in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan.

(95) Upon being informed of this new demand, Spiros Ferderigos communicated with all parties in writing that he never agreed to mortgage his interest in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan, however, he would consider mortgaging his interest in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan so long as Athan Fokas signed a side/ancillary agreement that Spiros Ferderigos believed was sufficient to protect his financial asset, assuming that all closing documents were correct.

(96) Phillip Ferderigos also informed Athan Fokas that, although he never agreed to mortgage his interest in 229 King Street, he would consider doing so if Athan Fokas, Jacob Ferderigos, and Spiros Ferderigos signed a side agreement that Phillip Ferderigos believed was sufficient to protect his financial asset, assuming that all closing documents were correct.

(97) Spiros Ferderigos further informed Athan Fokas, Jacob Ferderigos, and Phillip Ferderigos that the closing date scheduled by Athan Fokas without Spiros Ferderigos' input was not convenient for Spiros Ferderigos and that the closing would have to be scheduled for a later date.

(98) Athan Fokas scheduled a second closing date for November 21, 2014. The Ferderigos Brothers were prepared to attend the closing with Phillip and Spiros Ferderigos willing to mortgage their interests in 229 King Street so long as Athan Fokas agreed to and signed the side agreement prepared by Phillip and Spiros Ferderigos, assuming that all closing documents were correct. *See Exhibit L.*

a. 11/21/14: Text chain correspondence between Athan Fokas and Phillip/Spiros Ferderigos the date of the second scheduled closing – Phillip: "if the closing is going to happen today, I need to have it as late in the day as possible…If there any issues, let's just kick it the next week." Athan: "They scheduled if for 3:00 pm today. Will that work?" Phillip: "Should work for me, ask the lawyer to email me the HUD/settlement statement and all paperwork beforehand and I can review it and we can go through the closing more quickly…" Spiros: "From my end, we need to have the agreement signed and a copy of the closing docs to review beforehand. I want to make sure I know what I am signing. So agreement needs to be done and hud/settlement statement like Phillip said. I will block off 3 pm. Where is the closing?" "Once we get the green light on the agreement and the closing docs are reviewed/accurate (which I don't see a reason why they wouldn't be) then we can move forward this afternoon. If there are any issues with the agreement, ect then we will need to revisit everything at a later time."

(99) Athan Fokas, however, refused to agree to and never agreed to or signed the written side agreement necessary for Phillip and Spiros Ferderigos to mortgage their interests in 229 King Street. *See Exhibit M.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "I'm not interested in you trying to bully me into signing any type of side agreement that is unnecessary. My attorney, as I said earlier, strongly was against it."
b. 11/24/14: Email response from Phillip Ferderigos to Athan Fokas stating "You are asking me to mortgage my part of Old Towne and you are unwilling to sign an Agreement to say that you will make your payments timely. I believe you have mortgaged your other properties and now you want to mortgage Old Towne. I am not your piggy bank. I will not mortgage my share of Old Towne for you unless you agree to make your payments timely. Unless you change your decision, there is no point in moving forward."

c. 11/24/14: Email response from Athan Fokas to Phillip Ferderigos stating "If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences."

d. 11/24/14: Email response from Phillip Ferderigos to Athan Fokas stating "I do not care what your bank is requiring of you to get your loan...that has nothing to do with me. I will not sign off on any mortgage of my share unless you sign an agreement that you will make your payments timely. If you are an intelligent person you will see that I can not and will not agree to mortgage my share of Old Towne if you do not agree to make your payments on time."

e. 11/24/14: Email response from Athan Fokas to Phillip Ferderigos stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with Ferderigos Family."

(100) Furthermore, when the Ferderigos Brothers and Athan Fokas received the proposed closing documents to review just a few hours prior to the second closing, the closing documents included requirements that were never discussed and never agreed upon by Phillip and Spiros Ferderigos. *Exhibit N (closing documents).*

(101) The closing documents were incorrect in many ways by including provisions never agreed to or even discussed by the parties. Despite Athan Fokas' Complaint admitting that Phillip and Spiros Ferderigos never agreed to personally guarantee Athan Fokas' and Jacob Ferderigos' loan, the closing documents included terms that would expose Phillip and Spiros Ferderigos to personal liability such as (1) Phillip and Spiros Ferderigos signing their interests in the LLC as the borrower of the note (Athan Fokas' closing attorney admitted in writing that this could make Phillip and Spiros Ferderigos personally liable if the corporate veil were to be pierced and Athan Fokas admitted in an email that only Athan Fokas and Jacob Ferderigos were supposed to sign their individual memberships interests for the loan), (2) Phillip and Spiros Ferderigos signing a hypothecation agreement, (3) Phillip and Spiros Ferderigos assigning their rent profits for the benefit of the lending bank, (4) Phillip and Spiros Ferderigos personally signing the HUD Statement in their individual capacities, (5) Phillip and Spiros Ferderigos mortgaging their interests in 229 King Street, (6) Phillip and Spiros Ferderigos signing an agreement to provide insurance in their individual capacities, (7) Phillip and Spiros Ferderigos signing a UCC Financing Statement/Addendum in their individual capacities, and (8) Phillip and Spiros signing their interests in the LLC for a construction loan agreement, guaranty of completion and performance agreement, commercial security agreement, hazardous substances certificate and indemnity agreement, agreement to provide insurance, and UCC Financing Statement/Addendum, amongst other provisions. *See Exhibit N and O.*

a. 11/21/14: Email of Amy Haines (closing attorney) stating "Nothing in the documents I have makes you personally liable for the debt ... assuming the llc corporate veil could not be pierced for some reason." *See Exhibit O.*

b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "The bottom line is that the Old Towne Suites LLC on the note, that only Jacob and I are signing on as members, ..." *See Exhibit O.*

(102) Accordingly, the closing was canceled as Athan Fokas refused to agree to the terms of the side agreement and the closing documents included requirements never agreed to. *See Exhibit P.*

a. 11/21/14: Email from Phillip Ferderigos stating "it is clear that the bank has not been advised how to do the particulars correctly and this can not be rushed. Closing is off for today. If the docs can be fixed and all side agreements agreed to, then we can re-visit at that time."

(103) Later in the afternoon on the same date the second closing was cancelled, Athan Fokas informed the Ferderigos Brothers *for the first time* that he will be receiving approximately 2.7 million dollars on April 1, 2014, and that he intends to pay off his mortgage obligations at that time if Phillip and Spiros Ferderigos mortgage their interests in 229 King Street for his loan. *See Exhibit Q.*

a. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000 invested in. I then plan to pay off my debt in full."

(104) Given this new material information, Phillip and Spiros Ferderigos communicated to Athan Fokas that they would like to consider Athan Fokas, Phillip Ferderigos, and Spiros Ferderigos paying cash for their portion of the proposed project. Athan Fokas refused to move forward unless Phillip and Spiros Ferderigos agreed to mortgage 229 King Street and sign the incorrect closing documents. *See Exhibit R.*

a. 11/21/14: Email correspondence between Athan Fokas and Phillip/Spiros Ferderigos Brothers – Phillip: "If you're coming into all the money, why don't we just move forward in April and we don't even need this loan at all." Spiros: "That's a great idea." Athan: "I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months." Phillip: "Forget your bank, I have my bank...I think we should be fine, I like the idea...Athan, what do you say?" Spiros: "Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan." Phillip: "I agree this is certainly something we should explore." Spiros: "Why risk that huge loan if we don't have to?" Phillip: "Spiro, you are making a lot of sense, Athan, what do you think?" Athan: "I'm at a swanky dinner now and half drunk but by then I will be n the money and not interested in an ventures but my own. I'm also working on a deal where I get 25% of $100,000,000.00 for just being an expert consultant. I hang out with the ultra wealthy now and play their games."

(105) Athan Fokas rejected moving forward without the parties incurring millions of dollars in debt despite Phillip and Spiros Ferderigos maintaining since 2012 that they were unwilling to accumulate debt for the proposed project being explored and despite Athan Fokas' new revelation confirming that accumulating debt in the form of a multi-million dollar mortgage was unnecessary since Athan Fokas will be receiving 2.7 million dollars in cash (this is nearly three times Athan Fokas' portion of costs for the proposed project).

(106) On November 24, 2014, after the parties yet again reached an impasse on negotiations for the proposed project being explored, Athan Fokas emailed the Ferderigos Brothers that the thirty (30) plus year custom of the Ferderigos and Fokas families eating at Old Towne Restaurant for free was to cease immediately. *See Exhibit S.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Oh it has been a pleasure to say the least. I'm also done with paying your half of the food you so dearly like to eat at Old Towne weekly on my dime. If you don't pay your portion to me then Jacob will have to. All management will be put on notice."

(107) This is despite the fact that it has been the custom for the Ferderigos and Fokas families to eat for free at Old Towne Restaurant since the 1970's when Athan Fokas' and the Ferderigos Brothers' parents became partners in the restaurant. Upon information and belief, Athan Fokas changed the aforementioned custom for the purpose of harassing, humiliating, and attempting to coerce and gain an upper hand in negotiations against Ferderigos Brothers.

(108) Athan Fokas then took things even a step further and texted Phillip Ferderigos that he can't wait to spread malicious rumors/defame him around the community by stating that a multimillion dollar project couldn't get done because Phillip Ferderigos couldn't eat for free at Old Towne Restaurant and that he is sure everyone will find it "hilarious." He further went on to insult Phillip Ferderigos' weight, made an inappropriate comment about Phillip Ferderigos as a father and called Phillip Ferderigos "palabo" which means "stupid" in Greek. *See Exhibit T.*

a. 12/15/14: Text message from Athan Fokas to Ferderigos Brothers referring to Phillip Ferderigos stating "I can't wait to spread the word that the suites multimillion dollar project couldn't get done cause Phillip can't eat for free. I'm sure everyone will find it hilarious. I'm probably doing you a favor. Smaller waist line. I bet your kids will be real proud of you in the future too. Your dad was right for calling you palabo [stupid] Philipa."

(109) Athan Fokas is the individual who terminated negotiations with Ferderigos Brothers and said he was no longer willing to move forward with exploring the proposed project. *See Exhibit U.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "I am interested in doing this deal now and will not do it later."

b. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family.".

(110) Athan Fokas has also repeatedly released, in writing, the Ferderigos Brothers from any alleged agreement he claims the parties reached regarding the proposed project being explored. *See Exhibit V.*

a. 10/21/14: Text from Athan Fokas to Ferderigos Brothers stating "I would rather leave it in your hands now and keep me in the loop if and when you all are ready." "It's in your court now. I could care less. My Zeus deal is bringing in plenty to keep my family happy."
b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "Think about the big picture talk to the bank yourselves and get things done if you like."
c. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture." "In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows."
d. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Are ya'll contacting the bank, my attorney, and the closing attorney or are we just forgetting about it?"
e. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not."
f. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family."
g. 12/15/14: Text from Athan Fokas to Ferderigos Brothers stating "We can discuss all options when we meet and hopefully come to a mutual agreement."

(111) Athan has further repeatedly exonerated Jacob Ferderigos from any liability, alleged agreement, or any wrongdoing regarding this lawsuit by declaring that Jacob Ferderigos is the only "innocent person" in all of this and that he will keep Jacob Ferderigos out of the lawsuit. *See Exhibit W.*

a. 11/26/14: Email from Athan Fokas to Ferderigos Brothers stating "Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this."
b. 04/24/15: Text from Athan Fokas to Jacob Ferderigos stating "We figured out a way to keep you out the law suit."

(112) After the second closing was cancelled, Phillip Ferderigos and Spiros Ferderigos were made aware that the final costs for the proposed project were still unknown at the time of the second closing. *See Exhibit X* (the parties did not know the costs for the windows and/or sprinkler costs for windows).

a. 04/24/15: Text from Athan Fokas to Jacob Ferderigos stating "This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover."

(113) In addition, after the second closing was cancelled, the Ferderigos Brothers became aware for the first time that Athan Fokas entered into a written agreement with the contractor to build the proposed project being explored on October 15, 2014, without their knowledge or consent. *See Exhibit Y.*

(114) Athan Fokas entered into this agreement with the contractor (Kevin Carroll) without the prior consent or knowledge of the Ferderigos Brothers to enter into an agreement with the contractor, did not provide a copy of the agreement and/or its terms to the Ferderigos Brothers before or after signing the agreement, and signed on behalf of Jacob Ferderigos without his consent.

(115) Upon information and belief, Athan Fokas has further defamed Phillip and Spiros Ferderigos by informing a third party that the proposed project being explored was terminated because Phillip and Spiros Ferderigos were not willing to provide a mortgage for Jacob Ferderigos' portion of the proposed project and that Athan Fokas was not seeking Phillip and Spiros Ferderigos to mortgage Athan Fokas' portion of the proposed project.

(116) Upon information and belief, Athan Fokas for months continued to contact and tell the contractor (Kevin Carroll) that the proposed project was moving forward as planned despite being told by the Ferderigos Brothers that the proposed project being explored would not move forward.

(117) Although Phillip and Spiros Ferderigos have continued to ask Athan Fokas to stop harassing them with his ongoing emails, Athan Fokas has continued to send numerous emails to Phillip and/or Spiros Ferderigos in an effort to coerce them into agreeing to mortgage their interest(s) in 229 King Street and sign the incorrect closing documents, including sending emails threatening litigation in an effort to coerce Phillip and Spiros Ferderigos to give into his demands. This includes one email in which he specifically mentions that his lawsuits are not costing him anything because his attorney has taken on his case as a contingency fee. Upon information and belief, all of these emails have been sent to Phillip and Spiros Ferderigos in an effort to obtain an upper hand in negotiations and to wrongfully coerce Phillip and Spiros Ferderigos to succumb to Athan Fokas' rejected and/or non-agreed upon demands.

(118) Upon information and belief, Athan Fokas informed Jacob Ferderigos that he is going to file a lawsuit against Phillip and Spiros Ferderigos only if it does not cost him

anything, and that he is going to take Phillip and Spiros' homes from them and they will be out on the street. Upon information and belief, Athan Fokas sent such communications to be relayed to Phillip and Spiros Ferderigos in bad faith and in an effort to obtain an upper hand in negotiations and to wrongfully coerce Phillip and Spiros Ferderigos to succumb to Athan Fokas' rejected and/or non-agreed upon demands.

(119) On July 14, 2015, Athan Fokas filed a defamation lawsuit against Phillip and Spiros Ferderigos based upon information Athan Fokas alleges he received from his mother (Irene Fokas). Specifically, Athan Fokas' defamation lawsuit alleges that Phillip and Spiros Ferderigos told their father (Stavros Ferderigos), who repeated to Athan Fokas' mother (Irene Fokas), that Athan Fokas hired someone to set fire to 229 King Street and that Athan Fokas has filed a false insurance claim(s). Irene Fokas allegedly confronted Athan Fokas about these allegations.

(120) Athan Fokas knowingly and willfully filed the defamation lawsuit knowing that there was absolutely no basis for the lawsuit and knowing that his mother (Irene Fokas) never told Athan Fokas the information he alleges in the Complaint.

(121) On August 18, 2015, Athan Fokas' mother (Irene Fokas) admitted that she never discussed the topics of Athan Fokas being involved in the 229 King Street fire and/or false insurance claim(s) with Defendants' father. *See Exhibit Z.*

a. August 21, 2015 email from Fanouris Ferderigos (Irene Fokas' brother) to Stan Barnett (Athan Fokas' attorney): "This letter is to make you aware that on August 18, 2015 my sister, Irene Fokas, adamantly denied to me in person that Stavros Ferderigos ever told her anything about the allegations set forth above from your Complaint and that she has never even discussed with Stavros Ferderigos the topics of Athan Fokas being involved, directly or indirectly, with the fire at 229 King Street and/or anything to do with any of Athan Fokas' insurance claims. Irene Fokas further told me that she would testify under oath that she never was told about these allegations by Stavros Ferderigos in any way whatsoever."

(122) Upon information and belief, Irene Fokas never told Athan Fokas that Phillip and/or Spiros Ferderigos were the source of the information alleged in Athan Fokas' defamation lawsuit against Phillip and Spiros Ferderigos.

(123) Upon information and belief, Athan Fokas has, without approval/permission of Jacob, Phillip, and/or Spiros Ferderigos, used 229 King Street for his own personal catering business and to store inventory for his own personal catering business and/or other side projects. Athan Fokas has done so for his own pecuniary gain and to the detriment of Jacob, Phillip, and/or Spiros Ferderigos, who have not received notice of these activities and/or any rent or other payments for Athan Fokas' unauthorized use of 229 King Street.

(124) That with the exception of highlighting for emphasis, the Exhibits attached to Defendants' Counterclaims have not been altered or amended and are true and accurate copies of the written documentation.

FOR A FOURTEENTH AFFIRMTAIVE DEFENSE AND BY WAY OF COUNTERCLAIM

(Violation of Duty of Care – S.C. Code Ann. § 33-44-409 and LLC Statutes)

(125) Phillip Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(126) Athan Fokas violated his duty of care to Phillip Ferderigos as set forth in the LLC statutes in numerous instances. While Phillip Ferderigos denies that the LLC statutes apply in this matter to impose any duties from Phillip Ferderigos to Athan Fokas, based on Athan Fokas' representations, conduct, and/or actions concerning the LLC, Athan Fokas breached his duty of care as further described below.

(127) Among other items, Athan Fokas violated his duty of care to Phillip Ferderigos by:

a. From December 19, 2012, until a few days before Athan Fokas' unilaterally scheduled closing, Athan Fokas never disclosed that he required Phillip and Spiros Ferderigos to mortgage their interest(s) in 229 King Street, personally guarantee their interests, and/or encumber their financial interests while Jacob, Phillip and Spiros Ferderigos continued to incur expenses for the proposed project under the belief that Athan Fokas was getting a personal loan with no assurances and/or encumbrances from Phillip and Spiros Ferderigos whatsoever;

b. Athan Fokas intentionally and improperly attempting to force Jacob, Phillip, and/or Spiros Ferderigos to do things that Jacob, Phillip and/or Spiros Ferderigos never agreed to do;

c. While Jacob, Phillip, and/or Spiros Ferderigos continued to accrue significant expenses for the exploration of the proposed project under the belief from Athan Fokas that he and Jacob Ferderigos were getting their own personal loan, Athan Fokas purposefully, intentionally and/or negligently, did not

i. disclose he would be requiring Phillip and Spiros Ferderigos to mortgage their interests in 229 King Street for his benefit.

ii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interests in the LLC as borrower for Athan Fokas' loan for his benefit.

iii. disclose he would be requiring Phillip and Spiros Ferderigos to sign an assignment of rents for Athan Fokas' loan for his benefit.

iv. disclose he would be requiring Phillip and Spiros Ferderigos to sign a hypothecation agreement for Athan Fokas' loan for his benefit.

v. disclose he would be requiring Phillip and Spiros Ferderigos to sign a HUD Statement for Athan Fokas' loan for his benefit.

vi. disclose he would be requiring Phillip and Spiros Ferderigos to sign an agreement to provide insurance for Athan Fokas' loan for his benefit.

vii. disclose he would be requiring Phillip and Spiros Ferderigos to sign a UCC Financing Statement/Addendum for Athan Fokas' loan for his benefit.

viii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC on the Note and/or authorize their interest(s) in the LLC to be signed on the Note.

ix. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a construction loan agreement for Athan Fokas' loan for his benefit.

x. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a guaranty of completion and performance agreement for Athan Fokas' loan for his benefit.

xi. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a commercial security agreement for Athan Fokas' loan for his benefit.

xii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a hazardous substances certificate and indemnity agreement for Athan Fokas' loan for his benefit.

xiii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for an agreement to provide insurance for Athan Fokas' loan for his benefit.

xiv. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a UCC Financing Statement/Addendum for Athan Fokas' loan for his benefit.

d. Athan Fokas signing a loan commitment letter with his bank without the knowledge, consent, and/or approval of Phillip and Spiros Ferderigos, while now apparently claiming that the terms of that commitment letter somehow obligate Phillip and Spiros Ferderigos to provide certain financial guarantees and/or encumbrances, which Phillip and Spiros Ferderigos had previously rejected.

e. Athan Fokas failing to obtain a personal loan to fund his portion of the proposed project.

f. Athan Fokas apparently having the funds to pay for his portion of the proposed project, but choosing not to use his funds, but instead demanding Phillip and Spiros Ferderigos succumb to his demands which were outright rejected and never agreed upon.

g. Athan Fokas purposefully, intentionally, and/or negligently hiding from Jacob, Phillip, and/or Spiros Ferderigos the fact that Athan Fokas did not obtain a personal loan. Athan Fokas purposefully waited until a few days prior to Athan Fokas' unilaterally scheduled closing and after Jacob, Phillip and Spiros Ferderigos had already paid the vast majority of exploration costs before informing them that he did not have a personal loan. Athan Fokas willfully waited to disclose this material information in order to coerce Phillip and Spiros Ferderigos, who had by that time invested significant funds to explore the project, to give into his demands, which Phillip and Spiros Ferderigos had outright rejected and/or never agreed upon.

h. Athan Fokas purposefully waiting a few days before his first unilaterally scheduled closing to advise Jacob, Phillip, and Spiros Ferderigos that he needed Phillip and Spiros Ferderigos to underwrite his loan by providing him with a mortgage over their portion of 229 King Street, when Athan Fokas knew Phillip and Spiros Ferderigos had rejected such terms.

i. Athan Fokas demanding that Phillip and Spiros Ferderigos mortgage 229 King Street when Athan Fokas knew that Phillip and Spiros Ferderigos had outright rejected such material term.

j. Athan Fokas purposefully, willfully, and/or negligently unilaterally and continuously setting a closing date for his loan based on incorrect loan closing documents which would purport to require Phillip and Spiros Ferderigos to sign documents in Athan Fokas' favor, which Phillip and Spiros Ferderigos outright rejected and/or never agreed to sign.

k. Athan Fokas purposefully, willfully, and/or negligently and improperly adding new material terms in his loan documents that Phillip and Spiros Ferderigos had previously outright rejected and/or never agreed upon.

l. Athan Fokas negligently withholding and/or misrepresenting material terms of the proposed project.

m. Athan Fokas intentionally and negligently stating that Phillip and Spiros Ferderigos had made an oral agreement with him to mortgage their interests for his benefit in 229 King Street and to sign their respective interests in the LLC as a borrower for Athan Fokas' loan, when Athan Fokas knows that such statements are outright lies.

n. Athan Fokas purposefully, willfully, and/or negligently misrepresenting the requirements of his loan package and/or loan documents to Jacob, Phillip and/or Spiros Ferderigos.

o. Athan Fokas writing numerous communications to Defendants where Athan Fokas admitted to outrageous behavior, stating, he was "playing games," withholding material information, misrepresenting material information, introducing new material terms as a means to harass and annoy the Defendants, and threatening to spread malicious rumors and to defame the Defendant(s), all in an effort to improperly extort concessions out of the Ferderigos Brothers and to improperly coerce/force Phillip and Spiros Ferderigos to give Athan Fokas a mortgage over their portion of 229 King Street and to sign incorrect and improper loan closing documents.

p. Athan Fokas purposefully, intentionally, and/or negligently and falsely informing Jacob, Phillip, and/or Spiros Ferderigos that he needed a loan to fund his percentage of the project being explored. Athan Fokas purposefully, intentionally, and/or negligently hid the fact that he would be receiving 2.7 million dollars (nearly three times the amount necessary for his portion of the proposed project) within the building permit period in an effort to deceive and coerce Jacob, Phillip, and/or Spiros Ferderigos into believing it was necessary for them to mortgage their interests in 229 King Street for Athan Fokas' benefit and to deceive and to coerce them into signing incorrect closing documents for Athan Fokas' benefit. Athan Fokas hid such material information to try and force Phillip and Spiros Ferderigos into unnecessarily mortgaging their interest(s) in 229 King Street, and signing loan documents which Phillip and Spiros Ferderigos outright rejected and/or never agreed to sign.

q. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip, and/or Spiros Ferderigos that he intended to pay off his portion of the loan when he received 2.7 million dollars on April 1, 2015, in order to wrongfully persuade and deceive Phillip and Spiros Ferderigos into mortgaging

their interests in 229 King Street and sign incorrect closing documents for Athan Fokas' benefit. Such representation was an intentional lie when made. Phillip and Spiros Ferderigos stated to wait a few months for when Athan Fokas had his cash and Athan Fokas, Phillip Ferderigos and Spiros Ferderigos could pay cash for the proposed project. A few days later, Athan Fokas reversed course and stated that, when he did receive his cash on April 1, 2015, he may instead decide to purchase another building downtown instead of paying off the loan. Athan Fokas intentionally gave false information to attempt to coerce Jacob, Phillip, and/or Spiros Ferderigos to provide Athan Fokas with a mortgage of 229 King Street and to sign incorrect closing documents for his benefit.

r. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip and/or Spiros Ferderigos that he would not be willing to wait until April 1, 2015 (when he received his millions) to do the proposed project. Such representation was a lie when made. Athan Fokas misrepresented the fact that he would not wait until he received his millions on April 1, 2015, in an effort to deceive and coerce Jacob, Phillip, and/or Spiros Ferderigos into mortgaging their interests in 229 King Street for Athan Fokas' benefit and to deceive and to coerce Jacob, Phillip, and/or Spiros Ferderigos into signing the incorrect closing documents for Athan Fokas' benefit.

s. Athan Fokas refusing to wait until he received his millions of dollars on April 1, 2015, to consider moving forward with the proposed project.

t. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip, and Spiros Ferderigos that his bank would not wait until April 1, 2015, when Athan Fokas informed Jacob, Phillip, and Spiros Ferderigos that Athan Fokas would receive his millions of dollars, while now alleging in his Complaint that his bank is still willing to offer a loan package to Athan Fokas.

u. Athan Fokas refusing to sign a side agreement protecting Phillip and Spiros Ferderigos' collateral, while at the same time demanding Phillip and Spiros Ferderigos give him a mortgage over their portion of 229 King Street.

v. Athan Fokas purposefully, willfully, and/or negligently and falsely claiming in his pleadings that he agreed to sign the side agreement when Athan Fokas rejected and never agreed to sign any such side agreement, but rather made additional demands of material terms on behalf of Phillip Ferderigos as a condition to Athan Fokas possible approval for executing the side agreement.

w. Athan Fokas knowing that his refusal to sign the side agreement resulted in the proposed project being terminated; however, Athan Fokas telling third parties that Phillip and Spiros Ferderigos terminated the proposed project for other reasons which Athan Fokas knew where false.

x. Athan Fokas harassing, threatening, mocking and attempting to coerce Jacob, Phillip, and Spiros Ferderigos by representing he was going to make twenty five million dollars ($25,000,000.00) as a consultant and by telling Jacob, Phillip, and Spiros Ferderigos "I hang out with the ultra wealthy now and play their games."

y. Athan Fokas interjecting new terms into the negotiations with ill will and actual malice by demanding that the parties change the thirty (30) plus year customary practice regarding food at Old Towne Restaurant for family members (both Ferderigos and Fokas family members) solely to be vindictive and to harass Phillip and Spiros Ferderigos, and to otherwise coerce Phillip and Spiros Ferderigos to give into Athan Fokas' demands which had been rejected.

z. On two separate occasions, Athan Fokas threatening to build the proposed project, without Phillip Ferderigos' consent and against Phillip Ferderigos' will, and purportedly with the scheme to own the new building to the exclusion of Phillip Ferderigos (which is something that Athan Fokas cannot legally do), all with the fraudulent intent of forcing Phillip Ferderigos to provide Athan Fokas a mortgage Phillip Ferderigos never agreed to, as well as signing improper and incorrect closing documents Phillip Ferderigos never agreed to sign.

aa. Athan Fokas defaming Phillip and/or Spiros Ferderigos because they would not give into Athan Fokas' demands, by telling third parties that Phillip and/or Spiros Ferderigos have no business sense and that the proposed projected fell apart because Phillip could not eat for free at Old Towne Restaurant and by calling Phillip Ferderigos stupid.

bb. Athan Fokas attempting to use the customary food practice at Old Towne Restaurant as a negotiating tactic to attempt to force Phillip and/or Spiros Ferderigos to give into Athan Fokas' demands which were rejected by Phillip and/or Spiros Ferderigos.

cc. Athan Fokas threatening to publish malicious rumors/defamatory statement(s) by telling Phillip Ferderigos that Athan Fokas can not wait to spread the word in the community that that a "multimillion dollar project" couldn't get done because Phillip Ferderigos couldn't eat for free at Old Towne Restaurant, a malicious threat of defamation that Athan Fokas knew was false and made with actual malice and ill will to attempt to improperly coerce Phillip Ferderigos into giving Athan Fokas a mortgage Phillip Ferderigos never agreed to give him, as well as coerce Phillip Ferderigos into signing improper and incorrect closing documents he never agreed to sign.

dd. Athan Fokas continuing to tell the contractor Kevin Carroll for months that the proposed project was moving forward despite Athan Fokas being repeatedly told by Jacob, Phillip and/or Spiros Ferderigos that the proposed project was not moving forward.

ee. Athan Fokas repeatedly releasing Jacob, Phillip and Spiros Ferderigos from any alleged agreement, liability and/or responsibility regarding the proposed project and then filing lawsuit(s) to attempt to coerce Jacob, Phillip, and/or Spiros Ferderigos to do the very things that were released.

ff. Athan Fokas threatening to take Phillip and Spiros Ferderigos' homes and throw their children out on the street if Phillip and Spiros Ferderigos did not give Athan Fokas a mortgage, personally guarantee, and/or encumber their interests in Athan Fokas' favor and/or give into his demands, which Phillip and Spiros Ferderigos had rejected and/or were never agreed upon.

gg. Athan Fokas unilaterally and improperly executing a written contract with contractor Kevin Carroll to build the proposed project without the knowledge, consent and/or providing details of the contract to Jacob, Phillip, and/or Spiros Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

hh. Athan Fokas unilaterally and improperly executing a written contract with the contractor Kevin Carroll purportedly on behalf of the LLC, without the knowledge, consent, and/or the authorization of Jacob, Phillip, and/or Spiros Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

ii. Athan Fokas signing a written contract with contractor Kevin Carroll to build the proposed project on behalf of Jacob Ferderigos, by signing a signature line that included Jacob Ferderigos' name, without the knowledge, consent and/or providing details of the contract to Jacob Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

jj. Athan Fokas publishing malicious rumors/defamatory statement(s) to third parties that Phillip and Spiros Ferderigos have no business sense and that it is very sad. This is in reference to Phillip and Spiros Ferderigos not giving into Athan Fokas' wrongful and outright rejected and/or non-agreed upon demands for the proposed project being explored.

kk. Athan Fokas publishing malicious rumors/defamatory statement(s) concerning Phillip and Spiros Ferderigos by inquiring third parties about Phillip and/or Spiros Ferderigos alleged statements concerning Athan Fokas' involvement in the fire of 229 King Street.

ll. Athan Fokas publishing malicious rumors/defamatory statement(s) to third parties that the proposed project was terminated because Phillip and/or Spiros Ferderigos could not eat for free at Old Towne.

mm. Athan Fokas publishing malicious rumors/defamatory statement(s) by telling third parties that the proposed project has been terminated because Phillip and Spiros Ferderigos were not doing what they agreed to do.

nn. Athan Fokas publishing malicious rumors/defamatory statement(s) by telling third parties that Athan Fokas was not/is not seeking a mortgage from Phillip and/or Spiros Ferderigos for the proposed project.

oo. Athan Fokas telling third parties that Phillip and/or Spiros Ferderigos refused to give Jacob Ferderigos a mortgage for Jacob Ferderigos' portion of the loan and that Athan Fokas was not seeking a mortgage from Phillip and/or Spiros Ferderigos.

pp. Athan Fokas continuing to contact Jacob, Phillip, and/or Spiros Ferderigos despite threatening his lawsuits and being told by Phillip and Spiros Ferderigos to stop communicating with them. Athan Fokas continued to send obnoxious emails to Jacob, Phillip, and/or Spiros Ferderigos about how profitable the current suites project is and how profitable it would have been had the parties built the proposed project as Athan Fokas had demanded. Athan Fokas continues to harass Jacob, Phillip, and/or Spiros Ferderigos and continues to try to intimidate Jacob, Phillip, and/or Spiros Ferderigos into doing the proposed project, as well as trying to scare Jacob, Phillip, and/or Spiros Ferderigos concerning the high legal costs to defend against his frivolous lawsuits.

qq. Athan Fokas harassing, threatening, and mocking Jacob, Phillip, and/or Spiros Ferderigos by writing to them that "my attorney is working on a flat 20 percent contingency so he is not costing me anything until this case is settled," while threatening to file a multi-million dollar lawsuit against Jacob, Phillip, and/or Spiros Ferderigos. This written information was sent by Athan Fokas to Jacob, Phillip, and/or Spiros Ferderigos in an attempt to harass and to coerce them to give into Athan Fokas' rejected and non-agreed upon demands by threatening that a lawsuit will cost Jacob, Phillip, and/or Spiros Ferderigos money, but will not cost Athan Fokas anything to proceed with his frivolous lawsuit strategy.

rr. Athan Fokas conducting unauthorized business and/or storing unauthorized inventory within 229 King Street for his own pecuniary gain without the knowledge and/or consent, and to the detriment, of Jacob, Phillip and/or Spiros Ferderigos.

ss. Athan Fokas knowingly and intentionally filing a frivolous defamation lawsuit against Phillip and Spiros Ferderigos knowing that the allegations therein were false.

(128) As a direct and proximate result of Athan Fokas' actions, Phillip Ferderigos has been injured. Accordingly, Phillip Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR A FIFTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Negligent Misrepresentation)

(129) Phillip Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(130) Athan Fokas made false representations to Phillip Ferderigos as set forth in Paragraph 127 and its subsections (Phillip Ferderigos' violation of duty of care claim).

(131) Athan Fokas had a pecuniary interest in making these representations/statements.

(132) Athan Fokas owed a duty of care to see that Athan Fokas communicated truthful information to Phillip Ferderigos.

(133) Athan Fokas breached that duty by failing to exercise due care.

(134) Phillip Ferderigos justifiably relied on said representations.

(135) Phillip Ferderigos suffered pecuniary loss as a proximate result of his reliance on the representations of Athan Fokas and Athan Fokas acted willfully, wantonly, carelessly, and recklessly, and as a direct and proximate result, Phillip Ferderigos has been injured. Accordingly, Phillip Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR A SIXTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Fraud, Constructive Fraud)
(Concealment with Duty to Disclose)

(136) Phillip Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(137) Athan Fokas further intentionally and purposely misrepresented facts set forth in Paragraph 127 and its subsections (Phillip Ferderigos' violation of duty of care claim).

(138) Athan Fokas had a duty to disclose material information to Phillip Ferderigos and Athan Fokas failed to disclose such information.

(139) Prior to and/or during the negotiations with Athan Fokas, Athan Fokas implied and/or expressly represented to Phillip Ferderigos as set forth previously.

(140) Said representations were false.

(141) Said representations were material.

(142) Athan Fokas knew said representations were false when same were made. Alternatively, Athan Fokas knew his representations to Phillip Ferderigos were false and/or Athan Fokas' representations were made with reckless disregard as to their truth or falsity. Athan Fokas' failure to inform Phillip Ferderigos of his true intentions was intentional and/or negligent with reckless disregard to the truth upon which Phillip Ferderigos was relying.

(143) Athan Fokas intended Phillip Ferderigos to rely and act upon said representations. Phillip Ferderigos did not know said representations were false.

(144) Phillip Ferderigos had the right to rely upon, and in fact did rely upon, the truth of said representations. In the event that the element or scienter is not found, alternatively, that Phillip Ferderigos alleges and avers that Athan Fokas committed constructive fraud in that Athan Fokas breached legal, equitable, and fiduciary duty owed to Phillip Ferderigos.

(145) Athan Fokas acted willfully, wantonly, carelessly, and recklessly, and as a direct and proximate result, Phillip Ferderigos has been injured. Accordingly, Phillip Ferderigos is entitled to actual, consequential, and punitive damages as may be determined by a jury.

FOR SEVENTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Defamation – Slander - Libel)

(146) Phillip Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(147) Athan Fokas threatened to publish false and defamatory statements by informing Phillip Ferderigos in writing that he cannot wait to tell everyone in the community [the false statement] that a multi-million dollar project did not move forward because Phillip Ferderigos could not eat for free at Old Towne Restaurant and that he found it hilarious.

(148) Upon information and belief, Athan Fokas publishing false and defamatory statements that the proposed project did not move forward because Phillip Ferderigos could not eat for free at Old Towne Restaurant.

(149) Athan Fokas published false and defamatory statements to Jacob Ferderigos in writing that Phillip and Spiros Ferderigos "have no business sense and I'm sure we will be butting heads with Greek properties in the future. Very sad!!!" *See Exhibit AA.*

(150) Upon information and belief, Athan Fokas published false and defamatory statements to other third parties that Phillip and/or Spiros Ferderigos are bad business people and/or do not have any business sense.

(151) Athan Fokas published false and defamatory statements to other third parties that Phillip and/or Spiros Ferderigos are accusing him of setting fire to 229 King Street.

(152) Athan Fokas published false and defamatory statements to other third parties that the proposed project was not moving forward because Phillip and/or Spiros Ferderigos were not doing what they agreed to do.

(153) Upon information and belief, Athan Fokas published false and defamatory statements to other third parties that he was not seeking a mortgage and/or other financial assurances from Phillip and/or Spiros Ferderigos for the proposed project; while at the same time, filing a lawsuit demanding that Phillip and Spiros Ferderigos mortgage and/or provide financial assurances of their interests for Athan Fokas' benefit for the proposed project.

(154) Upon information and belief, Athan Fokas verbally (slander) and in writing/conduct (libel) threatened to publish and/or has published, with premeditation, false malicious rumors and defamatory statements to third parties about Phillip Ferderigos.

(155) Athan Fokas' slander and libel is actionable per se where Athan Fokas has alleged defamatory statements charging Phillip Ferderigos with commission of a crime of moral turpitude and/or unfitness in his business or profession. Athan Fokas has also published slander and libel that is not actionable per se.

(156) Athan Fokas has made false and defamatory statements concerning Phillip Ferderigos.

(157) Athan Fokas has acted with common law malice.

(158) Athan Fokas has made such statements via an unprivileged publication to third parties.

(159) Athan Fokas is at fault in publishing the statements.

(160) Athan Fokas has harmed Phillip Ferderigos via his defamatory statements and caused harm and/or special harm to Phillip Ferderigos caused by the publication.

(161) As a direct and proximate result of Athan Fokas' defamatory statements, which were made with common law actual malice, Phillip Ferderigos has been injured. Accordingly, Phillip Ferderigos is entitled to general damages, special damages, actual damages, consequential damages, and punitive damages as determined by a jury.

FOR AN EIGHTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Abuse of Process)

(162) Phillip Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(163) Athan Fokas has employed the legal process for some purpose other than that for which it was intended by the law to effect – the improper use of a regularly issued process.

(164) Athan Fokas has commenced an action and caused process to issue without justification and is also misusing or misapplying the legal process for an end other than that which it was designed to accomplish.

(165) Athan Fokas is using the process for improper reasons with (1) an ulterior purpose; and (2) has done willful acts in the use of the process not proper in the regular conduct of the proceeding, to attempt to force Phillip Ferderigos to give Athan Fokas a mortgage and to sign incorrect loan documents by filing what Phillip Ferderigos believes to be frivolous lawsuits (where the exhibits attached to this pleading and the written documents of Athan Fokas himself prove Athan Fokas' lawsuits to be frivolous).

(166) As a direct and proximate result of Athan Fokas' actions, Phillip Ferderigos has been injured. Accordingly, Phillip Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR AN NINETEENTH AFFIRMATIVE DEFENSE AND BY WAY OF COUNTERCLAIMS
(Promissory Estoppel)

(167) Phillip Ferderigos incorporates all of the above paragraphs as fully as if reinstated verbatim herein.

(168) Jacob, Phillip, and/or Spiros Ferderigos acted in reasonable reliance on Athan Fokas' representations, promises, and other acts constituting inducements to continue moving forward with exploring the proposed project with Phillip and Spiros Ferderigos not being involved in and/or granting any assurances/encumbrances of any kind whatsoever for a loan. Jacob, Phillip, and/or Spiros Ferderigos continued to expend money towards receiving governmental approval for the new building being explored in reasonable reliance of Athan Fokas' representations, promises, and other acts.

(169) As a direct and proximate result of Athan Fokas' actions and Jacob, Phillip and/or Spiros Ferderigos' reasonable reliance thereon, Jacob, Phillip and/or Spiros Ferderigos suffered damages in an amount to be determined by a jury.

FOR A TWENTIETH DEFENSE AND BY WAY OF COUNTERCLAIM
(Initiation of Frivolous Proceedings, S.C. Code Ann. § 15-36-10)

(170) Phillip Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(171) The Complaint filed in this current action constitutes a frivolous pleading under the South Carolina Frivolous Civil Proceedings Sanction Act, S.C. Code Ann. § 15-36-10 (2005), in the following particulars to wit:

a. A reasonable attorney in the same circumstances would believe that the Plaintiff's claim "was clearly not warranted under existing law and that a good faith or reasonable argument did not exist for the extension, modification, or reversal of existing law"; and

b. A reasonable attorney presented with the same circumstances would believe that the initiation of this civil cause "was intended merely to harass or injure the other party."

c. A reasonable attorney presented with the same circumstances would believe the pleading is frivolous and was brought for a purpose other than proper adjudication of the claim.

d. The pleading makes frivolous arguments not supported by the facts.

(172) Phillip Ferderigos respectfully asks this Honorable Court to sanction the Plaintiff for this frivolous pleading pursuant to S.C. Code Ann. § 15-36-10(G) (2005), and specifically, Phillip Ferderigos prays for the following relief:

a. That the Plaintiff pay reasonable costs and attorney's fees to defend this action and for punitive damages; and

b. That the Plaintiff pay a reasonable fine to the Court.

WHEREFORE, having fully answered Plaintiffs' Complaint, Phillip Ferderigos prays that the Court:

a) Dismiss Plaintiff's Complaint with prejudice;

b) That Plaintiff take nothing by reason of his suit;

c) That Phillip Ferderigos recover costs and reasonable attorney's fees in defending this action;

d) That the Plaintiff be sanctioned for the initiation of this frivolous proceeding by being fined by this Honorable Court;

e) Enter judgment for Phillip Ferderigos on his counterclaims and award him damages for his actual, consequential, incidental, and punitive damages, and pre and post judgment interest; and

f) Award such other relief as the Court may deem just and proper.

Respectfully submitted,

Richard A. Farrier (S.C. ID No 1962)
Email: richard.farrier@klgates.com
Jennifer H. Thiem (S.C. ID No. 73739)
Email: jennifer.thiem@klgates.com
K&L Gates LLP
134 Meeting Street, Suite 200
Charleston, SC 29401
Phone: (843) 579-5600
Fax: (843) 579-5601
ATTORNEYS FOR DEFENDANT/COUNTERCLAIMANT, PHILLIP FERDERIGOS

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO. 2015-CP-10-3919
	)	
Plaintiff Fokas,	)	
	)	
Plaintiff,	)	
v.	)	
	)	
Philip Ferderigos, Jacob Ferderigos, and Spiro Ferderigos,	)	
	)	
Defendants.	)	

FILED
2015 OCT -1 PM 4:44
JULIE J. ARMSTRONG
CLERK OF COURT

I hereby certify that this 1ST day of October 2015, I forwarded a copy of the foregoing Answer and Counterclaims of the Defendant, Phillip Ferderigos, via U.S. Mail with sufficient postage affixed thereto, properly addressed as follows:

Counsel Served:

Stan Barnett
SMITH, BUNDY, BYBEE & BARNETT
Post Office Box 1542
Mt. Pleasant, SC 29465-1542
Attorneys for Plaintiff

M. Dawes Cooke, Jr.
Jeremy E. Bowers
BARNWELL WHALEY PATTERSON & HELMS LLC
PO Drawer H
Charleston, SC 29402

John Massalon
WILLS MASSALON & ALLEN LLC
P.O. Box 859
Charleston, SC 29402

Enita B. Shotts
~~Gwyn L. Martin~~
Legal Assistant

Charleston, South Carolina
OCT. 1, 2015

From: "Joe Tucker" <tuckeraia@gmail.com>
Date: July 21, 2015 at 11:59:58 AM EDT
To: "'Jacob Federico'" <Jacobspita@yahoo.com>
Subject: Old Towne Suites 2

Jacob,

As we recently discussed by phone, we have attached an account of all payments for this project.

Let us know if you have other questions.

Regards,

Joe

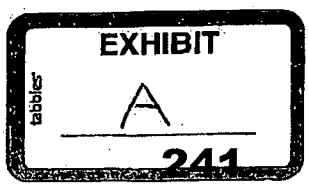
TUCKER ARCHITECTURAL ASSOCIATES

772 Gypsy Lane, Mt. Pleasant SC 29464

TuckerAIA@Gmail.com

(843) 881 - 6426

payrec715.docx
13K



Old Towne 2

Design prior to first BAR submittal

1,800.00	concept drawings	8/6/12
1,250.00	concept drawings	12/20/12
2,600.00	preliminary design one	4/12/13
2,600.00	preliminary design one	5/1/12
4,000.00	preliminary design two	5/23/13
$12,250.00		

Contract suspended

1,600.00	For additional services for BAR	7/9/13
1,250.00	For additional services for Artist	7/9/13
$ 2,850.00		

Old Towne 2 Revised

Design after second BAR submittal

No charge	Architecture	concept review with owner		
1,400.00	Architecture	concept review with agencies	1,400.00	10/7/13
800.00	Architecture	concept review with BAR	800.00	10/20/13
800.00	Artist	concept review with BAR	800.00	10/20/13
1,800.00	Architecture	preliminary with BAR	1,800.00	12/10/13
2,800.00	Architecture	final review with BAR	2,500.00	2/7/14
4,800.00	Architecture	preliminary drawings	1,300.00	2/14/14
			3,800.00	6/17/14
2,500.00	Engineering	preliminary drawings	5,500.00	6/3/14
2,500.00	Engineering	final drawings		
5,800.00	Architecture	final drawings	3,000.00	11/4/14
			2,800.00	11/4/14
500.00	additional mech engineering			6/3/14
$23,700.00			23,700.00	

Home Mail Search News Sports Finance Weather Games Answers Screen Flickr Mobile Try Mail on Firefox

Search Search Mail Search Web Home Jacob

Compose Search results Delete Move More

Inbox (1)
Drafts
Sent
Spam (5)
Trash
Smart Views
Unread
Starred
People
Social
Travel
Shopping
Finance
Folders
Recent

Fwd: Old Towne

People

Begin forwarded message:

From: "Joe Tucker" <tuckerala@gmail.com>
Date: December 11, 2012, 3:56:47 PM EST
To: "Athen Fokas" <Fokasa@bellsouth.net>, "Jacob Federico" <jacobspita@yahoo.com>
Cc: <klawahwprk@yahoo.com>
Subject: Old Towne

Athen / Jacob

Attached are the drawings which we have prepared for the pricing set. They are about 80% complete. We propose a payment of $2,500.00 which is the next portion of our fee, although this represents a substantial portion of our work. Also we propose $500.00 drafting fee for the structural drawings

We are sending these drawings to Russell Rosen so he can give a proposal for his portion, since structural engineering is outside our contract.

Not included (in the pricing set) are mechanical, plumbing and electrical engineering. We understand that Kevin's subs will do the best they can pricing from our drawings.

We met with the building inspector this morning and did not find any significant issues.

We also spoke with the zoning staff and we will discuss building height, parking requirement, and BAR review at our next meeting

Joe

TUCKER ARCHITECTURAL ASSOCIATES
843.881.6426 phone
843.881.2559 fax
www.tuckerarchitectural.com

8 Attachments View all Download all

A1_1240_SITE.pdf	View	Download
A2_1240_SITE.pdf	View	Download
A3_1240_PLN.pdf	View	Download
A4_1240_PLN.pdf	View	Download
A5_1240_SECT.pdf	View	Download
A6_1240_WSEC.pdf	View	Download
A7_1240_FND.pdf	View	Download
A8_1240_FRM.pdf	View	Download

Reply, Reply All or Forward | More

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Gmail

Jacob Ferderigos <iakovosstavros@gmail.com>

Fw: iakovosferderigos@gmail.com

6 messages

Athan Fokas <athanfokas@gmail.com> Wed, Dec 19, 2012 at 11:22 PM
To: Jacob Ferderigos <iakovosstavros@gmail.com>

It has come to my attention that there has been some questions about phase two of the Old Towne Suites project. I am going to try my best to enlighten you on the gold mine that has been stumbled upon. Each rental has to be a minimum stay of 3 days with exception to very slow months in which we will take two days. Very slow months seem to be November, December, January, and February.
The Old Towne suites started in late November 2011 and that month they had two rentals for a total income of $1943.00. Of the total our rental service keeps 15% and $81.00 to clean the rooms every time a tenant checks out.
In December 2011 we brought in $3228.44 with two rentals.
In January 2012 we brought in $3685..18 with four rentals.
In February 2012 we brought in $5118.75 with six rentals.
In March 2012 $17436.46
April 2012 $14290.50
May 2012 $15330.02
June 2012 $14172.37
July 2012 $13602.62
August 2012 $12529.98
September 2012 $12500.60
October 2012 $12747.27
November 2012 $13094.76
December 2012 $10571.16
Now we have hit the slow months and we are still seeing over $10000.00 because are properties have been around for a year and through word of mouth and repeat business we should continue to see the numbers grow and the prices of the units to grow. We were getting on average about $399.00 a night but now we are getting over $600.00 a night in busy months.
We have had many bookings for 2013 in which we did not see these bookings booked so far in advance in 2012 because we were brand new.
So far in January 2013 we have pre-booked $4752.94
February 2013 $7067.02
March 2013 $6167.00
April 2013 $13714.04
May 2013 $8032.98
And one booking in June so far for $1996.00.
The demand is definitely there and the bookings will only get better. We tend to only book three day booking and some longer than that but the biggest complaint is that we do not have kitchens for the tenants who want to stay for the weekly rentals.
Phase two is going to have 2 three bed room units with kitchens and 2 two bedroom units with kitchens. One of each on each floor with a rooftop garden above the top floor. An elevator will access all floors including the roof top.
The total cost for the project to build will be somewhere between $800,000.00 and $900,000.00 with spending about 25,000.00 per unit to furnish and make them luxury units. I hope that we can keep this project somewhere around $900,000.00.
I am currently talking to a few banks to see if anyone is interested in giving us a note. The banking industry has changed dramatically in the last couple of years and they will not lend on equity alone. Our equity in Old Towne is somewhere between 5 and 10 million dollars. Many banks these days won't touch anything in the hospitality industry so it is no guaranteed that they will lend us the money. The note on the property should be somewhere in the neighborhood of $4000.00 a month if they let us carry the note for 30 years. If it is a 15 to 20 year note then the payments will be between $6000.00 and $8000.00 a month.
Our current units paid us $117629.84 in 2012. Those are checks given to us after all the expenses tal
which you will see in a register in my next emails that I will be forwarding you. Of that money the renta

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has taken out their 15%, around 3% for credit card fees for people booking their rooms with credit cards, cleaning and laundry fees of $81.00 which just went up to $97.00, and other expenses such as coded locks, $100.00 for Spiro parking in a tenants space, and coffee machines.
Weekly booking are extremely lucrative for example in the last month of December 2012 we had two weekly booking for $6626.18 and that was one week worth of business in Unit A and B.
Just think of the value if we could maximize that one week three times which would be around $20000.00 a week.
If phase 2 is successful we have room to put three more three bedroom units above the back parking lot with keeping the parking on the bottom floor.
Hotels downtown can have up to 80% occupancy rate and us being across from Charleston Place has made us a mini hotel with great returns.
In conclusion the reason for us not to wait another six months or a year for this project to start is that we are guaranteed returns and its money lost. If we get into some money later on we can always pay the note off early. I will be responsible for 50% of it and you three the remainder. I do not think this project would be a risk based on our future bookings that have already taken place.
With that said I don't even know if the bank will lend us the money. First Citizens said they are not allowed to touch the hospitality industry. BB&T is 50/50 and will let me know if they are interested in a couple of days.
South Carolina Bank and Trust seems very interested according to their President but will have to see our current income to make sure the numbers work. I'm meeting with Suntrust tomorrow but I think they will be a long shot.
I'm only going to send information to banks that are very interested in doing the deal. I plan to give them Old Towne tax returns, Old Towne Suites income, and our personal financial statements. Philip asked if he would be personally guaranteeing the loan. Of course every loan out there wants the people taking out the loan to personally guarantee it. The loan is less than 20 percent of our total value and we have the income from our current suites that could easily pay the note so its a no brainer.
Let me know your thoughts.

---

spiros ferderigos <spirosferderigos@gmail.com> Wed, Dec 19, 2012 at 11:49 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Hey Athan,

Thanks for sending the detailed emails. I am sure it will answer a lot of the questions that we have. I will take a look at it in detail as soon as I can and let you know what other questions I have. Of course the issue of what we are currently making on the units and the cost to construct new ones are obvious questions which you appear to go into detail below(given the hour have only quickly glimpsed over your email).

Assuming all that pans out, there will be a continuing issue on how we finance. If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it. There is to much that can go wrong with a personal gaurantee. I am confident that Phillip, Jacob and I will be able to come up with our end of amount needed and we can move forward without accumulating debt as we did for the first round of units. I completely agree that adding more units above Old Towne is a gold mine and the way to move forward. The question is how do we get there, will it be by personally guarunteeing loans that could be chatostrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. I for one already have plenty of money sitting in a bank account for my share of the additional units. I am more than happy to have all of us sit down and discuss in more detail after the holidays. That will give everyone plenty of time to look over what you sent and determine the best way to move forward. Thanks to both you and Jacob for all the heard and great work you guys have been doing on these units.

Spiro
[Quoted text hidden]

Athan Fokas <athanfokas@gmail.com> Thu, Dec 20, 2012 at 6:49 AM
To: spiros ferderigos <spirosferderigos@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Personally I don't think it is a risk and if so it is a very low low risk because we show future incomes and the demand is there and we have the current income's third cash flow that could easily pay for it.
With that said, lets start collecting money and see what kind of money we can come up with to get this baby started.

spiros ferderigos <spirosferderigos@gmail.com> Wed, Dec 19, 2012 at 11:49 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <Iakovosstavros@gmail.com>

Hey Athan,

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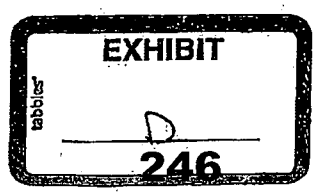
Spiro
[Quoted text hidden]



From: Jeffrey W. Odom [mailto:jodom@southcoastbank.com]
Sent: Friday, January 11, 2013 10:08 AM
To: 'ZEUS GRILL & SEAFOOD'
Cc: Tony Daniel
Subject: RE: Old Towne Suites 229 King St.

Athan,
It was a pleasure meeting you yesterday afternoon. I just received your fax so it looks like it went through. I have also received your emails with the attached financial information. Thank you for getting everything to us so quickly. We will get to work and will be in touch shortly.

Thanks,

Jeffrey W. Odom
Vice President / Loan Officer
Southcoast Community Bank
530 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
(Office) - 843.216.3087
(Fax) - 843.884.2886
(Cell) - 843.729.8224

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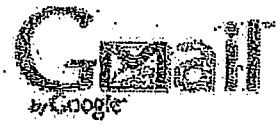


spiros ferderigos <spirosferderigos@gmail.com>

Re: Suites loan question

8 messages

Spiros Ferderigos <spirosferderigos@gmail.com> Tue, Jun 17, 2014 at 11:59 PM
To: Athan Fokas <fokasa@bellsouth.net>, Jacob Ferderigos <iakovosstavros@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>

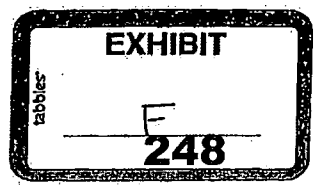
The loan pre-approval that you guys have for the suites...are ya'll going to have to personally guarantee the loan?

Sent from my iPhone

Athan Fokas <fokasa@bellsouth.net> Wed, Jun 18, 2014 at 7:04 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Jacob Ferderigos <iakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

We are pre approved, and since we personally asked for the loan yes we are personally guaranteeing it. On another note we are hitting record sales and we are booking many weekday's which we didn't last year and with no cleaning fee we are laughing all the way under our mattresses. We have bookings through March of 2015 so we are in very high demand. After we build these and fill them we will look at building over the parking lot.

Sent from my iPhone
[Quoted text hidden]



SOUTHCOAST
COMMUNITY BANK

February 5, 2013

Athanasios Fokas
Iakovos Ferderigos
Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Dear Messrs. Fokas and Ferderigos:

Southcoast Community Bank (hereinafter referred to as "Bank") is pleased to provide a loan commitment to Old Towne Suites, LLC, Athanasios Fokas, and Iakovos Ferderigos (hereinafter referred to as "Borrower") based on representations contained in the financial statements and other financial information made available to the Bank. Our loan is subject to the following terms and conditions:

Borrower(s): Old Towne Suites, LLC, Athanasios Fokas, and Iakovos Ferderigos JWO 9/24/14

Amount: ~~$1,000,000.00~~ $1,800,000.00 JWO 9/24/14

Purpose: The purpose of the loan is to provide a construction to permanent loan to build ~~4~~ 6 rental units above Old Towne Grill & Seafood at 229 King Street, Charleston, SC 29401. The loan will also include the purchase of furnishings for the units.

Terms and Conditions: ~~6~~ 12 monthly payments of interest only followed by 59 consecutive monthly payments of principal, interest, and escrow with one final payment of the remaining principal balance plus any accrued interest. The monthly payments will be based on a 240 month amortization schedule. ~~The interest rate will be based on the current Wall Street Journal Prime Rate plus one percentage point (1.00%) on the day of adjustment and will continue to adjust annually with a minimum floor Rate of 5.00%.~~ The interest rate will be fixed at 5.00% for the life of the loan. JWO 9/24/14 JWO 9/24/14

Bank Fees:

1. Non-Refundable Commitment Fee of ½ of 1% of Loan Amount, of which, ½ is due upon the acceptance of this Commitment Letter with the remaining ½ due at Loan Closing. If the loan is not closed, the remaining fee will be due and payable upon receipt of Bank's invoice for same.
2. Underwriting Fee of $500.00
3. Mortgage Satisfaction Fee; $10.00
4. County UCC Satisfaction Fee: $10.00
5. Inspection Fee of $250.00 per visit (commercial structures)

Collateral:

1. First mortgage security interest on 229 King Street, Charleston, SC 29401 and an assignment of rents and leases.
2. All accounts receivables, inventory, and furniture fixtures and equipment now owned or hereinafter acquired.

Property Insurance: During construction, Builder's Risk and General Liability Insurance Policies will be required with Southcoast Community Bank named as mortgagee.

Title Insurance: A standard ALTA title insurance commitment insuring the Bank's first lien position, together with copies of all exceptions to the title will be required. After closing, a title insurance policy is to be issued in accordance with the title insurance commitment in a form and substance satisfactory to the Bank.

P.O. Box 1561 Mt. Pleasant, SC 29465 843-884-0504 Fax 843-884-28

EXHIBIT
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Escrow: The Bank will require Property Taxes and Hazard /Flood Insurance to be escrowed.

Survey: A current survey prepared and certified by a registered land surveyor showing the location of any and all setbacks, side lines, existing buildings, streets, roads, rights-of-way, easements, encroachments, etc. will be required in the event that the title insurance company takes exception to title for reason of survey. The survey shall include a certification as to the location of the property within any flood hazard area. On Construction Loans, the Foundation Survey will be required before the first draw, and a Final Survey will be required before final disbursement.

Appraisal: The loan is subject to the Bank receiving an appraisal addressed to Southcoast Community Bank in form, content and value acceptable to the Bank. The Bank will order the appraisal from a qualified appraiser acceptable to the Bank. The cost of the appraisal will be the full responsibility of the borrower. The Bank reserves the right to inspect the property prior to closing.

Disclosure of Right to Receive a Copy of an Appraisal: You are hereby notified that you have the right to a copy of the appraisal report used in connection with your application for credit. If you wish to have a copy, please write to the Bank at Southcoast Community Bank, Loan Servicing Department, PO Box 1561, Mt. Pleasant, SC 29465. We must hear from you no later than ninety (90) days after we notify you about the action taken on your credit application or no later than ninety (90) days after you withdraw your application. In your letter, give us the following information: Your name, your loan number (if applicable) and the property address of the appraisal you are requesting. Upon your request, the appraisal report will be sent to your address on file with the Bank.

Waiver of Appraisal Rights: You are hereby notified that a Waiver of Appraisal Rights will be required from you in connection with the above referenced transaction. As part of that transaction, you will be required to execute one or more documents containing the following language:

> The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

Environmental: In the event that there is notice of any environmental problems, evidence of the nature of the problem and its remedy will be required and such information may include opinions and certification from appropriate governmental authority, your counsel, and/or environmental specialist acceptable to us. Borrower agrees to complete the Environmental Risk Assessment form included with this commitment. Should the property contain hazardous material of any quantity or material unacceptable to us, the Bank reserves the right to void this commitment or require environmental studies if necessary.

Construction Loans:

The Bank will make Disbursements at regular intervals during the course of construction in accordance with the loan documents. Said disbursements shall be made under the procedures and title safeguards acceptable to the Bank. The Bank reserves the right at all times to retain funds in the undisbursed loan balance sufficient to fully complete the project. The Borrower must submit to the Bank the signed architect's certification for payment (AIA form) for each draw request. The Bank will inspect at each draw request the work completed and will base the draw on such inspection. Your draw request must be made by Tuesday for a Friday Disbursement.

Items required prior to loan closing:

1. Plans and Specification: Complete plans and specifications reflecting the certification of the architect and appropriate engineers are to be submitted to and approved by the Bank, the supervising architect and the Borrower.
2. Resume from the Contractor must be received by the Bank.
3. Copy of signed Contract(s).
4. Cost Estimate Sheet detailing cost for the project in satisfactory form showing that the loan proceeds will be sufficient to complete construction of the project in a timely manner in accordance with approved plans and specifications (may use AIA forms).
5. Assignment of construction contract with builder.
6. All permits and approvals from all government authorities needed to proceed immediately with the commencement of construction are to be submitted to the Bank's Attorney prior to the first draw request.
7. Operating Agreement for Old Towne Suites, LLC must be received by the Bank.
8. Detailed list of furniture, fixtures, and equipment to be purchased via loan proceeds must be received by the Bank.

Items required prior to 1st draw:

1. Current General Liability Insurance Policy (from contractor).

Items required before final draw:

1. Certificate of Completion of Appraised Value from appraiser.
2. Final Survey.
3. Title update.

Change Orders: All requests for changes in the Plans and Specifications, other than minor changes involving no extra cost, must be in writing, signed by Borrower and the architect, and delivered to Lender for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Lender. Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

Loan Documentation: The Borrower will enter into any and all documentation necessary to close this transaction in a form and substance acceptable to the Bank.

Closing Cost: All costs incurred in this transaction including, but not limited to, attorney fees will be the responsibility of the Borrower. This would include both the Borrower's and the Bank's closing attorney.

Prepayment: The Borrower shall have the right to prepay the principal and accrued interest in full or in part at anytime without premium or penalty.

Banking Relationship: The Borrower agrees to maintain a depository relationship with the Bank.

Financial Information: Before closing, the Bank must have current financial statements and signed copies of the last two years tax returns on the borrowing entity(s) if applicable, and all guarantors. Borrower and all guarantors agree to provide the Bank with the name of their accountant/tax preparer and by acceptance of this commitment authorize the Bank to request on an annual basis, and their accountant/tax preparer to provide, copies of all tax returns, extensions, and financial statements of the Borrower and guarantors.

Financial Condition: The Borrower and guarantors are at all times to maintain a satisfactory financial condition and are to submit at a minimum, annual financial statements, Tax Returns, and any other documentation as the Bank may request from time to time.

The commitment is for the sole and exclusive benefit of the Borrower and may not be assigned by the Borrower. No third party is intended to be benefited in any respect by this commitment.

This Commitment will also survive the Loan Closing.

We appreciate the opportunity to make this financing available to you. If you are in agreement with the above terms and conditions, please acknowledge by signing the enclosed copy and returning it to Southcoast Community Bank.

This Commitment to lend expires on ~~February 15, 2013~~ September 29, 2014 JAD 9/24/14. If not accepted by then, it becomes null and void. If accepted, closing must occur within 45 days of acceptance. Failure to close within the period set forth herein shall give the Bank the option to void this commitment.

Again, it is certainly a pleasure to extend this commitment. I look forward to hearing from you soon.

Sincerely,

Robert A. Daniel, Jr.
Robert A. Daniel, Jr.
Executive Vice President

The terms and conditions of this commitment letter are hereby accepted this 7 day of February, 2013.

Borrower(s):

By: _____
Old Towne Suites, LLC

By: _____
Athanasios Fokas

By: _____
Iakovos Ferderigos

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

2 messages

Zeus Grill and Seafood <zeusseafood@bellsouth.net> Tue, Sep 9, 2014 at 1:45 PM
To: iakovosstavros@gmail.com, spirosferderigos@gmail.com, pferderigos@barnwell-whaley.com

Gentlemen,

I have enclosed info on checks received and booking info for the suites. We are currently up over $10,000.00 for the year and I expect that that number will grow closer to $15,000.00 by the end of the year. We have paid $2574.00 in cleaning fees this year that we won't have next year.

The rental company charges us 15% on our units now but that number goes to 12% once we have then new one's built which will give us a savings of around $4000.00 on our current units.

It looks like our new project of six more units will cost us around two million to build. The bank has agreed to one million so I am going to try to convince them to give us 1.8 million which will cover us for everything except furnishing and kitchen equipment. The reason I'm asking for 1.8 million is that we can justify that amount through the money that we already receive from the suites. Furnishing and kitchen equipment will be roughly $225,000.00. We should get permitting to start building this month and I do have two other bids coming in but I suspect that both will be higher.

Sincerely,

Athan

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20K

EXHIBIT
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Friday, September 19, 2014

(843) 813-5612

Good news! We are approved for 1.8 million. 3:22 PM

Spiro Cell

Sweet..good job...can you email us the details of the loan sometime this weekend if you have a chance? That is great news! 3:22 PM

Jacob

That's great news.. 3:22 PM

(843) 813-5612

The banker just cslled me. I won't have the details till next week. 3:24 PM

(843) 813-5612

I'm sure It's 5% for 20 years. 3:24 PM

Spiro Cell

You da man 3:40 PM

EXHIBIT

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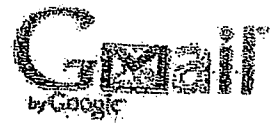

spiros ferderigos <spirosferderigos@gmail.com>

Fwd: Old Towne suits

3 messages

Athan Fokas <athanfokas@gmail.com> Wed, Sep 24, 2014 at 10:07 AM
To: "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry. Phillip show it to your banker quickly but they want to close this month and I don't see anybody beating this note in a timely manner.

Sent from my iPhone

Begin forwarded message:

From: "Zeus Grill and Seafood" <zeusseafood@bellsouth.net>
Date: September 24, 2014, 9:57:50 AM EDT
To: "'Athan Fokas'" <athanfokas@gmail.com>
Subject: FW: Old Towne suits

From: "Jeffrey W. Odom" <jodom@southcoastbank.com>
Date: September 24, 2014, 9:02:37 AM EDT
To: 'Athan Fokas' <fokasa@bellsouth.net>
Subject: RE: Old Towne suits

Athan,
Ok. See the changes. We are ok with that. Please also date beside your initials like I have done on this copy.

Jeffrey W. Odom NMLS ID #500313
Vice President | Commercial Lending
Main Branch Manager

Southcoast Community Bank
NMLS ID# 477257
530 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
(Office) - 843.216.3087
(Fax) - 843.884.2886
(Cell) - 843.729.8224

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EXHIBIT
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From: Zeus Grill and Seafood [mailto:zeusseafood@bellsouth.net]
Sent: Thursday, September 25, 2014 10:53 AM
To: Jeffrey W. Odom
Subject: FW: Old Towne suits

Hey Jeff,

My cousin noticed that on terms and conditions it says 12 monthly payments of interest only followed by 59 consecutive monthly payments ... Then it says a 240 month amortization schedule. Can it say: 12 monthly payments of interest only followed by 239 consecutive monthly payments... so that it is truly a 20 years note. Just want to make sure that the note continues after 5 years.

Thanks,

Athan

Sent from my iPhone

From: Zeus Grill and Seafood [mailto:zeusseafood@bellsouth.net]
Sent: Thursday, September 25, 2014 11:15 AM
To: Phillip Ferderigos
Subject: FW: Old Towne suits

Well at least I tried.

From: Jeffrey W. Odom [mailto:jodom@southcoastbank.com]
Sent: Thursday, September 25, 2014 11:07 AM
To: 'Zeus Grill and Seafood'
Subject: RE: Old Towne suits

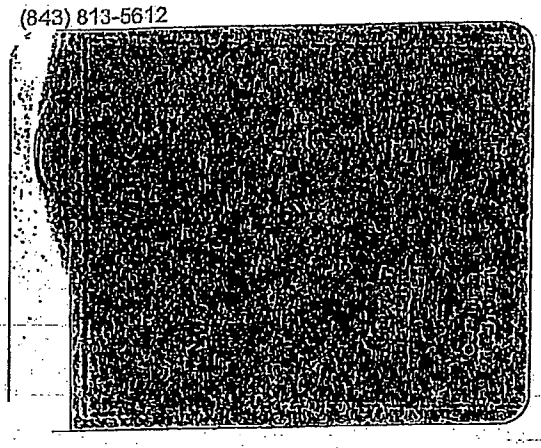
The note will be 12 months of interest only followed by 5 years of principal, interest, and escrow payments and then a balloon maturity, with monthly payments based on a 20 year schedule. That is what you wanted and that is the same thing we are doing on your North Towne deal. That is pretty standard on commercial loans...and I think a 6 year fixed rate (12 months plus the following 60 months) on a construction project with speculative income is a very good deal for you guys. We will revisit the deal at the end of the 5 year period (technically in 6 years) and we can apply for a simple renewal. You wont have to hire a closing attorney and pay all of the closing fees and all of that. The bank will just draw up a simple renewal form which we can sign in my office.

Jeffrey W. Odom NMLS ID #500313

Vice President | Commercial Lending

Friday, October 10, 2014

(843) 813-5612



3:54 PM

We got our permit. Can start building immediately 3:54 PM

EXHIBIT

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Friday, November 21, 2014

Me

Lauren has been in Iowa and I missed a day at work because Nathan was sick. I have a very busy day today so, if the closing is going to happen today, I need to have it as late in the day as possible. If there any issues, let's just kick it the next week. 8:48 AM

(843) 813-5612

They scheduled it for 3:00 today. Will that work? 8:49 AM

Me

Should work for me, ask the lawyer to email me the HUD/settlement statement and all paperwork beforehand and I can review it and we can go through the closing more quickly. 8:52 AM

(843) 813-5612

Ok 8:53 AM

Spiro Cell

From my end, we need to have the agreement signed and a copy of the closing docs to review beforehand. I want to make sure I know what I am signing 8:53 AM

Spiro Cell

So agreement needs to be done and hud/settlement statement like Phillip said 8:54 AM

Spiro Cell

I will block off 3 pm. Where is the closing? 8:54 AM

(843) 813-5612

Sure. I sent the agreement to my attorney this morning. I did ask a few questions to you by email. The closing is at Amy Haines office in Mt. Pleasant 800 Johnnie Dodds Boulevard. 8:56 AM

Spiro Cell

I am in court until about 2 today so Phillip will need to respond to any questions 8:58 AM

EXHIBIT

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Me

Your questions have been answered. I could tell you went to an attorney and I'm glad you did. I want everyone to have full disclosure and completely understand what they're agreeing to - everybody has to pay on time or there will be consequences.

8:59 AM

(843) 813-5612

I have not spoken to an attorney yet but have become familiar with legal documents over the years.

9:00 AM

Me

That's up to you, its best to have lawyer review it for you to make sure you understand everything - but it's your decision, you are a big boy and you can decide what's best for you.

9:04 AM

(843) 813-5612

As I stated above I didn't receive the agreement until last night and I forwarded to my attorney this morning. I'm not a big boy any more after running the bridge three days a week and working out with an aggressive F3 group three days a week. I'm now a lean boy!

9:12 AM

Spiro Cell

Hey. I don't want my phone going crazy while I am in court. Shoot a text out when you decide if you are good with the agreement or not. Feeling my phone vibrate while I am making arguments is distracting and I have to have my phone in in case my wife has an emergency. Once we get the green light on the agreement and the closing docs are reviewed/accurate (which I don't see a reason why they wouldn't be) then we can move forward this afternoon. If there are any issues with the agreement, ect then we will need to revisit everything g at a later time.

9:12 AM

Spiro Cell

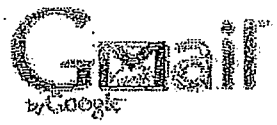
Still don't know why the email didn't go through to you yesterday at 3. I have the email and you got it the second time I sent it when you said you didn't have anything. If you need more time we can postpone today. Not a problem.

9:13 AM

(843) 813-5612

I'm good with 3:00 today. I just got the elevation certificate for the flood policy needed so I don't currently foresee any setbacks.

9:15 AM



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 12:13 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I do what I will with whatever money I have and you can't dictate otherwise. I told you my intent but six months from now my intent may change. Regardless of that fact the bank wants to close this month if in fact we proceed. I'm not interested in you trying to bully me into signing any type of side agreement that is unnecessary. My attorney, as I said earlier, strongly was against it.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
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spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Mon, Nov 24, 2014 at 1:00 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: iakovosstavros@gmail.com, spiros ferderigos <spirosferderigos@gmail.com>

Athan, once again, you can not even answer a simple question directly.

You are asking me to mortgage my part of Old Towne and you are unwilling to sign an Agreement to say that you will make your payments timely.

I believe you have mortgaged your other properties and now you want to mortgage Old Towne. I am not your piggie bank. I will not mortgage my share of Old Towne for you unless you agree to make your payments timely.

Unless you change your decision, there is no point in moving forward.

Phillip S. Ferderigos, Esq.
Member

288 Meeting St., Ste 200 (29401)
PO Drawer H
Charleston, SC 29402
Phone: (843) 577-7700
Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com

---Original Message---
From: Athan Fokas [mailto:fokasa@bellsouth.net]
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:31 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I am not asking you to do anything. The bank is requiring that all parties sign off on the mortgage. I did secure that you didn't have to personally guarantee the note. Quit trying to put yourself on a pedestal. If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences. If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not. We are currently paying for an expensive business risk policy, paid for a flood policy we don't need if not constructing, have been paying two months on a storage container, and prepaid our over $20,000.00 property taxes two months early in order to close. Not to mention we have over $50,000.00 already invested in this deal.

Sent from my iPhone
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Mon, Nov 24, 2014 at 1:43 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: iakovosstavros@gmail.com, spiros ferderigos <spirosferderigos@gmail.com>

I do not care what your bank is requiring of you to get your loan...that has nothing to do with me.

I will not sign off on any mortgage of my share unless you sign an agreement that you will make your payments timely. If you are an intelligent person, you will see that I can not and will not agree to mortgage my share of Old Towne if you do not agree to make your payments on time.

Phillip S. Ferderigos, Esq.
Member

288 Meeting St., Ste 200 (29401)
PO Drawer H
Charleston, SC 29402
Phone: (843) 577-7700
Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com
---Original Message---
From: Athan Fokas [mailto:fokasa@bellsouth.net]
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family.

Sent from my iPhone
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Wed, Nov 26, 2014 at 11:46 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The irony in all this is that the son's want extra assurances that money will be paid back when the way our fathers always did it is with a hand shake. Ask your dad how many times my father loaned him money (his grocery store off America St, to buy Old Towne in 72, and to build our first apartment building in Greece) and there was no paperwork and all was paid back. In this case nobody is loaning anyone money but just a couple of hard headed kids who don't understand how family works. I don't think anybody owes anybody any money do they? I don't think anyone has any history of any money not being paid back do they?
We are all older now and our families have grown and we don't have to spend Thanksgiving together. Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this. Later on down the line when I'm in the money I may consider loaning Jacob the money and having a 25/75 split on the new building because I know that Jacob will pay me back and I won't need any side agreements trying to take more of his ownership if he doesn't pay. Bottom line is payments come out of profits and I know he is good for it.

Sent from my iPhone

> On Nov 24, 2014, at 2:17 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:
>
[Quoted text hidden]

Resolution of Old Towne Suites, LLC

Whereas Old Towne Suites, LLC, (the "Company") is a limited liability company organized and operating under the laws of the State of South Carolina; and,

Whereas the Articles of Organization and the Operating Agreement are attached hereto; and,

Whereas the undersigned are the only members of the Company;

Now therefore, the undersigned do resolve as follows:

RESOLVED, that the Company, is authorized to borrow the sum of $1,800,000.00 in the form of a construction loan from Southcoast Community Bank (the "Lender") in order to make improvements to the property located at 229 King Street, Charleston, South Carolina and is authorized to pledge assets of the Company as security for the debt through security agreements and financing statements.

RESOLVED, that Athan Fokas a/k/a Athanasios Fokas and Iakavos Ferderigos are authorized to execute the necessary documents on behalf of the Company to obtain the above referenced loan and are directed to do all other things and acts, to execute and deliver all other instruments, documents and certificates, and to pay all costs, fees and expenses as may be, in their judgment, necessary, proper or advisable in order to carry out and comply with the purposes and intent of these resolutions, and that all acts and deeds Athan Fokas and Iakavos Ferderigos that are consistent with the purposes and intent of these resolutions, be and hereby are ratified, approved and adopted as the acts and deeds of the Company.

RESOLVED, that Athan Fokas and Iakavos Ferderigo are authorized to disclose any information and provide any documentation necessary, proper or advisable in order to carry out and comply with the purposes and intent of these resolutions.

RESOLVED, that the Lender shall be entitled to rely upon a certified copy of this Resolution until written notice of rescission thereof has been received, and the receipt of such notice shall not affect any actions taken by the purchaser prior thereto.

I certify that the following signatures represent the true and complete listing of members of the Company, that all representations made herein are true and correct, and that I have read all of the provisions of this Resolution.

_____

Athan Fokas a/k/a Athanasios Fokas date

_____

Iakovos S. Ferderigos date

_____

Phillip S. Ferderigos date

_____

Spiros S. Ferderigos date

EXHIBIT

N

267

0955

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old TowneSuites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Principal Amount: $1,800,000.00 **Date of Note:** _____

PROMISE TO PAY. Old TowneSuites, LLC ("Borrower") promises to pay to SOUTHCOAST COMMUNITY BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Eight Hundred Thousand & 00/100 Dollars ($1,800,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in accordance with the following payment schedule, which calculates interest on the unpaid principal balances as described in the "INTEREST CALCULATION METHOD" paragraph using the interest rates described in this paragraph: 12 monthly consecutive interest payments, beginning January 1, 2015, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days; 59 monthly consecutive principal and interest payments of $11,952.24 each, beginning January 1, 2016, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days; and one principal and interest payment of $1,516,249.38 on December 1, 2020, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the 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. All interest payable under this Note is computed using this method.

PREPAYMENT; MINIMUM INTEREST CHARGE. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of $50.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty 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: Southcoast Community Bank, Loan Servicing Department, P.O. Box 1561 Mt. Pleasant, SC 29465.

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, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under 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.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower 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 under this Note and all accrued unpaid interest immediately 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.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instruments listed herein:

(A) a Construction Mortgage to Lender on real property located in Charleston County, State of South Carolina.

(B) an Assignment of All Rents to Lender on real property located in Charleston County, State of South Carolina.

(C) Inventory, chattel paper, accounts, equipment, general intangibles, fixtures, standing timber and mineral, oil and gas described in a Commercial Security Agreement dated _____.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

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. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. 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.

NOTICE CONCERNING APPRAISAL WAIVER. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE(S) AND RELINQUISH(ES) THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

BORROWER:

OLD TOWNESUITES, LLC

By: _____
Athanasios Fokas, Manager of Old TowneSuites, LLC

By: _____
Iakovos S Ferderigos, Manager of Old TowneSuites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

LaserPro, Ver. 14.0.0.024 Copr. D+H USA Corporation 1997, 2014. All Rights Reserved. - SC C:\PROGRAMDATA\CFI\LP\G201.FC TR-7519 PR-12

HYPOTHECATION AGREEMENT

TO: SOUTHCOAST COMMUNITY BANK

DATE: November ___, 2014

IN CONSIDERATION of your making, renewing or extending a loan or loans to the Borrower, the undersigned hereby authorizes Old Towne Suites, LLC (herein called the "Borrower") to hypothecate and pledge to Southcoast Community Bank (herein called "the Bank") as collateral for any loans or advances (including all liabilities relating thereto) made by your Bank to the Borrower and for any present or future indebtedness or other obligation of the Borrower to you and for any renewal, extension, or modification of any or all thereof, the following securities, instruments, or other property belonging to the undersigned namely:

The real estate and improvements known as 229 King Street, Charleston, SC 29401 (TMS# 457-08-01-063) more fully described in attached Exhibit A.

The undersigned further agrees that said collateral shall be subject to disposition in accordance with the terms and conditions of the instruments evidencing such indebtedness, obligation, and liabilities. The undersigned also authorizes you in your discretion from time to time to deliver to the Bank said collateral or any proceeds therefrom, the Borrower's receipt being sufficient acquittance to you therefor; and in general, authorize you to deal with said collateral and proceeds in the same way and with the same force and effect as if the Borrower was the absolute owner thereof. It is further agreed that any or all of the foregoing may be without notice to or further consent of the undersigned.

This agreement shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of you and your successors and assigns.

IN WITNESS WHEREOF, the undersigned execute this agreement the date and year written above.

IN THE PRESENCE OF:

_____

By: _____
Spiros S. Ferderigos

HYPOTHECATION AGREEMENT

TO: SOUTHCOAST COMMUNITY BANK

DATE: November ___, 2014

IN CONSIDERATION of your making, renewing or extending a loan or loans to the Borrower, the undersigned hereby authorizes Old Towne Suites, LLC (herein called the "Borrower") to hypothecate and pledge to Southcoast Community Bank (herein called "the Bank") as collateral for any loans or advances (including all liabilities relating thereto) made by your Bank to the Borrower and for any present or future indebtedness or other obligation of the Borrower to you and for any renewal, extension, or modification of any or all thereof, the following securities, instruments, or other property belonging to the undersigned namely:

The real estate and improvements known as 229 King Street, Charleston, SC 29401 (TMS# 457-08-01-063) more fully described in attached Exhibit A.

The undersigned further agrees that said collateral shall be subject to disposition in accordance with the terms and conditions of the instruments evidencing such indebtedness, obligation, and liabilities. The undersigned also authorizes you in your discretion from time to time to deliver to the Bank said collateral or any proceeds therefrom, the Borrower's receipt being sufficient acquittance to you therefor; and in general, authorize you to deal with said collateral and proceeds in the same way and with the same force and effect as if the Borrower was the absolute owner thereof. It is further agreed that any or all of the foregoing may be without notice to or further consent of the undersigned.

This agreement shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of you and your successors and assigns.

IN WITNESS WHEREOF, the undersigned execute this agreement the date and year written above.

IN THE PRESENCE OF:

_____

By: _____
Phillip S. Ferderigos

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

0115

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated November 21, 2014, is made and executed between Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401; Iakovos S Ferderigos, whose address is 8 River Reach Way, Charleston, SC 29407; Spiros S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 and Phillip S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (referred to below as "Grantor") and SOUTHCOAST COMMUNITY BANK, whose address is 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Charleston County, State of South Carolina:

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

The Property or its address is commonly known as 229 King Street, Charleston, SC 29401. The Property tax identification number is 457-08-01-063.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT 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.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of South Carolina and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

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 Assignment 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 Assignment 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 Rents or 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 Assignment 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.

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

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

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment 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.

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

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

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 Assignment 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 Assignment 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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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 the Rents or 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.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. 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 Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower 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 any Event of Default and at any time thereafter, Lender 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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and 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 shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. 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 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.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

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 Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, 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, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

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

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment 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.

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

Governing Law. This Assignment 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 Assignment has been accepted by Lender in the State of South Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment 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 Grantor signing below is responsible for all obligations in this Assignment.

Merger. There shall be no merger of the interest or estate created by this assignment 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.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment 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 Assignment 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 Assignment. 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 Assignment, 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 Assignment 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 Assignment. Any party may change its address for notices under this Assignment 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.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment 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 Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment 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 Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

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

Waive Jury. All parties to this Assignment hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. 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 Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means Old Towne Suites, LLC.

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

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

Grantor. The word "Grantor" means Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos.

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.

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 Assignment, together with interest on such amounts as provided in this Assignment.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated November 21, 2014, in the original principal amount of $1,800,000.00 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.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

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 of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT. THIS DOCUMENT IS EXECUTED ON NOVEMBER 21, 2014.

GRANTOR:

X _____ Athanasios Fokas

X _____ Iakovos S Ferderigos

X _____ Spiros S Ferderigos

X _____ Phillip S Ferderigos

Signed, acknowledged and delivered in the presence of:

X _____ Witness

X _____ Witness

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Assignment 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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PR-13

OMB NO. 2502-0265

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

SETTLEMENT STATEMENT

B. TYPE OF LOAN: 1. [ ] FHA 2. [ ] FmHA 3. [X] CONV. UNINS. 4. [ ] VA 5. [ ] CONV. INS.

6. FILE NUMBER: 14.140OLDTOWNE

7. LOAN NUMBER: 03400007519

8. MORTGAGE INS CASE NUMBER:

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

1.0 3/98 (14.140OLDTOWNE.PFD/14.140OLDTOWNE/36)

D. NAME AND ADDRESS OF BORROWER:

Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

E. NAME AND ADDRESS OF SELLER:

F. NAME AND ADDRESS OF LENDER:

SouthCoast Community Bank
P.O. Box 1561
Mount Pleasant, SC 29465

G. PROPERTY LOCATION:
229 King Street
Charleston, SC 29401
Charleston County, South Carolina

H. SETTLEMENT AGENT: 27-4025801
Haines Law Firm, LLC

PLACE OF SETTLEMENT
800 Johnnie Dodds Blvd.
Mount Pleasant, South Carolina 29464

I. SETTLEMENT DATE:
November 21, 2014

J. SUMMARY OF BORROWER'S TRANSACTION

100. GROSS AMOUNT DUE FROM BORROWER:	
101. Contract Sales Price	
102. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	21,848.17
104.	
105.	
Adjustments For Items Paid By Seller in advance	
106. Homeowners Assoc to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	21,848.17
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s)	[1,800,000.00]
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207. Construction Draw	171,848.17
208.	
209.	
Adjustments For Items Unpaid By Seller	
210. Homeowners Assoc to	
211. County Taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BORROWER	171,848.17
300. CASH AT SETTLEMENT FROM/TO BORROWER:	
301. Gross Amount Due From Borrower (Line 120)	21,848.17
302. Less Amount Paid By/For Borrower (Line 220)	(171,848.17)
303. CASH (FROM) (X TO) BORROWER	150,000.00

K. SUMMARY OF SELLER'S TRANSACTION

400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	
402. Personal Property	
403.	
404.	
405.	
Adjustments For Items Paid By Seller in advance	
406. Homeowners Assoc to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first Mortgage	
505. Payoff of second Mortgage	
506.	
507.	
508.	
509.	
Adjustments For Items Unpaid By Seller	
510. Homeowners Assoc to	
511. County Taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	
602. Less Reductions Due Seller (Line 520)	( )
603. CASH (TO) (FROM) SELLER	0.00

HUD-1 (3-86) RESPA, HB4305.2

L. SETTLEMENT CHARGES	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %		
Division of Commission (line 700) as Follows:		
701. $ to		
702. $ to		
703. Commission Paid at Settlement		
704. to		
800. ITEMS PAYABLE IN CONNECTION WITH LOAN		
801. Loan Origination Fee % to		
802. Loan Discount % to	2,800.00	
803. Appraisal Fee to SouthCoast Community Bank		
804. Credit Report to	13.50	
805. Flood Hazard Determination Fee to SouthCoast Community Bank	10.00	
806. Mtg/Asmt of Rents Sat Fee to SouthCoast Community Bank	500.00	
807. Underwriting Fee to SouthCoast Community Bank POC: $2500.00b	9,000.00	
808. Commitment Fee to SouthCoast Community Bank	32.00	
809. Secretary of State UCC Sat Fee to SouthCoast Community Bank	8.00	
810. County UCC Sat. Fee to SouthCoast Community Bank		
811.		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE		
901. Interest From 11/21/14 to 12/01/14 @ $ 23.834700/day (10 days %)	238.35	
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for 1.0 years to		
904.		
905.		
1000. RESERVES DEPOSITED WITH LENDER		
1001. Hazard Insurance 2.000 months @ $ 517.33 per month	1,034.66	
1002. Mortgage Insurance months @ $ per month		
1003. Homeowners Assoc months @ $ per month		
1004. County Taxes 2.000 months @ $ 1,735.00 per month	3,470.00	
1005. Assessments months @ $ per month		
1006. months @ $ per month		
1007. Flood Insurance 2.000 months @ $ 186.33 per month	372.66	
1008. months @ $ per month		
1100. TITLE CHARGES		
1101. Settlement or Closing Fee to		
1102. Abstract or Title Search to Deborah Z. Ferris	305.00	
1103. Title Examination to	100.00	
1104. Title Insurance Binder to The Haines Law Firm, LLC		
1105. Document Preparation to	35.00	
1106. Misc Fax/Copy/Courier Charges to The Haines Law Firm, LLC	350.00	
1107. Attorney's Fees to The Haines Law Firm, LLC)		
(includes above item numbers:	3,510.00	
1108. Title Insurance to First American Title Insurance Company)		
(includes above item numbers:		
1109. Lender's Coverage $ 1,800,000.00 3,510.00		
1110. Owner's Coverage $	20.00	
1111. Insured Closing Letter Fee to First American Title Insurance Company		
1112.		
1113.		
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES		
1201. Recording Fees: Deed $; Mortgage $ 14.00; Releases $	14.00	
1202. City/County Tax/Stamps: Deed ; Mortgage		
1203. State Tax/Stamps: ; Mortgage		
1204. Record UCCs to Charleston County Register of Deeds $8 each x 3	24.00	
1205. Record Assignment of Rents to Charleston County Register of Deeds	11.00	
1300. ADDITIONAL SETTLEMENT CHARGES		
1301. Survey to		
1302. Pest Inspection to		
1303. Overnight Delivery Pkg/Payoff Haines FE Account		
1304.		
1305.		
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)	21,848.17	

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

Certified to be a true copy.

Haines Law Firm, LLC
Settlement Agent

(14.1400LDTOWNE / 14.1400LDTOWNE / 38)

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Borrower: Old Towne Suites, LLC
Lender: SouthCoast Community Bank
Settlement Agent: Haines Law Firm, LLC
(843)884-1593
Place of Settlement: 800 Johnnie Dodds Blvd.
Mount Pleasant, South Carolina 29464
Settlement Date: November 21, 2014
Property Location: 229 King Street
Charleston, SC 29401
Charleston County, South Carolina

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Old Towne Suites, LLC

By: Athanasios Fokas

By: Iakovos S. Ferderigos

By: Phillip S. Ferderigos

By: Spiros S. Ferderigos

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Haines Law Firm, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

0745

CONSTRUCTION MORTGAGE

MAXIMUM LIEN. The amount of indebtedness secured by this Mortgage, including the outstanding amount of the Note and all future advances shall at no time exceed the principal amount of $2,700,000.00, plus interest, reasonable attorneys' fees, court costs and the expenses to preserve and protect the Property. Interest under the Note will be deferred, accrued or capitalized, but Lender shall not be required to defer, accrue or capitalize any interest except as provided in the Note.

THIS MORTGAGE dated _____, is made and executed between Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401; Iakovos S Ferderigos, whose address is 8 River Reach Way, Charleston, SC 29407; Spiros S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 and Phillip S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (referred to below as "Grantor") and SOUTHCOAST COMMUNITY BANK, whose address is 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (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 Charleston 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 229 King Street, Charleston, SC 29401. The Real Property tax identification number is 457-08-01-063.

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.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Borrower whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Borrower, together with all interest thereon; however, in no event shall such future advances (excluding interest) exceed in the aggregate $2,700,000.00. This Mortgage shall remain an open mortgage of record to secure future advances in accordance with Section 29-3-50, as amended, Code of Laws of South Carolina (1976) even in the event all sums secured by this Mortgage may be fully paid at any one time; however, upon request of Grantor, Lender will cause this Mortgage to be released and cancelled of record upon full payment of all indebtedness then owing, and upon such cancellation of this Mortgage of record, this Mortgage shall become null and void. Such release shall be without charge to Grantor; however, Grantor shall pay all costs of recordation, if any, and all documentary stamps due on the Note evidencing future advances secured by this Mortgage.

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 THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HEREWITH. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER 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.

CONSTRUCTION MORTGAGE. This Mortgage is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of South Carolina.

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 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, defend, 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 and defend, 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.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by South Carolina law.

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, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $10,000.00. 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 thirty (30) 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. The Real Property is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, 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 any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

TAX AND INSURANCE RESERVES. Subject to any limitations and consistent with any requirements set by applicable law, Lender may require Grantor to maintain with Lender reserves for payment of annual taxes, assessments, and insurance premiums, which reserves shall be created by an initial deposit and subsequent monthly payments, or payments at such other interval as payments under the Note may be due, of a sum estimated by Lender to be sufficient to pay the total annual taxes, assessments, and insurance premiums Lender reasonably anticipates to be paid from these reserves. The reserve funds shall be held by Lender as a general deposit from Grantor, which Lender may satisfy by payment of the taxes, assessments, and insurance premiums required to be paid by Grantor as they become due. Lender shall have the right to draw upon the reserve funds to pay such items, and Lender shall not be required to determine the validity or accuracy of any item before paying it. Nothing in the Mortgage shall be construed as requiring Lender to advance other monies for such purposes, and Lender shall not incur any liability for anything it may do or omit to do with respect to the reserve account. Subject to any limitations set by applicable law, if the reserve funds disclose a shortage or deficiency, Grantor shall pay such shortage or deficiency as required by Lender. All amounts in the reserve account are hereby pledged to further secure the Indebtedness, and Lender is hereby authorized to withdraw and apply such amounts on the Indebtedness upon the occurrence of an Event of Default. Lender shall not be required to pay any interest or earnings on the reserve funds unless required by law or agreed to by Lender in writing. Lender does not hold the reserve funds in trust for Grantor, and Lender is not Grantor's agent for payment of the taxes and assessments required to be paid by Grantor.

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:

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 and Grantor pay all the Indebtedness, including without limitation all future advances, when due, and Grantor 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.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

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.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the Indebtedness or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any of the Related Documents.

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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower 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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower 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 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.

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 Borrower or 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 waive 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 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.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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 Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos.

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. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances provision of this Mortgage, together with all interest thereon.

Lender. The word "Lender" means SOUTHCOAST 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 November 21, 2014, in the original principal amount of $1,800,000.00 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 1, 2020.

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.

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_____
Athanasios Fokas

X_____
Iakovos S Ferderigos

X_____
Spiros S Ferderigos

X_____
Phillip S Ferderigos

Signed, acknowledged and delivered in the presence of:

X_____
Witness

X_____
Witness

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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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PR-13

0035

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	****	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Grantor: Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos
229 King Street
Charleston, SC 29401

INSURANCE REQUIREMENTS. Grantor, Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Old Towne Suites, LLC ("Borrower") by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: 229 King Street, Charleston, SC 29401.
Type: Fire and extended coverage.
Amount: Loan Amount.
Basis: Replacement value.
Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY: Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FLOOD INSURANCE. Flood insurance for the Collateral securing this loan is described as follows:

Real Estate at 229 King Street, Charleston, SC 29401.
The Collateral securing this loan is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, 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. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

Southcoast Communtity Bank
P.O. Box 1561
Mt. Pleasant, SC 29465

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of November 21, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

X _____ Athanasios Fokas

X _____ Iakovos S Ferderigos

X _____ Spiros S Ferderigos

X _____ Phillip S Ferderigos

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____ PHONE _____

AGENT'S NAME: _____
AGENCY: _____
ADDRESS: _____
INSURANCE COMPANY: _____
POLICY NUMBER: _____
EFFECTIVE DATES: _____

COMMENTS: _____

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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	11-21-2014		03400007519		34000		

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Grantor: Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos
229 King Street
Charleston, SC 29401

TO: ATTN: Insurance Agent

DATE: November 21, 2014

RE: Policy Number(s):
Insurance Companies/Company:

Dear Insurance Agent:

Old Towne Suites, LLC ("Borrower"), is obtaining a loan from SOUTHCOAST COMMUNITY BANK. Please send appropriate evidence of insurance to SOUTHCOAST COMMUNITY BANK, together with the requested endorsements, on the following property, which Grantor, Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos ("Grantor") is giving as security for the loan.

Collateral: 229 King Street, Charleston, SC 29401.
Type: Fire and extended coverage.
Amount: Loan Amount.
Basis: Replacement value.
Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

FLOOD INSURANCE. Collateral securing this loan is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor must obtain and maintain Federal Flood Insurance, if available, 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.

GRANTOR:

X _____
Athanasios Fokas

X _____
Iakovos S Ferderigos

X _____
Spiros S Ferderigos

X _____
Phillip S Ferderigos

RETURN TO:

Southcoast Communtity Bank
P.O. Box 1561
Mt. Pleasant, SC 29465

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UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME
Fokas

FIRST PERSONAL NAME
Athanasios

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME
Ferderigos

INDIVIDUAL'S FIRST PERSONAL NAME
Spiros

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX
S

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:
Exhibit A.

17. MISCELLANEOUS:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME
Fokas

FIRST PERSONAL NAME
Athanasios

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME
Ferderigos

INDIVIDUAL'S FIRST PERSONAL NAME
Phillip

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)
S

SUFFIX

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

0245

CONSTRUCTION LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS CONSTRUCTION LOAN AGREEMENT dated November 21, 2014, is made and executed between Old Towne Suites, LLC ("Borrower") and SOUTHCOAST COMMUNITY BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for one or more loans for purposes of constructing the Improvements on the Real Property described below. Lender is willing to lend the loan amount to Borrower solely under the terms and conditions specified in this Agreement and in the Related Documents, to each of which Borrower agrees. 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; and (B) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of November 21, 2014, 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 1, 2020.

LOAN. The Loan shall be in an amount not to exceed the principal sum of U.S. $1,800,000.00 and shall bear interest on so much of the principal sum as shall be advanced pursuant to the terms of this Agreement and the Related Documents. The Loan shall bear interest on each Advance from the date of the Advance in accordance with the terms of the Note. Borrower shall use the Loan Funds solely for the following specific purposes: for construction purposes only as described in plans and specifications submitted. The Loan amount shall be subject at all times to all maximum limits and conditions set forth in this Agreement or in any of the Related Documents, including without limitation, any limits relating to loan to value ratios and acquisition and Project costs.

PROJECT DESCRIPTION. The word "Project" as used in this Agreement means the construction and completion of all Improvements contemplated by this Agreement, including without limitation the erection of the building or structure on the Real Property identified to this Agreement by Borrower and Lender, installation of equipment and fixtures, landscaping, and all other work necessary to make the Project usable and complete for the intended purposes.

The word "Property" as used in this Agreement means the Real Property together with all improvements, all equipment, fixtures, and other articles of personal property now or subsequently 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 all proceeds (including insurance proceeds and refunds of premiums) from any sale or other disposition of such property. The real estate described below constitutes the Real Property as used in this Agreement.

The real estate or its address is commonly known as:
Real Property located at 229 King Street, Charleston, SC 29401.

FEES AND EXPENSES. Whether or not the Project shall be consummated, Borrower shall assume and pay upon demand all out-of-pocket expenses incurred by Lender in connection with the preparation of loan documents and the making of the Loan, including without limitation the following: (A) all closing costs, loan fees, and disbursements; (B) all expenses of Lender's legal counsel; and (C) all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

NO CONSTRUCTION PRIOR TO RECORDING OF SECURITY DOCUMENT. Borrower will not permit any work or materials to be furnished in connection with the Project until (A) Borrower has signed the Related Documents; (B) Lender's mortgage or deed of trust and other Security Interests in the Property have been duly recorded and perfected; (C) Lender has been provided evidence, satisfactory to Lender, that Borrower has obtained all insurance required under this Agreement or any Related Documents and that Lender's liens on the Property and Improvements are valid perfected first liens, subject only to such exceptions, if any, acceptable to Lender.

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 limited liability company 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 is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. 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 an office at 229 King Street, Charleston, SC 29401. Unless Borrower has designated otherwise in writing, the principal office is the 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 organization or membership agreements, 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, defend, 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 and defend, 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.

Title to Property. Borrower has, or on the date of first disbursement of Loan proceeds will have, good and marketable title to the Collateral free and clear of all defects, liens, and encumbrances, excepting only liens for taxes, assessments, or governmental charges or levies not yet delinquent or payable without penalty or interest, and such liens and encumbrances as may be approved in writing by the Lender. The Collateral is contiguous to publicly dedicated streets, roads, or highways providing access to the Collateral.

Project Costs. The Project costs are true and accurate estimates of the costs necessary to complete the improvements in a good and workmanlike manner according to the Plans and Specifications presented by Borrower to Lender, and Borrower shall take all steps necessary to prevent the actual cost of the improvements from exceeding the Project costs.

Utility Services. All utility services appropriate to the use of the Project after completion of construction are available at the boundaries of the Collateral.

Assessment of Property. The Collateral is and will continue to be assessed and taxed as an independent parcel by all governmental authorities.

Compliance with Governing Authorities. Borrower has examined and is familiar with all the easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and federal, state, and local requirements affecting the Project. The Project will at all times and in all respects conform to and comply with the requirements of such easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and federal, state, and local requirements.

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.

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.

Approval of Contractors, Subcontractors, and Materialmen. Lender shall have approved a list of all contractors employed in connection with the construction of the Improvements, showing the name, address, and telephone number of each contractor, a general description of the nature of the work to be done, the labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of the labor, work, or materials with respect to each contractor or materialman. Lender shall have the right to communicate with any person to verify the facts disclosed by the list or by any application for any Advance, or for any other purpose.

Plans, Specifications, and Permits. Lender shall have received and accepted a complete set of written Plans and Specifications setting forth all improvements for the Project, and Borrower shall have furnished to Lender copies of all permits and requisite approvals of any governmental body necessary for the construction and use of the Project.

Architect's and Construction Contracts. Borrower shall have furnished in form and substance satisfactory to Lender an executed copy of the Architect's Contract and an executed copy of the Construction Contract.

Related and Support Documents. Borrower shall provide to Lender in form satisfactory to Lender the following support documents for the Loan: Architect's Certificate and Completion Guaranty.

Budget and Schedule of Estimated Advances. Lender shall have approved detailed budget and cash flow projections of total Project costs and a schedule of the estimated amount and time of disbursements of each Advance.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the consummation of the Project and 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, in their sole discretion, may require.

Bond. If requested by Lender, Borrower shall have furnished a performance and payment bond in an amount equal to 100% of the amount of the Construction Contract, as well as a materialmen's and mechanics' payment bond, with such riders and supplements as Lender may require, each in form and substance satisfactory to Lender, naming the General Contractor as principal and Lender as an additional obligee.

Appraisal. If required by Lender, an appraisal shall be prepared for the Property, at Borrower's expense, which in form and substance shall be satisfactory to Lender, in Lender's sole discretion, including applicable regulatory requirements.

Plans and Specifications. If requested by Lender, Borrower shall have assigned to Lender on Lender's forms the Plans and Specifications for the Project.

Environmental Report. If requested by Lender, Borrower shall have furnished to Lender, at Borrower's expense, an environmental report and certificate on the Property in form and substance satisfactory to Lender, prepared by an engineer or other expert satisfactory to Lender stating that the Property complies with all applicable provisions and requirements of the "Hazardous Substances" paragraph set forth in this Agreement.

Soil Report. If requested by Lender, Borrower shall have furnished to Lender, at Borrower's expenses, a soil report for the Property in form and substance satisfactory to Lender, prepared by a registered engineer satisfactory to Lender stating that the Property is free from soil or other geological conditions that would preclude its use or development as contemplated without extra expense for precautionary, corrective or remedial measures.

Survey. If requested by Lender, Borrower shall have furnished to Lender a survey of recent date, prepared and certified by a qualified surveyor and providing that the improvements, if constructed in accordance with the Plans and Specifications, shall lie wholly within the boundaries of the Collateral without encroachment or violation of any zoning ordinances, building codes or regulations, or setback requirements, together with such other information as Lender in its sole discretion may require.

Zoning. Borrower shall have furnished evidence satisfactory to Lender that the Collateral is duly and validly zoned for the construction, maintenance, and operation of the Project.

Title Insurance. Borrower shall have provided to Lender an ALTA Lender's extended coverage policy of title insurance with such endorsements as Lender may require, issued by a title insurance company acceptable to Lender and in a form, amount, and content satisfactory to Lender, insuring or agreeing to insure that Lender's security agreement or other security document on the Property is or will be upon recordation a valid first lien on the Property free and clear of all defects, liens, encumbrances, and exceptions except those as specifically accepted by Lender in writing. If requested by Lender, Borrower shall provide to Lender, at Borrower's expense, a foundation endorsement to the title policy upon the completion of each foundation for the Improvements, showing no encroachments, and upon completion an endorsement which insures the lien-free completion of the Improvements.

Insurance. Unless waived by Lender in writing, Borrower shall have delivered to Lender the following insurance policies or evidence thereof: (a) an all risks course of construction insurance policy (builder's risk), with extended coverage covering the Improvements issued in an amount and by a company acceptable to Lender, containing a loss payable or other endorsement satisfactory to Lender insuring Lender as mortgagee, together with such other endorsements as may be required by Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender; (b) owners and General Contractor general liability insurance, public liability and workmen's compensation insurance; (c) flood insurance if required by Lender or applicable law; and (d) all other insurance required by this Agreement or by the Related Documents.

Workers' Compensation Coverage. Provide to Lender proof of the General Contractor's compliance with all applicable workers' compensation laws and regulations with regard to all work performed on the Project.

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.

Satisfactory Construction. All work usually done at the stage of construction for which disbursement is requested shall have been done in a good and workmanlike manner and all materials and fixtures usually furnished and installed at that stage of construction shall have been furnished and installed, all in compliance with the Plans and Specifications. Borrower shall also have furnished to Lender such proofs as Lender may require to establish the progress of the work, compliance with applicable laws, freedom of the Property from liens, and the basis for the requested disbursement.

Certification. Borrower shall have furnished to Lender a certification by an engineer, architect, or other qualified inspector acceptable to Lender that the construction of the Improvements has complied and will continue to comply with all applicable statutes, ordinances, codes, regulations, and similar requirements.

Lien Waivers. Borrower shall have obtained and attached to each application for an Advance, including the Advance to cover final payment to the General Contractor, executed acknowledgments of payments of all sums due and releases of mechanic's and materialmen's liens, satisfactory to Lender, from any party having lien rights, which acknowledgments of payment and releases of liens shall cover all work, labor, equipment, materials done, supplied, performed, or furnished prior to such application for an Advance.

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.

DISBURSEMENT OF LOAN FUNDS. The following provisions relate to the disbursement of funds from the Loan Fund.

Application for Advances. Each application shall be stated on a standard AIA payment request form or other form approved by Lender, executed by Borrower, and supported by such evidence as Lender shall reasonably require. Borrower shall apply only for disbursement with respect to work actually done by the General Contractor and for materials and equipment actually incorporated into the Project. Each application for an Advance shall be deemed a certification of Borrower that as of the date of such application, all representations and warranties contained in the Agreement are true and correct, and that Borrower is in compliance with all of the provisions of this Agreement.

Payments. At the sole option of Lender, Advances may be paid in the joint names of Borrower and the General Contractor, subcontractor(s), or supplier(s) in payment of sums due under the Construction Contract. At its sole option, Lender may directly pay the General Contractor and any subcontractors or other parties the sums due under the Construction Contract. Borrower appoints Lender as its attorney-in-fact to make such payments. This power shall be deemed coupled with an interest, shall be irrevocable, and shall survive an Event of Default under this Agreement.

Projected Cost Overruns. If Lender at any time determines in its sole discretion that the amount in the Loan Fund is insufficient, or will be insufficient, to complete fully and to pay for the Project, then within ten (10) days after receipt of a written request from Lender, Borrower shall deposit in the Loan Fund an amount equal to the deficiency as determined by Lender. The judgment and determination of Lender under this section shall be final and conclusive. Any such amounts deposited by Borrower shall be disbursed prior to any Loan proceeds.

Final Payment to General Contractor. Upon completion of the Project and fulfillment of the Construction Contract to the satisfaction of Lender and provided sufficient Loan Funds are available, Lender shall make an Advance to cover the final payment due to the General Contractor upon delivery to Lender of endorsements to the ALTA title insurance policy following the posting of the completion notice, as provided under applicable law. Construction shall not be deemed complete for purposes of final disbursement unless and until Lender shall have received all of the following:

(1) Evidence satisfactory to Lender that all work under the Construction Contract requiring inspection by any governmental authority with jurisdiction has been duly inspected and approved by such authority, that a certificate of occupancy has been issued, and that all parties performing work have been paid, or will be paid, for such work;

(2) A certification by an engineer, architect, or other qualified inspector acceptable to Lender that the Improvements have been completed substantially in accordance with the Plans and Specifications and the Construction Contract, that direct connection has been made to all utilities set forth in the Plans and Specifications, and that the Project is ready for occupancy; and

(3) Acceptance of the completed Improvements by Lender and Borrower.

Construction Default. If Borrower fails in any respect to comply with the provisions of this Agreement or if construction ceases before completion regardless of the reason, Lender, at its option, may refuse to make further Advances, may accelerate the indebtedness under the terms of the Note, and without thereby impairing any of its rights, powers, or privileges, may enter into possession of the construction site and perform or cause to be performed any and all work and labor necessary to complete the Improvements, substantially in accordance with the Plans and Specifications.

Damage or Destruction. If any of the Collateral or Improvements is damaged or destroyed by casualty of any nature, within sixty (60) days thereafter Borrower shall restore the Collateral and Improvements to the condition in which they were before such damage or destruction with funds other than those in the Loan Fund. Lender shall not be obligated to make disbursements under this Agreement until such restoration has been accomplished.

Adequate Security. When any event occurs that Lender determines may endanger completion of the Project or the fulfillment of any condition or covenant in this Agreement, Lender may require Borrower to furnish, within ten (10) days after delivery of a written request, adequate security to eliminate, reduce, or indemnify Lender against, such danger. In addition, upon such occurrence, Lender in its sole discretion may advance funds or agree to undertake to advance funds to any party to eliminate, reduce, or indemnify Lender against, such danger or to complete the Project. All sums paid by Lender pursuant to such agreements or undertakings shall be for Borrower's account and shall be without prejudice to Borrower's rights, if any, to receive such funds from the party to whom paid. All sums expended by Lender in the exercise of its option to complete the Project or protect Lender's interests shall be payable to Lender on demand together with interest from the date of the Advance at the rate applicable to the Loan. In addition, any Advance of funds under this Agreement, including without limitation direct disbursements to the General Contractor or other parties in payment of sums due under the Construction Contract, shall be deemed to have been expended by or on behalf of Borrower and to have been secured by Lender's Mortgage, if any, on the Collateral.

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; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

LIMITATION OF RESPONSIBILITY. The making of any Advance by Lender shall not constitute or be interpreted as either (A) an approval or acceptance by Lender of the work done through the date of the Advance, or (B) a representation or indemnity by Lender to any party against any deficiency or defect in the work or against any breach of any contract. Inspections and approvals of the Plans and Specifications, the Improvements, the workmanship and materials used in the Improvements, and the exercise of any other right of inspection, approval, or inquiry

granted to Lender in this Agreement are acknowledged to be solely for the protection of Lender's interests, and under no circumstances shall they be construed to impose any responsibility or liability of any nature whatsoever on Lender to any party. Neither Borrower nor any contractor, subcontractor, materialman, laborer, or any other person shall rely, or have any right to rely, upon Lender's determination of the appropriateness of any Advance. No disbursement or approval by Lender shall constitute a representation by Lender as to the nature of the Project, its construction, or its intended use for Borrower or for any other person, nor shall it constitute an indemnity by Lender to Borrower or to any other person against any deficiency or defects in the Project or against any breach of any contract.

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 45 days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, reviewed by a certified public accountant satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than 45 days after the applicable filing date for the tax reporting period ended, Borrower's Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

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, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations as Lender may request from time to time.

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.

Insurance. Maintain fire and other risk insurance, hail, federal crop 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 thirty (30) 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.

Names of Guarantors	Amounts
Athanasios Fokas	Unlimited
Iakovos S Ferderigos	Unlimited

Loan Fees, Charges and Expenses. In addition to all other agreed upon fees, charges, and expenses, pay the following: Commercial Construction Loan Inspection Fee of $250.00 per visit. Whether or not the Project is completed, Borrower also shall pay upon demand all out-of-pocket expenses incurred by Lender in connection with the preparation of loan documents and the making of the Loan, including, without limitation, all closing costs, fees, and disbursements; all expenses of Lender's legal counsel, and all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

Loan Proceeds. Use all Loan proceeds solely for the following specific purposes: for construction purposes only as described in plans and specifications submitted.

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. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

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.

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.

Construction of the Project. Commence construction of the Project no later than November 21, 2014, and cause the improvements to be constructed and equipped in a diligent and orderly manner and in strict accordance with the Plans and Specifications approved by Lender, the Construction Contract, and all applicable laws, ordinances, codes, regulations, and rights of adjoining or concurrent property owners. Borrower agrees to complete the Project for purposes of final payment to the General Contractor on or before November 21, 2015, regardless of the reason for any delay.

Defects. Upon demand of Lender, promptly correct any defect in the Improvements or any departure from the Plans and Specifications not approved by Lender in writing before further work shall be done upon the portion of the Improvements affected.

Project Claims and Litigation. Promptly inform Lender of (1) all material adverse changes in the financial condition of the General Contractor; (2) any litigation and claims, actual or threatened, affecting the Project or the General Contractor, which could materially affect the successful completion of the Project or the ability of the General Contractor to complete the Project as agreed; and (3) any condition or event which constitutes a breach or default under any of the Related Documents or any contract related to the Project.

Payment of Claims and Removal of Liens. (1) Cause all claims for labor done and materials and services furnished in connection with the Improvements to be fully paid and discharged in a timely manner, (2) diligently file or procure the filing of a valid notice of completion of the Improvements, or such comparable document as may be permitted under applicable lien laws, (3) diligently file or procure the filing of a notice of cessation, or such comparable document as may be permitted under applicable lien laws, upon the happening of cessation of labor on the Improvements for a continuous period of thirty (30) days or more, and (4) take all reasonable steps necessary to remove all claims of liens against the Collateral, the Improvements or any part of the Collateral or Improvements, or any rights or interests appurtenant to the Collateral or Improvements. Upon Lender's request, Borrower shall make such demands or claims upon or against laborers, materialmen, subcontractors, or other persons who have furnished or claim to have furnished labor, services, or materials in connection with the Improvements, which demands or claims shall under the laws of the State of South Carolina require diligent assertions of lien

claims upon penalty of loss or waiver thereof. Borrower shall, within ten (10) days after the filing of any claim of lien that is disputed or contested by Borrower, provide Lender with a surety bond issued by a surety acceptable to Lender sufficient to release the claim of lien or deposit with Lender an amount satisfactory to Lender for the possibility that the contest will be unsuccessful. If Borrower fails to remove any lien on the Collateral or Improvements or provide a bond or deposit pursuant to this provision, Lender may pay such lien, or may contest the validity of the lien, and Borrower shall pay all costs and expenses of such contest, including Lender's reasonable attorneys' fees.

Taxes and Claims. Pay and discharge when due all of Borrower's indebtedness, obligations, and claims that, if unpaid, might become a lien or charge upon the Collateral or Improvements; provided, however, that Borrower shall not be required to pay and discharge any such indebtedness, obligation, or claim so long as (1) its legality shall be contested in good faith by appropriate proceedings, (2) the indebtedness, obligation, or claim does not become a lien or charge upon the Collateral or Improvements, and (3) Borrower shall have established on its books adequate reserves with respect to the amount contested in accordance with GAAP. If the indebtedness, obligation, or claim does become a lien or charge upon the Collateral or Improvements, Borrower shall remove the lien or charge as provided in the preceding paragraph.

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.

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 in the Collateral and Improvements.

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.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Modification of Contract. Make or permit to be made any modification of the Construction Contract.

Liens. Create or allow to be created any lien or charge upon the Collateral or the Improvements.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

GENERAL PROJECT PROVISIONS. The following provisions relate to the construction and completion of the Project:

Change Orders. All requests for changes in the Plans and Specifications, other than minor changes involving no extra cost, must be in writing, signed by Borrower and the architect, and delivered to Lender for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Lender. Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

Purchase of Materials; Conditional Sales Contracts. No materials, equipment, fixtures, or articles of personal property placed in or incorporated into the Project shall be purchased or installed under any Security Agreement or other agreement whereby the seller reserves or purports to reserve title or the right of removal or repossession, or the right to consider such items as personal property after their incorporation into the Project, unless otherwise authorized by Lender in writing.

Lender's Right of Entry and Inspection. Lender and its agents shall have at all times the right of entry and free access to the Property and the right to inspect all work done, labor performed, and materials furnished with respect to the Project. Lender shall have unrestricted access to and the right to copy all records, accounting books, contracts, subcontracts, bills, statements, vouchers, and supporting documents of Borrower relating in any way to the Project.

Lender's Right to Stop Work. If Lender in good faith determines that any work or materials do not conform to the approved Plans and Specifications or sound building practices, or otherwise depart from any of the requirements of this Agreement, Lender may require the work to be stopped and withhold disbursements until the matter is corrected. In such event, Borrower will promptly correct the work to Lender's satisfaction. No such action by Lender will affect Borrower's obligation to complete the Improvements on or before the Completion Date. Lender is under no duty to supervise or inspect the construction or examine any books and records. Any inspection or examination by Lender is for the sole purpose of protecting Lender's security and preserving Lender's rights under this Agreement. No default of Borrower will be waived by any inspection by Lender. In no event will any inspection by Lender be a representation that there has been or will be compliance with the Plans and Specifications or that the construction is free from defective materials or workmanship.

Indemnity. Borrower shall indemnify, defend, and hold Lender harmless from any and all claims asserted against Lender or the Property by any person, entity, or governmental body, or arising out of or in connection with the Property, Improvements, or Project. Lender shall be entitled to appear in any proceedings to defend itself against such claims, and all costs and expenses reasonable attorneys' fees incurred by Lender in connection with such defense shall be paid by Borrower to Lender. Lender shall, in its sole discretion, be entitled to settle or compromise any asserted claims against it, and such settlement shall be binding upon Borrower for purposes of this indemnification. All amounts paid by Lender under this paragraph shall be secured by Lender's security agreement or Mortgage, if any, on the Property, shall be deemed an additional principal Advance under the Loan, payable upon demand, and shall bear interest at the rate applicable to the Loan.

Publicity. Lender may display a sign at the construction site informing the public that Lender is the construction lender for the Project. Lender may obtain other publicity in connection with the Project through press releases and participation in ground-breaking and opening ceremonies and similar events.

Actions. Lender shall have the right to commence, appear in, or defend any action or proceeding purporting to affect the rights, duties, or liabilities of the parties to this Agreement, or the disbursement of funds from the Loan Fund. In connection with this right, Lender may incur and pay reasonable costs, expenses and reasonable attorneys' fees. Borrower covenants to pay to Lender on demand all such expenses, together with interest from the date Lender incurs the expense at the rate specified in the Note, and Lender is authorized to disburse funds from the Loan Fund for such purposes.

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, and, at Lender's option, to administratively-freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

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.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any Loan.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

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.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, 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.

Breach of Construction Contract. The improvements are not constructed in accordance with the Plans and Specifications or in accordance with the terms of the Construction Contract.

Cessation of Construction. Prior to the completion of construction of the Improvements and equipping of the Project, the construction of the Improvements or the equipping of the Project is abandoned or work thereon ceases for a period of more than ten (10) days for any reason, or the Improvements are not completed for purposes of final payment to the General Contractor prior to November 21, 2015, regardless of the reason for the delay.

Transfer of Property. Sale, transfer, hypothecation, assignment, or conveyance of the Property or the Improvements or any portion thereof or interest therein by Borrower or any Borrower without Lender's prior written consent.

Condemnation. All or any material portion of the Collateral is condemned, seized, or appropriated without compensation, and Borrower does not within thirty (30) days after such condemnation, seizure, or appropriation, initiate and diligently prosecute appropriate action to contest in good faith the validity of such condemnation, seizure, or appropriation.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower or Grantor, as the case may be, 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; REMEDIES. Upon the occurrence of any Event of Default and at any time thereafter, Lender may, at its option, but without any obligation to do so, and in addition to any other right Lender without notice to Borrower may have, do any one or more of the following without notice to Borrower: (a) Cancel this Agreement; (b) Institute appropriate proceedings to enforce the performance of this Agreement; (c) Withhold further disbursement of Loan Funds; (d) Expend funds necessary to remedy the default; (e) Take possession of the Property and continue construction of the Project; (f) Accelerate maturity of the Note and/or Indebtedness and demand payment of all sums due under the Note and/or Indebtedness; (g) Bring an action on the Note and/or Indebtedness; (h) Foreclose Lender's security agreement or Mortgage, if any, on the Property in any manner available under law; and (i) Exercise any other right or remedy which it has under the Note or Related Documents, or which is otherwise available at law or in equity or by statute.

COMPLETION OF IMPROVEMENTS BY LENDER. If Lender takes possession of the Collateral, it may take any and all actions necessary in its judgment to complete construction of the Improvements, including but not limited to making changes in the Plans and Specifications, work, or materials and entering into, modifying or terminating any contractual arrangements, subject to Lender's right at any time to discontinue any work without liability. If Lender elects to complete the Improvements, it will not assume any liability to Borrower or to any other person for completing the Improvements or for the manner or quality of construction of the Improvements, and Borrower expressly waives any such liability. Borrower irrevocably appoints Lender as its attorney-in-fact, with full power of substitution, to complete the Improvements, at Lender's option, either in Borrower's name or in its own name. In any event, all sums expended by Lender in completing the construction of the Improvements will be considered to have been disbursed to Borrower and will be secured by the Collateral for the Loan. Any such sums that cause the principal amount of the Loan to exceed the face amount of the Note will be considered to be an additional Loan to Borrower, bearing interest at the Note rate and being secured by the Collateral. For these purposes, Borrower assigns to Lender all of its right, title and interest in and to the Project Documents; however Lender will not have any obligation under the Project Documents unless Lender expressly hereafter agrees to assume such obligations in writing. Lender will have the right to exercise any rights of Borrower under the Project Documents upon the occurrence of an Event of Default. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently.

ADDITIONAL DOCUMENTS. Borrower shall provide Lender with the following additional documents:

Articles of Organization and Company Resolutions. Borrower has provided or will provide Lender with a certified copy of Borrower's Articles of Organization, together with a certified copy of resolutions properly adopted by the members of the company, under which the members authorized one or more designated members or employees to execute this Agreement, the Note and any and all Security Agreements directly or indirectly securing repayment of the same, and to consummate the borrowings and other transactions as contemplated under this Agreement, and to consent to the remedies following any default by Borrower as provided in this Agreement and in any Security Agreements.

Opinion of Counsel. When required by Lender, Borrower has provided or will provide Lender with an opinion of Borrower's counsel certifying to and that: (1) Borrower's Note, any Security Agreements and this Agreement constitute valid and binding obligations on Borrower's part that are enforceable in accordance with their respective terms; (2) Borrower is validly existing and in good standing; (3) Borrower has authority to enter into this Agreement and to consummate the transactions contemplated under this Agreement; and (4) such other matters as may have been requested by Lender or by Lender's counsel.

FIRST DRAW REQUIREMENTS. The following items are required prior to the first construction draw (1) Current General Liability Insurance policy, (2) Builder's Risk Insurance policy on the subject property, (3) Foundation Survey, (4) Soil Treatment Certification, (5) Flood Insurance policy and Elevation Certificate; (6) Permanent Steet Address. Forward these documents to our office as soon as they are available to facilitate the processing and disbursement of the first draw. Contact Linette R. Mower at (843) 216-3051 or lmower@southcoastbank.com with any questions concerning the construction process.

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.

Authority to File Notices. Borrower appoints and designates Lender as its attorney-in-fact to file for the record any notice that Lender deems necessary to protect its interest under this Agreement. This power shall be deemed coupled with an interest and shall be irrevocable while any sum or performance remains due and owing under any of the Related Documents.

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.

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.

Indemnification of Lender. Borrower agrees to indemnify, to defend and to save and hold Lender harmless from any and all claims, suits, obligations, damages, losses, costs and expenses (including, without limitation, Lender's reasonable attorneys' fees, as well as Lender's architect's and engineering fees), demands, liabilities, penalties, fines and forfeitures of any nature whatsoever that may be asserted against or incurred by Lender, its officers, directors, employees, and agents arising out of, relating to, or in any manner occasioned by this Agreement and the exercise of the rights and remedies granted Lender under this. The foregoing indemnity provisions shall survive the cancellation of this Agreement as to all matters arising or accruing prior to such cancellation and the foregoing indemnity shall survive in the event that Lender elects to exercise any of the remedies as provided under this Agreement following default hereunder.

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.

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.

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.

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.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Construction Loan Agreement, as this Construction Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Construction Loan Agreement from time to time.

Architect's Contract. The words "Architect's Contract" mean the architect's contract between Borrower and Tucker & Associates, the architect for the Project.

Borrower. The word "Borrower" means Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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.

Completion Date. The words "Completion Date" mean November 21, 2015.

Construction Contract. The words "Construction Contract" mean the contract between Borrower and Kevin W. Carroll, the general contractor for the Project, and any subcontracts with subcontractors, materialmen, laborers, or any other person or entity for performance of work on the Project or the delivery of materials to the Project.

Contractor. The word "Contractor" means Kevin W Carroll, the general contractor for the Project.

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 and any guarantor under a completion guaranty agreement.

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 buildings, structures, facilities, fixtures, additions, and similar construction on the Collateral.

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 SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Loan. The word "Loan" means the loan or loans made to Borrower under this Agreement and the Related Documents as described .

Loan Fund. The words "Loan Fund" mean the undisbursed proceeds of the Loan under this Agreement together with any equity funds or other deposits required from Borrower under this Agreement.

Note. The word "Note" means the promissory note dated November 21, 2014, in the original principal amount of $1,800,000.00 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.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Plans and Specifications. The words "Plans and Specifications" mean the plans and specifications for the Project which have been submitted to and initialed by Lender, together with such changes and additions as may be approved by Lender in writing.

Project. The word "Project" means the construction project as described in the "Project Description" section of this Agreement.

Project Documents. The words "Project Documents" mean the Plans and Specifications, all studies, data and drawings relating to the Project, whether prepared by or for Borrower, the Construction Contract, the Architect's Contract, and all other contracts and agreements relating to the Project or the construction of the Improvements.

Property. The word "Property" means the property as described in the "Project Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in the "Project Description" section of this 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 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 CONSTRUCTION LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS CONSTRUCTION LOAN AGREEMENT IS DATED NOVEMBER 21, 2014.

BORROWER:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

By: _____
Authorized Signer

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GUARANTY OF COMPLETION AND PERFORMANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Guarantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS GUARANTY OF COMPLETION AND PERFORMANCE ("Guaranty") is made as of November 21, 2014, by Old Towne Suites, LLC ("Guarantor") to and for the benefit of SOUTHCOAST COMMUNITY BANK ("Lender").

THE LOAN. Guarantor proposes to borrow from Lender the principal amount of One Million Eight Hundred Thousand & 00/100 Dollars ($1,800,000.00) pursuant to the terms and conditions of the Construction Loan Agreement. As a condition and inducement to making the Loan, Guarantor has requested that Guarantor duly execute and deliver this Guaranty guaranteeing the lien-free completion of the construction of the Project and the performance of other covenants, which are all considered by Lender to be material regarding Lender's decision to make the Loan.

GUARANTY. Guarantor hereby unconditionally and absolutely warrants and guarantees to Lender that: (a) construction of the Project shall be commenced and shall be substantially completed within the time limits set forth in the Construction Loan Agreement; (b) the Project shall be constructed and completed in accordance with the Loan Documents and the Plans and Specifications, without substantial deviation therefrom unless approved by Lender in writing; (c) except for Lender's security agreements, the Project will be constructed and completed free and clear of all liens and encumbrances, including without limitation all mechanics' liens, materialmen's liens, and equitable liens; and (d) all costs of constructing the Project will be paid when due, and no stop notices shall be served on Lender.

OBLIGATIONS OF GUARANTOR UPON EVENT OF DEFAULT. Should an Event of Default (as defined in any Construction Loan Agreement) occur or if the Project shall not be constructed and completed as provided above, Guarantor shall: (a) diligently proceed to cure such default and procure completion of the Project at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the construction of the Project; and (c) pay such amounts as may be necessary to release and discharge all claims of stop notices, mechanics' liens, materialmen's liens, and equitable liens, if any, that may come into existence in connection with the construction of the Project.

NATURE OF GUARANTY. This Guaranty is an original and independent obligation of Guarantor, separate and distinct from Guarantor's obligations to Lender under the Loan Documents. The obligations of Guarantor to Lender under this Guaranty are direct and primary, regardless of the validity or enforceability of the Loan Documents. This Guaranty is for the benefit of Lender, and is not for the benefit of any third party. This Guaranty shall continue until (A) the Project has been completed, free and clear of all liens and encumbrances as provided above, and (B) all obligations of Guarantor to Lender under this Guaranty have been performed in full.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) to make or approve changes to the Plans and Specifications; (b) to make modifications to the Construction Loan Agreement and the other Loan Documents; (c) to make one or more additional secured or unsecured loans to Guarantor; (d) to repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Loan or any part of the Loan, including increases and decreases of the rate of interest on the Loan; extensions may be repeated and may be for longer than the original loan term; (e) to take and hold security for the payment of the Loan or this Guaranty, and exchange, enforce, waive, and release any such security, with or without the substitution of new collateral; (f) to release, substitute, agree not to sue, or deal with any one or more of Guarantor's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (g) to determine how, when, and what application of payments and credits shall be made on the Loan; (h) 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 Lender's discretion may determine; (i) to sell, transfer, assign or grant participations in all or any part of the Loan; and (j) 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 Guarantor's request and not at the request of Lender to induce Lender to disburse the Loan to Guarantor pursuant to the terms of the Loan Documents and that Lender would not make and disburse the Loan to Guarantor pursuant to the Loan Documents were it not for the execution and delivery of this Guaranty; (c) 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; (d) neither the execution nor the delivery of this Guaranty nor compliance with the terms hereof will conflict with or result in the breach of any law or statute, will constitute a breach or default under any agreement or instrument to which Guarantor may be a party, or will result in the creation or imposition of any charge or lien upon any property or assets of Guarantor; (e) Lender has made no representation to Guarantor as to the creditworthiness of Guarantor; (f) the most recent financial statements of Guarantor heretofore delivered to Lender are true and correct in all material respects and fairly present the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the date of the most recent financial statements; and (g) Guarantor has established adequate means of obtaining from Guarantor on a continuing basis information regarding Guarantor'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 obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Guarantor.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender: (A) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Loan or of any nonpayment related to any security agreement, or notice of any action or nonaction on the part of Guarantor, Lender, any surety, endorser, or other guarantor in connection with the Loan or in connection with the creation of new or additional loans or obligations; (B) to resort for payment or to proceed directly or at once against any person, including Guarantor or any other guarantor; (C) to proceed directly against or exhaust any collateral held by

from Guarantor, any other guarantor, or any other person (D) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Guarantor or to comply with any other applicable provisions of the Uniform Commercial Code; (E) to pursue any other remedy within Lender's power; or (f) 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 "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 Guarantor for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging any Loan indebtedness; (C) any disability or other defense of Guarantor, of any other guarantor, or of any other person, or by reason of the cessation of Guarantor's liability from any cause whatsoever, other than payment in full in legal tender, of any Loan indebtedness; (D) any failure or invalidity of, or any defect in, the Construction Loan Agreement or any other Loan Document; (E) any right to claim discharge of any Loan indebtedness on the basis of unjustified impairment of any collateral for any Loan indebtedness; or (F) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding Loan indebtedness of Guarantor to Lender which is not barred by any applicable statute of limitations. If payment is made by Guarantor, whether voluntarily or otherwise, or by any third party, on any Loan and thereafter Lender is forced to remit the amount of that payment to Guarantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Loan shall be considered unpaid for the purpose of 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 Guarantor, 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 Guarantor's 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.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor 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. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

RIGHTS AND REMEDIES. If Guarantor shall fail to perform promptly as provided in this Guaranty, Lender shall have the following rights and remedies:

Perform Work. Lender, at its option, but without any obligation to do so, may proceed to perform on behalf of Guarantor any and all work on the Project and to pay any costs incurred in connection with the work. Guarantor, upon Lender's demand, shall promptly pay to Lender all such sums expended together with interest thereon at the interest rate set forth in the Note.

Cure Defaults. Lender, at its option, but without any obligation to do so, may cure any defaults, including without limitation, paying any unpaid bills and liens, including without limitation those for construction, labor, and materials. Guarantor, upon Lender's demand, shall promptly pay to Lender all such sums expended together with interest thereon at the interest rate set forth in the Note.

Specific Performance. From time to time and without first requiring performance on the part of Guarantor and without being required to exhaust any security held by Lender for the Loan, to require Guarantor specifically to perform Guarantor's obligations under this Guaranty, by action at law or in equity or both, and further, to collect in any such action, compensation for all loss, cost, damage, injury and expense sustained or incurred by Lender as a direct or indirect consequence of Guarantor's failure to perform, with interest thereon at the interest rate set forth in the Note.

Other Rights and Remedies. In addition, Lender shall have and may exercise any or all of the rights and remedies it may have available at law, in equity, or otherwise.

SUBORDINATION OF GUARANTOR'S DEBTS TO GUARANTOR. Guarantor agrees that the Loan, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Guarantor, whether or not Guarantor becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Guarantor, upon any account whatsoever, to any claim that Lender may now or hereafter have against Guarantor. In the event of insolvency and consequent liquidation of the assets of Guarantor, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Guarantor 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 Loan. Guarantor does hereby assign to Lender all claims which it may have or acquire against Guarantor or against any assignee or trustee in bankruptcy of Guarantor; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Loan. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Guarantor 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.

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.

Notices. Any notice required to be given under this Guaranty 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 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.

Interpretation. In all cases where there is more than one 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 Guarantor named in this Guaranty or when this Guaranty is executed by more than one , the words "Guarantor" shall mean all and any one or more of them. Reference to the phrase "Guarantor" includes the heirs, successors, assigns, and transferees of each of them.

Severability. If a court of competent jurisdiction finds any provision of this Guaranty 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 Guaranty. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Guaranty shall not affect the legality, validity or enforceability of any other provision of this Guaranty.

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. If ownership of the Collateral becomes vested in a person other than Guarantor, Lender, without notice to Guarantor, may deal with Guarantor's successors with reference to this Guaranty and the Loan by way of forbearance or extension without releasing Guarantor from the obligations of this Guaranty or liability under the Loan.

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 Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Guarantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Guaranty.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Old Towne Suites, LLC, and in each case, any signer's successors and assigns.

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

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Loan. The word "Loan" means the loan made to Guarantor under the Construction Loan Agreement and the Loan Documents as described below.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Plans and Specifications. The words "Plans and Specifications" mean the plans and specifications for the Project which have been submitted to and initialed by Lender, together with such changes and additions as may be approved by Lender in writing.

Project. The word "Project" means the construction, renovation, or other work on the Improvements as set forth in the Plans and Specifications.

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.

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. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 21, 2014.

NOTICE CONCERNING APPRAISAL WAIVER. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE(S) AND RELINQUISH(ES) THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

GUARANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

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COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS COMMERCIAL SECURITY AGREEMENT dated November 21, 2014, is made and executed between Old Towne Suites, LLC ("Grantor") and SOUTHCOAST COMMUNITY BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the Indebtedness and performance of all other obligations under the Note and this Agreement:

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

(A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.

(B) All products and produce of any of the property described in this Collateral section.

(C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.

(D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.

(E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor 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. Grantor 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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of South Carolina, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as

otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, including without limitation all environmental laws, ordinances, rules and regulations, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral 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 Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, 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 thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a 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. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds $5,000.00, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. This includes making sure Lender is shown as the first and only security interest holder on the title covering the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. Grantor will promptly notify Lender of any change to Grantor's name or the name of any individual Grantor, any individual who is a partner for a Grantor, and any individual who is a trustee or settlor or trustor for a Grantor under this Agreement. Grantor will also promptly notify Lender of any change to the name that appears on the most recently issued, unexpired driver's license or state-issued identification card, any expiration of the most recently issued driver's license or state-issued identification card for Grantor or any individual for whom Grantor is required to provide notice regarding name changes.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for

application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement 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 Agreement 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 Collateral and paying all costs for insuring, maintaining and preserving the 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 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 Agreement 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.

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

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

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any Indebtedness.

Other Defaults. Grantor 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 Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor'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.

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.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of 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 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 Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if 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.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

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.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. 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 Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor 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. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the South Carolina Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral 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 Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, 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 Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its 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. Grantor 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 Grantor 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. Grantor also shall pay all court costs and such additional fees as may be directed by the court. This Agreement also secures all of these amounts.

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.

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 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 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, 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.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

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.

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

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

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

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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:

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

Borrower. The word "Borrower" means Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement 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 Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means Old Towne Suites, LLC.

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.

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 Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this 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 Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

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WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

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HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

THIS HAZARDOUS SUBSTANCES AGREEMENT dated November 21, 2014, is made and executed among Old Towne Suites, LLC, whose address is 229 King Street, Charleston, SC 29401 (sometimes referred to below as "Borrower" and sometimes as "Indemnitor"); Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401 and Iakovos S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (sometimes referred to below as "Guarantor" and sometimes as "Indemnitor"); and SOUTHCOAST COMMUNITY BANK, Commercial Lending, 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Charleston County, State of South Carolina:

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

The Real Property or its address is commonly known as 229 King Street, Charleston, SC 29401. The Real Property tax identification number is 457-08-01-063.

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

Use of Property. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, disposal, release, or threatened release of any Hazardous Substances by any person on, under, or about the Property.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Property, whenever and whether owned by previous Occupants, has ever contained asbestos, PCBs, lead paints or other Hazardous Substances, whether used in construction or stored on the Property.

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters, ambient air or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Indemnitor covenants with Lender as follows:

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substances, PCBs, lead paint or asbestos.

Compliance with Environmental Laws. Indemnitor shall cause the Property and the operations conducted on it to comply with any and all Environmental Laws and orders of any governmental authorities having jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental permits and authorizations required by Environmental Laws with respect to such Property or operations. Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Preventive, Investigatory and Remedial Action. Indemnitor shall exercise extreme care in handling Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) (a) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or minimize property damage (including damage to Occupant's own property), personal injury or damage to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Property or operations of any Occupant on the Property. In the

event Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor to Lender upon demand with interest at the Note default rate, or in the absence of a default rate, at the Note interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and appropriate.

Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

(1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.

(2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.

(3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.

(4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.

(5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that Indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at Indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. 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 any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION. Indemnitor hereby agrees to and shall indemnify, defend, and hold harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents from and against any and all claims, demands, losses, liabilities, costs, fines, penalties and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review, consultants' fees, remedial action costs, natural resource damages and diminution in value) incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property, or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, including without limitation any natural resource damages, or (b) arising out of or related to any noncompliance with or violation of Environmental Laws or any applicable permits or approvals, or (c) on account of injury to Lender or any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant, representation or warranty contained in this Agreement, (ii) the violation of any Environmental Laws, permits, authorizations or approvals, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Property, or (iv) the contamination of any of the Property by, or the presence, release or threatened release of, Hazardous Substances by any means whatsoever (explicitly including without limitation any presently existing contamination of the Property, whether or not previously disclosed to Lender), or (d) pursuant to this Agreement. Indemnitor's obligations under this section shall survive the termination of this Agreement and as set forth below in the Survival section. In addition to this indemnity, Indemnitor hereby releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT; FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Note default rate, or in the absence of a default rate, at the Note interest rate.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

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. If Lender institutes any suit or action to enforce any of the terms of this Agreement, 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. Indemnitor also will pay any court costs, in addition to all other sums provided by law.

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.

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.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

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 Indemnitor, shall constitute a waiver of any of Lender's rights or of any of Indemnitor'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. Indemnitor hereby waives notice of acceptance of this Agreement by 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, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

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.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement 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 Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the Indebtedness.

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

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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:

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

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.

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 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 Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the Property, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

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

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

BORROWER:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

GUARANTOR:

X _____
Athanasios Fokas, Individually

X _____
Iakovos S Ferderigos, Individually

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Agreement 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: _____

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Agreement 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: _____

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

PERSONALLY appeared before me and made oath that he or she saw the within-named authorized agent for SOUTHCOAST COMMUNITY BANK , sign, seal, and, as his or her act and deed, deliver the within-written Agreement 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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PR-13

TAX RECORD

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	*****	

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

Borrower: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Loan #: _____
Taxes Listed in the name of: _____
Borrower's Name(s): _____
Property Address: _____
Mailing Address: _____

TAXING AUTHORITY

County: _____ Next Due Date: _____ Date Paid Through: _____
Amount Due: $_____ Amount of Taxes for Following Year: $_____

Taxes are Payable:
( ) Annually ( ) Semi-Annually ( ) Quarterly

Taxes for the Current Year are based on:
( ) Acreage ( ) Vacant Lot ( ) Partial Construction ( ) Complete Construction

TAX DESCRIPTION

Parcel ID / TMS #: _____ Township: _____
Lot: _____ Block: _____ Subdivision: _____

SPECIAL ASSESSMENTS - NO ESCROW TO BE SET UP FOR PAYMENT OF ASSESSMENTS WITHOUT PRIOR APPROVAL OF LENDER

Public Service District: _____ Amount: _____
Sewer: _____ Amount: _____
Street Paving: _____ Amount: _____
Other Assessment: _____ Amount: _____

Assessments due: ( ) Annually ( ) Semi-Annually ( ) Quarterly

This information is Certified By: _____
Signature of Closing Attorney: _____
Date Loan Closed: _____

INSTRUCTION FOR COMPLETION OF TAX RECORD

1. Tax Description must be exactly as shown on tax records
2. Assessments should be shown only if to be paid from escrow.
3. City taxing authority to be shown only if city taxes are to be paid.
4. Tax bills are obtained from information on this form. All information must be completed in full.

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AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843)-884-0504

INSURANCE REQUIREMENTS. Grantor, Old Towne Suites, LLC ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: All Inventory, Equipment, Fixtures, Timber and Minerals, Oil and Gas.
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, proof of the required insurance as provided above, with an effective date of November 21, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____ PHONE _____

AGENT'S NAME: _____
AGENCY: _____
ADDRESS: _____
INSURANCE COMPANY: _____
POLICY NUMBER: _____
EFFECTIVE DATES: _____

COMMENTS: _____

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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	11-21-2014		03400007519		34000	***	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

TO: ATTN: Insurance Agent

DATE: November 21, 2014

RE: Policy Number(s):

Insurance Companies/Company:

Dear Insurance Agent:

Grantor, Old Towne Suites, LLC ("Grantor") is obtaining a loan from SOUTHCOAST COMMUNITY BANK. Please send appropriate evidence of insurance to SOUTHCOAST COMMUNITY BANK, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

Collateral: All Inventory, Equipment, Fixtures, Timber and Minerals, Oil and Gas.
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

RETURN TO:

Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464

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UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
Old Towne Suites, LLC

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

10c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

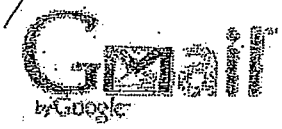
13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☒ covers timber to be cut ☒ covers as-extracted collateral ☒ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:



spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Amy Haines <amy.haineslawfirm@gmail.com> Fri, Nov 21, 2014 at 2:10 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Athan Fokas <athanfokas@gmail.com>, iakovosstavros@gmail.com

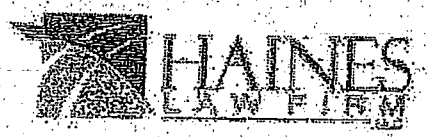
Nothing in the documents I have makes you personally liable for the debt. The note is in the llc's name. Only the LLC assets and the property by virtue of the mortgage are at risk, assuming the llc corporate veil could not be pierced for some reason.

That said, I understand you do not agree to the LLC being the borrower or I would assume the guarantor.

Other than the resolution and the settlement statement, Southcoast generates the documents sent, so Southcoast will need to be the one to work with on this.

Thanks,

Amy



800 Johnnie Dodds Blvd.

Mt. Pleasant, SC 29464

Phone: (843) 884-1593 x203

Fax: (843) 284-0417

Please be aware that funds brought to a real estate closing in excess of $1000 should be in the form of a wire. If you cannot wire funds, please contact us in advance so alternate arrangements can be made. PLEASE CALL TO CONFIRM WIRING INSTRUCTIONS WITH OUR OFFICE BEFORE WIRING.

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EXHIBIT
tabbies
319

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Athan Fokas <fokasa@bellsouth.net> Fri, Nov 21, 2014 at 3:07 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Spiros Ferderigos <spirosferderigos@gmail.com>, Athan Fokas <athanfokas@gmail.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The bottom line is that the Old Towne Suites LLC on the note, that only Jacob and I are signing on as members, has nothing to do with the payment of the loan. If payments aren't paid then the bank goes after the building regardless if the Old Towne Suites LLC is on the note. Maybe a hard headed Greek wouldn't get that but it's common sense otherwise.
And if you are requiring me to sign a document saying that I will give up interest if payments are not made, common sense says that all parties should do the same.
Maybe we can talk about the specifics over Thanksgiving while playing a game of chess. Ha! Ha!

Sent from my iPhone

On Nov 21, 2014, at 2:48 PM, Phillip Ferderigos <pferderigos@barnwell-whaley.com> wrote:

> This is not humorous to me. I take this very seriously. I wish you would to...
>
> Phillip S. Ferderigos, Esq.
>
> Member
>
> <image001.jpg>
>
> [Quoted text hidden]
> [Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 1:54 PM
To: Amy Haines <amy.haineslawfirm@gmail.com>
Cc: Teri Baker <teri.haineslawfirm@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, Athan Fokas <athanfokas@gmail.com>, iakovosstavros@gmail.com, Spiros Ferderigos <spirosferderigos@gmail.com>

I have been in a meeting, after looking at all of the email from everyone, it is clear that the bank has not been advised how to do the particulars correctly and this can not be rushed. Closing is off for today. If the docs can be fixed and all side agreements agreed to, then we can re-visit at that time.

Please call if you would like to discuss. Thanks, Phillip.

Phillip S. Ferderigos, Esq.

Member

BARNWELL WHALEY | 75 YEARS
PATTERSON & HELMS LLC
Attorneys for Business & Professionals Since 1939

288 Meeting St., Ste 200 (29401)

PO Drawer H

Charleston, SC 29402

Phone: (843) 577-7700

Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com

EXHIBIT
P
321

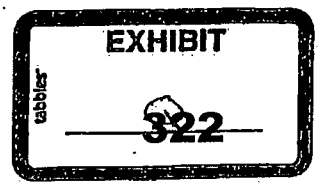
spiros ferderigos <spirosferderigos@gmail.com>

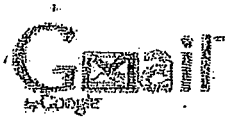
Current Suites report

Athan Fokas <athanfokas@gmail.com> Fri, Nov 21, 2014 at 5:57 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture. Comments like when I asked what side agreement and Phillip responds "it's going to cost you big if you don't pay" is just ego's blowing smoke. You guys recommended that I show it to my attorney and you didn't like his response. At first he told me "I would never tell my clients to ever sign anything like this". I convinced him it's ok because I love the chance to own more percentage if possible. Do you imagine the imbalance of power that I would have owning more than 50%? I could make every decision and not tell any of you what I did. Not really an ideal situation for a family that started out 50/50. It's ego's trying to get an upper hand on the other. Currently we all need loans to get this deal done. On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000.00 invested in. I then plan to pay off my debt in full.
In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my iPhone





spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 6:52 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Spiros Ferderigos <spirosferderigos@gmail.com>, iakovosstavros@gmail.com

Your quote of what I said is not accurate, but that's besides the point... here's a thought that we could kick around... Not an offer...If you're coming into all this money, why don't we just move forward in April and we don't even need this loan at all...at that point, it will just be Jacob that needs to get a loan, and then I'm sure that you will agree to mortgage Oldtown so he can get it...these are just thoughts, thinking out loud...

Sent from my iPhone

On Nov 21, 2014, at 5:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture. Comments like when I asked what side agreement and Phillip responds "it's going to cost you big if you don't pay" is just ego's blowing smoke. You guys recommended that I show it to my attorney and you didn't like his response. At first he told me "I would never tell my clients to ever sign anything like this". I convinced him it's ok because I love the chance to own more percentage if possible. Do you imagine the imbalance of power that I would have owning more than 50%? I could make every decision and not tell any of you what I did. Not really an ideal situation for a family that started out 50/50. It's ego's trying to get an upper hand on the other. Currently we all need loans to get this deal done. On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000.00 invested in. I then plan to pay off my debt in full.
In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my iPhone

EXHIBIT
R
323

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com> Fri, Nov 21, 2014 at 6:57 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

That's a great idea. I should have no problem getting my own loan. We will all have our money ready to go and then collateral OT for Jacobs 350k and knock it out if all goes as planned.

Sent from my iPhone

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@bamwell-whaley.com> Fri, Nov 21, 2014 at 7:00 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Spiros Ferderigos <spirosferderigos@gmail.com>, iakovosstavros@gmail.com

Forget your bank, I have my bank...I think we should be fine, I like the idea...Athan, what do you say? You just bring to the table the cash that you need to bring...and agree to use old town as collateral for Jacob...Again, not an offer, just feeling out the situation to see if something like that is possible...

Sent from my IPhone

On Nov 21, 2014, at 6:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months.

Sent from my IPhone

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com> Fri, Nov 21, 2014 at 7:02 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Athan Fokas <fokasa@bellsouth.net>, "<lakovosstavros@gmail.com>" <lakovosstavros@gmail.com>

Just fund your percentage. You aren't giving anything other than collateralizing your interest in old Towne for Jacob which doesn't cost anything. Only loan hanging out there would be Jacobs for 350. Much better than a 2 million dollar loan. Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan.

Sent from my iPhone

On Nov 21, 2014, at 6:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

> I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months.
>
> Sent from my iPhone

Gmail

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 7:03 PM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, lakovosslavros@gmail.com

I agree, this is certainly something we should explore...

Sent from my iPhone

On Nov 21, 2014, at 7:02 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:

> Just fund your percentage. You aren't giving anything other than collateralizing your interest in old Towne for Jacob which doesn't cost anything. Only loan hanging out there would be Jacobs for 350. Much better than a 2 million dollar loan. Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan.
>
> Sent from my iPhone

Gmail

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com> Fri, Nov 21, 2014 at
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, "<lakovosstavros@gmail.com>" <lakovosstavros@gmail.com>

It just protects everyone's property interest in 229 king if we have a 350 k loan instead of 1.8 million loan. Why risk that huge loan if we don't have to?

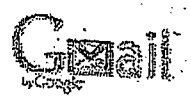
Sent from my IPhone

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Philllp Ferderigos <pferderigos@bamwell-whaley.com> Fri, N
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, lakovosstavros@gmail.com

Spiro, you are making a lot of sense, Athan, what do you think?



spiros ferderigos <spirosferderigos@gmail.com>

330

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com>
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Spiros Ferderigos <spirosferderigos@gmail.com>, iakovosstavros@gmail.com

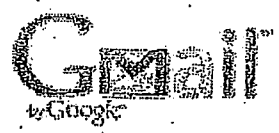
Fri, Nov 21, 2014 at 8:25 PM

Not much I can say to that, I am honored to be in the presence of such wealthy royalty... Once you're done drinking and you sober up, if you want to talk like an adult, then maybe we can chat tomorrow... Have a fun time tonight...

Sent from my iPhone

On Nov 21, 2014, at 7:24 PM, Athan Fokas <fokasa@bellsouth.net> wrote:

> I'm at a swanky dinner now and half drunk but by then I will be n the money and not interested in an ventures but my own. I'm also working on a deal where I get 25% of $100,000,000.00 for just being an expert consultant. I hang out with the ultra wealthy now and play their games.
>
> Sent from my iPhone
>
> On Nov 21, 2014, at 7:19 PM, Phillip Ferderigos <pferderigos@barnwell-whaley.com> wrote:
>
> > Spiro, you are making a lot of sense. Athan, what do you think?
> >
> > Sent from my iPhone



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:55 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Oh it has been a pleasure to say the least. I'm also done with paying your half of the food you so dearly like to eat at Old Towne weekly on my dime. If you don't pay your portion to me then Jacob will have to. All management will be put on notice.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
S
331

(843) 813-5612

I can't wait to spread the word that the suites multimillion dollar project couldn't get done cause Phillip can't eat for free. I'm sure everyone will find it hilarious. I'm probably doing you a favor. Smaller waist line. I bet your kids will be real proud of you in the future too. Your dad was right for calling you palabo Philipa. 4:52 PM

Tuesday, December 16, 2014

(843) 813-5612

As I was running this morning I came up with a proposal. I will agree to let you eat for free if you are out of the note and you put your 350 g's in escrow. This is because you will sign off on the mortgage without needing to. And this will take place as long as my portion of the mortgage is not paid off. If we go the other rout where we split everything 50/50 on the loan then you are signing for your own 16% interest and therefore we are even. 7:18 AM

Wednesday, December 17, 2014

(843) 813-5612

I just spoke to your dad and he doesn't think everyone should eat at Old Towne for free either. 1:45 PM

EXHIBIT

T

332

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 11:55 AM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

My intent is always to pay off debt as I have extra funds available. I am interested in doing this deal now and will not do it later. When I do have my money in April I may decide to buy another building downtown but will make that decision then.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
U
333

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family.

Sent from my iPhone
[Quoted text hidden]

(843) 813-5612

I realize that I don't have authorize to close by myself. And I don't think I ever gave that impression and everyone has been in the loop from the beginning. Jacob know's of every expenditure and he wrote most of the checks to the contractor, architects, and engineers. Once again selective amnesia and your texts to me say two different things. I would rather leave it in your hands now and keep me in the loop if and when you all are ready. We do have expenses incurred that need to be paid and we will pay they as money becomes available. 8:28 AM

(843) 813-5612

Spiro there is no bullying going on here. Just giving information of actual expenses. If you read that text above where you were cursing and told me "DO YOU UNDERSTAND" that might come across as threatening me which is defiantly un- businesslike. 8:39 AM

Spiro Cell

I was threatening you....that I don't do business with bullies. You couldn't just let it go. 8:47 AM

(843) 813-5612

Label as you like but everything we have done till now was agreed upon. It's in your court now. I could care less. My Zeus deal is bringing in plenty to keep my family happy. 8:50 AM

Spiro Cell

Good. I'm glad your deals are working out for you. 8:52 AM

Gmail by Google

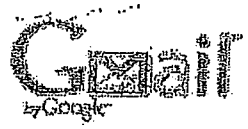
spiros ferderigos <spirosferderigos@gmail.com>

Re: Final email from me regarding the closing.

Athan Fokas <fokasa@bellsouth.net> Fri, Nov 21, 2014 at 3:31 PM
To: spiros ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Jacob Ferderigos <lakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

That was funny! I just found out last night what you guys wanted me to sign and my attorney instructed me what to do and you saw his letter. I like how you portray Phillip as Mother Theresa. Think about the big picture talk to the bank yourselves and get things done if you like. I have no problem signing the agreement but of course, as any business partner should, would like assurances that every party puts in what they are supposed to. If you are sending an email and asking for no reply, then I suggested that no content is put in there. Bullying is a word you like to use but the bottom line is to be fair to all parties involved and the fact that you and Phillip are not personally guaranteeing anything puts you way ahead of the rest of us in this deal.

Sent from my iPhone
[Quoted text hidden]



spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Athan Fokas <athanfokas@gmail.com> Fri, Nov 21, 2014 at 5:57 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture. Comments like when I asked what side agreement and Phillip responds "it's going to cost you big if you don't pay" is just ego's blowing smoke. You guys recommended that I show it to my attorney and you didn't like his response. At first he told me "I would never tell my clients to ever sign anything like this". I convinced him it's ok because I love the chance to own more percentage if possible. Do you imagine the imbalance of power that I would have owning more than 50%? I could make every decision and not tell any of you what I did. Not really an ideal situation for a family that started out 50/50. It's ego's trying to get an upper hand on the other. Currently we all need loans to get this deal done. On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000.00 invested in. I then plan to pay off my debt in full.
In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my IPhone

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 10:18 AM
To: "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

I'm wondering if there is a next Ferderigos plan of action. Are ya'll contacting the bank, my attorney, and the closing attorney or are we just forgetting about it?

Sent from my iPhone

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:31 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I am not asking you to do anything. The bank is requiring that all parties sign off on the mortgage. I did secure that you didn't have to personally guarantee the note. Quit trying to put yourself on a pedestal. If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences. If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not. We are currently paying for an expensive business risk policy, paid for a flood policy we don't need if not constructing, have been paying two months on a storage container, and prepaid our over $20,000.00 property taxes two months early in order to close. Not to mention we have over $50,000.00 already invested in this deal.

Sent from my iPhone
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family..

Sent from my iPhone
[Quoted text hidden]

Monday, December 15, 2014

(843) 813-5612

Cousins, we have recurring expenses that are cutting into all of our bottom lines monthly that we either need to stop spending or come to some kind of mutual agreement. A sit down sometime this week would be much appreciated. We can't continue to spend money on a business risk policy, flood policy, and storage unit if all are not necessary. 10:27 AM

Me

Thanks for your email. I am extremely busy until Thursday as I have a big hearing in Darlington. However, I do want to meet and discuss the possible options with you.

Before we go here, however, I'm going to require that we go back to the status quo as far as this whole old town and whether our families can eat there for free thing. This is nonnegotiable and the first step if you want to discuss options with me. You can not ask for my help to allow you to get a mortgage on my part of old town with your right hand while at the same time, you try to insult/slap me with your left hand. If you are unwilling to agree to this first step, that is fine, but I would have no interest in building a building with you.

Please take time to think about your response before you respond. I do not require an immediate response. I'm not exaggerating when I tell you I am strongly leaning towards not moving forward at all. 1:22 PM

(843) 813-5612

We can discuss all options when we meet and hopefully come to a mutual agreement. 1:22 PM

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Wed, Nov 26, 2014 at 11:46 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The irony in all this is that the son's want extra assurances that money will be paid back when the way our fathers always did it is with a hand shake. Ask your dad how many times my father loaned him money (his grocery store off America St, to buy Old Towne in 72, and to build our first apartment building in Greece) and there was no paperwork and all was paid back. In this case nobody is loaning anyone money but just a couple of hard headed kids who don't understand how family works. I don't think anybody owes anybody any money do they? I don't think anyone has any history of any money not being paid back do they?
We are all older now and our families have grown and we don't have to spend Thanksgiving together. Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this. Later on down the line when I'm in the money I may consider loaning Jacob the money and having a 25/75 split on the new building because I know that Jacob will pay me back and I won't need any side agreements trying to take more of his ownership if he doesn't pay. Bottom line is payments come out of profits and I know he is good for it.

Sent from my iPhone

> On Nov 24, 2014, at 2:17 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:
>
[Quoted text hidden]

EXHIBIT
tabbies
W
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Friday, April 24, 2015

Athan Fokas

My attorney asked me to find out how much the project would have increased if it was started in a month and after a week and a half of crunching numbers this is what Kevin sent me:

Keep in mind I have good me tuning to do when you says its a go. But looks like 12.5% will be difference. This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover. The quote I got on fire rated was 145k so add 90k for worse case. But that is not extra due to delay. It has always been an allowance item. 10:22 AM

So 1,946,250.00 plus windows over allowance and then any / all owner items.

Athan Fokas

We figured out a way to keep you out the law suit. 1:48 PM

Friday, April 24, 2015

Athan Fokas

My attorney asked me to find out how much the project would have increased if it was started in a month and after a week and a half of crunching numbers this is what Kevin sent me:

Keep in mind I have good me tuning to do when you says its a go. But looks like 12.5% will be difference. This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover. The quote I got on fire rated was 145k so add 90k for worse case. But that is not extra due to delay. It has always been an allowance item. 10:22 AM

So 1,946,250.00 plus windows over allowance and then any / all owner items.

Athan Fokas

We figured out a way to keep you out the law suit. 1:48 PM

Monday, April 27, 2015

Athan Fokas

I've already applied that beer check on the owe sheet for the stuff Maki and I brought back after family cup. 6:34 PM

Jacob Ferderigos

Ok let's get it cleared up and not leave it for long periods of time. Maybe every time we exchange the books. 6:37 PM

Athan Fokas

I was going to wait after We do the food booths for the hospitals the week after Greek fest cause then we are done till September. 6:38 PM

Jacob Ferderigos

Ok 6:46 PM

Tuesday, April 28, 2015

Athan Fokas

I bought a case of hummus but only needed two tubs so I left the other two at old Towne and put on owe sheet. I also brought in 12 large throw away pans and lids for the rep deliveries I booked through Old Towne today. That's four this week that booked through Zeus. 7:55 AM

Athan Fokas

Go ahead and transfer 57000 miles out of the credit card. 8:37 AM

EXHIBIT

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Standard Agreement
Between Owner and Contractor
A 107

For CONSTRUCTION PROJECTS OF LIMITED SCOPE where
the Basis of Payment is a STIPULATED SUM

This document includes General Conditions, A201-L, and should not be used with other general conditions.

AGREEMENT

made as of the 15th day of October in the year of Two Thousand and Fourteen.

BETWEEN the Owner: Athan Fokas, Iakovos ferderigos
Old Town Suites
229 king street
Charleston, sc. 29401

and the Contractor: Kevin W. Carroll 1079 Harts Bluff Rd. Wadmalaw Island SC 29487

The Project is: Old Town Suites
229 King Street
Charleston, SC 29401

The Architect is: Joe Tucker
Tucker & associates
772 Gypsy Lane
Mount Pleasant, SC 29464

The Owner and Contractor agree as set forth below.

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ARTICLE 1

THE WORK OF THIS CONTRACT

1.1 The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others, or as follows.

Scope of Work: Erection of 3 story hotel suites as per drawings provided by Tucker and asscolates.Project to be completed with interior items consistant with existing suites., subsitutions allowed per agreement with owner.Work Not included: Engineering,Architectural services, utilities, impact fees and/ or cost to supply. Builders Risk coverage, furnishings, Appliances, Fire protection services. Any and all Fire Protection, monitoring,alarms, sprinkler systems or life safety items. Contractor to work closely with architect, engineer.
Owner to provide proper size water and sewer service as required to perform project. Including any and all impact fees and any associated cost with service.Owner / Contractor agree to an allowance on windows and window installation of $55000.00 any and all cost accosiated with window package,delivery and installation above allowance to be additional cost. Owner / Contractor agree that any substitution of material or labor withinin industry standards are allowed without written notice as long as the finished product is consistant with existing suites and allowed by code. Contractor may confir with architect and engineers for changes to ensure subsfitution is acceptable by the codes. Owner may request changes /aditional items to be added to contract with verbal communication, approved via email.

ARTICLE 2

DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 The date of commencement is the date from which the Contract Time of Paragraph 2.2 is measured, and shall be the date of this Agreement, as first written above, unless a different date is state below or provision is made for the date to be fixed in a notice to proceed issued by the Owner:

11-3-2014

2.2 The Contractor shall achieve Substantial Completion of the entire Work no later than

Completion: 12-31-2015.

Bonus for early completion: ZERO (no compensation for early delivery)

The completion date is subject to adjustments of this Contract Time as provided in the Contract Documents.

Penalty: ZERO (owner and contractor agree to no penalties for delayed completion)

ARTICLE 3

CONTRACT SUM

3.1 Subject to additions and deductions as provided in the Contract Documents, the Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract Sum of One Million, Seven Hundred Twenty Eight Thousand, Nine Hundred & no/100 Dollars ($ 1,728,900.00).

3.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

Contract is fixed price agreement. (with exclusions) Any
And all work required to meet any government, fire marshall, building official and or owner not shown in plans will be considered an additional item. If additional item is required, a meeting with contractor / owner shall be called to find agreed solution and cost to perform needed work. additional items can be agreed by verbal communication and confirmed via email.

3.3 Unit prices, if any, are as follows:

None

ARTICLE 4

PROGRESS PAYMENTS AND PAYMENT SCHEDULE

4.1 Based upon Applications for Payment submitted to the Owner, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents:

Mobilization Fee of $ 150,000.00 (one hundred fifty thousand dollars and zero cents)
Draw request will be made on or before Mondays for payment to be made on or before the following Monday. if payment is to be with-held or partially paid, owner is to notify contractor by the prior friday.

4.2 Documentation Required For Payment:

Written draw request in form of invoice due. (weekly billing as requested)

4.3 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

None (contractor and owner agree there will be no late fee or interest on delayed payment)
If payment is with-held contractor or owner may stop work untill resolved.

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

ARTICLE 5

FINAL PAYMENT

5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when the Work has been completed and the Contract fully performed, subject to the provisions listed under **OTHER CONDITIONS OR PROVISIONS** on page 6.

ARTICLE 6

ENUMERATION OF CONTRACT DOCUMENTS

6.1 The Contract Documents consist of this Agreement, Conditions of the Contract, Drawings, Addenda issued prior to the execution of this Agreement, and other documents listed here. Except for Modifications issued after execution of this Agreement, the documents are as follows:

6.1.1 The Agreement is this executed Abbreviated Agreement Between Owner and Contractor, A107-L.

6.1.2 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Pages	Title
NONE	None	None

6.1.3 The Specifications are those contained in the Project Manual dated as in Subparagraph 6.1.2 and are as follows:

Section	Pages	Title
None	None	None

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6.1.4 The Drawings are as follows, and are dated July 21, 2014 unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Pages	Title
N/A	54	229 KING STREET

6.1.5 The Addenda, if any, are as follows:

Number	Pages	Title
NONE	None	None

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 6.

6.1.6 Other documents, if any, forming part of the Contract Documents are as follows:

None

ARTICLE 7

LICENSES AND INSURANCE REQUIREMENTS

7.1 Licenses, permits and bonds to be supplied and paid by as follows:

Contractor to acquire and pay for permits related to the work to be performed.

7.2 Insurance Requirements:

Contractor to Supply: Certificate of Insurance;

ARTICLE 8

GENERAL PROVISIONS

Contractor is to include all labor and approved materials, appliances and services of every kind necessary for proper execution of work. Contractor shall re-execute any work that fails to conform to the requirements of the contract. Contractor will remove all of his construction debris from the site and leave premises in broom-clean condition. All work shall be completed in a workmanship like manner and in compliance with all codes and other applicable laws. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work. Contractor has the right to let other contracts in connection with the work contracted for. Contractor shall adequately protect the work, adjacent property and the public and shall be responsible for any damage or injury due to his act or neglect. Change Orders shall be in writing and signed by both parties to this Agreement.

To the fullest extent permitted by law, the Contractor shall hold harmless and indemnify the Owner and their Agent(s) from and against any and all claims, damages, losses, expenses and fees arising out of or resulting from performance of the Contractor's Work, including hazardous materials, Worker's Compensation claims and subrogation.

OTHER CONDITIONS OR PROVISIONS

Not responsible for delays caused by the site developer. The contract start date will be modified as stated herein. Start date will be 30 days after site developer has delivered the project site ready for foundation excavation.

Warranty: one year labor on all trades, any and all material or manufacturer warranties to convey

See attachment(s): ☐ Yes ☒ No

General Conditions A201-L Included: ☐ Yes ☒ No

This Agreement entered into as of the day and year first written above.

OWNER	CONTRACTOR
Signature	Signature
Athan Fokas, Iakovos ferderigos	kevin w carroll
Name and title	Name and title

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August 21, 2015

Stan Barnett
Smith, Bundy, Byebee & Barnett, P.C.
1037 Chuck Dawley Boulevard
Suite 100, Building F
Mount Pleasant, SC 29464

Dear Mr. Barnett,

My name is Dr. Fanouris Ferderigos and I am the uncle of the Plaintiff and Defendants in case number 15-CP-10-3891 that you have filed in Charleston County, South Carolina. Your lawsuit alleges that my sister, Irene Fokas (which is Plaintiff Athan Fokas' mother), confronted Athan Fokas about "(a) Hiring someone to set fire to the second floor of the building at 229 King Street for the purpose of collecting insurance proceeds. (b) Falsely claiming in an insurance claim that he had been injured working in the restaurant business operated on the first floor of said building when he had, in fact, been injured in ways not related to the business, all for the purpose of collecting insurance proceeds." Your lawsuit alleges that Irene Fokas confronted Athan Fokas about these allegations, and Irene Fokas informed Athan Fokas that my brother, Stavros Ferderigos (which is Defendants' father), told her about the allegations stated above and set forth in your Complaint. Your lawsuit further alleges Irene Fokas informed Athan Fokas that Stavros Ferderigos identified Defendants (Phillip and Spiros Ferderigos) as the source of those statements.

This letter is to make you aware that on August 18, 2015 my sister, Irene Fokas, adamantly denied to me in person that Stavros Ferderigos ever told her anything about the allegations set forth above from your Complaint and that she has never even discussed with Stavros Ferderigos the topics of Athan Fokas being involved, directly or indirectly, with the fire at 229 King Street and/or anything to do with any of Athan Fokas' insurance claims. Irene Fokas further told me that she would testify under oath that she never was told about these allegations by Stavros Ferderigos in any way whatsoever.

With Kindest Regards, I am

Dr. Fanouris Ferderigos

Cc: Dawes M. Cook (288 Meeting Street, Suite 200, Charleston, SC 29401)

Richard Farrier (134 Meeting Street, Charleston, SC 29401)

EXHIBIT
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Jacob Ferderigos <iakovosstavros@gmail.com>

Fwd: Flood Policy - Cancellation

1 message

Iakovos Ferderigos <iakovosstavros@gmail.com> Sun, Jan 11, 2015 at 7:28 PM
To: Spiros Ferderigos <spirosferderigos@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

Sent from my iPhone

Begin forwarded message:

> **From:** Athan Fokas <fokasa@bellsouth.net>
> **Date:** December 17, 2014 at 9:48:07 AM EST
> **To:** "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>
> **Subject: Fwd: Flood Policy - Cancellation**
>
> I cancelled the flood insurance below so we can get our money back. The storage unit date was just missed so we are paid thru Jan 12. I don't think we are going to recover any money from Kevin because he is going to say that was work to get us here. We still owe the structural engineer $3000.00 and we owe the bank for the appraisal which is about $2000.00. Your brother's have no business sense and I'm sure we will be butting heads with Greek properties in the future. Very sad!!!
>
> Sent from my iPhone

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	IN THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO.: 2015-CP-10-3919
	)	
Athan Fokas,	)	
	)	
Plaintiff,	)	
	)	
v.	)	**JACOB FERDERIGOS' ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS**
	)	
Philip Ferderigos, Jacob Ferderigos, and Spiros Ferderigos,	)	
	)	*Jury Trial Demanded*
Defendants.	)	

FILED
2015 DEC 29 PM 2:58
JULIE J. ARMSTRONG
CLERK OF COURT

Defendant Jacob Ferderigos through his undersigned counsel, respectfully submits the following Answer, Affirmative Defenses and Counterclaims to Plaintiff Athan Fokas' Complaint. Jacob Ferderigos denies each and every allegation not specifically admitted herein. Further, Jacob Ferderigos' Answers are limited to those allegations asserted against him. Jacob Ferderigos is not required to, and does not, respond to any allegations directed toward another defendant.

(1) Paragraph 1 does not contain allegations against Jacob Ferderigos. To the extent a response is required, Jacob Ferderigos admits Paragraph 1 upon information and belief.

(2) Paragraph 2 does not contain allegations against Jacob Ferderigos. To the extent a response is required, Jacob Ferderigos admits Paragraph 2.

(3) Paragraph 3 does not contain allegations against Jacob Ferderigos. To the extent a response is required, Jacob Ferderigos admits Paragraph 3.

(4) Jacob Ferderigos admits Paragraph 4.

(5) Jacob Ferderigos admits only that Athan Fokas and Defendants are members of Old Towne Suites, LLC (hereinafter "LLC"). Jacob Ferderigos denies the remainder of Paragraph 5.

(6) Jacob Ferderigos admits Paragraph 6.

(7) Jacob Ferderigos admits Paragraph 7 only to the extent that the currently existing rental business began after the upper two stories of 229 King Street were converted to rental units from restaurant seating. Jacob Ferderigos denies the remainder of Paragraph 7.

(8) Jacob Ferderigos admits Paragraph 8 only to the extent that in 2012, the parties began to investigate the possibility of, feasibility of, and their interest in constructing a new building above 229 King Street to be used for rental units. Jacob Ferderigos denies the remainder of Paragraph 8 and further denies the existence of any agreement to construct said building.

(9) Jacob Ferderigos denies Paragraph 9.

(10) Jacob Ferderigos admits Paragraph 10 only to the extent that, beginning no later than mid-2012, Athan Fokas and Jacob Ferderigos coordinated with an engineer(s), architect(s), and a contractor to develop plans to submit to the City of Charleston for possible approval to determine the cost, details, scope, feasibility and whether the City of Charleston would even allow the proposed project being considered by the parties. All activities at all times were for the consideration of a possible proposed project in the future; the parties entered into no agreements whatsoever, and all parties understood that any party could decide not to participate at any time. Jacob Ferderigos denies the remainder of Paragraph 10.

(11) Jacob Ferderigos admits Paragraph 11 only to the extent that Athan Fokas secured pre-approval of a loan for himself and for Jacob Ferderigos, the terms of which were never discussed with and/or agreed upon by Phillip and Spiros Ferderigos. Jacob Ferderigos denies the remainder of Paragraph 11. Athan Fokas and Jacob Ferderigos were supposed to get a personal loan for themselves which did not involve and/or affect Phillip and Spiros Ferderigos in any way whatsoever. Athan Fokas failed to secure such a loan.

(12) Jacob Ferderigos denies Paragraph 12.

(13) Jacob Ferderigos denies Paragraph 13.

(14) Jacob Ferderigos admits Paragraph 14 only to the extent that the parties expended expense and effort toward investigating the possibility of, feasibility of, and their interest in constructing the proposed project. Jacob Ferderigos denies the remainder of Paragraph 14 and denies that there was ever an agreement to construct the building between Athan Fokas and the Ferderigos Brothers at any time whatsoever.

(15) Jacob Ferderigos denies Paragraph 15 as characterized.

(16) Paragraph 16 does not contain allegations against Jacob Ferderigos and therefore does not require a response.

(17) Jacob Ferderigos admits Paragraph 17.

(18) Paragraph 18 does not contain allegations against Jacob Ferderigos and therefore does not require a response.

(19) Jacob Ferderigos admits Paragraph 19 only to the extent that Athan Fokas refused to sign the side/ancillary agreement. Jacob Ferderigos denies the remainder of Paragraph 19. Specifically, Jacob Ferderigos denies that there was an agreement between the parties at any time.

(20) Jacob Ferderigos denies Paragraph 20.

(21) Jacob Ferderigos denies Paragraph 21 as characterized.

(22) Jacob Ferderigos denies Paragraph 22 as characterized and further denies that there was ever any agreement whatsoever between the parties at any time.

FOR A FIRST DEFENSE TO THE FIRST CAUSE OF ACTION
(Breach of Contract – Specific Performance)

(23) Responding to Paragraph 23, Jacob Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(24) Jacob Ferderigos denies Paragraph 24.

(25) Jacob Ferderigos admits Paragraph 25 only to the extent that the parties were each responsible for their respective share of costs for considering the possibility of, feasibility of and their interest in the proposed project being considered. Jacob Ferderigos denies the remainder of Paragraph 25.

(26) Jacob Ferderigos denies Paragraph 26.

(27) Jacob Ferderigos denies Paragraph 27.

(28) Jacob Ferderigos admits Paragraph 28 only to the extent that the parties paid expenses directly toward and directly for work to investigate the possibility of, feasibility of, and their interest in the proposed project being considered. Jacob Ferderigos denies the remainder of Paragraph 28 and denies that there was ever an agreement between the parties at any time.

(29) Jacob Ferderigos denies Paragraph 29.

(30) Jacob Ferderigos denies Paragraph 30.

(31) Jacob Ferderigos denies Paragraph 31.

(32) Jacob Ferderigos denies Paragraph 32.

(33) Jacob Ferderigos denies Paragraph 33.

(34) Jacob Ferderigos denies Paragraph 34.

FOR A FIRST DEFENSE TO THE SECOND CAUSE OF ACTION
(Breach of Contract -- Damages)

(35) Responding to Paragraph 35, Jacob Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(36) Jacob Ferderigos denies Paragraph 36.

FOR A FIRST DEFENSE TO THE THIRD CAUSE OF ACTION
(Violation of the Duty of Care -- S.C. Code Ann. § 33-44-409)

(37) Responding to Paragraph 37, Jacob Ferderigos hereby incorporates by reference his responses to the allegations in the preceding paragraphs as fully as if repeated verbatim herein.

(38) Paragraph 38 contains legal conclusions to which no response is required. To the extent a response is required, Jacob Ferderigos craves reference to the statutes cited in Paragraph 38 and, to the extent they are applicable, denies anything inconsistent therewith.

(39) Paragraph 39 contains legal conclusions to which no response is required. To the extent a response is required, Jacob Ferderigos craves reference to the statutes cited in Paragraph 39 and, to the extent they are applicable, denies anything inconsistent therewith. Jacob Ferderigos further denies that he owed any duty of care pursuant to S.C. Code Ann. Section 33-44-409 to Athan Fokas relating to Jacob Ferderigos' real property interest in 229 King Street and/or the proposed project being considered. Jacob Ferderigos denies that the LLC statutes apply in this matter to impose any duty upon him, but, in the event the Court holds such duties do apply to him, Jacob Ferderigos denies that he breached any such duties.

(40) Jacob Ferderigos denies Paragraph 40.

(41) Jacob Ferderigos denies Paragraph 41.

FOR A SECOND DEFENSE TO ALL CAUSES OF ACTION

(42) Athan Fokas' claims fail to state facts sufficient to constitute a cause of action upon which relief can be granted. Therefore, pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure, the Complaint should be dismissed.

FOR A THIRD DEFENSE TO ALL CAUSES OF ACTION

(43) Athan Fokas' claims are barred, in whole or in part, by the doctrines of estoppel, ratification, waiver, laches, and/or unclean hands.

FOR A FOURTH DEFENSE TO ALL CAUSES OF ACTION
(Statute of Frauds and/or Statute of Limitations)

(44) Athan Fokas' Complaint states claims that are barred, in whole or in part, by the Statute of Frauds and/or statute of limitations.

FOR A FIFTH DEFENSE TO ALL CAUSES OF ACTION

(45) Athan Fokas has failed to mitigate his injuries and/or damages, if any.

FOR A SIXTH DEFENSE TO ALL CAUSES OF ACTION

(46) Jacob Ferderigos relies upon any other defenses that may become available or appear during discovery in the case and hereby reserves the right to amend this Answer to assert any such defenses. He also reserves the right to assert other and related defenses as may become available upon a determination of the law applicable to the action or any part thereof or claim therein.

FOR A SEVENTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Contributory/Comparative Negligence/Assumption of Risk)

(47) Any damage suffered by Athan Fokas is a direct and proximate result of his own comparative and contributory negligence and/or assumption of risk, and Athan Fokas' recovery should be barred, or alternatively, reduced proportionately to Athan Fokas' comparative negligence/assumption.

FOR AN EIGHTH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Release)

(48) The Plaintiff's claims are barred by release as the Plaintiff released Defendants from any alleged agreement on multiple occasions.

FOR A NINETH DEFENSE
AND BY WAY OF AN AFFIRMATIVE DEFENSE THERETO
(Punitive Damages)

(49) The Defendant would show that the claim of Athan Fokas for punitive damages cannot be had because any award of punitive damages under South Carolina law without bifurcation of the trial so that any punitive damages issues are tried only after and if liability on the merits of the action have been found would violate Defendant's due process rights guaranteed by the United States Constitution and the South Carolina

Constitution and would violate the common law and public policy of the State of South Carolina.

The Defendant would show that the claim of Athan Fokas for punitive damages cannot be had because an award of punitive damages under South Carolina law without being subject to a pre-determined limit on the amount of punitive damages that a jury might impose would violate Defendant's due process rights guaranteed by the United States Constitution and The South Carolina Constitution and would violate the common law of the State of South Carolina.

The Defendant alleges that the claim of Athan Fokas for punitive damages cannot be had because an award of punitive damages under South Carolina law by a jury that is not: a) provided with sufficiently clear standards for determining the appropriateness of the punitive damages award or size of such award; b) provided with accurate instructions as to the limits of punitive damages awards as determined by the principals underlying such an award; c) instructed that awarding punitive damages on invidiously discriminatory characteristics of the Defendant is improper; d) instructed to consider punitive damages under a standard for determining the amount that is neither vague, arbitrary nor capricious and that defines with reasonable clarity the actions of the Defendant upon which an award of punitive damages may be based; e) subjected to judicial review at both the trial and appellate court level under objective standards for determining appropriateness and reasonableness; and f) instructed that an award of punitive damages based on anything other than Defendant's conduct in connection with this alleged incident that is the subject of this lawsuit is forbidden; would violate the Defendant's equal protection and due process rights as guaranteed by the United Stated Constitution and the South Carolina Constitution and would also violate the laws of the State of South Carolina.

The Defendant alleges and says that the imposition of punitive damages on the basis of Athan Fokas' claims giving rise to this lawsuit would represent the deprivation of liberty and property without due process of law, the imposition of cruel and unusual punishment and excessive fines and deny the equal protection of the laws and violation of the Fifth, Sixth, Eighth, and Fourteenth Amendments to The Constitution of the United States and the comparable provisions of the State of South Carolina.

FOR A TENTH AFFIRMATIVE DEFENSE
(No Meeting of the Minds)

(50) Athan Fokas' claims are barred as there was no "meeting of the minds" and no binding agreement between the parties as to numerous material terms of the alleged agreement. Athan Fokas admits that Phillip and Spiros Ferderigos did not agree to subject themselves to personal liability on Fokas' personal loan involving the rental suite construction being considered at 229 King Street. A mortgage is a material term. It constitutes possible personal liability for Phillip and Spiros Ferderigos by subjecting their most important and valuable asset known at the time, 229 King Street, to possible foreclosure in the event Fokas defaulted on his personal loan. Phillip Ferderigos told

Athan Fokas that he would not mortgage or guarantee "anything" for Athan Fokas or anyone else. Spiros Ferderigos further informed Athan Fokas in writing on December 19, 2012, that he would not be willing to accumulate debt for the proposed project. A mortgage is a debt. In addition, Phillip and Spiros Ferderigos signing their name as an individual (direct personal liability) and/or signing their interest as a member of the LLC (personal liability if the cooperate veil is pierced) for Athan Fokas' incorrect and non-agreed upon closing documents further constitutes exposure for a personal guarantee that Phillip and Spiros Ferderigos never agreed to.

Athan Fokas' incorrect and non-agreed upon closing documents required Phillip and Spiros Ferderigos to sign *as an individual* (1) a mortgage for Phillip and Spiros Ferderigos' interest in 229 King Street, (2) an assignment of rents, (3) a hypothecation agreement, (4) a HUD Statement, (5) an agreement to provide insurance, and (6) a UCC Financing Statement/Addendum.

Athan Fokas' incorrect and non-agreed upon closing documents also required Phillip and Spiros Ferderigos to assign their interests *as a member of the LLC* for (1) the Note as the Borrower for Athan Fokas' loan, (2) an assignment of rents for a construction loan agreement, (3) a guaranty of completion and performance agreement, (4) a commercial security agreement, (5) a hazardous substances certificate and indemnity agreement, (6) an agreement to provide insurance, and (7) a UCC Financing Statement/Addendum.

There were further numerous unknown material terms at the time Athan Fokas alleges the parties entered into an agreement that would make a meeting of the minds between the parties impossible, as the parties cannot and did not agree to material terms that were still unknown at the time. As such, the parties never reached a meeting of the minds as to the essential terms of a mortgage agreement, of a side agreement, and/or any material terms.

FOR AN ELEVENTH AFFIRMATIVE DEFENSE
(No Agreement to Agree)

(51) Athan Fokas' claims are barred as there was never even an "agreement to agree" between the parties. The cost of the proposed project, the scope of the proposed project, the financing details of the proposed project, the loan documentation details of the proposed project, and other material terms of the proposed project were simply unknown at the time Athan Fokas alleges an agreement was made. This is evidenced by the written documentation between the parties which have been attached as exhibits to Defendant(s) counterclaim(s).

FOR A TWELFTH AFFIRMATIVE DEFENSE
(No Consideration)

(52) Athan Fokas' claims fail for lack of consideration.

FOR A THIRTEENTH AFFIRMATIVE DEFENSE AND BY WAY OF COUNTERCLAIMS

(Facts)

(53) Athan Fokas is a citizen and resident of Charleston County, South Carolina. The text messages identified as (843) 813-5612 in the attached exhibits are text messages from Athan Fokas.

(54) Phillip Ferderigos is a citizen and resident of Charleston County, South Carolina.

(55) Spiros Ferderigos is a citizen and resident of Charleston County, South Carolina.

(56) Jacob Ferderigos is a citizen and resident of Charleston County, South Carolina.

(57) The father of Jacob Ferderigos, Phillip Ferderigos, and Spiros Ferderigos (hereinafter Ferderigos Brothers) established Old Towne Restaurant in 1972. Old Towne Restaurant is located at 229 King Street. The Parcel ID number for 229 King Street is 4570801063.

(58) Athan Fokas' father joined Ferderigos Brothers' father as a partner resulting in both Ferderigos Brothers' father and Athan Fokas' father each owning a respective fifty (50) percent interest in Old Towne Restaurant. Ferderigos Brothers' father and Athan Fokas' father purchased the real property located at 229 King Street with each receiving a fifty (50) percent respective interest in the real property.

(59) Ferderigos Brothers' father transferred his respective fifty (50) percent interest in the real property located at 229 King Street in equal shares to Ferderigos Brothers. Ferderigos Brothers' father further transferred his fifty (50) percent interest in Old Towne Restaurant to Jacob Ferderigos.

(60) Upon information and belief, Athan Fokas' father transferred his respective fifty (50) percent interest in Old Towne Restaurant and 229 King Street to Athan Fokas.

(61) Accordingly, Jacob Ferderigos and Athan Fokas each own a respective fifty (50) percent interest in Old Towne Restaurant. The Ferderigos Brothers own a combined fifty (50) percent interest in 229 King Street and Athan Fokas owns the remaining fifty (50) percent interest in 229 King Street.

(62) Old Towne Restaurant leases the first floor of 229 King Street from Ferderigos Brothers and Athan Fokas.

(63) In 2009, 229 King Street was burned in a fire. During the restoration period, Ferderigos Brothers and Athan Fokas converted the top two floors (second and third floor) into short term rental units (hereinafter "original rental units").

(64) Ferderigos Brothers and Athan Fokas paid their respective fifty (50) percent of all expenses for the original rental units in cash.

(65) Ferderigos Brothers and Athan Fokas did not mortgage 229 King Street for the original rental units.

(66) Ferderigos Brothers and Athan Fokas did not personally guarantee any asset and/or interest(s) for the original rental units (including but not limited to a mortgage).

(67) Ferderigos Brothers did not encumber any of their assets for Athan Fokas and Athan Fokas did not encumber any of his assets for Ferderigos Brothers for the original rental units.

(68) Ferderigos Brothers and Athan Fokas created Old Towne Suites, LLC (hereinafter the LLC) to distribute profits for the original rental units. Ferderigos Brothers own a combined fifty (50) percent interest of the LLC and Athan Fokas owns the remaining fifty (50) percent interest in the LLC. The LLC has no assets.

(69) After the LLC was created and the original rental units constructed, but no later than 2012, Athan Fokas informed one or more of the Ferderigos Brothers that he wanted to explore potentially adding new construction over the existing building at 229 King Street for additional short terms rental units (hereinafter "proposed project").

(70) Upon information and belief, Athan Fokas approached Phillip Ferderigos and told him that the parties should mortgage 229 King Street for the proposed project. Phillip Ferderigos informed Athan Fokas that he would not mortgage his interest in 229 King Street for the proposed project. Phillip Ferderigos has not had any substantive verbal communication(s) with Athan Fokas regarding the proposed project being explored since Phillip Ferderigos had the aforementioned communication wherein Phillip Ferderigos rejected Athan Fokas' request to encumber his asset(s).

(71) The Ferderigos Brothers were each individually comfortable exploring the possibility of, feasibility of, and exploring their interest in the proposed project; out of a matter of convenience, the Ferderigos Brothers and Athan Fokas paid their respective share of exploration expenses for the proposed project from their respective LLC profits.

(72) Ferderigos Brothers and Athan Fokas began exploring the proposed project in 2012 and by July 2012 were already accruing expenses for the exploration of the proposed project. *See Exhibit A and B.*

a. 08/06/12: First invoice from Tucker Architectural for concept drawings.
b. 12/11/12: Email from Tucker Architectural indicating that the concept drawings for the proposed project were approximately 80 percent complete.
c. 12/20/12: Final invoice from Tucker Architectural for concept drawings.

(73) By December 11, 2012, the architect hired by the parties was approximately eighty (80) percent complete with his concept drawings regarding the proposed project. *See Exhibit B.*

(74) Initially, Athan Fokas informed the Ferderigos Brothers the total cost of the proposed project would be approximately $900,000. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "the total cost for the project to build will be somewhere between $800,000 and $900,000 with spending about 25,000 per unit to furnish and make them luxury units. I hope we can keep this project somewhere around $900,000."

(75) Athan Fokas and Jacob Ferderigos began searching for a personal loan/loan commitment(s) for themselves in the event the City of Charleston would approve the construction of the proposed project being explored, assuming that the parties could reach an agreement for all material terms to build the proposed project.

(76) On December 19, 2012, Athan Fokas sent an email informing the Ferderigos Brothers that he is attempting to get an approximate $900,000 loan for the proposed project and that he believes all parties should personally guarantee and mortgage their interests in 229 King Street for the attempted loan. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "I hope we can keep this project somewhere around $900,000." "Our equity in Old Towne is somewhere between 5 and 10 million dollars. Many banks these days won't touch anything in the hospitality industry so it is no guaranteed that they will lend us the money. The note on the property should be somewhere in the neighborhood of $4000.00 a month if they let us carry the note for 30 years. If it is a 15 to 20 year note then the payments will be between $6000.00 and $8000.00 a month." "I'm only going to send information to banks that are very interested in doing the deal. I plan to give them Old Towne tax returns, Old Towne Suites income, and our personal financial statements. Phillip asked if he would be personally guaranteeing the loan. Of course every loan out there wants the people taking out the loan to personally guarantee it. The loan is less than 20 percent of our total value and we have the income from our current suites that could easily pay the note so it's a no brainer. Let me know your thoughts."

(77) Spiros Ferderigos immediately responded, in writing, to Athan Fokas that he would not personally guarantee anyone else's loan or incur additional debts to accomplish the proposed project. Spiros Ferderigos stated that, if the proposed project moved forward, it would need to be in the same manner as the original rental units without Spiros Ferderigos accumulating debt, that Spiros Ferderigos anticipated paying cash for his share of the proposed project if the parties could reach an agreement, and that the cost of construction needed to be addressed. *See Exhibit D.*

a. 12/19/12: Spiros Ferderigos email response to Athan Fokas stating "Assuming all that pans out, there will be a continuing issue on how we finance. <u>If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it</u>. There is to much that can go wrong with a personal guarantee. I am confident that Phillip,

Jacob and I will be able to come up with our end of the amount needed and we can move forward without accumulating debt as we did for the first round of units." "The question is how do we get there, will it be by personally guaranteeing loans that could be catastrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. I for one already have plenty of money sitting in a bank account for my share of the additional units." (Emphasis added).

(78) Upon information and belief, Spiros Ferderigos has never spoken verbally with Athan Fokas about the proposed project being explored. All communications between Spiros Ferderigos and Athan Fokas regarding the proposed project have been in writing.

(79) Athan Fokas and Jacob Ferderigos attempted several times to receive a personal loan/loan commitment(s) for the proposed project from numerous banks to no avail. *See Exhibit C.*

a. 12/19/12: Email from Athan Fokas stating "With that said I don't even know if the bank will lend us the money. First Citizens said they are not allowed to touch the hospitality industry. BB&T is 50/50 and will let me know if they are interested in a couple of days. South Carolina Bank and Trust seems very interested according to their President but will have to see our current income to make sure the numbers work. I'm meeting with Suntrust tomorrow but I think they will be a long shot."

(80) In January 2013, Athan Fokas made initial contact with his South Coast Bank loan officer seeking a loan/loan commitment. *See Exhibit E.* South Coast Bank is the lending bank Athan Fokas refers to in his Complaint.

a. 01/11/13: Email from Jeffrey Odom (South Coast Bank loan officer) to Athan Fokas stating "It was a pleasure meeting you yesterday afternoon. I just received your fax so it looks like it went through. I have also received your emails with the attached financial information. Thank you for getting everything to us so quickly. We will get to work and will be in touch shortly."

(81) Phillip Ferderigos and Spiros Ferderigos were not involved in Athan Fokas' and Jacob Ferderigos' attempts to get a personal loan/loan commitment(s) and did not provide any financial information or make any assurances to the bank(s) for the loan Athan Fokas and Jacob Ferderigos were seeking. Furthermore, any prior loan/loan commitment(s) obtained by Athan Fokas and Jacob Ferderigos was for a personal loan between them only and to be personally guaranteed by Athan Fokas and Jacob Ferderigos only. *See Exhibit F.*

a. 06/17/14: Email correspondence between Spiros Ferderigos and Athan Ferderigos wherein Spiros Ferderigos asks Athan Fokas and Jacob Ferderigos "The loan pre-approval that you guys have for the suites...are ya'll going to have to personally

guarantee the loan?" Athan Fokas responds "We are pre approved, and since we personally asked for the loan yes we are personally guaranteeing it."

(82) Unknown to Phillip and Spiros Ferderigos at the time, Athan Fokas and Jacob Ferderigos secured a personal loan commitment for themselves from South Coast Bank on February 5, 2013. The loan commitment was for a one million dollar personal loan to Athan Fokas and Jacob Ferderigos in which Athan Fokas and Jacob Ferderigos would provide a mortgage for their interest(s) in 229 King Street, their interest(s) in the LLC, and an assignment of their rents and leases, in addition to other interest(s) of Athan Fokas and Jacob Ferderigos. The loan commitment expired February 15, 2013. *See Exhibit G.*

(83) The February 5, 2013, loan commitment secured by Athan Fokas and Jacob Ferderigos for their personal loan (which was unknown to Phillip and Spiros Ferderigos at the time) was not sufficient for the proposed project being explored as the costs of the proposed project continued to increase as a result of the proposed plans being repeatedly rejected by the relevant governmental agency.

(84) Accordingly, Athan Fokas had to keep seeking approval for a new personal loan/loan commitment(s) from South Coast Bank that would be sufficient for the ever growing costs of the proposed project being explored.

(85) Athan Fokas did not inform Phillip and Spiros Ferderigos that the approximate cost for the proposed project being explored increased from approximately $900,000 to approximately $2,000,000 until September 9, 2014. *See Exhibit H.*

a. 09/09/14: Email from Athan Fokas to Ferderigos Brothers stating "It looks like our new project of six more units will cost us around two million to build."

(86) Accordingly, based upon information provided by Athan Fokas, Phillip and Spiros Ferderigos were paying expenses toward exploring the potential proposed project from as early as December 2012 through September 9, 2014, under the incorrect information provided by Athan Fokas that the approximate cost of the proposed project was $900,000, not double that amount of approximately $2,000,000.

a. 12/19/12: Email from Athan Fokas stated "the total cost for the project to build will be somewhere between $800,000 and $900,000 with spending about 25,000 per unit to furnish and make them luxury units. I hope we can keep this project somewhere around $900,000." *See Exhibit C.*
b. 09/09/14: Email from Athan Fokas to Ferderigos Brothers stating "It looks like our new project of six more units will cost us around two million to build." *See Exhibit H.*

(87) Athan Fokas did not receive approval of his $1,800,000 personal loan and did not receive the details for his personal loan for the proposed project from his banker until September 2014. *See Exhibit I.*

a. 09/19/14: Text from Athan Fokas to Ferderigos Brothers stating "Good news! We are approved for 1.8 million." Spiros Ferderigos responds "can you email us the details of the loan sometime this weekend if you have a chance?" Athan Fokas responds "The banker just cslled me. I won't have the details till next week." (Emphasis added).

(88) On September 24, 2014, Athan Fokas, either intentionally and/or negligently, incorrectly informed the Ferderigos Brothers that his loan terms were for a fixed 5% interest rate for 20 years, the life of the alleged loan. When Athan Fokas subsequently became aware that he was incorrect about his loan terms, Athan Fokas attempted to get his banker to change the terms to what Athan Fokas believed he had. Athan Fokas' attempts to change his loan terms were rejected by his banker. Athan Fokas' response to Phillip Ferderigos when he was unable to get his banker to change his loan terms to what Athan Fokas believed he had was "Well at least I tried." *See Exhibit J.*

a. 09/24/14: Athan Fokas email to Ferderigos Brothers stating " Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry."
b. 09/25/14: Athan Fokas email to Jeffery Odom (South Coast Bank loan officer) asking his loan officer in regards to his loan terms "Can it say: 12 monthly payments of interest only followed by 239 consecutive monthly payments...so that it is truly a 20 years note. Just want to make sure that the note continues after 5 years."
c. 09/25/14: Jeffery Odom's response to Athan Fokas that "the note will be 12 months of interest only followed by 5 years of principal, interest, and escrow payments and then a balloon maturity, with monthly payments based on a 20 year schedule. That is what you wanted and that is the same thing we are doing on your North Towne deal."
d. 09/25/14: Athan Fokas forwards Jeff Odom's email to Phillip Ferderigos and in response tells Phillip Ferderigos "Well at least I tried."

(89) The City of Charleston did not approve the proposed plans for the proposed project being explored until October 2014 and Athan Fokas informed the Ferderigos Brothers on October 10, 2014, that the permit for the proposed project being explored was approved. *See Exhibit K.*

(90) From 2012 to October 2014, the estimated costs of the proposed project increased from less than a million dollars to over two million dollars.

(91) When the city approved the proposed plans for the proposed project, Athan Fokas unilaterally scheduled a closing for what was to be Athan Fokas' and Jacob Ferderigos' personal loan. Jacob, Phillip, and Spiros Ferderigos were not informed nor involved in the scheduling of the closing date and were not informed of the closing date until after it had been scheduled by Athan Fokas.

(92) A few days prior to the closing for Athan Fokas' and Jacob Ferderigos' personal loan, Athan Fokas contacted Jacob Ferderigos and informed him that Phillip and Spiros Ferderigos would need to be present at the closing to mortgage their interests in 229 King Street for the loan. Jacob Ferderigos informed Athan Fokas that Phillip and Spiros Ferderigos never agreed mortgage their interests in 229 King Street and that such a mortgage was outright rejected and never considered for the proposed project. Jacob Ferderigos further informed Athan Fokas that he did not believe Phillip and Spiros Ferderigos would agree to Athan Fokas' new material demand that they mortgage their interests in 229 King Street.

(93) Jacob Ferderigos informed Phillip and Spiros Ferderigos that Athan Fokas had scheduled a closing to be held in a few days and that Athan Fokas was demanding that Phillip and Spiros Ferderigos mortgage their interests in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan.

(94) Upon being informed of this new demand, Spiros Ferderigos communicated with all parties in writing that he never agreed to mortgage his interest in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan, however, he would consider mortgaging his interest in 229 King Street for Athan Fokas' and Jacob Ferderigos' personal loan so long as Athan Fokas signed a side/ancillary agreement that Spiros Ferderigos believed was sufficient to protect his financial asset, assuming that all closing documents were correct.

(95) Phillip Ferderigos also informed Athan Fokas that, although he never agreed to mortgage his interest in 229 King Street, he would consider doing so if Athan Fokas, Jacob Ferderigos, and Spiros Ferderigos signed a side agreement that Phillip Ferderigos believed was sufficient to protect his financial asset, assuming that all closing documents were correct.

(96) Spiros Ferderigos further informed Athan Fokas, Jacob Ferderigos, and Phillip Ferderigos that the closing date scheduled by Athan Fokas without Spiros Ferderigos' input was not convenient for Spiros Ferderigos and that the closing would have to be scheduled for a later date.

(97) Athan Fokas scheduled a second closing date for November 21, 2014. The Ferderigos Brothers were prepared to attend the closing with Phillip and Spiros Ferderigos willing to mortgage their interests in 229 King Street so long as Athan Fokas agreed to and signed the side agreement prepared by Phillip and Spiros Ferderigos, assuming that all closing documents were correct. *See Exhibit L.*

a. 11/21/14: Text chain correspondence between Athan Fokas and Phillip/Spiros Ferderigos the date of the second scheduled closing – Phillip: "if the closing is going to happen today, I need to have it as late in the day as possible…If there any issues, let's just kick it the next week." Athan: "They scheduled if for 3:00 pm today. Will that work?" Phillip: "Should work for me, ask the lawyer to email me the HUD/settlement statement and all paperwork beforehand and I can review

it and we can go through the closing more quickly…" Spiros: "From my end, we need to have the agreement signed and a copy of the closing docs to review beforehand. I want to make sure I know what I am signing. So agreement needs to be done and hud/settlement statement like Phillip said. I will block off 3 pm. Where is the closing?" "Once we get the green light on the agreement and the closing docs are reviewed/accurate (which I don't see a reason why they wouldn't be) then we can move forward this afternoon. If there are any issues with the agreement, ect then we will need to revisit everything at a later time."

(98) Athan Fokas, however, refused to agree to and never agreed to or signed the written side agreement necessary for Phillip and Spiros Ferderigos to mortgage their interest in 229 King Street. *See Exhibit M.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "I'm not interested in you trying to bully me into signing any type of side agreement that is unnecessary. My attorney, as I said earlier, strongly was against it."
b. 11/24/14: Email response from Phillip Ferderigos to Athan Fokas stating "You are asking me to mortgage my part of Old Towne and you are unwilling to sign an Agreement to say that you will make your payments timely. I believe you have mortgaged your other properties and now you want to mortgage Old Towne. I am not your piggy bank. I will not mortgage my share of Old Towne for you unless you agree to make your payments timely. Unless you change your decision, there is no point in moving forward."
c. 11/24/14: Email response from Athan Fokas to Phillip Ferderigos stating "If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences."
d. 11/24/14: Email response from Phillip Ferderigos to Athan Fokas stating "I do not care what your bank is requiring of you to get your loan…that has nothing to do with me. I will not sign off on any mortgage of my share unless you sign an agreement that you will make your payments timely. If you are an intelligent person you will see that I can not and will not agree to mortgage my share of Old Towne if you do not agree to make your payments on time."
e. 11/24/14: Email response from Athan Fokas to Phillip Ferderigos stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with Ferderigos Family."

(99) Furthermore, when the Ferderigos Brothers and Athan Fokas received the proposed closing documents to review just a few hours prior to the second closing, the closing documents included requirements that were never discussed and never agreed upon by Phillip and Spiros Ferderigos. *Exhibit N (closing documents).*

(100) The closing documents were incorrect in many ways by including provisions never agreed to or even discussed by the parties. Despite Athan Fokas' Complaint admitting that Phillip and Spiros Ferderigos never agreed to personally guarantee Athan Fokas' and Jacob Ferderigos' loan, the closing documents included terms that would

expose Phillip and Spiros Ferderigos to personal liability such as (1) Phillip and Spiros Ferderigos signing their interests in the LLC as the borrower of the note (Athan Fokas' closing attorney admitted in writing that this could make Phillip and Spiros Ferderigos personally liable if the corporate veil were to be pierced and Athan Fokas admitted in an email that only Athan Fokas and Jacob Ferderigos were supposed to sign their individual memberships interests for the loan), (2) Phillip and Spiros Ferderigos signing a hypothecation agreement, (3) Phillip and Spiros Ferderigos assigning their rent profits for the benefit of the lending bank, (4) Phillip and Spiros Ferderigos personally signing the HUD Statement in their individual capacities, (5) Phillip and Spiros Ferderigos mortgaging their interests in 229 King Street, (6) Phillip and Spiros Ferderigos signing an agreement to provide insurance in their individual capacities, (7) Phillip and Spiros Ferderigos signing a UCC Financing Statement/Addendum in their individual capacities, and (8) Phillip and Spiros signing their interests in the LLC for a construction loan agreement, guaranty of completion and performance agreement, commercial security agreement, hazardous substances certificate and indemnity agreement, agreement to provide insurance, and UCC Financing Statement/Addendum, amongst other provisions. *See Exhibit N and O.*

a. 11/21/14: Email of Amy Haines (closing attorney) stating "Nothing in the documents I have makes you personally liable for the debt ... assuming the llc corporate veil could not be pierced for some reason." *See Exhibit O.*
b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "The bottom line is that the Old Towne Suites LLC on the note, that only Jacob and I are signing on as members, ..." *See Exhibit O.*

(101) Accordingly, the closing was canceled as Athan Fokas refused to agree to the terms of the side agreement and the closing documents included requirements never agreed to. *See Exhibit P.*

a. 11/21/14: Email from Phillip Ferderigos stating "it is clear that the bank has not been advised how to do the particulars correctly and this can not be rushed. Closing is off for today. If the docs can be fixed and all side agreements agreed to, then we can re-visit at that time."

(102) Later in the afternoon on the same date the second closing was cancelled, Athan Fokas informed the Ferderigos Brothers *for the first time* that he will be receiving approximately 2.7 million dollars on April 1, 2014, and that he intends to pay off his mortgage obligations at that time if Phillip and Spiros Ferderigos mortgage their interests in 229 King Street for his loan. *See Exhibit Q.*

a. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000 invested in. I then plan to pay off my debt in full."

(103) Given this new material information, Phillip and Spiros Ferderigos communicated to Athan Fokas that they would like to consider Athan Fokas, Phillip Ferderigos, and

Spiros Ferderigos paying cash for their portion of the proposed project. Athan Fokas refused to move forward unless Phillip and Spiros Ferderigos agreed to mortgage 229 King Street and sign the incorrect closing documents. *See Exhibit R.*

a. 11/21/14: Email correspondence between Athan Fokas and Phillip/Spiros Ferderigos Brothers – Phillip: "If you're coming into all the money, why don't we just move forward in April and we don't even need this loan at all." Spiros: "That's a great idea." Athan: "I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months." Phillip: "Forget your bank, I have my bank…I think we should be fine, I like the idea…Athan, what do you say?" Spiros: "Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan." Phillip: "I agree this is certainly something we should explore." Spiros: "Why risk that huge loan if we don't have to?" Phillip: "Spiro, you are making a lot of sense, Athan, what do you think?" Athan: "I'm at a swanky dinner now and half drunk but by then I will be n the money and not interested in an ventures but my own. I'm also working on a deal where I get 25% of $100,000,000.00 for just being an expert consultant. I hang out with the ultra wealthy now and play their games."

(104) Athan Fokas rejected moving forward without the parties incurring millions of dollars in debt despite Phillip and Spiros Ferderigos maintaining since 2012 that they were unwilling to accumulate debt for the proposed project being explored and despite Athan Fokas' new revelation confirming that accumulating debt in the form of a multi-million dollar mortgage was unnecessary since Athan Fokas will be receiving 2.7 million dollars in cash (this is nearly three times Athan Fokas' portion of costs for the proposed project).

(105) On November 24, 2014, after the parties yet again reached an impasse on negotiations for the proposed project being explored, Athan Fokas emailed the Ferderigos Brothers that the thirty (30) plus year custom of the Ferderigos and Fokas families eating at Old Towne Restaurant for free was to cease immediately. *See Exhibit S.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Oh it has been a pleasure to say the least. I'm also done with paying your half of the food you so dearly like to eat at Old Towne weekly on my dime. If you don't pay your portion to me then Jacob will have to. All management will be put on notice."

(106) This is despite the fact that it has been the custom for the Ferderigos and Fokas families to eat for free at Old Towne Restaurant since the 1970's when Athan Fokas' and the Ferderigos Brothers' parents became partners in the restaurant. Upon information and belief, Athan Fokas changed the aforementioned custom for the purpose of harassing, humiliating, and attempting to coerce and gain an upper hand in negotiations against Ferderigos Brothers.

(107) Athan Fokas then took things even a step further and texted Phillip Ferderigos that he can't wait to spread malicious rumors/defame him around the community by stating that a multimillion dollar project couldn't get done because Phillip Ferderigos couldn't eat for free at Old Towne Restaurant and that he is sure everyone will find it "hilarious." He further went on to insult Phillip Ferderigos' weight, made an inappropriate comment about Phillip Ferderigos as a father and called Phillip Ferderigos "palabo" which means "stupid" in Greek. *See Exhibit T.*

a. 12/15/14: Text message from Athan Fokas to Ferderigos Brothers referring to Phillip Ferderigos stating "I can't wait to spread the word that the suites multimillion dollar project couldn't get done cause Phillip can't eat for free. I'm sure everyone will find it hilarious. I'm probably doing you a favor. Smaller waist line. I bet your kids will be real proud of you in the future too. Your dad was right for calling you palabo [stupid] Philipa."

(108) Athan Fokas is the individual who terminated negotiations with Ferderigos Brothers and said he was no longer willing to move forward with exploring the proposed project. *See Exhibit U.*

a. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "I am interested in doing this deal now and will not do it later."
b. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family."

(109) Athan Fokas has also repeatedly released, in writing, the Ferderigos Brothers from any alleged agreement he claims the parties reached regarding the proposed project being explored. *See Exhibit V.*

a. 10/21/14: Text from Athan Fokas to Ferderigos Brothers stating "I would rather leave it in your hands now and keep me in the loop if and when you all are ready." "It's in your court now. I could care less. My Zeus deal is bringing in plenty to keep my family happy."
b. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "Think about the big picture talk to the bank yourselves and get things done if you like."
c. 11/21/14: Email from Athan Fokas to Ferderigos Brothers stating "I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture." "In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows."
d. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Are ya'll contacting the bank, my attorney, and the closing attorney or are we just forgetting about it?"

e. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not."
f. 11/24/14: Email from Athan Fokas to Ferderigos Brothers stating "Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family."
g. 12/15/14: Text from Athan Fokas to Ferderigos Brothers stating "We can discuss all options when we meet and hopefully come to a mutual agreement."

(110) Athan Fokas has further repeatedly exonerated Jacob Ferderigos from any liability, alleged agreement, or any wrongdoing regarding this lawsuit by declaring that Jacob Ferderigos is the only "innocent person" in all of this and that he will keep Jacob Ferderigos out of the lawsuit. *See Exhibit W.*

a. 11/26/14: Email from Athan Fokas to Ferderigos Brothers stating "Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this."
b. 04/24/15: Text from Athan Fokas to Jacob Ferderigos stating "We figured out a way to keep you out the law suit."

(111) After the second closing was cancelled, Phillip Ferderigos and Spiros Ferderigos were made aware that the final costs for the proposed project were still unknown at the time of the second closing. *See Exhibit X* (the parties did not know the costs for the windows and/or sprinkler costs for windows).

a. 04/24/15: Text from Athan Fokas to Jacob Ferderigos stating "This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover."

(112) In addition, after the second closing was cancelled, the Ferderigos Brothers became aware for the first time that Athan Fokas entered into a written agreement with the contractor to build the proposed project being explored on October 15, 2014, without their knowledge or consent. *See Exhibit Y.*

(113) Athan Fokas entered into this agreement with the contractor (Kevin Carroll) without the prior consent or knowledge of the Ferderigos Brothers to enter into an agreement with the contractor, did not provide a copy of the agreement and/or its terms to the Ferderigos Brothers before or after signing the agreement, and signed on behalf of Jacob Ferderigos without his consent.

(114) Upon information and belief, Athan Fokas has further defamed Phillip and Spiros Ferderigos by informing a third party that the proposed project being explored was terminated because Phillip and Spiros Ferderigos were not willing to provide a mortgage for Jacob Ferderigos' portion of the proposed project and that Athan Fokas was not

seeking Phillip and Spiros Ferderigos to mortgage Athan Fokas' portion of the proposed project.

(115) Upon information and belief, Athan Fokas for months continued to contact and tell the contractor (Kevin Carroll) that the proposed project was moving forward as planned despite being told by the Ferderigos Brothers that the proposed project being explored would not move forward.

(116) Upon information and belief, although Phillip and Spiros Ferderigos have continued to ask Athan Fokas to stop harassing them with his ongoing emails, Athan Fokas has continued to send numerous emails to Phillip and/or Spiros Ferderigos in an effort to coerce them into agreeing to mortgage their interest(s) in 229 King Street and sign the incorrect closing documents, including sending emails threatening litigation in an effort to coerce Phillip and Spiros Ferderigos to give into his demands. This includes one email in which he specifically mentions that his lawsuits are not costing him anything because his attorney has taken on his case as a contingency fee. Upon information and belief, all of these emails have been sent to Phillip and Spiros Ferderigos in an effort to obtain an upper hand in negotiations and to wrongfully coerce Phillip and Spiros Ferderigos to succumb to Athan Fokas' rejected and/or non-agreed upon demands.

(117) Athan Fokas informed Jacob Ferderigos that he is going to file a lawsuit against Phillip and Spiros Ferderigos only if it does not cost him anything, and that he is going to take Phillip and Spiros' homes from them and they will be out on the street. Upon information and belief, Athan Fokas sent such communications to be relayed to Phillip and Spiros Ferderigos in bad faith and in an effort to obtain an upper hand in negotiations and to wrongfully coerce Phillip and Spiros Ferderigos to succumb to Athan Fokas' rejected and/or non-agreed upon demands.

(118) On July 14, 2015, Athan Fokas filed a defamation lawsuit against Phillip and Spiros Ferderigos based upon information Athan Fokas alleges he received from his mother (Irene Fokas). Specifically, Athan Fokas' defamation lawsuit alleges that Phillip and Spiros Ferderigos told their father (Stavros Ferderigos), who repeated to Athan Fokas' mother (Irene Fokas), that Athan Fokas hired someone to set fire to 229 King Street and that Athan Fokas has filed a false insurance claim(s). Irene Fokas allegedly confronted Athan Fokas about these allegations.

(119) Athan Fokas knowingly and willfully filed the defamation lawsuit knowing that there was absolutely no basis for the lawsuit and knowing that his mother (Irene Fokas) never told Athan Fokas the information he alleges in the Complaint.

(120) On August 18, 2015, and in her sworn deposition testimony, Athan Fokas' mother (Irene Fokas) admitted that she never discussed the topics of Athan Fokas being involved in the 229 King Street fire and/or false insurance claim(s) with Defendants' father. *See Exhibit Z.*

a. August 21, 2015 email from Fanouris Ferderigos (Irene Fokas' brother) to Stan Barnett (Athan Fokas' attorney): "This letter is to make you aware that on August 18, 2015 my sister, Irene Fokas, adamantly denied to me in person that Stavros Ferderigos ever told her anything about the allegations set forth above from your Complaint and that she has never even discussed with Stavros Ferderigos the topics of Athan Fokas being involved, directly or indirectly, with the fire at 229 King Street and/or anything to do with any of Athan Fokas' insurance claims. Irene Fokas further told me that she would testify under oath that she never was told about these allegations by Stavros Ferderigos in any way whatsoever."

(121) Upon information and belief, Irene Fokas never told Athan Fokas that Phillip and/or Spiros Ferderigos' father was the source of the information alleged in Athan Fokas' defamation lawsuit against Phillip and Spiros Ferderigos.

(122) Upon information and belief, Athan Fokas has, without approval/permission of Jacob, Phillip, and/or Spiros Ferderigos, used 229 King Street for his own personal catering business and to store inventory for his own personal catering business and/or other side projects. Athan Fokas has done so for his own pecuniary gain and to the detriment of Jacob, Phillip, and/or Spiros Ferderigos, who have not received notice of these activities and/or any rent or other payments for Athan Fokas' unauthorized use of 229 King Street.

(123) That with the exception of highlighting for emphasis, the Exhibits attached to Defendants' Counterclaims have not been altered or amended and are true and accurate copies of the written documentation.

FOR A FOURTEENTH AFFIRMTAIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Violation of Duty of Care – S.C. Code Ann. § 33-44-409 and LLC Statutes)

(124) Jacob Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(125) Athan Fokas violated his duty of care to Jacob Ferderigos as set forth in the LLC statutes in numerous instances. While Jacob Ferderigos denies that the LLC statutes apply in this matter to impose any duties from Jacob Ferderigos to Athan Fokas, based on Athan Fokas' representations, conduct, and/or actions concerning the LLC, Athan Fokas breached his duty of care as further described below.

(126) Among other items, Athan Fokas violated his duty of care to Jacob Ferderigos by:

a. From December 19, 2012, until a few days before Athan Fokas' unilaterally scheduled closing, Athan Fokas never disclosed that he required Phillip and Spiros Ferderigos to mortgage their interest(s) in 229 King Street, personally guarantee their interests, and/or encumber their financial interests while Jacob, Phillip and Spiros Ferderigos continued to incur expenses for the proposed project

under the belief that Athan Fokas was getting a personal loan with no assurances and/or encumbrances from Phillip and Spiros Ferderigos whatsoever;

b. Athan Fokas intentionally and improperly attempting to force Jacob, Phillip and/or Spiros Ferderigos to do things that Jacob, Phillip, and/or Spiros Ferderigos never agreed to do;

c. While Jacob, Phillip, and/or Spiros Ferderigos continued to accrue significant expenses for the exploration of the proposed project under the belief from Athan Fokas that he and Jacob Ferderigos were getting their own personal loan, Athan Fokas purposefully, intentionally and/or negligently, did not

i. disclose he would be requiring Phillip and Spiros Ferderigos to mortgage their interests in 229 King Street for his benefit.

ii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interests in the LLC as borrower for Athan Fokas' loan for his benefit.

iii. disclose he would be requiring Phillip and Spiros Ferderigos to sign an assignment of rents for Athan Fokas' loan for his benefit.

iv. disclose he would be requiring Phillip and Spiros Ferderigos to sign a hypothecation agreement for Athan Fokas' loan for his benefit.

v. disclose he would be requiring Phillip and Spiros Ferderigos to sign a HUD Statement for Athan Fokas' loan for his benefit.

vi. disclose he would be requiring Phillip and Spiros Ferderigos to sign an agreement to provide insurance for Athan Fokas' loan for his benefit.

vii. disclose he would be requiring Phillip and Spiros Ferderigos to sign a UCC Financing Statement/Addendum for Athan Fokas' loan for his benefit.

viii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC on the Note and/or authorize their interest(s) in the LLC to be signed on the Note.

ix. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a construction loan agreement for Athan Fokas' loan for his benefit.

x. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a guaranty of completion and performance agreement for Athan Fokas' loan for his benefit.

xi. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a commercial security agreement for Athan Fokas' loan for his benefit.

xii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a hazardous substances certificate and indemnity agreement for Athan Fokas' loan for his benefit.

xiii. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for an agreement to provide insurance for Athan Fokas' loan for his benefit.

xiv. disclose he would be requiring Phillip and Spiros Ferderigos to sign their interest(s) in the LLC and/or authorize their interest(s) in the LLC to be signed for a UCC Financing Statement/Addendum for Athan Fokas' loan for his benefit.

d. Athan Fokas failing to obtain a personal loan to fund his portion of the proposed project.

e. Athan Fokas apparently having the funds to pay for his portion of the proposed project, but choosing not to use his funds, but instead demanding Phillip and Spiros Ferderigos succumb to his demands which were outright rejected and never agreed upon.

f. Athan Fokas purposefully, intentionally, and/or negligently hiding from Jacob, Phillip, and/or Spiros Ferderigos the fact that Athan Fokas did not obtain a personal loan. Athan Fokas purposefully waited until a few days prior to Athan Fokas' unilaterally scheduled closing and after Jacob, Phillip and Spiros Ferderigos had already paid the vast majority of exploration costs before informing them that he did not have a personal loan. Athan Fokas willfully waited to disclose this material information in order to coerce Phillip and Spiros Ferderigos, who had by that time invested significant funds to explore the project, to give into his demands, which Phillip and Spiros Ferderigos had outright rejected and/or never agreed upon.

g. Athan Fokas purposefully waiting a few days before his first unilaterally scheduled closing to advise Jacob, Phillip, and Spiros Ferderigos that he needed

Phillip and Spiros Ferderigos to underwrite his loan by providing him with a mortgage over their portion of 229 King Street, when Athan Fokas knew Phillip and Spiros Ferderigos had rejected such terms.

h. Athan Fokas negligently withholding and/or misrepresenting material terms of the proposed project.

i. Athan Fokas purposefully, willfully, and/or negligently misrepresenting the requirements of his loan package and/or loan documents to Jacob, Phillip and/or Spiros Ferderigos.

j. Athan Fokas writing numerous communications to Defendants where Athan Fokas admitted to outrageous behavior, stating, he was "playing games," withholding material information, misrepresenting material information, introducing new material terms as a means to harass and annoy the Defendants, and threatening to spread malicious rumors and to defame the Defendant(s), all in an effort to improperly extort concessions out of the Ferderigos Brothers.

k. Athan Fokas purposefully, intentionally, and/or negligently and falsely informing Jacob, Phillip, and/or Spiros Ferderigos that he needed a loan to fund his percentage of the project being explored. Athan Fokas purposefully, intentionally, and/or negligently hid the fact that he would be receiving 2.7 million dollars (nearly three times the amount necessary for his portion of the proposed project) within the building permit period in an effort to deceive and coerce Jacob, Phillip, and/or Spiros Ferderigos into believing it was necessary for them to mortgage their interests in 229 King Street for Athan Fokas' benefit and to deceive and to coerce them into signing incorrect closing documents for Athan Fokas' benefit.

l. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip, and/or Spiros Ferderigos that he intended to pay off his portion of the loan when he received 2.7 million dollars on April 1, 2015, in order to wrongfully persuade and deceive Phillip and Spiros Ferderigos into mortgage their interests in 229 King Street and sign incorrect closing documents for Athan Fokas' benefit. Such representation was an intentional lie when made. Phillip and Spiros Ferderigos stated to wait a few months for when Athan Fokas had his cash and Athan Fokas, Phillip Ferderigos and Spiros Ferderigos could pay cash for the proposed project. A few days later, Athan Fokas reversed course and stated that, when he did receive his cash on April 1, 2015, he may instead decide to purchase another building downtown instead of paying off the loan. Athan Fokas intentionally gave false information to attempt to coerce Jacob, Phillip, and/or Spiros Ferderigos to provide Athan Fokas with a mortgage of 229 King Street and to sign incorrect closing documents for his benefit.

m. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip and/or Spiros Ferderigos that he would <u>not</u> be willing to wait until

April 1, 2015 (when he received his millions) to do the proposed project. Such representation was a lie when made. Athan Fokas misrepresented the fact that he would not wait until he received his millions on April 1, 2015, in an effort to deceive and coerce Jacob, Phillip, and/or Spiros Ferderigos into mortgaging their interests in 229 King Street for Athan Fokas' benefit and to deceive and to coerce Jacob, Phillip, and/or Spiros Ferderigos into signing the incorrect closing documents for Athan Fokas' benefit.

n. Athan Fokas refusing to wait until he received his millions of dollars on April 1, 2015, to consider moving forward with the proposed project.

o. Athan Fokas purposefully, intentionally, and/or negligently misrepresenting to Jacob, Phillip, and Spiros Ferderigos that his bank would not wait until April 1, 2015, when Athan Fokas informed Jacob, Phillip, and Spiros Ferderigos that Athan Fokas would receive his millions of dollars, while now alleging in his Complaint that his bank is still willing to offer a loan package to Athan Fokas.

p. Athan Fokas purposefully, willfully, and/or negligently and falsely claiming in his pleadings that he agreed to sign the side agreement when Athan Fokas rejected and never agreed to sign any such side agreement, but rather made additional demands of material terms on behalf of Phillip Ferderigos as a condition to Athan Fokas possible approval for executing the side agreement.

q. Athan Fokas harassing, threatening, mocking and attempting to coerce Jacob, Phillip, and Spiros Ferderigos by representing he was going to make twenty five million dollars ($25,000,000.00) as a consultant and by telling Jacob, Phillip, and Spiros Ferderigos "I hang out with the ultra wealthy now and play their games."

r. Athan Fokas interjecting new terms into the negotiations with ill will and actual malice by demanding that the parties change the thirty (30) plus year customary practice regarding food at Old Towne Restaurant for family members (both Ferderigos and Fokas family members).

s. Athan Fokas continuing to tell the contractor Kevin Carroll for months that the proposed project was moving forward despite Athan Fokas being repeatedly told by Jacob, Phillip and/or Spiros Ferderigos that the proposed project was not moving forward.

t. Athan Fokas repeatedly releasing Jacob, Phillip and Spiros Ferderigos from any alleged agreement, liability and/or responsibility regarding the proposed project and then filing lawsuit(s) to attempt to coerce Jacob, Phillip, and/or Spiros Ferderigos to do the very things that were released.

u. Athan Fokas unilaterally and improperly executing a written contract with contractor Kevin Carroll to build the proposed project without the knowledge, consent and/or providing details of the contract to Jacob, Phillip, and/or Spiros

Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

v. Athan Fokas unilaterally and improperly executing a written contract with the contractor Kevin Carroll purportedly on behalf of the LLC, without the knowledge, consent, and/or the authorization of Jacob, Phillip, and/or Spiros Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

w. Athan Fokas signing a written contract with contractor Kevin Carroll to build the proposed project on behalf of Jacob Ferderigos, by signing a signature line that included Jacob Ferderigos' name, without the knowledge, consent and/or providing details of the contract to Jacob Ferderigos. Athan Fokas purposefully and intentionally withheld such information from Jacob, Phillip, and/or Spiros Ferderigos.

x. Athan Fokas continuing to contact Jacob, Phillip, and/or Spiros Ferderigos despite threatening his lawsuits and being told by Phillip and Spiros Ferderigos to stop communicating with them. Athan Fokas continued to send obnoxious emails to Jacob, Phillip, and/or Spiros Ferderigos about how profitable the current suites project is and how profitable it would have been had the parties built the proposed project as Athan Fokas had demanded. Athan Fokas continues to harass Jacob, Phillip, and/or Spiros Ferderigos and continues to try to intimidate Jacob, Phillip, and/or Spiros Ferderigos into doing the proposed project, as well as trying to scare Jacob, Phillip, and/or Spiros Ferderigos concerning the high legal costs to defend against his frivolous lawsuits.

y. Athan Fokas telling Jacob Ferderigos in writing that he is the only "innocent one" regarding the proposed project and that he is not going to include Jacob Ferderigos in his lawsuit.

z. Athan Fokas harassing, threatening, and mocking Jacob, Phillip, and/or Spiros Ferderigos by writing to them that "my attorney is working on a flat 20 percent contingency so he is not costing me anything until this case is settled," while threatening to file a multi-million dollar lawsuit against Jacob, Phillip, and/or Spiros Ferderigos. This written information was sent by Athan Fokas to Jacob, Phillip, and/or Spiros Ferderigos in an attempt to harass and to coerce them to give into Athan Fokas' rejected and non-agreed upon demands by threatening that a lawsuit will cost Jacob, Phillip, and/or Spiros Ferderigos money, but will not cost Athan Fokas anything to proceed with his frivolous lawsuit strategy.

aa. Athan Fokas conducting unauthorized business and/or storing unauthorized inventory within 229 King Street for his own pecuniary gain without the knowledge and/or consent, and to the detriment, of Jacob, Phillip and/or Spiros Ferderigos.

(127) As a direct and proximate result of Athan Fokas' actions, Jacob Ferderigos has been injured. Accordingly, Jacob Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR A FIFTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Negligent Misrepresentation)

(128) Jacob Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(129) Athan Fokas made false representations to Jacob Ferderigos as set forth in Paragraph 126 and its subsections (Jacob Ferderigos' violation of duty of care claim).

(130) Athan Fokas had a pecuniary interest in making these representations/statements.

(131) Athan Fokas owed a duty of care to see that Athan Fokas communicated truthful information to Jacob Ferderigos.

(132) Athan Fokas breached that duty by failing to exercise due care.

(133) Jacob Ferderigos justifiably relied on said representations.

(134) Jacob Ferderigos suffered pecuniary loss as a proximate result of his reliance on the representations of Athan Fokas and Athan Fokas acted willfully, wantonly, carelessly, and recklessly, and as a direct and proximate result, Jacob Ferderigos has been injured. Accordingly, Jacob Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR A SIXTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Fraud, Constructive Fraud)
(Concealment with Duty to Disclose)

(135) Jacob Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(136) Athan Fokas further intentionally and purposely misrepresented facts set forth in Paragraph 126 and its subsections (Jacob Ferderigos' violation of duty of care claim).

(137) Athan Fokas had a duty to disclose material information to Jacob Ferderigos and Athan Fokas failed to disclose such information.

(138) Prior to and/or during the negotiations with Athan Fokas, Athan Fokas implied and/or expressly represented to Jacob Ferderigos as set forth previously.

(139) Said representations were false.

(140) Said representations were material.

(141) Athan Fokas knew said representations were false when same were made. Alternatively, Athan Fokas knew his representations to Jacob Ferderigos were false and/or Athan Fokas' representations were made with reckless disregard as to their truth or falsity. Athan Fokas' failure to inform Jacob Ferderigos of his true intentions was intentional and/or negligent with reckless disregard to the truth upon which Jacob Ferderigos was relying.

(142) Athan Fokas intended Jacob Ferderigos to rely and act upon said representations. Jacob Ferderigos did not know said representations were false.

(143) Jacob Ferderigos had the right to rely upon, and in fact did rely upon, the truth of said representations. In the event that the element or scienter is not found, alternatively, that Jacob Ferderigos alleges and avers that Athan Fokas committed constructive fraud in that Athan Fokas breached legal, equitable, and fiduciary duty owed to Jacob Ferderigos.

(144) Athan Fokas acted willfully, wantonly, carelessly, and recklessly, and as a direct and proximate result, Jacob Ferderigos has been injured. Accordingly, Jacob Ferderigos is entitled to actual, consequential, and punitive damages as may be determined by a jury.

FOR A SEVENTEENTH AFFIRMATIVE DEFENSE
AND BY WAY OF COUNTERCLAIM
(Abuse of Process)

(145) Jacob Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(146) Athan Fokas has employed the legal process for some purpose other than that for which it was intended by the law to effect – the improper use of a regularly issued process.

(147) Athan Fokas has commenced an action and causing process to issue without justification, and is also misusing or misapplying the legal process for an end other than that which it was designed to accomplish.

(148) Athan Fokas is using the process for improper reasons with (1) an ulterior purpose; and (2) has done willful acts in the use of the process not proper in the regular conduct of the proceeding, to attempt to force Jacob, Phillip and/or Spiros Ferderigos to give Athan Fokas a mortgage and to sign incorrect loan documents by filing what Jacob Ferderigos believes to be frivolous lawsuits (where the exhibits attached to this pleading and the written documents of Athan Fokas himself prove Athan Fokas' lawsuits to be frivolous).

(149) As a direct and proximate result of Athan Fokas' actions, Jacob Ferderigos has been injured. Accordingly, Jacob Ferderigos is entitled to actual, consequential, and punitive damages as determined by a jury.

FOR AN EIGHTEENTH AFFIRMATIVE DEFENSE AND BY WAY OF COUNTERCLAIM
(Promissory Estoppel)

(150) Jacob Ferderigos incorporates all of the above paragraphs as fully as if reinstated verbatim herein.

(151) Jacob, Phillip, and/or Spiros Ferderigos acted in reasonable reliance on Athan Fokas' representations, promises, and other acts constituting inducements to continue moving forward with exploring the proposed project with Phillip and Spiros Ferderigos not being involved in and/or granting any assurances/encumbrances of any kind whatsoever for a loan. Jacob, Phillip, and/or Spiros Ferderigos continued to expend money towards receiving governmental approval for the new building being explored in reasonable reliance of Athan Fokas' representations, promises, and other acts.

(152) As a direct and proximate result of Athan Fokas' actions and Jacob, Phillip and/or Spiros Ferderigos reasonable reliance thereon, Jacob, Phillip and/or Spiros Ferderigos suffered damages in an amount to be determined by a jury.

FOR A NINETEENTH DEFENSE AND BY WAY OF COUNTERCLAIM
(Initiation of Frivolous Proceedings, S.C. Code Ann. § 15-36-10)

(153) Jacob Ferderigos repeats and realleges all of the above paragraphs as if set forth verbatim herein.

(154) The Complaint filed in this current action constitutes a frivolous pleading under the South Carolina Frivolous Civil Proceedings Sanction Act, S.C. Code Ann. § 15-36-10 (2005), in the following particulars to wit:

a. A reasonable attorney in the same circumstances would believe that the Plaintiff's claim "was clearly not warranted under existing law and that a good faith or reasonable argument did not exist for the extension, modification, or reversal of existing law"; and

b. A reasonable attorney presented with the same circumstances would believe that the initiation of this civil cause "was intended merely to harass or injure the other party."

c. A reasonable attorney presented with the same circumstances would believe the pleading is frivolous and was brought for a purpose other than proper adjudication of the claim.

d. The pleading makes frivolous arguments not supported by the facts.

(155) Jacob Ferderigos respectfully asks this Honorable Court to sanction the Plaintiff for this frivolous pleading pursuant to S.C. Code Ann. § 15-36-10(G) (2005), and specifically, Jacob Ferderigos prays for the following relief:

a. That the Plaintiff pay reasonable costs and attorney's fees to defend this action and for punitive damages; and

b. That the Plaintiff pay a reasonable fine to the Court.

WHEREFORE, having fully answered Plaintiff's Complaint, Jacob Ferderigos prays that the Court:

a) Dismiss Plaintiff's Complaint with prejudice;

b) That Plaintiff take nothing by reason of his suit;

c) That Jacob Ferderigos recover costs and reasonable attorney's fees in defending this action;

d) That the Plaintiff be sanctioned for the initiation of this frivolous proceeding by being fined by this Honorable Court;

e) Enter judgment for Jacob Ferderigos on his counterclaims and award him damages for his actual, consequential, incidental, and punitive damages, and pre and post judgment interest; and

f) Award such other relief as the Court may deem just and proper.

(Signature page to follow)

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ATTORNEYS FOR DEFENDANT
JACOB FERDERIGOS

CHARLESTON, SC

December 28, 2015

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 28, 2015, copies of the attached pleading/discovery have been served upon the following via:

XX	United States Postal Service
	Hand Delivery

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and

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Post Office Box 1992
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ATTORNEYS FOR DEFENDANT
SPIROS FERDERIGOS

WILLS MASSALON & ALLEN LLC

From: "Joe Tucker" <tuckeraia@gmail.com>
Date: July 21, 2015 at 11:59:58 AM EDT
To: "'Jacob Federico'" <Jacobspita@yahoo.com>
Subject: **Old Towne Suites 2**

Jacob,

As we recently discussed by phone, we have attached an account of all payments for this project.

Let us know if you have other questions.

Regards,

Joe

TUCKER ARCHITECTURAL ASSOCIATES

772 Gypsy Lane, Mt. Pleasant SC 29464

TuckerAIA@Gmail.com

(843) 881 - 6426

payrec715.docx
13K

EXHIBIT
A
384

Old Towne 2

Design prior to first BAR submittal

1,800.00	concept drawings	8/6/12
1,250.00	concept drawings	12/20/12
2,600.00	preliminary design one	4/12/13
2,600.00	preliminary design one	5/1/12
4,000.00	preliminary design two	5/23/13
$12,250.00		

Contract suspended

1,600.00	For additional services for BAR	7/9/13
1,250.00	For additional services for Artist	7/9/13
$ 2,850.00		

Old Towne 2 Revised

Design after second BAR submittal

No charge	Architecture	concept review with owner		
1,400.00	Architecture	concept review with agencies	1,400.00	10/7/13
800.00	Architecture	concept review with BAR	800.00	10/20/13
800.00	Artist	concept review with BAR	800.00	10/20/13
1,800.00	Architecture	preliminary with BAR	1,800.00	12/10/13
2,800.00	Architecture	final review with BAR	2,500.00	2/7/14
4,800.00	Architecture	preliminary drawings	1,300.00	2/14/14
			3,800.00	6/17/14
2,500.00	Engineering	preliminary drawings	5,500.00	6/3/14
2,500.00	Engineering	final drawings		
5,800.00	Architecture	final drawings	3,000.00	11/4/14
			2,800.00	11/4/14
500.00	additional mech engineering			6/3/14
$23,700.00			23,700.00	

Home Mail Search News Sports Finance Weather Games Answers Screen Flickr Mobile Try Yahoo! Mail on Firefox »

Search Search Mail Search Web Home Jacob

Compose

Search results Delete Move More

Inbox (1)
Drafts
Sent
Spam (5)
Trash
Smart Views
Unread
Starred
People
Social
Travel
Shopping
Finance
Folders
Recent

Fwd: Old Towne

People

Begin forwarded message:

From: "Joe Tucker" <tuckerala@gmail.com>
Date: December 11, 2012, 3:56:47 PM EST
To: "'Athen Fokas'" <Fokasa@bellsouth.net>, "Jacob Federico" <Jacobsolta@yahoo.com>
Cc: <klawahwork@yahoo.com>
Subject: Old Towne

Athen / Jacob

Attached are the drawings which we have prepared for the pricing set. They are about 80% complete. We propose a payment of $2,500.00 which is the next portion of our fee, although this represents a substantial portion of our work. Also we propose $500.00 drafting fee for the structural drawings

We are sending these drawings to Russell Rosen so he can give a proposal for his portion, since structural engineering is outside our contract.

Not included (in the pricing set) are mechanical, plumbing and electrical engineering. We understand that Kevin's subs will do the best they can pricing from our drawings.

We met with the building inspector this morning and did not find any significant issues.

We also spoke with the zoning staff and we will discuss building height, parking requirement, and BAR review at our next meeting

Joe

TUCKER ARCHITECTURAL ASSOCIATES
843.881.6425 phone
843.881.2559 fax
www.tuckerarchitectural.com

8 Attachments View all Download all

A1_1240_SITE.pdf	View	Download
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A7_1240_FND.pdf	View	Download
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B 386

Gmail

Jacob Ferderigos <iakovosstavros@gmail.com>

Fw: iakovosferderigos@gmail.com

6 messages

Athan Fokas <athanfokas@gmail.com> Wed, Dec 19, 2012 at 11:22 PM
To: Jacob Ferderigos <iakovosstavros@gmail.com>

It has come to my attention that there has been some questions about phase two of the Old Towne Suites project. I am going to try my best to enlighten you on the gold mine that has been stumbled upon. Each rental has to be a minimum stay of 3 days with exception to very slow months in which we will take two days. Very slow months seem to be November, December, January, and February.
The Old Towne suites started in late November 2011 and that month they had two rentals for a total income of $1943.00. Of the total our rental service keeps 15% and $81.00 to clean the rooms every time a tenant checks out.
In December 2011 we brought in $3228.44 with two rentals.
In January 2012 we brought in $3685..18 with four rentals.
In February 2012 we brought in $5118.75 with six rentals.
In March 2012 $17436.46
April 2012 $14290.50
May 2012 $15330.02
June 2012 $14172.37
July 2012 $13602.62
August 2012 $12529.98
September 2012 $12500.60
October 2012 $12747.27
November 2012 $13094.76
December 2012 $10571.16
Now we have hit the slow months and we are still seeing over $10000.00 because are properties have been around for a year and through word of mouth and repeat business we should continue to see the numbers grow and the prices of the units to grow. We were getting on average about $399.00 a night but now we are getting over $600.00 a night in busy months.
We have had many bookings for 2013 in which we did not see these bookings booked so far in advance in 2012 because we were brand new.
So far in January 2013 we have pre-booked $4752.94
February 2013 $7067.02
March 2013 $6167.00
April 2013 $13714.04
May 2013 $8032.98
And one booking in June so far for $1996.00.
The demand is definitely there and the bookings will only get better. We tend to only book three day booking and some longer than that but the biggest complaint is that we do not have kitchens for the tenants who want to stay for the weekly rentals.
Phase two is going to have 2 three bed room units with kitchens and 2 two bedroom units with kitchens. One of each on each floor with a rooftop garden above the top floor. An elevator will access all floors including the roof top.
The total cost for the project to build will be somewhere between $800,000.00 and $900,000.00 with spending about 25,000.00 per unit to furnish and make them luxury units. I hope that we can keep this project somewhere around $900,000.00.
I am currently talking to a few banks to see if anyone is interested in giving us a note. The banking industry has changed dramatically in the last couple of years and they will not lend on equity alone. Our equity in Old Towne is somewhere between 5 and 10 million dollars. Many banks these days won't touch anything in the hospitality industry so it is no guaranteed that they will lend us the money. The note on the property should be somewhere in the neighborhood of $4000.00 a month if they let us carry the note for 30 years. If it is a 15 to 20 year note then the payments will be between $6000.00 and $8000.00 a month.
Our current units paid us $117629.84 in 2012. Those are checks given to us after all the expenses tal
which you will see in a register in my next emails that I will be forwarding you. Of that money the renta

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387 C

has taken out their 15%, around 3% for credit card fees for people booking their rooms with credit cards, cleaning and laundry fees of $81.00 which just went up to $97.00, and other expenses such as coded locks, $100.00 for Spiro parking in a tenants space, and coffee machines.
Weekly booking are extremely lucrative for example in the last month of December 2012 we had two weekly booking for $6626.18 and that was one week worth of business in Unit A and B.
Just think of the value if we could maximize that one week three times which would be around $20000.00 a week.
If phase 2 is successful we have room to put three more three bedroom units above the back parking lot with keeping the parking on the bottom floor.
Hotels downtown can have up to 80% occupancy rate and us being across from Charleston Place has made us a mini hotel with great returns.
In conclusion the reason for us not to wait another six months or a year for this project to start is that we are guaranteed returns and its money lost. If we get into some money later on we can always pay the note off early. I will be responsible for 50% of it and you three the remainder. I do not think this project would be a risk based on our future bookings that have already taken place.
With that said I don't even know if the bank will lend us the money. First Citizens said they are not allowed to touch the hospitality industry. BB&T is 50/50 and will let me know if they are interested in a couple of days. South Carolina Bank and Trust seems very interested according to their President but will have to see our current income to make sure the numbers work. I'm meeting with Suntrust tomorrow but I think they will be a long shot. I'm only going to send information to banks that are very interested in doing the deal. I plan to give them Old Towne tax returns, Old Towne Suites income, and our personal financial statements. Phillip asked if he would be personally guaranteeing the loan. Of course every loan out there wants the people taking out the loan to personally guarantee it. The loan is less than 20 percent of our total value and we have the income from our current suites that could easily pay the note so its a no brainer.
Let me know your thoughts.

---

spiros ferderigos <spirosferderigos@gmail.com> Wed, Dec 19, 2012 at 11:49 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Hey Athan,

Thanks for sending the detailed emails. I am sure it will answer a lot of the questions that we have. I will take a look at it in detail as soon as I can and let you know what other questions I have. Of course the issue of what we are currently making on the units and the cost to construct new ones are obvious questions which you appear to go into detail below(given the hour have only quickly glimpsed over your email).

Assuming all that pans out, there will be a continuing issue on how we finance. If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it. There is to much that can go wrong with a personal gaurantee. I am confident that Phillip, Jacob and I will be able to come up with our end of amount needed and we can move forward without accumulating debt as we did for the first round of units. I completely agree that adding more units above Old Towne is a gold mine and the way to move forward. The question is how do we get there, will it be by personally guarunteeing loans that could be chatostrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. I for one already have plenty of money sitting in a bank account for my share of the additional units. I am more than happy to have all of us sit down and discuss in more detail after the holidays. That will give everyone plenty of time to look over what you sent and determine the best way to move forward. Thanks to both you and Jacob for all the heard and great work you guys have been doing on these units.

Spiro
[Quoted text hidden]

Athan Fokas <athanfokas@gmail.com> Thu, Dec 20, 2012 at 6:49 AM
To: spiros ferderigos <spirosferderigos@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <lakovosstavros@gmail.com>

Personally I don't think it is a risk and if so it is a very low low risk because we show future incomes and the demand is there and we have the current income's third cash flow that could easily pay for it.
With that said, lets start collecting money and see what kind of money we can come up with to get this baby started.

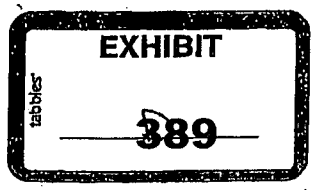
spiros ferderigos <spirosferderigos@gmail.com> Wed, Dec 19, 2012 at 11:49 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: pferderigos@barnwell-whaley.com, Jacob Ferderigos <Iakovosstavros@gmail.com>

Hey Athan,

Thanks for sending the detailed emails. I am sure it will answer a lot of the questions that we have. I will take a look at it in detail as soon as I can and let you know what other questions I have. Of course the issue of what we are currently making on the units and the cost to construct new ones are obvious questions which you appear to go into detail below(given the hour have only quickly glimpsed over your email).

Assuming all that pans out, there will be a continuing issue on how we finance. If the bank is looking for me (and I assume this goes for Phillip as well but I will let him speak for himself) to personally guarantee a loan I am not going to do it. There is to much that can go wrong with a personal gaurantee. I am confident that Phillip, Jacob and I will be able to come up with our end of amount needed and we can move forward without accumulating debt as we did for the first round of units. I completely agree that adding more units above Old Towne is a gold mine and the way to move forward. The question is how do we get there, will it be by personally guarunteeing loans that could be chatostrophic to our individual families or each individual raising the necessary funds and doing it without a million dollars in debt so we can greatly limit liability. I for one already have plenty of money sitting in a bank account for my share of the additional units. I am more than happy to have all of us sit down and discuss in more detail after the holidays. That will give everyone plenty of time to look over what you sent and determine the best way to move forward. Thanks to both you and Jacob for all the heard and great work you guys have been doing on these units.

Spiro
[Quoted text hidden]



From: Jeffrey W. Odom [mailto:jodom@southcoastbank.com]
Sent: Friday, January 11, 2013 10:08 AM
To: 'ZEUS GRILL & SEAFOOD'
Cc: Tony Daniel
Subject: RE: Old Towne Suites 229 King St.

Athan,
It was a pleasure meeting you yesterday afternoon. I just received your fax so it looks like it went through. I have also received your emails with the attached financial information. Thank you for getting everything to us so quickly. We will get to work and will be in touch shortly.

Thanks,

Jeffrey W. Odom
Vice President / Loan Officer
Southcoast Community Bank
530 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
(Office) - 843.216.3087
(Fax) - 843.884.2886
(Cell) - 843.729.8224

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Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Re: Suites loan question

8 messages

Spiros Ferderigos <spirosferderigos@gmail.com> Tue, Jun 17, 2014 at 11:59 PM
To: Athan Fokas <fokasa@bellsouth.net>, Jacob Ferderigos <iakovosstavros@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>

The loan pre-approval that you guys have for the suites...are ya'll going to have to personally guarantee the loan?

Sent from my iPhone

Athan Fokas <fokasa@bellsouth.net> Wed, Jun 18, 2014 at 7:04 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Jacob Ferderigos <iakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

We are pre approved, and since we personally asked for the loan yes we are personally guaranteeing it. On another note we are hitting record sales and we are booking many weekday's which we didn't last year and with no cleaning fee we are laughing all the way under our mattresses. We have bookings through March of 2015 so we are in very high demand. After we build these and fill them we will look at building over the parking lot.

Sent from my iPhone
[Quoted text hidden]

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SOUTHCOAST
COMMUNITY BANK

February 5, 2013

Athanasios Fokas
Iakovos Ferderigos
Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Dear Messrs. Fokas and Ferderigos:

Southcoast Community Bank (hereinafter referred to as "Bank") is pleased to provide a loan commitment to Old Towne Suites, LLC, Athanasios Fokas, and Iakovos Ferderigos (hereinafter referred to as "Borrower") based on representations contained in the financial statements and other financial information made available to the Bank. Our loan is subject to the following terms and conditions:

Borrower(s): Old Towne Suites, LLC, Athanasios Fokas, and Iakovos Ferderigos JWO 9/24/14

Amount: ~~$1,000,000.00~~ $1,800,000.00 JWO 9/24/14

Purpose: The purpose of the loan is to provide a construction to permanent loan to build ~~4~~ 6 rental units above Old Towne Grill & Seafood at 229 King Street, Charleston, SC 29401. The loan will also include the purchase of furnishings for the units.

Terms and Conditions: ~~6~~ 12 monthly payments of interest only followed by 59 consecutive monthly payments of principal, interest, and escrow with one final payment of the remaining principal balance plus any accrued interest. The monthly payments will be based on a 240 month amortization schedule. ~~The interest rate will be based on the current Wall Street Journal Prime Rate plus one percentage point (1.00%) on the day of adjustment and will continue to adjust annually with a minimum floor Rate of 5.00%.~~ The interest rate will be fixed at 5.00% for the life of the loan. JWO 9/24/14 JWO 9/24/14

Bank Fees:
1. Non-Refundable Commitment Fee of ½ of 1% of Loan Amount, of which, ½ is due upon the acceptance of this Commitment Letter with the remaining ½ due at Loan Closing. If the loan is not closed, the remaining fee will be due and payable upon receipt of Bank's invoice for same.
2. Underwriting Fee of $500.00
3. Mortgage Satisfaction Fee; $10.00
4. County UCC Satisfaction Fee: $10.00
5. Inspection Fee of $250.00 per visit (commercial structures)

Collateral:
1. First mortgage security interest on 229 King Street, Charleston, SC 29401 and an assignment of rents and leases.
2. All accounts receivables, inventory, and furniture fixtures and equipment now owned or hereinafter acquired.

Property Insurance: During construction, Builder's Risk and General Liability Insurance Policies will be required with Southcoast Community Bank named as mortgagee.

Title Insurance: A standard ALTA title insurance commitment insuring the Bank's first lien position, together with copies of all exceptions to the title will be required. After closing, a title insurance policy is to be issued in accordance with the title insurance commitment in a form and substance satisfactory to the Bank.

P.O. Box 1561 Mt. Pleasant, SC 29465 843-884-0504 Fax 843-884-28

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Escrow: The Bank will require Property Taxes and Hazard /Flood Insurance to be escrowed.

Survey: A current survey prepared and certified by a registered land surveyor showing the location of any and all setbacks, side lines, existing buildings, streets, roads, rights-of-way, easements, encroachments, etc. will be required in the event that the title insurance company takes exception to title for reason of survey. The survey shall include a certification as to the location of the property within any flood hazard area. On Construction Loans, the Foundation Survey will be required before the first draw, and a Final Survey will be required before final disbursement.

Appraisal: The loan is subject to the Bank receiving an appraisal addressed to Southcoast Community Bank in form, content and value acceptable to the Bank. The Bank will order the appraisal from a qualified appraiser acceptable to the Bank. The cost of the appraisal will be the full responsibility of the borrower. The Bank reserves the right to inspect the property prior to closing.

Disclosure of Right to Receive a Copy of an Appraisal: You are hereby notified that you have the right to a copy of the appraisal report used in connection with your application for credit. If you wish to have a copy, please write to the Bank at Southcoast Community Bank, Loan Servicing Department, PO Box 1561, Mt. Pleasant, SC 29465. We must hear from you no later than ninety (90) days after we notify you about the action taken on your credit application or no later than ninety (90) days after you withdraw your application. In your letter, give us the following information: Your name, your loan number (if applicable) and the property address of the appraisal you are requesting. Upon your request, the appraisal report will be sent to your address on file with the Bank.

Waiver of Appraisal Rights: You are hereby notified that a Waiver of Appraisal Rights will be required from you in connection with the above referenced transaction. As part of that transaction, you will be required to execute one or more documents containing the following language:

> The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

Environmental: In the event that there is notice of any environmental problems, evidence of the nature of the problem and its remedy will be required and such information may include opinions and certification from appropriate governmental authority, your counsel, and/or environmental specialist acceptable to us. Borrower agrees to complete the Environmental Risk Assessment form included with this commitment. Should the property contain hazardous material of any quantity or material unacceptable to us, the Bank reserves the right to void this commitment or require environmental studies if necessary.

Construction Loans:

The Bank will make Disbursements at regular intervals during the course of construction in accordance with the loan documents. Said disbursements shall be made under the procedures and title safeguards acceptable to the Bank. The Bank reserves the right at all times to retain funds in the undisbursed loan balance sufficient to fully complete the project. The Borrower must submit to the Bank the signed architect's certification for payment (AIA form) for each draw request. The Bank will inspect at each draw request the work completed and will base the draw on such inspection. Your draw request must be made by Tuesday for a Friday Disbursement.

Items required prior to loan closing:

1. Plans and Specification: Complete plans and specifications reflecting the certification of the architect and appropriate engineers are to be submitted to and approved by the Bank, the supervising architect and the Borrower.
2. Resume from the Contractor must be received by the Bank.
3. Copy of signed Contract(s).
4. Cost Estimate Sheet detailing cost for the project in satisfactory form showing that the loan proceeds will be sufficient to complete construction of the project in a timely manner in accordance with approved plans and specifications (may use AIA forms).
5. Assignment of construction contract with builder.
6. All permits and approvals from all government authorities needed to proceed immediately with the commencement of construction are to be submitted to the Bank's Attorney prior to the first draw request.
7. Operating Agreement for Old Towne Suites, LLC must be received by the Bank.
8. Detailed list of furniture, fixtures, and equipment to be purchased via loan proceeds must be received by the Bank.

Items required prior to 1st draw:

1. Current General Liability Insurance Policy (from contractor).

Items required before final draw:

1. Certificate of Completion of Appraised Value from appraiser.
2. Final Survey.
3. Title update.

Change Orders: All requests for changes in the Plans and Specifications, other than minor changes involving no extra cost, must be in writing, signed by Borrower and the architect, and delivered to Lender for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Lender. Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

Loan Documentation: The Borrower will enter into any and all documentation necessary to close this transaction in a form and substance acceptable to the Bank.

Closing Cost: All costs incurred in this transaction including, but not limited to, attorney fees will be the responsibility of the Borrower. This would include both the Borrower's and the Bank's closing attorney.

Prepayment: The Borrower shall have the right to prepay the principal and accrued interest in full or in part at anytime without premium or penalty.

Banking Relationship: The Borrower agrees to maintain a depository relationship with the Bank.

Financial Information: Before closing, the Bank must have current financial statements and signed copies of the last two years tax returns on the borrowing entity(s) if applicable, and all guarantors. Borrower and all guarantors agree to provide the Bank with the name of their accountant/tax preparer and by acceptance of this commitment authorize the Bank to request on an annual basis, and their accountant/tax preparer to provide, copies of all tax returns, extensions, and financial statements of the Borrower and guarantors.

Financial Condition: The Borrower and guarantors are at all times to maintain a satisfactory financial condition and are to submit at a minimum, annual financial statements, Tax Returns, and any other documentation as the Bank may request from time to time.

The commitment is for the sole and exclusive benefit of the Borrower and may not be assigned by the Borrower. No third party is intended to be benefited in any respect by this commitment.

This Commitment will also survive the Loan Closing.

We appreciate the opportunity to make this financing available to you. If you are in agreement with the above terms and conditions, please acknowledge by signing the enclosed copy and returning it to Southcoast Community Bank.

September 29, 2014 JWO 9/24/14

This Commitment to lend expires on ~~February 15, 2013~~. If not accepted by then, it becomes null and void. If accepted, closing must occur within 45 days of acceptance. Failure to close within the period set forth herein shall give the Bank the option to void this commitment.

Again, it is certainly a pleasure to extend this commitment. I look forward to hearing from you soon.

Sincerely,

Robert A. Daniel

Robert A. Daniel, Jr.
Executive Vice President

The terms and conditions of this commitment letter are hereby accepted this 7 day of February, 2013.

Borrower(s):

By: _____
Old Towne Suites, LLC

By: _____
Athanasios Fokas

By: _____
Iakovos Ferderigos

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

2 messages

Zeus Grill and Seafood <zeusseafood@bellsouth.net> Tue, Sep 9, 2014 at 1:45 PM
To: iakovosstavros@gmail.com, spirosferderigos@gmail.com, pferderigos@barnwell-whaley.com

Gentlemen,

I have enclosed info on checks received and booking info for the suites. We are currently up over $10,000.00 for the year and I expect that that number will grow closer to $15,000.00 by the end of the year. We have paid $2574.00 in cleaning fees this year that we won't have next year.

The rental company charges us 15% on our units now but that number goes to 12% once we have then new one's built which will give us a savings of around $4000.00 on our current units.

It looks like our new project of six more units will cost us around two million to build. The bank has agreed to one million so I am going to try to convince them to give us 1.8 million which will cover us for everything except furnishing and kitchen equipment. The reason I'm asking for 1.8 million is that we can justify that amount through the money that we already receive from the suites. Furnishing and kitchen equipment will be roughly $225,000.00. We should get permitting to start building this month and I do have two other bids coming in but I suspect that both will be higher.

Sincerely,

Athan

O T S.xlsx
20K

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396

Friday, September 19, 2014

(843) 813-5612

Good news! We are approved for 1.8 million. 3:22 PM

Spiro Cell

Sweet..good job...can you email us the details of the loan sometime this weekend if you have a chance? That is great news! 3:22 PM

Jacob

That's great news.. 3:22 PM

(843) 813-5612

The banker just called me. I won't have the details till next week. 3:24 PM

(843) 813-5612

I'm sure it's 5% for 20 years. 3:24 PM

Spiro Cell

You da man 3:40 PM

EXHIBIT

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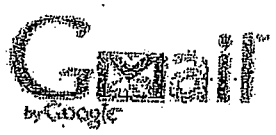

spiros ferderigos <spirosferderigos@gmail.com>

Fwd: Old Towne suits

3 messages

Athan Fokas <athanfokas@gmail.com> Wed, Sep 24, 2014 at 10:07 AM
To: "iakovosstavros@gmail.com" <iakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well I don't know how I managed to sweet talk our banker into getting rid of the five year balloons and fixing it at 5% for the life of the loan which is unheard of in the current banking industry. Phillip show it to your banker quickly but they want to close this month and I don't see anybody beating this note in a timely manner.

Sent from my iPhone

Begin forwarded message:

From: "Zeus Grill and Seafood" <zeusseafood@bellsouth.net>
Date: September 24, 2014, 9:57:50 AM EDT
To: "'Athan Fokas'" <athanfokas@gmail.com>
Subject: FW: Old Towne suits

From: "Jeffrey W. Odom" <jodom@southcoastbank.com>
Date: September 24, 2014, 9:02:37 AM EDT
To: 'Athan Fokas' <fokasa@bellsouth.net>
Subject: RE: Old Towne suits

Athan,
Ok. See the changes. We are ok with that. Please also date beside your initials like I have done on this copy.

Jeffrey W. Odom NMLS ID #500313
Vice President | Commercial Lending
Main Branch Manager

Southcoast Community Bank
NMLS ID# 477257
530 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
(Office) - 843.216.3087
(Fax) - 843.884.2886
(Cell) - 843.729.8224

doc26026220140924075734.pdf
334K

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From: Zeus Grill and Seafood [mailto:zeusseafood@bellsouth.net]
Sent: Thursday, September 25, 2014 10:53 AM
To: Jeffrey W. Odom
Subject: FW: Old Towne suits

Hey Jeff,

My cousin noticed that on terms and conditions it says 12 monthly payments of interest only followed by 59 consecutive monthly payments ... Then it says a 240 month amortization schedule. Can it say: 12 monthly payments of interest only followed by 239 consecutive monthly payments... so that it is truly a 20 years note. Just want to make sure that the note continues after 5 years.

Thanks,

Athan

Sent from my iPhone

From: Zeus Grill and Seafood [mailto:zeusseafood@bellsouth.net]
Sent: Thursday, September 25, 2014 11:15 AM
To: Phillip Ferderigos
Subject: FW: Old Towne suits

Well at least I tried.

From: Jeffrey W. Odom [mailto:jodom@southcoastbank.com]
Sent: Thursday, September 25, 2014 11:07 AM
To: 'Zeus Grill and Seafood'
Subject: RE: Old Towne suits

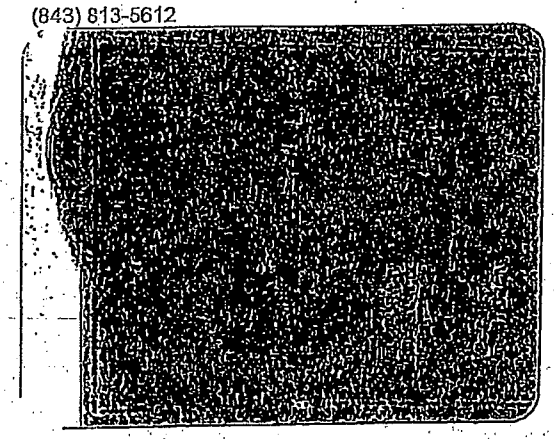
The note will be 12 months of interest only followed by 5 years of principal, interest, and escrow payments and then a balloon maturity, with monthly payments based on a 20 year schedule. That is what you wanted and that is the same thing we are doing on your North Towne deal. That is pretty standard on commercial loans...and I think a 6 year fixed rate (12 months plus the following 60 months) on a construction project with speculative income is a very good deal for you guys. We will revisit the deal at the end of the 5 year period (technically in 6 years) and we can apply for a simple renewal. You wont have to hire a closing attorney and pay all of the closing fees and all of that. The bank will just draw up a simple renewal form which we can sign in my office.

Jeffrey W. Odom NMLS ID #500313

Vice President | Commercial Lending

Friday, October 10, 2014

(843) 813-5612



3:54 PM

We got our permit. Can start building immediately

3:54 PM

EXHIBIT

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401

Friday, November 21, 2014

Me

Lauren has been in Iowa and I missed a day at work because Nathan was sick. I have a very busy day today so, if the closing is going to happen today, I need to have it as late in the day as possible. If there any issues, let's just kick it the next week. 8:48 AM

(843) 813-5612

They scheduled it for 3:00 today. Will that work? 8:49 AM

Me

Should work for me, ask the lawyer to email me the HUD/settlement statement and all paperwork beforehand and I can review it and we can go through the closing more quickly. 8:52 AM

(843) 813-5612

Ok 8:53 AM

Spiro Cell

From my end, we need to have the agreement signed and a copy of the closing docs to review beforehand. I want to make sure I know what I am signing 8:53 AM

Spiro Cell

So agreement needs to be done and hud/settlement statement like Phillip said 8:54 AM

Spiro Cell

I will block off 3 pm. Where is the closing? 8:54 AM

(843) 813-5612

Sure. I sent the agreement to my attorney this morning. I did ask a few questions to you by email. The closing is at Amy Haines office in Mt. Pleasant 800 Johnnie Dodds Boulevard. 8:56 AM

Spiro Cell

I am in court until about 2 today so Phillip will need to respond to any questions 8:58 AM

EXHIBIT

tabbies

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Me

Your questions have been answered. I could tell you went to an attorney and I'm glad you did. I want everyone to have full disclosure and completely understand what they're agreeing to. everybody has to pay on time or there will be consequences. 8:59 AM

(843) 813-5612

I have not spoken to an attorney yet but have become familiar with legal documents over the years. 9:00 AM

Me

That's up to you. It's best to have lawyer review it for you to make sure you understand everything, but it's your decision. you are a big boy and you can decide what's best for you. 9:04 AM

(843) 813-5612

As I stated above I didn't receive the agreement until last night and I forwarded to my attorney this morning. I'm not a big boy any more after running the bridge three days a week and working out with an aggressive F3 group three days a week. I'm now a lean boy! 9:12 AM

Spiro Cell

Hey. I don't want my phone going crazy while I am in court. Shoot a text out when you decide if you are good with the agreement or not. Feeling my phone vibrate while I am making arguments is distracting and I have to have my phone in in case my wife has an emergency. Once we get the green light on the agreement and the closing docs are reviewed/accurate (which I don't see a reason why they wouldn't be) then we can move forward this afternoon. If there are any issues with the agreement, ect then we will need to revisit everything g at a later time. 9:12 AM

Spiro Cell

Still don't know why the email didn't go through to you yesterday at 3. I have the email and you got it the second time I sent it when you said you didn't have anything. If you need more time we can postpone today. Not a problem. 9:13 AM

(843) 813-5612

I'm good with 3:00 today. I just got the elevation certificate for the flood policy needed so I don't currently foresee any setbacks. 9:15 AM

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 12:13 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I do what I will with whatever money I have and you can't dictate otherwise. I told you my intent but six months from now my intent may change. Regardless of that fact the bank wants to close this month if in fact we proceed. I'm not interested in you trying to bully me into signing any type of side agreement that is unnecessary. My attorney, as I said earlier, strongly was against it.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
tabbies
M
404

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Mon, Nov 24, 2014 at 1:00 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: iakovosstavros@gmail.com, spiros ferderigos <spirosferderigos@gmail.com>

Athan, once again, you can not even answer a simple question directly.

You are asking me to mortgage my part of Old Towne and you are unwilling to sign an Agreement to say that you will make your payments timely.

I believe you have mortgaged your other properties and now you want to mortgage Old Towne. I am not your piggle bank. I will not mortgage my share of Old Towne for you unless you agree to make your payments timely.

Unless you change your decision, there is no point in moving forward.

Phillip S. Ferderigos, Esq.
Member

288 Meeting St., Ste 200 (29401)
PO Drawer H
Charleston, SC 29402
Phone: (843) 577-7700
Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com

---Original Message---
From: Athan Fokas [mailto:fokasa@bellsouth.net]
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:31 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I am not asking you to do anything. The bank is requiring that all parties sign off on the mortgage. I did secure that you didn't have to personally guarantee the note. Quit trying to put yourself on a pedestal. If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences. If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not. We are currently paying for an expensive business risk policy, paid for a flood policy we don't need if not constructing, have been paying two months on a storage container, and prepaid our over $20,000.00 property taxes two months early in order to close. Not to mention we have over $50,000.00 already invested in this deal.

Sent from my iPhone
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Mon, Nov 24, 2014 at 1:43 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: iakovosstavros@gmail.com, spiros ferderigos <spirosferderigos@gmail.com>

I do not care what your bank is requiring of you to get your loan...that has nothing to do with me:

I will not sign off on any mortgage of my share unless you sign an agreement that you will make your payments timely. If you are an intelligent person, you will see that I can not and will not agree to mortgage my share of Old Towne if you do not agree to make your payments on time.

Phillip S. Ferderigos, Esq.
Member

288 Meeting St., Ste 200 (29401)
PO Drawer H
Charleston, SC 29402
Phone: (843) 577-7700
Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com
----Original Message----
From: Athan Fokas [mailto:fokasa@bellsouth.net]
[Quoted text hidden]

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family.

Sent from my iPhone
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Wed, Nov 26, 2014 at 11:46 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The irony in all this is that the son's want extra assurances that money will be paid back when the way our fathers always did it is with a hand shake. Ask your dad how many times my father loaned him money (his grocery store off America St, to buy Old Towne in 72, and to build our first apartment building in Greece) and there was no paperwork and all was paid back. In this case nobody is loaning anyone money but just a couple of hard headed kids who don't understand how family works. I don't think anybody owes anybody any money do they? I don't think anyone has any history of any money not being paid back do they?
We are all older now and our families have grown and we don't have to spend Thanksgiving together. Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this. Later on down the line when I'm in the money I may consider loaning Jacob the money and having a 25/75 split on the new building because I know that Jacob will pay me back and I won't need any side agreements trying to take more of his ownership if he doesn't pay. Bottom line is payments come out of profits and I know he is good for it.

Sent from my iPhone

> On Nov 24, 2014, at 2:17 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:
>
[Quoted text hidden]

Resolution of Old Towne Suites, LLC

Whereas Old Towne Suites, LLC, (the "Company") is a limited liability company organized and operating under the laws of the State of South Carolina; and,

Whereas the Articles of Organization and the Operating Agreement are attached hereto; and,

Whereas the undersigned are the only members of the Company;

Now therefore, the undersigned do resolve as follows:

RESOLVED, that the Company, is authorized to borrow the sum of $1,800,000.00 in the form of a construction loan from Southcoast Community Bank (the "Lender") in order to make improvements to the property located at 229 King Street, Charleston, South Carolina and is authorized to pledge assets of the Company as security for the debt through security agreements and financing statements.

RESOLVED, that Athan Fokas a/k/a Athanasios Fokas and Iakavos Ferderigos are authorized to execute the necessary documents on behalf of the Company to obtain the above referenced loan and are directed to do all other things and acts, to execute and deliver all other instruments, documents and certificates, and to pay all costs, fees and expenses as may be, in their judgment, necessary, proper or advisable in order to carry out and comply with the purposes and intent of these resolutions, and that all acts and deeds Athan Fokas and Iakavos Ferderigos that are consistent with the purposes and intent of these resolutions, be and hereby are ratified, approved and adopted as the acts and deeds of the Company.

RESOLVED, that Athan Fokas and Iakavos Ferderigo are authorized to disclose any information and provide any documentation necessary, proper or advisable in order to carry out and comply with the purposes and intent of these resolutions.

RESOLVED, that the Lender shall be entitled to rely upon a certified copy of this Resolution until written notice of rescission thereof has been received, and the receipt of such notice shall not affect any actions taken by the purchaser prior thereto.

I certify that the following signatures represent the true and complete listing of members of the Company, that all representations made herein are true and correct, and that I have read all of the provisions of this Resolution.

_____

Athan Fokas a/k/a Athanasios Fokas date

_____

Iakovos S. Ferderigos date

_____

Phillip S. Ferderigos date

_____

Spiros S. Ferderigos date

EXHIBIT

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PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old TowneSuites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Principal Amount: $1,800,000.00 **Date of Note:**

PROMISE TO PAY. Old TowneSuites, LLC ("Borrower") promises to pay to SOUTHCOAST COMMUNITY BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Eight Hundred Thousand & 00/100 Dollars ($1,800,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in accordance with the following payment schedule, which calculates interest on the unpaid principal balances as described in the "INTEREST CALCULATION METHOD" paragraph using the interest rates described in this paragraph: 12 monthly consecutive interest payments, beginning January 1, 2015, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days; 59 monthly consecutive principal and interest payments of $11,952.24 each, beginning January 1, 2016, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days; and one principal and interest payment of $1,516,249.38 on December 1, 2020, with interest calculated on the unpaid principal balances using an interest rate of 5.000% per annum based on a year of 360 days. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the 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. All interest payable under this Note is computed using this method.

PREPAYMENT; MINIMUM INTEREST CHARGE. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of $50.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty 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: Southcoast Community Bank, Loan Servicing Department, P.O. Box 1561 Mt. Pleasant, SC 29465.

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, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under 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.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower 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 under this Note and all accrued unpaid interest immediately 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.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instruments listed herein:

(A) a Construction Mortgage to Lender on real property located in Charleston County, State of South Carolina.

(B) an Assignment of All Rents to Lender on real property located in Charleston County, State of South Carolina.

(C) Inventory, chattel paper, accounts, equipment, general intangibles, fixtures, standing timber and mineral, oil and gas described in a Commercial Security Agreement dated _____.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

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. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. 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.

NOTICE CONCERNING APPRAISAL WAIVER. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE(S) AND RELINQUISH(ES) THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

BORROWER:

OLD TOWNESUITES, LLC

By: _____
Athanasios Fokas, Manager of Old TowneSuites, LLC

By: _____
Iakovos S Ferderigos, Manager of Old TowneSuites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

LaserPro, Ver. 16.4.0.024 Copr. D+H USA Corporation 1997, 2016. All Rights Reserved. - SC C:\PROSUITE\CFI\LP\G201.FC TR-7519 PR-13

HYPOTHECATION AGREEMENT

TO: SOUTHCOAST COMMUNITY BANK DATE: November ___, 2014

IN CONSIDERATION of your making, renewing or extending a loan or loans to the Borrower, the undersigned hereby authorizes Old Towne Suites, LLC (herein called the "Borrower") to hypothecate and pledge to Southcoast Community Bank (herein called "the Bank") as collateral for any loans or advances (including all liabilities relating thereto) made by your Bank to the Borrower and for any present or future indebtedness or other obligation of the Borrower to you and for any renewal, extension, or modification of any or all thereof, the following securities, instruments, or other property belonging to the undersigned namely:

The real estate and improvements known as 229 King Street, Charleston, SC 29401 (TMS# 457-08-01-063) more fully described in attached Exhibit A.

The undersigned further agrees that said collateral shall be subject to disposition in accordance with the terms and conditions of the instruments evidencing such indebtedness, obligation, and liabilities. The undersigned also authorizes you in your discretion from time to time to deliver to the Bank said collateral or any proceeds therefrom, the Borrower's receipt being sufficient acquittance to you therefor; and in general, authorize you to deal with said collateral and proceeds in the same way and with the same force and effect as if the Borrower was the absolute owner thereof. It is further agreed that any or all of the foregoing may be without notice to or further consent of the undersigned.

This agreement shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of you and your successors and assigns.

IN WITNESS WHEREOF, the undersigned execute this agreement the date and year written above.

IN THE PRESENCE OF:

_____ By:_____
Spiros S. Ferderigos

HYPOTHECATION AGREEMENT

TO: SOUTHCOAST COMMUNITY BANK DATE: November ___, 2014

IN CONSIDERATION of your making, renewing or extending a loan or loans to the Borrower, the undersigned hereby authorizes Old Towne Suites, LLC (herein called the "Borrower") to hypothecate and pledge to Southcoast Community Bank (herein called "the Bank") as collateral for any loans or advances (including all liabilities relating thereto) made by your Bank to the Borrower and for any present or future indebtedness or other obligation of the Borrower to you and for any renewal, extension, or modification of any or all thereof, the following securities, instruments, or other property belonging to the undersigned namely:

The real estate and improvements known as 229 King Street, Charleston, SC 29401 (TMS# 457-08-01-063) more fully described in attached Exhibit A.

The undersigned further agrees that said collateral shall be subject to disposition in accordance with the terms and conditions of the instruments evidencing such indebtedness, obligation, and liabilities. The undersigned also authorizes you in your discretion from time to time to deliver to the Bank said collateral or any proceeds therefrom, the Borrower's receipt being sufficient acquittance to you therefor; and in general, authorize you to deal with said collateral and proceeds in the same way and with the same force and effect as if the Borrower was the absolute owner thereof. It is further agreed that any or all of the foregoing may be without notice to or further consent of the undersigned.

This agreement shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of you and your successors and assigns.

IN WITNESS WHEREOF, the undersigned execute this agreement the date and year written above.

IN THE PRESENCE OF:

_____ By: _____
Phillip S. Ferderigos

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

0115

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated November 21, 2014, is made and executed between Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401; Iakovos S Ferderigos, whose address is 8 River Reach Way, Charleston, SC 29407; Spiros S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 and Phillip S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (referred to below as "Grantor") and SOUTHCOAST COMMUNITY BANK, whose address is 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Charleston County, State of South Carolina:

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

The Property or its address is commonly known as 229 King Street, Charleston, SC 29401. The Property tax identification number is 457-08-01-063.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT 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.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of South Carolina and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

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 Assignment 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 Assignment 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 Rents or 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 Assignment 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.

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

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

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment 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.

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

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

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 Assignment 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 Assignment 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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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 the Rents or 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.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. 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 Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower 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 any Event of Default and at any time thereafter, Lender 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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and 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 shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. 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 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.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

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 Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, 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, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

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

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment 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.

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

Governing Law. This Assignment 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 Assignment has been accepted by Lender in the State of South Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment 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 Grantor signing below is responsible for all obligations in this Assignment.

Merger. There shall be no merger of the interest or estate created by this assignment 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.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment 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 Assignment 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 Assignment. 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 Assignment, 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 Assignment 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 Assignment. Any party may change its address for notices under this Assignment 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.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment 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 Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment 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 Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

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

Waive Jury. All parties to this Assignment hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. 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 Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means Old Towne Suites, LLC.

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

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

Grantor. The word "Grantor" means Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Philip S Ferderigos.

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.

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 Assignment, together with interest on such amounts as provided in this Assignment.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated November 21, 2014, in the original principal amount of $1,800,000.00 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.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

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 of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT. THIS DOCUMENT IS EXECUTED ON NOVEMBER 21, 2014.

GRANTOR:

X _____
Athanasios Fokas

X _____
Iakovos S Ferderigos

X _____
Spiros S Ferderigos

X _____
Phillip S Ferderigos

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Assignment for the uses and purposes therein mentioned, and that he or she with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this _____ _____ (Witness)

day of _____, A.D. 20 _____

_____ (Seal)
Notary Public

My Commission expires: _____

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PR-13

OMB NO. 2502-0265

A.

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

SETTLEMENT STATEMENT

B. TYPE OF LOAN:

1. [ ] FHA 2. [ ] FmHA 3. [X] CONV. UNINS. 4. [ ] VA 5. [ ] CONV. INS.

6. FILE NUMBER: 14.140OLDTOWNE

7. LOAN NUMBER: 03400007519

8. MORTGAGE INS CASE NUMBER:

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

1.0 3/98 (14.140OLDTOWNE.PFD/14.140OLDTOWNE/38)

D. NAME AND ADDRESS OF BORROWER:

Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

E. NAME AND ADDRESS OF SELLER:

F. NAME AND ADDRESS OF LENDER:

SouthCoast Community Bank
P.O. Box 1561
Mount Pleasant, SC 29465

G. PROPERTY LOCATION:

229 King Street
Charleston, SC 29401
Charleston County, South Carolina

H. SETTLEMENT AGENT: 27-4025801

Haines Law Firm, LLC

PLACE OF SETTLEMENT

800 Johnnie Dodds Blvd.
Mount Pleasant, South Carolina 29464

I. SETTLEMENT DATE:

November 21, 2014

J. SUMMARY OF BORROWER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:	
101. Contract Sales Price	
102. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	21,848.17
104.	
105.	
Adjustments For Items Paid By Seller In advance	
106. Homeowners Assoc to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	21,848.17
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s)	[1,800,000.00]
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207. Construction Draw	171,848.17
208.	
209.	
Adjustments For Items Unpaid By Seller	
210. Homeowners Assoc to	
211. County Taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BORROWER	171,848.17
300. CASH AT SETTLEMENT FROM/TO BORROWER:	
301. Gross Amount Due From Borrower (Line 120)	21,848.17
302. Less Amount Paid By/For Borrower (Line 220)	(171,848.17)
303. CASH (FROM) (X TO) BORROWER	150,000.00

K. SUMMARY OF SELLER'S TRANSACTION	
400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	
402. Personal Property	
403.	
404.	
405.	
Adjustments For Items Paid By Seller In advance	
406. Homeowners Assoc to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first Mortgage	
505. Payoff of second Mortgage	
506.	
507.	
508.	
509.	
Adjustments For Items Unpaid By Seller	
510. Homeowners Assoc to	
511. County Taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	
602. Less Reductions Due Seller (Line 520)	( )
603. CASH (TO) (FROM) SELLER	0.00

HUD-1 (3-86) RESPA, HB4305.2

L. SETTLEMENT CHARGES	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %		
Division of Commission (line 700) as Follows:		
701. $ to		
702. $ to		
703. Commission Paid at Settlement		
704. to		
800. ITEMS PAYABLE IN CONNECTION WITH LOAN		
801. Loan Origination Fee % to		
802. Loan Discount % to		
803. Appraisal Fee to SouthCoast Community Bank	2,800.00	
804. Credit Report to		
805. Flood Hazard Determination Fee to SouthCoast Community Bank	13.50	
806. Mtg/Asmt of Rents Sat Fee to SouthCoast Community Bank	10.00	
807. Underwriting Fee to SouthCoast Community Bank	500.00	
808. Commitment Fee to SouthCoast Community Bank POC: $2500.00b	9,000.00	
809. Secretary of State UCC Sat Fee to SouthCoast Community Bank	32.00	
810. County UCC Sat. Fee to SouthCoast Community Bank	8.00	
811.		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE		
901. Interest From 11/21/14 to 12/01/14 @ $ 23.834700/day (10 days %)	238.35	
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for 1.0 years to		
904.		
905.		
1000. RESERVES DEPOSITED WITH LENDER		
1001. Hazard Insurance 2.000 months @ $ 517.33 per month	1,034.66	
1002. Mortgage Insurance months @ $ per month		
1003. Homeowners Assoc months @ $ per month		
1004. County Taxes 2.000 months @ $ 1,735.00 per month	3,470.00	
1005. Assessments months @ $ per month		
1006. months @ $ per month		
1007. Flood Insurance 2.000 months @ $ 186.33 per month	372.66	
1008. months @ $ per month		
1100. TITLE CHARGES		
1101. Settlement or Closing Fee to		
1102. Abstract or Title Search to Deborah Z. Ferris	305.00	
1103. Title Examination to		
1104. Title Insurance Binder to The Haines Law Firm, LLC	100.00	
1105. Document Preparation to		
1106. Misc Fax/Copy/Courier Charges to The Haines Law Firm, LLC	35.00	
1107. Attorney's Fees to The Haines Law Firm, LLC	350.00	
(includes above item numbers:)		
1108. Title Insurance to First American Title Insurance Company	3,510.00	
(includes above item numbers:)		
1109. Lender's Coverage $ 1,800,000.00 3,510.00		
1110. Owner's Coverage $		
1111. Insured Closing Letter Fee to First American Title Insurance Company	20.00	
1112.		
1113.		
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES		
1201. Recording Fees: Deed $; Mortgage $ 14.00; Releases $	14.00	
1202. City/County Tax/Stamps: Deed ; Mortgage		
1203. State Tax/Stamps: ; Mortgage		
1204. Record UCCs to Charleston County Register of Deeds $8 each x 3	24.00	
1205. Record Assignment of Rents to Charleston County Register of Deeds	11.00	
1300. ADDITIONAL SETTLEMENT CHARGES		
1301. Survey to		
1302. Pest Inspection to		
1303. Overnight Delivery Pkg/Payoff Haines FE Account		
1304.		
1305.		
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)	21,848.17	

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

Certified to be a true copy.

Haines Law Firm, LLC
Settlement Agent

(14.1400LDTOWNE / 14.1400LDTOWNE / 38)

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Borrower: Old Towne Suites, LLC
Lender: SouthCoast Community Bank
Settlement Agent: Haines Law Firm, LLC
(843)884-1593
Place of Settlement: 800 Johnnie Dodds Blvd.
Mount Pleasant, South Carolina 29464
Settlement Date: November 21, 2014
Property Location: 229 King Street
Charleston, SC 29401
Charleston County, South Carolina

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Old Towne Suites, LLC

By: Athanasios Fokas

By: Iakovos S. Ferderigos

By: Phillip S. Ferderigos

By: Spiros S. Ferderigos

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Haines Law Firm, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

0745

CONSTRUCTION MORTGAGE

MAXIMUM LIEN. The amount of indebtedness secured by this Mortgage, including the outstanding amount of the Note and all future advances shall at no time exceed the principal amount of $2,700,000.00, plus interest, reasonable attorneys' fees, court costs and the expenses to preserve and protect the Property. Interest under the Note will be deferred, accrued or capitalized, but Lender shall not be required to defer, accrue or capitalize any interest except as provided in the Note.

THIS MORTGAGE dated _____, is made and executed between Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401; Iakovos S Ferderigos, whose address is 8 River Reach Way, Charleston, SC 29407; Spiros S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 and Phillip S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (referred to below as "Grantor") and SOUTHCOAST COMMUNITY BANK, whose address is 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (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 Charleston 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 229 King Street, Charleston, SC 29401. The Real Property tax identification number is 457-08-01-063.

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.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Borrower whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Borrower, together with all interest thereon; however, in no event shall such future advances (excluding interest) exceed in the aggregate $2,700,000.00. This Mortgage shall remain an open mortgage of record to secure future advances in accordance with Section 29-3-50, as amended, Code of Laws of South Carolina (1976) even in the event all sums secured by this Mortgage may be fully paid at any one time; however, upon request of Grantor, Lender will cause this Mortgage to be released and cancelled of record upon full payment of all indebtedness then owing, and upon such cancellation of this Mortgage of record, this Mortgage shall become null and void. Such release shall be without charge to Grantor; however, Grantor shall pay all costs of recordation, if any, and all documentary stamps due on the Note evidencing future advances secured by this Mortgage.

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 THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HEREWITH. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER 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.

CONSTRUCTION MORTGAGE. This Mortgage is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of South Carolina.

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 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, defend, 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 and defend, 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.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by South Carolina law.

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, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $10,000.00. 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 thirty (30) 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. The Real Property is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, 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 any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

TAX AND INSURANCE RESERVES. Subject to any limitations and consistent with any requirements set by applicable law, Lender may require Grantor to maintain with Lender reserves for payment of annual taxes, assessments, and insurance premiums, which reserves shall be created by an initial deposit and subsequent monthly payments, or payments at such other interval as payments under the Note may be due, of a sum estimated by Lender to be sufficient to pay the total annual taxes, assessments, and insurance premiums Lender reasonably anticipates to be paid from these reserves. The reserve funds shall be held by Lender as a general deposit from Grantor, which Lender may satisfy by payment of the taxes, assessments, and insurance premiums required to be paid by Grantor as they become due. Lender shall have the right to draw upon the reserve funds to pay such items, and Lender shall not be required to determine the validity or accuracy of any item before paying it. Nothing in the Mortgage shall be construed as requiring Lender to advance other monies for such purposes, and Lender shall not incur any liability for anything it may do or omit to do with respect to the reserve account. Subject to any limitations set by applicable law, if the reserve funds disclose a shortage or deficiency, Grantor shall pay such shortage or deficiency as required by Lender. All amounts in the reserve account are hereby pledged to further secure the Indebtedness, and Lender is hereby authorized to withdraw and apply such amounts on the Indebtedness upon the occurrence of an Event of Default. Lender shall not be required to pay any interest or earnings on the reserve funds unless required by law or agreed to by Lender in writing. Lender does not hold the reserve funds in trust for Grantor, and Lender is not Grantor's agent for payment of the taxes and assessments required to be paid by Grantor.

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:

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 and Grantor pay all the Indebtedness, including without limitation all future advances, when due, and Grantor 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.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

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.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the Indebtedness or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any of the Related Documents.

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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower 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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower 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 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.

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 Borrower or 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 waive 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 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.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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 Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos.

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. Specifically, without limitation, indebtedness includes the future advances set forth in the Future Advances provision of this Mortgage, together with all interest thereon.

Lender. The word "Lender" means SOUTHCOAST 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 November 21, 2014, in the original principal amount of $1,800,000.00 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 1, 2020.

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.

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 _____
Athanasios Fokas

X _____
Iakovos S Ferderigos

X _____
Spiros S Ferderigos

X _____
Phillip S Ferderigos

Signed, acknowledged and delivered in the presence of:

X _____
Witness

X _____
Witness

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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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PR-13

0035

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	****	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Grantor: Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos
229 King Street
Charleston, SC 29401

INSURANCE REQUIREMENTS. Grantor, Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Old Towne Suites, LLC ("Borrower") by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: 229 King Street, Charleston, SC 29401.
Type: Fire and extended coverage.
Amount: Loan Amount.
Basis: Replacement value.
Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY: Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FLOOD INSURANCE. Flood insurance for the Collateral securing this loan is described as follows:

Real Estate at 229 King Street, Charleston, SC 29401.
The Collateral securing this loan is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, 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. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

Southcoast Community Bank
P.O. Box 1561
Mt. Pleasant, SC 29465

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of November 21, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

X Athanasios Fokas

X Iakovos S Ferderigos

X Spiros S Ferderigos

X Phillip S Ferderigos

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____ PHONE _____

AGENT'S NAME: _____
AGENCY: _____
ADDRESS: _____
INSURANCE COMPANY: _____
POLICY NUMBER: _____
EFFECTIVE DATES: _____

COMMENTS: _____

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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	11-21-2014		03400007519		34000	****	

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Borrower: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Grantor: Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos
229 King Street
Charleston, SC 29401

TO: ATTN: Insurance Agent

DATE: November 21, 2014

RE: Policy Number(s):

Insurance Companies/Company:

Dear Insurance Agent:

Old Towne Suites, LLC ("Borrower"), is obtaining a loan from SOUTHCOAST COMMUNITY BANK. Please send appropriate evidence of insurance to SOUTHCOAST COMMUNITY BANK, together with the requested endorsements, on the following property, which Grantor, Athanasios Fokas, Iakovos S Ferderigos, Spiros S Ferderigos and Phillip S Ferderigos ("Grantor") is giving as security for the loan.

Collateral: 229 King Street, Charleston, SC 29401.
Type: Fire and extended coverage.
Amount: Loan Amount.
Basis: Replacement value.
Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

FLOOD INSURANCE. Collateral securing this loan is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor must obtain and maintain Federal Flood Insurance, if available, 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.

GRANTOR:

X Athanasios Fokas

X Iakovos S Ferderigos

X Spiros S Ferderigos

X Phillip S Ferderigos

RETURN TO:

Southcoast Communtity Bank
P.O. Box 1561
Mt. Pleasant, SC 29465

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UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME
Fokas

FIRST PERSONAL NAME
Athanasios

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME
Ferderigos

INDIVIDUAL'S FIRST PERSONAL NAME
Spiros

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)
S

SUFFIX

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:
Exhibit A.

17. MISCELLANEOUS:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME: Fokas

FIRST PERSONAL NAME: Athanasios

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME: Ferderigos

INDIVIDUAL'S FIRST PERSONAL NAME: Phillip

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S): S

SUFFIX

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
229 King Street	Charleston	SC	29401	USA

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

0245

CONSTRUCTION LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS CONSTRUCTION LOAN AGREEMENT dated November 21, 2014, is made and executed between Old Towne Suites, LLC ("Borrower") and SOUTHCOAST COMMUNITY BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for one or more loans for purposes of constructing the improvements on the Real Property described below. Lender is willing to lend the loan amount to Borrower solely under the terms and conditions specified in this Agreement and in the Related Documents, to each of which Borrower agrees. 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, and (B) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of November 21, 2014, 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 1, 2020.

LOAN. The Loan shall be in an amount not to exceed the principal sum of U.S. $1,800,000.00 and shall bear interest on so much of the principal sum as shall be advanced pursuant to the terms of this Agreement and the Related Documents. The Loan shall bear interest on each Advance from the date of the Advance in accordance with the terms of the Note. Borrower shall use the Loan Funds solely for the following specific purposes: for construction purposes only as described in plans and specifications submitted. The Loan amount shall be subject at all times to all maximum limits and conditions set forth in this Agreement or in any of the Related Documents, including without limitation, any limits relating to loan to value ratios and acquisition and Project costs.

PROJECT DESCRIPTION. The word "Project" as used in this Agreement means the construction and completion of all improvements contemplated by this Agreement, including without limitation the erection of the building or structure on the Real Property identified to this Agreement by Borrower and Lender, installation of equipment and fixtures, landscaping, and all other work necessary to make the Project usable and complete for the intended purposes.

The word "Property" as used in this Agreement means the Real Property together with all improvements, all equipment, fixtures, and other articles of personal property now or subsequently 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 all proceeds (including insurance proceeds and refunds of premiums) from any sale or other disposition of such property. The real estate described below constitutes the Real Property as used in this Agreement.

The real estate or its address is commonly known as:
Real Property located at 229 King Street, Charleston, SC 29401.

FEES AND EXPENSES. Whether or not the Project shall be consummated, Borrower shall assume and pay upon demand all out-of-pocket expenses incurred by Lender in connection with the preparation of loan documents and the making of the Loan, including without limitation the following: (A) all closing costs, loan fees, and disbursements; (B) all expenses of Lender's legal counsel; and (C) all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

NO CONSTRUCTION PRIOR TO RECORDING OF SECURITY DOCUMENT. Borrower will not permit any work or materials to be furnished in connection with the Project until (A) Borrower has signed the Related Documents; (B) Lender's mortgage or deed of trust and other Security Interests in the Property have been duly recorded and perfected; (C) Lender has been provided evidence, satisfactory to Lender, that Borrower has obtained all insurance required under this Agreement or any Related Documents and that Lender's liens on the Property and Improvements are valid perfected first liens, subject only to such exceptions, if any, acceptable to Lender.

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 limited liability company 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 is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. 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 an office at 229 King Street, Charleston, SC 29401. Unless Borrower has designated otherwise in writing, the principal office is the 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 organization or membership agreements, 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, defend, 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 and defend, 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.

Title to Property. Borrower has, or on the date of first disbursement of Loan proceeds will have, good and marketable title to the Collateral free and clear of all defects, liens, and encumbrances, excepting only liens for taxes, assessments, or governmental charges or levies not yet delinquent or payable without penalty or interest, and such liens and encumbrances as may be approved in writing by the Lender. The Collateral is contiguous to publicly dedicated streets, roads, or highways providing access to the Collateral.

Project Costs. The Project costs are true and accurate estimates of the costs necessary to complete the improvements in a good and workmanlike manner according to the Plans and Specifications presented by Borrower to Lender, and Borrower shall take all steps necessary to prevent the actual cost of the improvements from exceeding the Project costs.

Utility Services. All utility services appropriate to the use of the Project after completion of construction are available at the boundaries of the Collateral.

Assessment of Property. The Collateral is and will continue to be assessed and taxed as an independent parcel by all governmental authorities.

Compliance with Governing Authorities. Borrower has examined and is familiar with all the easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and federal, state, and local requirements affecting the Project. The Project will at all times and in all respects conform to and comply with the requirements of such easements, covenants, conditions, restrictions, reservations, building laws, regulations, zoning ordinances, and federal, state, and local requirements.

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.

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.

Approval of Contractors, Subcontractors, and Materialmen. Lender shall have approved a list of all contractors employed in connection with the construction of the improvements, showing the name, address, and telephone number of each contractor, a general description of the nature of the work to be done, the labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of the labor, work, or materials with respect to each contractor or materialman. Lender shall have the right to communicate with any person to verify the facts disclosed by the list or by any application for any Advance, or for any other purpose.

Plans, Specifications, and Permits. Lender shall have received and accepted a complete set of written Plans and Specifications setting forth all improvements for the Project, and Borrower shall have furnished to Lender copies of all permits and requisite approvals of any governmental body necessary for the construction and use of the Project.

Architect's and Construction Contracts. Borrower shall have furnished in form and substance satisfactory to Lender an executed copy of the Architect's Contract and an executed copy of the Construction Contract.

Related and Support Documents. Borrower shall provide to Lender in form satisfactory to Lender the following support documents for the Loan: **Architect's Certificate and Completion Guaranty.**

Budget and Schedule of Estimated Advances. Lender shall have approved detailed budget and cash flow projections of total Project costs and a schedule of the estimated amount and time of disbursements of each Advance.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender property certified resolutions, duly authorizing the consummation of the Project and 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, in their sole discretion, may require.

Bond. If requested by Lender, Borrower shall have furnished a performance and payment bond in an amount equal to 100% of the amount of the Construction Contract, as well as a materialmen's and mechanics' payment bond, with such riders and supplements as Lender may require, each in form and substance satisfactory to Lender, naming the General Contractor as principal and Lender as an additional obligee.

Appraisal. If required by Lender, an appraisal shall be prepared for the Property, at Borrower's expense, which in form and substance shall be satisfactory to Lender, in Lender's sole discretion, including applicable regulatory requirements.

Plans and Specifications. If requested by Lender, Borrower shall have assigned to Lender on Lender's forms the Plans and Specifications for the Project.

Environmental Report. If requested by Lender, Borrower shall have furnished to Lender, at Borrower's expense, an environmental report and certificate on the Property in form and substance satisfactory to Lender, prepared by an engineer or other expert satisfactory to Lender stating that the Property complies with all applicable provisions and requirements of the "Hazardous Substances" paragraph set forth in this Agreement.

Soil Report. If requested by Lender, Borrower shall have furnished to Lender, at Borrower's expenses, a soil report for the Property in form and substance satisfactory to Lender, prepared by a registered engineer satisfactory to Lender stating that the Property is free from soil or other geological conditions that would preclude its use or development as contemplated without extra expense for precautionary, corrective or remedial measures.

Survey. If requested by Lender, Borrower shall have furnished to Lender a survey of recent date, prepared and certified by a qualified surveyor and providing that the improvements, if constructed in accordance with the Plans and Specifications, shall lie wholly within the boundaries of the Collateral without encroachment or violation of any zoning ordinances, building codes or regulations, or setback requirements, together with such other information as Lender in its sole discretion may require.

Zoning. Borrower shall have furnished evidence satisfactory to Lender that the Collateral is duly and validly zoned for the construction, maintenance, and operation of the Project.

Title Insurance. Borrower shall have provided to Lender an ALTA Lender's extended coverage policy of title insurance with such endorsements as Lender may require, issued by a title insurance company acceptable to Lender and in a form, amount, and content satisfactory to Lender, insuring or agreeing to insure that Lender's security agreement or other security document on the Property is or will be upon recordation a valid first lien on the Property free and clear of all defects, liens, encumbrances, and exceptions except those as specifically accepted by Lender in writing. If requested by Lender, Borrower shall provide to Lender, at Borrower's expense, a foundation endorsement to the title policy upon the completion of each foundation for the improvements, showing no encroachments, and upon completion an endorsement which insures the lien-free completion of the Improvements.

Insurance. Unless waived by Lender in writing, Borrower shall have delivered to Lender the following insurance policies or evidence thereof: (a) an all risks course of construction insurance policy (builder's risk), with extended coverage covering the improvements issued in an amount and by a company acceptable to Lender, containing a loss payable or other endorsement satisfactory to Lender insuring Lender as mortgagee, together with such other endorsements as may be required by Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender; (b) owners and General Contractor general liability insurance, public liability and workmen's compensation insurance; (c) flood insurance if required by Lender or applicable law; and (d) all other insurance required by this Agreement or by the Related Documents.

Workers' Compensation Coverage. Provide to Lender proof of the General Contractor's compliance with all applicable workers' compensation laws and regulations with regard to all work performed on the Project.

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.

Satisfactory Construction. All work usually done at the stage of construction for which disbursement is requested shall have been done in a good and workmanlike manner and all materials and fixtures usually furnished and installed at that stage of construction shall have been furnished and installed, all in compliance with the Plans and Specifications. Borrower shall also have furnished to Lender such proofs as Lender may require to establish the progress of the work, compliance with applicable laws, freedom of the Property from liens, and the basis for the requested disbursement.

Certification. Borrower shall have furnished to Lender a certification by an engineer, architect, or other qualified inspector acceptable to Lender that the construction of the Improvements has complied and will continue to comply with all applicable statutes, ordinances, codes, regulations, and similar requirements.

Lien Waivers. Borrower shall have obtained and attached to each application for an Advance, including the Advance to cover final payment to the General Contractor, executed acknowledgments of payments of all sums due and releases of mechanic's and materialmen's liens, satisfactory to Lender, from any party having lien rights, which acknowledgments of payment and releases of liens shall cover all work, labor, equipment, materials done, supplied, performed, or furnished prior to such application for an Advance.

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.

DISBURSEMENT OF LOAN FUNDS. The following provisions relate to the disbursement of funds from the Loan Fund.

Application for Advances. Each application shall be stated on a standard AIA payment request form or other form approved by Lender, executed by Borrower, and supported by such evidence as Lender shall reasonably require. Borrower shall apply only for disbursement with respect to work actually done by the General Contractor and for materials and equipment actually incorporated into the Project. Each application for an Advance shall be deemed a certification of Borrower that as of the date of such application, all representations and warranties contained in the Agreement are true and correct, and that Borrower is in compliance with all of the provisions of this Agreement.

Payments. At the sole option of Lender, Advances may be paid in the joint names of Borrower and the General Contractor, subcontractor(s), or supplier(s) in payment of sums due under the Construction Contract. At its sole option, Lender may directly pay the General Contractor and any subcontractors or other parties the sums due under the Construction Contract. Borrower appoints Lender as its attorney-in-fact to make such payments. This power shall be deemed coupled with an interest, shall be irrevocable, and shall survive an Event of Default under this Agreement.

Projected Cost Overruns. If Lender at any time determines in its sole discretion that the amount in the Loan Fund is insufficient, or will be insufficient, to complete fully and to pay for the Project, then within ten (10) days after receipt of a written request from Lender, Borrower shall deposit in the Loan Fund an amount equal to the deficiency as determined by Lender. The judgment and determination of Lender under this section shall be final and conclusive. Any such amounts deposited by Borrower shall be disbursed prior to any Loan proceeds.

Final Payment to General Contractor. Upon completion of the Project and fulfillment of the Construction Contract to the satisfaction of Lender and provided sufficient Loan Funds are available, Lender shall make an Advance to cover the final payment due to the General Contractor upon delivery to Lender of endorsements to the ALTA title insurance policy following the posting of the completion notice, as provided under applicable law. Construction shall not be deemed complete for purposes of final disbursement unless and until Lender shall have received all of the following:

(1) Evidence satisfactory to Lender that all work under the Construction Contract requiring inspection by any governmental authority with jurisdiction has been duly inspected and approved by such authority, that a certificate of occupancy has been issued, and that all parties performing work have been paid, or will be paid, for such work;

(2) A certification by an engineer, architect, or other qualified inspector acceptable to Lender that the improvements have been completed substantially in accordance with the Plans and Specifications and the Construction Contract, that direct connection has been made to all utilities set forth in the Plans and Specifications, and that the Project is ready for occupancy; and

(3) Acceptance of the completed improvements by Lender and Borrower.

Construction Default. If Borrower fails in any respect to comply with the provisions of this Agreement or if construction ceases before completion regardless of the reason, Lender, at its option, may refuse to make further Advances, may accelerate the indebtedness under the terms of the Note, and without thereby impairing any of its rights, powers, or privileges, may enter into possession of the construction site and perform or cause to be performed any and all work and labor necessary to complete the improvements, substantially in accordance with the Plans and Specifications.

Damage or Destruction. If any of the Collateral or improvements is damaged or destroyed by casualty of any nature, within sixty (60) days thereafter Borrower shall restore the Collateral and improvements to the condition in which they were before such damage or destruction with funds other than those in the Loan Fund. Lender shall not be obligated to make disbursements under this Agreement until such restoration has been accomplished.

Adequate Security. When any event occurs that Lender determines may endanger completion of the Project or the fulfillment of any condition or covenant in this Agreement, Lender may require Borrower to furnish, within ten (10) days after delivery of a written request, adequate security to eliminate, reduce, or indemnify Lender against, such danger. In addition, upon such occurrence, Lender in its sole discretion may advance funds or agree to undertake to advance funds to any party to eliminate, reduce, or indemnify Lender against, such danger or to complete the Project. All sums paid by Lender pursuant to such agreements or undertakings shall be for Borrower's account and shall be without prejudice to Borrower's rights, if any, to receive such funds from the party to whom paid. All sums expended by Lender in the exercise of its option to complete the Project or protect Lender's interests shall be payable to Lender on demand together with interest from the date of the Advance at the rate applicable to the Loan. In addition, any Advance of funds under this Agreement, including without limitation direct disbursements to the General Contractor or other parties in payment of sums due under the Construction Contract, shall be deemed to have been expended by or on behalf of Borrower and to have been secured by Lender's Mortgage, if any, on the Collateral.

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; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

LIMITATION OF RESPONSIBILITY. The making of any Advance by Lender shall not constitute or be interpreted as either (A) an approval or acceptance by Lender of the work done through the date of the Advance, or (B) a representation or indemnity by Lender to any party against any deficiency or defect in the work or against any breach of any contract. Inspections and approvals of the Plans and Specifications, the improvements, the workmanship and materials used in the improvements, and the exercise of any other right of inspection, approval, or inquiry

granted to Lender in this Agreement are acknowledged to be solely for the protection of Lender's interests, and under no circumstances shall they be construed to impose any responsibility or liability of any nature whatsoever on Lender to any party. Neither Borrower nor any contractor, subcontractor, materialman, laborer, or any other person shall rely, or have any right to rely, upon Lender's determination of the appropriateness of any Advance. No disbursement or approval by Lender shall constitute a representation by Lender as to the nature of the Project, its construction, or its intended use for Borrower or for any other person, nor shall it constitute an indemnity by Lender to Borrower or to any other person against any deficiency or defects in the Project or against any breach of any contract.

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 45 days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, reviewed by a certified public accountant satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than 45 days after the applicable filing date for the tax reporting period ended, Borrower's Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

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, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations as Lender may request from time to time.

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.

Insurance. Maintain fire and other risk insurance, hail, federal crop 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 thirty (30) 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.

Names of Guarantors	Amounts
Athanasios Fokas	Unlimited
Iakovos S Ferderigos	Unlimited

Loan Fees, Charges and Expenses. In addition to all other agreed upon fees, charges, and expenses, pay the following: Commercial Construction Loan Inspection Fee of $250.00 per visit. Whether or not the Project is completed, Borrower also shall pay upon demand all out-of-pocket expenses incurred by Lender in connection with the preparation of loan documents and the making of the Loan, including, without limitation, all closing costs, fees, and disbursements, all expenses of Lender's legal counsel, and all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

Loan Proceeds. Use all Loan proceeds solely for the following specific purposes: for construction purposes only as described in plans and specifications submitted.

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. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

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.

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.

Construction of the Project. Commence construction of the Project no later than November 21, 2014, and cause the improvements to be constructed and equipped in a diligent and orderly manner and in strict accordance with the Plans and Specifications approved by Lender, the Construction Contract, and all applicable laws, ordinances, codes, regulations, and rights of adjoining or concurrent property owners. Borrower agrees to complete the Project for purposes of final payment to the General Contractor on or before November 21, 2015, regardless of the reason for any delay.

Defects. Upon demand of Lender, promptly correct any defect in the improvements or any departure from the Plans and Specifications not approved by Lender in writing before further work shall be done upon the portion of the improvements affected.

Project Claims and Litigation. Promptly inform Lender of (1) all material adverse changes in the financial condition of the General Contractor; (2) any litigation and claims, actual or threatened, affecting the Project or the General Contractor, which could materially affect the successful completion of the Project or the ability of the General Contractor to complete the Project as agreed; and (3) any condition or event which constitutes a breach or default under any of the Related Documents or any contract related to the Project.

Payment of Claims and Removal of Liens. (1) Cause all claims for labor done and materials and services furnished in connection with the improvements to be fully paid and discharged in a timely manner; (2) diligently file or procure the filing of a valid notice of completion of the improvements, or such comparable document as may be permitted under applicable lien laws, (3) diligently file or procure the filing of a notice of cessation, or such comparable document as may be permitted under applicable lien laws, upon the happening of cessation of labor on the improvements for a continuous period of thirty (30) days or more, and (4) take all reasonable steps necessary to remove all claims of liens against the Collateral, the improvements or any part of the Collateral or improvements, or any rights or interests appurtenant to the Collateral or improvements. Upon Lender's request, Borrower shall make such demands or claims upon or against laborers, materialmen, subcontractors, or other persons who have furnished or claim to have furnished labor, services, or materials in connection with the improvements, which demands or claims shall under the laws of the State of South Carolina require diligent assertions of lien

claims upon penalty of loss or waiver thereof. Borrower shall, within ten (10) days after the filing of any claim of lien that is disputed or contested by Borrower, provide Lender with a surety bond issued by a surety acceptable to Lender sufficient to release the claim of lien or deposit with Lender an amount satisfactory to Lender for the possibility that the contest will be unsuccessful. If Borrower fails to remove any lien on the Collateral or Improvements or provide a bond or deposit pursuant to this provision, Lender may pay such lien, or may contest the validity of the lien, and Borrower shall pay all costs and expenses of such contest, including Lender's reasonable attorneys' fees.

Taxes and Claims. Pay and discharge when due all of Borrower's indebtedness, obligations, and claims that, if unpaid, might become a lien or charge upon the Collateral or Improvements; provided, however, that Borrower shall not be required to pay and discharge any such indebtedness, obligation, or claim so long as (1) its legality shall be contested in good faith by appropriate proceedings, (2) the indebtedness, obligation, or claim does not become a lien or charge upon the Collateral or Improvements, and (3) Borrower shall have established on its books adequate reserves with respect to the amount contested in accordance with GAAP. If the indebtedness, obligation, or claim does become a lien or charge upon the Collateral or Improvements, Borrower shall remove the lien or charge as provided in the preceding paragraph.

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.

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 in the Collateral and Improvements.

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.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Modification of Contract. Make or permit to be made any modification of the Construction Contract.

Liens. Create or allow to be created any lien or charge upon the Collateral or the Improvements.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

GENERAL PROJECT PROVISIONS. The following provisions relate to the construction and completion of the Project:

Change Orders. All requests for changes in the Plans and Specifications, other than minor changes involving no extra cost, must be in writing, signed by Borrower and the architect, and delivered to Lender for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Lender. Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

Purchase of Materials; Conditional Sales Contracts. No materials, equipment, fixtures, or articles of personal property placed in or incorporated into the Project shall be purchased or installed under any Security Agreement or other agreement whereby the seller reserves or purports to reserve title or the right of removal or repossession, or the right to consider such items as personal property after their incorporation into the Project, unless otherwise authorized by Lender in writing.

Lender's Right of Entry and Inspection. Lender and its agents shall have at all times the right of entry and free access to the Property and the right to inspect all work done, labor performed, and materials furnished with respect to the Project. Lender shall have unrestricted access to and the right to copy all records, accounting books, contracts, subcontracts, bills, statements, vouchers, and supporting documents of Borrower relating in any way to the Project.

Lender's Right to Stop Work. If Lender in good faith determines that any work or materials do not conform to the approved Plans and Specifications or sound building practices, or otherwise depart from any of the requirements of this Agreement, Lender may require the work to be stopped and withhold disbursements until the matter is corrected, in such event, Borrower will promptly correct the work to Lender's satisfaction. No such action by Lender will affect Borrower's obligation to complete the Improvements on or before the Completion Date. Lender is under no duty to supervise or inspect the construction or examine any books and records. Any inspection or examination by Lender is for the sole purpose of protecting Lender's security and preserving Lender's rights under this Agreement. No default of Borrower will be waived by any inspection by Lender. In no event will any inspection by Lender be a representation that there has been or will be compliance with the Plans and Specifications or that the construction is free from defective materials or workmanship.

Indemnity. Borrower shall indemnify, defend, and hold Lender harmless from any and all claims asserted against Lender or the Property by any person, entity, or governmental body, or arising out of or in connection with the Property, Improvements, or Project. Lender shall be entitled to appear in any proceedings to defend itself against such claims, and all costs and expenses reasonable attorneys' fees incurred by Lender in connection with such defense shall be paid by Borrower to Lender. Lender shall, in its sole discretion, be entitled to settle or compromise any asserted claims against it, and such settlement shall be binding upon Borrower for purposes of this indemnification. All amounts paid by Lender under this paragraph shall be secured by Lender's security agreement or Mortgage, if any, on the Property, shall be deemed an additional principal Advance under the Loan, payable upon demand, and shall bear interest at the rate applicable to the Loan.

Publicity. Lender may display a sign at the construction site informing the public that Lender is the construction lender for the Project. Lender may obtain other publicity in connection with the Project through press releases and participation in ground-breaking and opening ceremonies and similar events.

Actions. Lender shall have the right to commence, appear in, or defend any action or proceeding purporting to affect the rights, duties, or liabilities of the parties to this Agreement, or the disbursement of funds from the Loan Fund. In connection with this right, Lender may incur and pay reasonable costs, expenses and reasonable attorneys' fees. Borrower covenants to pay to Lender on demand all such expenses, together with interest from the date Lender incurs the expense at the rate specified in the Note, and Lender is authorized to disburse funds from the Loan Fund for such purposes.

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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

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.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any Loan.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

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.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, 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.

Breach of Construction Contract. The Improvements are not constructed in accordance with the Plans and Specifications or in accordance with the terms of the Construction Contract.

Cessation of Construction. Prior to the completion of construction of the Improvements and equipping of the Project, the construction of the Improvements or the equipping of the Project is abandoned or work thereon ceases for a period of more than ten (10) days for any reason, or the Improvements are not completed for purposes of final payment to the General Contractor prior to November 21, 2015, regardless of the reason for the delay.

Transfer of Property. Sale, transfer, hypothecation, assignment, or conveyance of the Property or the Improvements or any portion thereof or interest therein by Borrower or any Borrower without Lender's prior written consent.

Condemnation. All or any material portion of the Collateral is condemned, seized, or appropriated without compensation, and Borrower does not within thirty (30) days after such condemnation, seizure, or appropriation, initiate and diligently prosecute appropriate action to contest in good faith the validity of such condemnation, seizure, or appropriation.

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.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Lender sends written notice to Borrower or Grantor, as the case may be, 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; REMEDIES. Upon the occurrence of any Event of Default and at any time thereafter, Lender may, at its option, but without any obligation to do so, and in addition to any other right Lender without notice to Borrower may have, do any one or more of the following without notice to Borrower: (a) Cancel this Agreement; (b) Institute appropriate proceedings to enforce the performance of this Agreement; (c) Withhold further disbursement of Loan Funds; (d) Expend funds necessary to remedy the default; (e) Take possession of the Property and continue construction of the Project; (f) Accelerate maturity of the Note and/or Indebtedness and demand payment of all sums due under the Note and/or Indebtedness; (g) Bring an action on the Note and/or Indebtedness; (h) Foreclose Lender's security agreement or Mortgage, if any, on the Property in any manner available under law; and (i) Exercise any other right or remedy which it has under the Note or Related Documents, or which is otherwise available at law or in equity or by statute.

COMPLETION OF IMPROVEMENTS BY LENDER. If Lender takes possession of the Collateral, it may take any and all actions necessary in its judgment to complete construction of the Improvements, including but not limited to making changes in the Plans and Specifications, work, or materials and entering into, modifying or terminating any contractual arrangements, subject to Lender's right at any time to discontinue any work without liability. If Lender elects to complete the Improvements, it will not assume any liability to Borrower or to any other person for completing the Improvements or for the manner or quality of construction of the Improvements, and Borrower expressly waives any such liability. Borrower irrevocably appoints Lender as its attorney-in-fact, with full power of substitution, to complete the Improvements, at Lender's option, either in Borrower's name or in its own name. In any event, all sums expended by Lender in completing the construction of the Improvements will be considered to have been disbursed to Borrower and will be secured by the Collateral for the Loan. Any such sums that cause the principal amount of the Loan to exceed the face amount of the Note will be considered to be an additional Loan to Borrower, bearing interest at the Note rate and being secured by the Collateral. For these purposes, Borrower assigns to Lender all of its right, title and interest in and to the Project Documents; however Lender will not have any obligation under the Project Documents unless Lender expressly hereafter agrees to assume such obligations in writing. Lender will have the right to exercise any rights of Borrower under the Project Documents upon the occurrence of an Event of Default. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently.

ADDITIONAL DOCUMENTS. Borrower shall provide Lender with the following additional documents:

Articles of Organization and Company Resolutions. Borrower has provided or will provide Lender with a certified copy of Borrower's Articles of Organization, together with a certified copy of resolutions properly adopted by the members of the company, under which the members authorized one or more designated members or employees to execute this Agreement, the Note and any and all Security Agreements directly or indirectly securing repayment of the same, and to consummate the borrowings and other transactions as contemplated under this Agreement, and to consent to the remedies following any default by Borrower as provided in this Agreement and in any Security Agreements.

Opinion of Counsel. When required by Lender, Borrower has provided or will provide Lender with an opinion of Borrower's counsel certifying to and that: (1) Borrower's Note, any Security Agreements and this Agreement constitute valid and binding obligations on Borrower's part that are enforceable in accordance with their respective terms; (2) Borrower is validly existing and in good standing; (3) Borrower has authority to enter into this Agreement and to consummate the transactions contemplated under this Agreement; and (4) such other matters as may have been requested by Lender or by Lender's counsel.

FIRST DRAW REQUIREMENTS. The following items are required prior to the first construction draw (1) Current General Liability Insurance policy, (2) Builder's Risk Insurance policy on the subject property, (3) Foundation Survey, (4) Soil Treatment Certification, (5) Flood Insurance policy and Elevation Certificate, (6) Permanent Steet Address. Forward these documents to our office as soon as they are available to facilitate the processing and disbursement of the first draw. Contact Linette R. Mower at (843) 216-3051 or lmower@southcoastbank.com with any questions concerning the construction process.

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.

Authority to File Notices. Borrower appoints and designates Lender as its attorney-in-fact to file for the record any notice that Lender deems necessary to protect its interest under this Agreement. This power shall be deemed coupled with an interest and shall be irrevocable while any sum or performance remains due and owing under any of the Related Documents.

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.

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.

Indemnification of Lender. Borrower agrees to indemnify, to defend and to save and hold Lender harmless from any and all claims, suits, obligations, damages, losses, costs and expenses (including, without limitation, Lender's reasonable attorneys' fees, as well as Lender's architect's and engineering fees); demands, liabilities, penalties, fines and forfeitures of any nature whatsoever that may be asserted against or incurred by Lender, its officers, directors, employees, and agents arising out of, relating to, or in any manner occasioned by this Agreement and the exercise of the rights and remedies granted Lender under this. The foregoing indemnity provisions shall survive the cancellation of this Agreement as to all matters arising or accruing prior to such cancellation and the foregoing indemnity shall survive in the event that Lender elects to exercise any of the remedies as provided under this Agreement following default hereunder.

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.

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.

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.

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.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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 Construction Loan Agreement, as this Construction Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Construction Loan Agreement from time to time.

Architect's Contract. The words "Architect's Contract" mean the architect's contract between Borrower and Tucker & Associates, the architect for the Project.

Borrower. The word "Borrower" means Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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.

Completion Date. The words "Completion Date" mean November 21, 2015.

Construction Contract. The words "Construction Contract" mean the contract between Borrower and Kevin W Carroll, the general contractor for the Project, and any subcontracts with subcontractors, materialmen, laborers, or any other person or entity for performance of work on the Project or the delivery of materials to the Project.

Contractor. The word "Contractor" means Kevin W Carroll, the general contractor for the Project.

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 and any guarantor under a completion guaranty agreement.

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 buildings, structures, facilities, fixtures, additions, and similar construction on the Collateral.

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 SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Loan. The word "Loan" means the loan or loans made to Borrower under this Agreement and the Related Documents as described .

Loan Fund. The words "Loan Fund" mean the undisbursed proceeds of the Loan under this Agreement together with any equity funds or other deposits required from Borrower under this Agreement.

Note. The word "Note" means the promissory note dated November 21, 2014, in the original principal amount of $1,800,000.00 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.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Plans and Specifications. The words "Plans and Specifications" mean the plans and specifications for the Project which have been submitted to and initialed by Lender, together with such changes and additions as may be approved by Lender in writing.

Project. The word "Project" means the construction project as described in the "Project Description" section of this Agreement.

Project Documents. The words "Project Documents" mean the Plans and Specifications, all studies, data and drawings relating to the Project, whether prepared by or for Borrower, the Construction Contract, the Architect's Contract, and all other contracts and agreements relating to the Project or the construction of the Improvements.

Property. The word "Property" means the property as described in the "Project Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in the "Project Description" section of this 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 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 CONSTRUCTION LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS CONSTRUCTION LOAN AGREEMENT IS DATED NOVEMBER 21, 2014.

BORROWER:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S. Ferderigos, Authorized Member of Old Towne Suites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

By: _____
Authorized Signer

0455

GUARANTY OF COMPLETION AND PERFORMANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Guarantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS GUARANTY OF COMPLETION AND PERFORMANCE ("Guaranty") is made as of November 21, 2014, by Old Towne Suites, LLC ("Guarantor") to and for the benefit of SOUTHCOAST COMMUNITY BANK ("Lender").

THE LOAN. Guarantor proposes to borrow from Lender the principal amount of One Million Eight Hundred Thousand & 00/100 Dollars ($1,800,000.00) pursuant to the terms and conditions of the Construction Loan Agreement. As a condition and inducement to making the Loan, Guarantor has requested that Guarantor duly execute and deliver this Guaranty guaranteeing the lien-free completion of the construction of the Project and the performance of other covenants, which are all considered by Lender to be material regarding Lender's decision to make the Loan.

GUARANTY. Guarantor hereby unconditionally and absolutely warrants and guarantees to Lender that: (a) construction of the Project shall be commenced and shall be substantially completed within the time limits set forth in the Construction Loan Agreement; (b) the Project shall be constructed and completed in accordance with the Loan Documents and the Plans and Specifications, without substantial deviation therefrom unless approved by Lender in writing; (c) except for Lender's security agreements, the Project will be constructed and completed free and clear of all liens and encumbrances, including without limitation all mechanics' liens, materialmen's liens, and equitable liens; and (d) all costs of constructing the Project will be paid when due, and no stop notices shall be served on Lender.

OBLIGATIONS OF GUARANTOR UPON EVENT OF DEFAULT. Should an Event of Default (as defined in any Construction Loan Agreement) occur or if the Project shall not be constructed and completed as provided above, Guarantor shall: (a) diligently proceed to cure such default and procure completion of the Project at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the construction of the Project; and (c) pay such amounts as may be necessary to release and discharge all claims of stop notices, mechanics' liens, materialmen's liens, and equitable liens, if any, that may come into existence in connection with the construction of the Project.

NATURE OF GUARANTY. This Guaranty is an original and independent obligation of Guarantor, separate and distinct from Guarantor's obligations to Lender under the Loan Documents. The obligations of Guarantor to Lender under this Guaranty are direct and primary, regardless of the validity or enforceability of the Loan Documents. This Guaranty is for the benefit of Lender, and is not for the benefit of any third party. This Guaranty shall continue until (A) the Project has been completed, free and clear of all liens and encumbrances as provided above, and (B) all obligations of Guarantor to Lender under this Guaranty have been performed in full.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) to make or approve changes to the Plans and Specifications; (b) to make modifications to the Construction Loan Agreement and the other Loan Documents; (c) to make one or more additional secured or unsecured loans to Guarantor; (d) to repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Loan or any part of the Loan, including increases and decreases of the rate of interest on the Loan; extensions may be repeated and may be for longer than the original loan term; (e) to take and hold security for the payment of the Loan or this Guaranty, and exchange, enforce, waive, and release any such security, with or without the substitution of new collateral; (f) to release, substitute, agree not to sue, or deal with any one or more of Guarantor's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (g) to determine how, when, and what application of payments and credits shall be made on the Loan; (h) 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 Lender's discretion may determine; (i) to sell, transfer, assign or grant participations in all or any part of the Loan; and (j) 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 Guarantor's request and not at the request of Lender to induce Lender to disburse the Loan to Guarantor pursuant to the terms of the Loan Documents and that Lender would not make and disburse the Loan to Guarantor pursuant to the Loan Documents were it not for the execution and delivery of this Guaranty; (c) 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; (d) neither the execution nor the delivery of this Guaranty nor compliance with the terms hereof will conflict with or result in the breach of any law or statute, will constitute a breach or default under any agreement or instrument to which Guarantor may be a party, or will result in the creation or imposition of any charge or lien upon any property or assets of Guarantor; (e) Lender has made no representation to Guarantor as to the creditworthiness of Guarantor; (f) the most recent financial statements of Guarantor heretofore delivered to Lender are true and correct in all material respects and fairly present the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the date of the most recent financial statements; and (g) Guarantor has established adequate means of obtaining from Guarantor on a continuing basis information regarding Guarantor'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 obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Guarantor.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender: (A) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Loan or of any nonpayment related to any security agreement, or notice of any action or nonaction on the part of Guarantor, Lender, any surety, endorser, or other guarantor in connection with the Loan or in connection with the creation of new or additional loans or obligations; (B) to resort for payment or to proceed directly or at once against any person, including Guarantor or any other guarantor; (C) to proceed directly against or exhaust any collateral held by Lender

from Guarantor, any other guarantor, or any other person (D) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Guarantor or to comply with any other applicable provisions of the Uniform Commercial Code; (E) to pursue any other remedy within Lender's power; or (f) 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 "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 Guarantor for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging any Loan indebtedness; (C) any disability or other defense of Guarantor, of any other guarantor, or of any other person, or by reason of the cessation of Guarantor's liability from any cause whatsoever, other than payment in full in legal tender, of any Loan indebtedness; (D) any failure or invalidity of, or any defect in, the Construction Loan Agreement or any other Loan Document; (E) any right to claim discharge of any Loan indebtedness on the basis of unjustified impairment of any collateral for any Loan indebtedness; or (F) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding Loan indebtedness of Guarantor to Lender which is not barred by any applicable statute of limitations. If payment is made by Guarantor, whether voluntarily or otherwise, or by any third party, on any Loan and thereafter Lender is forced to remit the amount of that payment to Guarantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Loan shall be considered unpaid for the purpose of 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 Guarantor, 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 Guarantor's 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.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor 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. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

RIGHTS AND REMEDIES. If Guarantor shall fail to perform promptly as provided in this Guaranty, Lender shall have the following rights and remedies:

Perform Work. Lender, at its option, but without any obligation to do so, may proceed to perform on behalf of Guarantor any and all work on the Project and to pay any costs incurred in connection with the work. Guarantor, upon Lender's demand, shall promptly pay to Lender all such sums expended together with interest thereon at the interest rate set forth in the Note.

Cure Defaults. Lender, at its option, but without any obligation to do so, may cure any defaults, including without limitation, paying any unpaid bills and liens, including without limitation those for construction, labor, and materials. Guarantor, upon Lender's demand, shall promptly pay to Lender all such sums expended together with interest thereon at the interest rate set forth in the Note.

Specific Performance. From time to time and without first requiring performance on the part of Guarantor and without being required to exhaust any security held by Lender for the Loan, to require Guarantor specifically to perform Guarantor's obligations under this Guaranty, by action at law or in equity or both, and further, to collect in any such action, compensation for all loss, cost, damage, injury and expense sustained or incurred by Lender as a direct or indirect consequence of Guarantor's failure to perform, with interest thereon at the interest rate set forth in the Note.

Other Rights and Remedies. In addition, Lender shall have and may exercise any or all of the rights and remedies it may have available at law, in equity, or otherwise.

SUBORDINATION OF GUARANTOR'S DEBTS TO GUARANTOR. Guarantor agrees that the Loan, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Guarantor, whether or not Guarantor becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Guarantor, upon any account whatsoever, to any claim that Lender may now or hereafter have against Guarantor. In the event of insolvency and consequent liquidation of the assets of Guarantor, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Guarantor 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 Loan. Guarantor does hereby assign to Lender all claims which it may have or acquire against Guarantor or against any assignee or trustee in bankruptcy of Guarantor; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Loan. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Guarantor 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.

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.

Notices. Any notice required to be given under this Guaranty 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 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.

Interpretation. In all cases where there is more than one 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 Guarantor named in this Guaranty or when this Guaranty is executed by more than one , the words "Guarantor" shall mean all and any one or more of them. Reference to the phrase "Guarantor" includes the heirs, successors, assigns, and transferees of each of them.

Severability. If a court of competent jurisdiction finds any provision of this Guaranty 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 Guaranty. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Guaranty shall not affect the legality, validity or enforceability of any other provision of this Guaranty.

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. If ownership of the Collateral becomes vested in a person other than Guarantor, Lender, without notice to Guarantor, may deal with Guarantor's successors with reference to this Guaranty and the Loan by way of forbearance or extension without releasing Guarantor from the obligations of this Guaranty or liability under the Loan.

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 Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Guarantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Guaranty.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Old Towne Suites, LLC, and in each case, any signer's successors and assigns.

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

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Loan. The word "Loan" means the loan made to Guarantor under the Construction Loan Agreement and the Loan Documents as described below.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Plans and Specifications. The words "Plans and Specifications" mean the plans and specifications for the Project which have been submitted to and initialed by Lender, together with such changes and additions as may be approved by Lender in writing.

Project. The word "Project" means the construction, renovation, or other work on the improvements as set forth in the Plans and Specifications.

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.

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. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 21, 2014.

NOTICE CONCERNING APPRAISAL WAIVER. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE(S) AND RELINQUISH(ES) THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

GUARANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

LENDER:

SOUTHCOAST COMMUNITY BANK

X _____
Authorized Signer

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COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

THIS COMMERCIAL SECURITY AGREEMENT dated November 21, 2014, is made and executed between Old Towne Suites, LLC ("Grantor") and SOUTHCOAST COMMUNITY BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the Indebtedness and performance of all other obligations under the Note and this Agreement:

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

(A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.

(B) All products and produce of any of the property described in this Collateral section.

(C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.

(D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.

(E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor 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. Grantor 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, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of South Carolina, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as

otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, including without limitation all environmental laws, ordinances, rules and regulations, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral 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 Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, 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 thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a 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. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds $5,000.00, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. This includes making sure Lender is shown as the first and only security interest holder on the title covering the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. Grantor will promptly notify Lender of any change to Grantor's name or the name of any individual Grantor, any individual who is a partner for a Grantor, and any individual who is a trustee or settlor or trustor for a Grantor under this Agreement. Grantor will also promptly notify Lender of any change to the name that appears on the most recently issued, unexpired driver's license or state-issued identification card, any expiration of the most recently issued driver's license or state-issued identification card for Grantor or any individual for whom Grantor is required to provide notice regarding name changes.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for

application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement 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 Agreement 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 Collateral and paying all costs for insuring, maintaining and preserving the 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 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 Agreement 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.

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

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

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any Indebtedness.

Other Defaults. Grantor 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 Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor'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.

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.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of 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 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 Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if 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.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

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.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. 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 Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor 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. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the South Carolina Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral 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 Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail, addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, 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 Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its 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. Grantor 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 Grantor 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. Grantor also shall pay all court costs and such additional fees as may be directed by the court. This Agreement also secures all of these amounts.

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.

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 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 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, 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.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

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.

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

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

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

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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:

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

Borrower. The word "Borrower" means Old Towne Suites, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement 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 Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means Old Towne Suites, LLC.

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.

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 Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this 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 Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

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WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

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HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

THIS HAZARDOUS SUBSTANCES AGREEMENT dated November 21, 2014, is made and executed among Old Towne Suites, LLC, whose address is 229 King Street, Charleston, SC 29401 (sometimes referred to below as "Borrower" and sometimes as "Indemnitor"); Athanasios Fokas, whose address is 229 King Street, Charleston, SC 29401 and Iakovos S Ferderigos, whose address is 229 King Street, Charleston, SC 29401 (sometimes referred to below as "Guarantor" and sometimes as "Indemnitor"); and SOUTHCOAST COMMUNITY BANK, Commercial Lending, 530 Johnnie Dodds, Mt. Pleasant, SC 29464 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Charleston County, State of South Carolina:

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

The Real Property or its address is commonly known as 229 King Street, Charleston, SC 29401. The Real Property tax identification number is 457-08-01-063.

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

Use of Property. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, disposal, release, or threatened release of any Hazardous Substances by any person on, under, or about the Property.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Property, whenever and whether owned by previous Occupants, has ever contained asbestos, PCBs, lead paints or other Hazardous Substances, whether used in construction or stored on the Property.

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters, ambient air or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Indemnitor covenants with Lender as follows:

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substances, PCBs, lead paint or asbestos.

Compliance with Environmental Laws. Indemnitor shall cause the Property and the operations conducted on it to comply with any and all Environmental Laws and orders of any governmental authorities having jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental permits and authorizations required by Environmental Laws with respect to such Property or operations. Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Preventive, Investigatory and Remedial Action. Indemnitor shall exercise extreme care in handling Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) (a) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or minimize property damage (including damage to Occupant's own property), personal injury or damage to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Property or operations of any Occupant on the Property. In the

event Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor to Lender upon demand with interest at the Note default rate, or in the absence of a default rate, at the Note interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and appropriate.

Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

(1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.

(2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.

(3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.

(4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.

(5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that Indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at Indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. 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 any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION. Indemnitor hereby agrees to and shall indemnify, defend, and hold harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents from and against any and all claims, demands, losses, liabilities, costs, fines, penalties and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review, consultants' fees, remedial action costs, natural resource damages and diminution in value) incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property, or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, including without limitation any natural resource damages, or (b) arising out of or related to any noncompliance with or violation of Environmental Laws or any applicable permits or approvals, or (c) on account of injury to Lender or any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant, representation or warranty contained in this Agreement, (ii) the violation of any Environmental Laws, permits, authorizations or approvals, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Property, or (iv) the contamination of any of the Property by, or the presence, release or threatened release of, Hazardous Substances by any means whatsoever (explicitly including without limitation any presently existing contamination of the Property, whether or not previously disclosed to Lender), or (d) pursuant to this Agreement. Indemnitor's obligations under this section shall survive the termination of this Agreement and as set forth below in the Survival section. In addition to this indemnity, Indemnitor hereby releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Note default rate, or in the absence of a default rate, at the Note interest rate.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

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. If Lender institutes any suit or action to enforce any of the terms of this Agreement, 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. Indemnitor also will pay any court costs, in addition to all other sums provided by law.

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.

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.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

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 Indemnitor, shall constitute a waiver of any of Lender's rights or of any of Indemnitor'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. Indemnitor hereby waives notice of acceptance of this Agreement by 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, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

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.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement 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 Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the indebtedness.

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

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

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:

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

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.

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 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 Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means SOUTHCOAST COMMUNITY BANK, its successors and assigns.

Note. The word "Note" means the Note dated November 21, 2014 and executed by Old Towne Suites, LLC in the principal amount of $1,800,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the Property, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

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

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

BORROWER:

OLD TOWNE SUITES, LLC

By:_____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By:_____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

Signed, acknowledged and delivered in the presence of:

X_____
Witness

X_____
Witness

GUARANTOR:

X_____
Athanasios Fokas, Individually

X_____
Iakovos S Ferderigos, Individually

Signed, acknowledged and delivered in the presence of:

X_____
Witness

X_____
Witness

LENDER:

SOUTHCOAST COMMUNITY BANK

X_____
Authorized Signer

Signed, acknowledged and delivered in the presence of:

X_____
Witness

X_____
Witness

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Agreement 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: _____

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 Agreement 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: _____

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

PERSONALLY appeared before me and made oath that he or she saw the within-named authorized agent for SOUTHCOAST COMMUNITY BANK, sign, seal, and, as his or her act and deed, deliver the within-written Agreement 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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TAX RECORD

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	***	

References in the boxes above 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: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

Loan #: _____
Taxes Listed in the name of: _____
Borrower's Name(s): _____
Property Address: _____
Mailing Address: _____

TAXING AUTHORITY

County: _____ Next Due Date: _____ Date Paid Through: _____
Amount Due: $_____ Amount of Taxes for Following Year: $_____

Taxes are Payable:
( ) Annually ( ) Semi-Annually ( ) Quarterly

Taxes for the Current Year are based on:
( ) Acreage ( ) Vacant Lot ( ) Partial Construction ( ) Complete Construction

TAX DESCRIPTION

Parcel ID / TMS #: _____ Township: _____
Lot: _____ Block: _____ Subdivision: _____

SPECIAL ASSESSMENTS - NO ESCROW TO BE SET UP FOR PAYMENT OF ASSESSMENTS WITHOUT PRIOR APPROVAL OF LENDER

Public Service District: _____ Amount: _____
Sewer: _____ Amount: _____
Street Paving: _____ Amount: _____
Other Assessment: _____ Amount: _____

Assessments due: ( ) Annually ( ) Semi-Annually ( ) Quarterly

This information is Certified By: _____

Signature of Closing Attorney: _____

Date Loan Closed: _____

INSTRUCTION FOR COMPLETION OF TAX RECORD

1. Tax Description must be exactly as shown on tax records
2. Assessments should be shown only if to be paid from escrow.
3. City taxing authority to be shown only if city taxes are to be paid.
4. Tax bills are obtained from information on this form. All information must be completed in full.

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AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$1,800,000.00	11-21-2014	12-01-2020	03400007519		34000	****	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843)-884-0504

INSURANCE REQUIREMENTS. Grantor, Old Towne Suites, LLC ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: All Inventory, Equipment, Fixtures, Timber and Minerals, Oil and Gas.
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, proof of the required insurance as provided above, with an effective date of November 21, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 2014.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____ PHONE _____

AGENT'S NAME: _____
AGENCY: _____
ADDRESS: _____
INSURANCE COMPANY: _____
POLICY NUMBER: _____
EFFECTIVE DATES: _____

COMMENTS: _____

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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	11-21-2014		03400007519		34000	****	

References in the boxes above 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.

Grantor: Old Towne Suites, LLC
229 King Street
Charleston, SC 29401

Lender: SOUTHCOAST COMMUNITY BANK
Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464
(843) 884-0504

TO: ATTN: Insurance Agent

DATE: November 21, 2014

RE: Policy Number(s):

Insurance Companies/Company:

Dear Insurance Agent:

Grantor, Old Towne Suites, LLC ("Grantor") is obtaining a loan from SOUTHCOAST COMMUNITY BANK. Please send appropriate evidence of insurance to SOUTHCOAST COMMUNITY BANK, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

Collateral: All Inventory, Equipment, Fixtures, Timber and Minerals, Oil and Gas.
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

GRANTOR:

OLD TOWNE SUITES, LLC

By: _____
Athanasios Fokas, Authorized Member of Old Towne Suites, LLC

By: _____
Iakovos S Ferderigos, Authorized Member of Old Towne Suites, LLC

RETURN TO:

Commercial Lending
530 Johnnie Dodds
Mt. Pleasant, SC 29464

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C:\PROSUITE\CFI\LPL11.FC TR-7519 PR-13

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
Cindy Gleaton (843) 216-3016

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

SOUTHCOAST COMMUNITY BANK
530 Johnnie Dodds
Mt. Pleasant, SC 29464

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
Old Towne Suites, LLC

OR

1b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

1c. MAILING ADDRESS: 229 King Street | CITY: Charleston | STATE: SC | POSTAL CODE: 29401 | COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
SOUTHCOAST COMMUNITY BANK

OR

3b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

3c. MAILING ADDRESS: 530 Johnnie Dodds | CITY: Mt. Pleasant | STATE: SC | POSTAL CODE: 29464 | COUNTRY: USA

4. COLLATERAL: This financing statement covers the following collateral:

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
Old Towne Suites, LLC

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

10c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

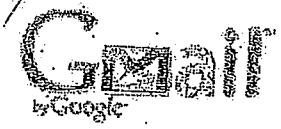
13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☒ covers timber to be cut ☒ covers as-extracted collateral ☒ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:



spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Amy Haines <amy.haineslawfirm@gmail.com> Fri, Nov 21, 2014 at 2:10 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Athan Fokas <athanfokas@gmail.com>, iakovosstavros@gmail.com

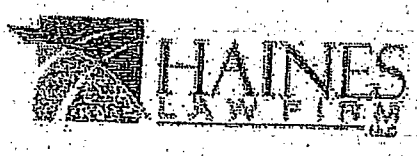
Nothing in the documents I have makes you personally liable for the debt. The note is in the llc's name. Only the LLC assets and the property by virtue of the mortgage are at risk, assuming the llc corporate veil could not be pierced for some reason.

That said, I understand you do not agree to the LLC being the borrower or I would assume the guarantor.

Other than the resolution and the settlement statement, Southcoast generates the documents sent, so Southcoast will need to be the one to work with on this.

Thanks,

Amy



800 Johnnie Dodds Blvd.

Mt. Pleasant, SC 29464

Phone: (843) 884-1593 x203

Fax: (843) 284-0417

Please be aware that funds brought to a real estate closing in excess of $1000 should be in the form of a wire. If you cannot wire funds, please contact us in advance so alternate arrangements can be made. PLEASE CALL TO CONFIRM WIRING INSTRUCTIONS WITH OUR OFFICE BEFORE WIRING.

CONFIDENTIALITY NOTICE:This e-mail and any files attached to it are confidential and may contain information which is privileged or otherwise exempt from disclosure. They are intended solely for the use of the individual or entity to whom this e-mail is addressed. If you are not one of the named recipients or otherwise have reason to believe that you have received this message in error, please immediately notify the sender and delete this message from your computer. Any other use, retention, dissemination, forwardin... this e-mail is strictly prohibited.

IRS CIRCULAR 230 NOTICE: Internal Revenue Service regulations generally provide that, for the purpose of a... penalties, a taxpayer may rely only on formal written advice meeting specific requirements. Any tax advice in this... attachment to this message, does not meet those requirements. Accordingly, any such tax advice was not intend...

EXHIBIT
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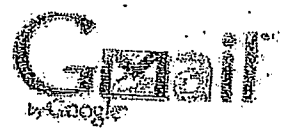


spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Athan Fokas <fokasa@bellsouth.net>. Fri, Nov 21, 2014 at 3:07 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Spiros Ferderigos <spirosferderigos@gmail.com>, Athan Fokas <athanfokas@gmail.com>, " <iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The bottom line is that the Old Towne Suites LLC on the note, that only Jacob and I are signing on as members, has nothing to do with the payment of the loan. If payments aren't paid then the bank goes after the building regardless if the Old Towne Suites LLC is on the note. Maybe a hard headed Greek wouldn't get that but it's common sense otherwise.
And if you are requiring me to sign a document saying that I will give up interest if payments are not made, common sense says that all parties should do the same.
Maybe we can talk about the specifics over Thanksgiving while playing a game of chess. Ha! Ha!

Sent from my iPhone

On Nov 21, 2014, at 2:48 PM, Phillip Ferderigos <pferderigos@barnwell-whaley.com> wrote:

This is not humorous to me. I take this very seriously. I wish you would to...

Phillip S. Ferderigos, Esq.

Member

<image001.jpg>

[Quoted text hidden]
[Quoted text hidden]

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

RE: Old Town

Phillip Ferderigos <pferderigos@barnwell-whaley.com> Fri, Nov 21, 2014 at 1:54 PM
To: Amy Haines <amy.haineslawfirm@gmail.com>
Cc: Teri Baker <teri.haineslawfirm@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, Athan Fokas <athanfokas@gmail.com>, iakovosstavros@gmail.com, Spiros Ferderigos <spirosferderigos@gmail.com>

I have been in a meeting, after looking at all of the email from everyone, it is clear that the bank has not been advised how to do the particulars correctly and this can not be rushed. Closing is off for today. If the docs can be fixed and all side agreements agreed to, then we can re-visit at that time.

Please call if you would like to discuss. Thanks, Phillip.

Phillip S. Ferderigos, Esq.

Member

BARNWELL WHALEY | 75
PATERSON & HELMS LLC
ATTORNEYS AT LAW
ALWAYS YOUR BUSINESS & PROFESSIONAL ADVISORS SINCE 1939

288 Meeting St., Ste 200 (29401)

PO Drawer H

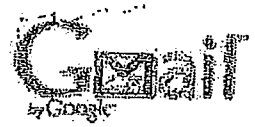
Charleston, SC 29402

Phone: (843) 577-7700

Facsimilie: (843) 577-7708

Email: pferderigos@barnwell-whaley.com

EXHIBIT
P



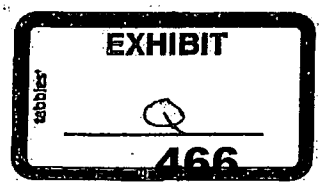
spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Athan Fokas <athanfokas@gmail.com> Fri, Nov 21, 2014 at 5:57 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture. Comments like when I asked what side agreement and Phillip responds "it's going to cost you big if you don't pay" is just ego's blowing smoke. You guys recommended that I show it to my attorney and you didn't like his response. At first he told me "I would never tell my clients to ever sign anything like this". I convinced him it's ok because I love the chance to own more percentage if possible. Do you imagine the imbalance of power that I would have owning more than 50%? I could make every decision and not tell any of you what I did. Not really an ideal situation for a family that started out 50/50. It's ego's trying to get an upper hand on the other. Currently we all need loans to get this deal done. On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000.00 invested in. I then plan to pay off my debt in full.
In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my iPhone



spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@bamwell-whaley.com> Fri, Nov 21, 2014 at 6:52 PM
To: Athan Fokas <athanfokas@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Spiros Ferderigos <spirosferderigos@gmail.com>, lakovosstavros@gmail.com

Your quote of what I said is not accurate, but that's besides the point... here's a thought that we could kick around... Not an offer...If you're coming into all this money, why don't we just move forward in April and we don't even need this loan at all...at that point, it will just be Jacob that needs to get a loan, and then I'm sure that you will agree to mortgage Oldtown so he can get it...these are just thoughts, thinking out loud...

Sent from my iPhone

On Nov 21, 2014, at 5:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
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In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my iPhone

EXHIBIT
R

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com> Fri, Nov 21, 2014 at 6:57 PM
To: Phillip Ferderigos <pferderigos@bamwell-whaley.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

That's a great idea. I should have no problem getting my own loan. We will all have our money ready to go and then collateral OT for Jacobs 350k and knock it out if all goes as planned.

Sent from my iPhone

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com>
To: Athan Fokas <athanfokas@gmail.com>
Cc: Athan Fokas <fokasa@bellsouth.net>, Spiros Ferderigos <spirosferderigos@gmail.com>, lakovosstavros@gmail.com ,

Fri, Nov 21, 2014 at 7:00 PM

Forget your bank; I have my bank...I think we should be fine, I like the idea...Athan, what do you say? You just bring to the table the cash that you need to bring...and agree to use old town as collateral for Jacob...Again, not an offer, just feeling out the situation to see if something like that is possible...

Sent from my iPhone

On Nov 21, 2014, at 6:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

> I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months.
>
> Sent from my iPhone

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com>
To: Athan Fokas <athanfokas@gmail.com>
Cc: Phillip Ferderigos <pferderigos@bamwell-whaley.com>, Athan Fokas <fokasa@bellsouth.net>, "<lakovosstavros@gmail.com>" <lakovosstavros@gmail.com>

Fri, Nov 21, 2014 at 7:02 PM

Just fund your percentage. You aren't giving anything other than collateralizing your interest in old Towne for Jacob which doesn't cost anything. Only loan hanging out there would be Jacobs for 350. Much better than a 2 million dollar loan. Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan.

Sent from my iPhone

On Nov 21, 2014, at 6:57 PM, Athan Fokas <athanfokas@gmail.com> wrote:

> I'm not interested on funding anything more than my percentage as I have big plans for the rest. The bank will not just hang around for 8 months.
>
> Sent from my iPhone

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Phillip Ferderigos <pferderigos@barnwell-whaley.com>
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, iakovosstavros@gmail.com

Fri, Nov 21, 2014 at 7:03 PM

I agree, this is certainly something we should explore...

Sent from my iPhone

On Nov 21, 2014, at 7:02 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:

> Just fund your percentage. You aren't giving anything other than collateralizing your interest in old Towne for Jacob which doesn't cost anything. Only loan hanging out there would be Jacobs for 350. Much better than a 2 million dollar loan. Sounds like a win for everyone. You would not be on any loan at all. Just paying your percentage. I think we should explore this before moving forward on a huge loan.
>
> Sent from my iPhone

Gmail

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Spiros Ferderigos <spirosferderigos@gmail.com>
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

Fri, Nov 21, 2014 at

It just protects everyone's property interest in 229 king if we have a 350 k loan instead of 1.8 million loan. Why risk that huge loan if we don't have to?

Sent from my iPhone

spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

'hillip Ferderigos <pferderigos@bamwell-whaley.com>
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Athan Fokas <fokasa@bellsouth.net>, Iakovosslavros@gmail.com

Fri, N

Spiro, you are making a lot of sense, Athan, what do you think?

474

Gmail

Current Suites report

spiros ferderigos <spirosferderigos@gmail.com>

Phillip Ferderigos <pferderigos@barnwell-whaley.com>
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Spiros Ferderigos <spirosferderigos@gmail.com>, iakovosstavros@gmail.com

Fri, Nov 21, 2014 at 8:25 PM

Not much I can say to that, I am honored to be in the presence of such wealthy royalty... Once you're done drinking and you sober up, if you want to talk like an adult, then maybe we can chat tomorrow... Have a fun time tonight...

Sent from my iPhone

On Nov 21, 2014, at 7:24 PM, Athan Fokas <fokasa@bellsouth.net> wrote:

> I'm at a swanky dinner now and half drunk but by then I will be n the money and not interested in an ventures but my own. I'm also working on a deal where I get 25% of $100,000,000.00 for just being an expert consultant. I hang out with the ultra wealthy now and play their games.
>
> Sent from my iPhone
>
> On Nov 21, 2014, at 7:19 PM, Phillip Ferderigos <pferderigos@barnwell-whaley.com> wrote:
>
> > Spiro, you are making a lot of sense, Athan, what do you think?
> >
> > Sent from my iPhone

Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:55 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Oh it has been a pleasure to say the least. I'm also done with paying your half of the food you so dearly like to eat at Old Towne weekly on my dime. If you don't pay your portion to me then Jacob will have to. All management will be put on notice.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
tabbies
S

(843) 813-5612

I can't wait to spread the word that the suites multimillion dollar project couldn't get done cause Phillip can't eat for free. I'm sure everyone will find it hilarious. I'm probably doing you a favor. Smaller waist line. I bet your kids will be real proud of you in the future too. Your dad was right for calling you palabo Philipa. 4:52 PM

Tuesday, December 16, 2014

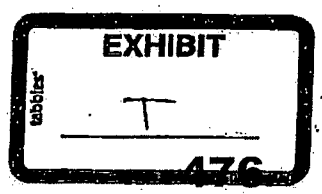
(843) 813-5612

As I was running this morning I came up with a proposal. I will agree to let you eat for free if you are out of the note and you put your 350 g's in escrow. This is because you will sign off on the mortgage without needing to. And this will take place as long as my portion of the mortgage is not paid off. If we go the other rout where we split everything 50/50 on the loan then you are signing for your own 16% interest and therefore we are even. 7:18 AM

Wednesday, December 17, 2014

(843) 813-5612

I just spoke to your dad and he doesn't think everyone should eat at Old Towne for free either. 1:45 PM



Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 11:55 AM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

My intent is always to pay off debt as I have extra funds available. I am interested in doing this deal now and will not do it later. When I do have my money in April I may decide to buy another building downtown but will make that decision then.

Sent from my iPhone
[Quoted text hidden]

EXHIBIT
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Gmail by Google

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family..

Sent from my iPhone
[Quoted text hidden]

(843) 813-5612

I realize that I don't have authorize to close by myself. And I don't think I ever gave that impression and everyone has been in the loop from the beginning. Jacob know's of every expenditure and he wrote most of the checks to the contractor, architects, and engineers. Once again selective amnesia and your texts to me say two different things. I would rather leave it in your hands now and keep me in the loop if and when you all are ready. We do have expenses incurred that need to be paid and we will pay they as money becomes available. 8:28 AM

(843) 813-5612

Spiro there is no bullying going on here. Just giving information of actual expenses. If you read that text above where you were cursing and told me "DO YOU UNDERSTAND" that might come across as threatening me which is defiantly un- businesslike. 8:39 AM

Spiro Cell

I was threatening you....that I don't do business with bullies. You couldn't just let it go. 8:47 AM

(843) 813-5612

Label as you like but everything we have done till now was agreed upon. It's in your court now. I could care less. My Zeus deal is bringing in plenty to keep my family happy. 8:50 AM

Spiro Cell

Good. I'm glad your deals are working out for you. 8:52 AM

EXHIBIT

tabbies

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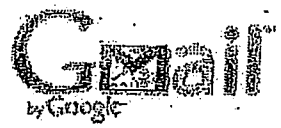


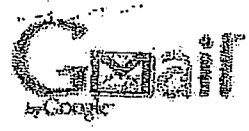
spiros ferderigos <spirosferderigos@gmail.com>

Re: Final email from me regarding the closing.

Athan Fokas <fokasa@bellsouth.net> Fri, Nov 21, 2014 at 3:31 PM
To: spiros ferderigos <spirosferderigos@gmail.com>
Cc: Athan Fokas <athanfokas@gmail.com>, Jacob Ferderigos <lakovosstavros@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley.com>

That was funny! I just found out last night what you guys wanted me to sign and my attorney instructed me what to do and you saw his letter. I like how you portray Phillip as Mother Theresa. Think about the big picture talk to the bank yourselves and get things done if you like. I have no problem signing the agreement but of course, as any business partner should, would like assurances that every party puts in what they are supposed to. If you are sending an email and asking for no reply, then I suggested that no content is put in there. Bullying is a word you like to use but the bottom line is to be fair to all parties involved and the fact that you and Phillip are not personally guaranteeing anything puts you way ahead of the rest of us in this deal.

Sent from my iPhone
[Quoted text hidden]



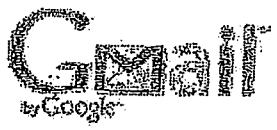
spiros ferderigos <spirosferderigos@gmail.com>

Current Suites report

Athan Fokas <athanfokas@gmail.com> Fri, Nov 21, 2014 at 5:57 PM
To: Athan Fokas <fokasa@bellsouth.net>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, Spiros Ferderigos <spirosferderigos@gmail.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

I did some checking since Spiro said the suites are not doing that good in December. Quite the contrary December is a last minute booking month and this year so far we have booked 21 days of units compared to 22 days of units booked total last year. We still have 41 days of unbooked booked units so I project that we will definitely exceed last years December numbers. In August we were up 43% over last year, September 18% over last year, October was even bringing in $13441.00, and November is up 11% over last year. We have already had some crazy expensive bookings for next year that peak at $624.60 per night and one family booked 15 days straight in May for a whopping $7580.00 reservation. All in all we are continuing great growth and demand as we have repeat's and word of mouth spreads.
I think it's best to think of the big picture of this new project which will put us in a boutique hotel category and forget about stupid details that carry no wait in the big picture. Comments like when I asked what side agreement and Phillip responds "it's going to cost you big if you don't pay" is just ego's blowing smoke. You guys recommended that I show it to my attorney and you didn't like his response. At first he told me "I would never tell my clients to ever sign anything like this". I convinced him it's ok because I love the chance to own more percentage if possible. Do you imagine the imbalance of power that I would have owning more than 50%? I could make every decision and not tell any of you what I did. Not really an ideal situation for a family that started out 50/50. It's ego's trying to get an upper hand on the other. Currently we all need loans to get this deal done. On April 1, I'm getting paid 3.5 million for a transaction I created long ago in which I have less then $800,000.00 invested in. I then plan to pay off my debt in full.
In the end the building is what the bank wants and none of these side agreements really matter. I suggest you forget your agreement and I will forget mine and we move forward on a very profitable venture and get it done the way the bank allows. I am the one who has the most to loose but I don't think with my equity in three restaurant buildings and two houses in Ion that I am going to let any equity just slip away.

Sent from my iPhone



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 10:18 AM
To: "Iakovosstavros@gmail.com" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>, Phillip Ferderigos <pferderigos@barnwell-whaley..com>

I'm wondering if there is a next Ferderigos plan of action. Are ya'll contacting the bank, my attorney, and the closing attorney or are we just forgetting about it?

Sent from my iPhone

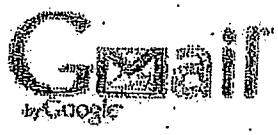
spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:31 PM
To: Phillip Ferderigos <pferderigos@bamwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

I am not asking you to do anything. The bank is requiring that all parties sign off on the mortgage. I did secure that you didn't have to personally guarantee the note. Quit trying to put yourself on a pedestal. If you want me to sign a side agreement that guarantees I will pay the note then you will sign one saying that you will come up with the money needed for construction or you shall suffer similar consequences. If you are intelligent you will already know that the money will be there with the original suites income to pay for the loan. Cut your pompous attitude and either get it done or not. We are currently paying for an expensive business risk policy, paid for a flood policy we don't need if not constructing, have been paying two months on a storage container, and prepaid our over $20,000.00 property taxes two months early in order to close. Not to mention we have over $50,000.00 already invested in this deal.

Sent from my iPhone
[Quoted text hidden]



spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Mon, Nov 24, 2014 at 1:46 PM
To: Phillip Ferderigos <pferderigos@barnwell-whaley.com>
Cc: "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>, spiros ferderigos <spirosferderigos@gmail.com>

Well then it's done. I'll reverse as much as I can and just right it off as a stupid transaction dealing with the Ferderigos Family..

Sent from my iPhone
[Quoted text hidden]

Monday, December 15, 2014

(843) 813-5612

Cousins, we have recurring expenses that are cutting into all of our bottom lines monthly that we either need to stop spending or come to some kind of mutual agreement. A sit down sometime this week would be much appreciated. We can't continue to spend money on a business risk policy, flood policy, and storage unit if all are not necessary. 10:27 AM

Me

Thanks for your email. I am extremely busy until Thursday as I have a big hearing in Darlington. However, I do want to meet and discuss the possible options with you.

Before we go there, however, I'm going to require that we go back to the status quo as far as this whole old town and whether our families can eat there for free thing. This is non-negotiable and the first step if you want to discuss options with me. You cannot ask for my help to allow you to get a mortgage on my part of old town with your right hand while, at the same time, you try to insult/slap me with your left hand. If you are unwilling to agree to this first step, that is fine, but I would have no interest in building a building with you. 1:22 PM

Please take time to think about your response before you respond. I do not require an immediate response. I'm not exaggerating when I tell you I am strongly leaning towards not moving forward at all.

(843) 813-5612

We can discuss all options when we meet and hopefully come to a mutual agreement. 1:22 PM

spiros ferderigos <spirosferderigos@gmail.com>

Old Towne Suites

Athan Fokas <fokasa@bellsouth.net> Wed, Nov 26, 2014 at 11:46 AM
To: Spiros Ferderigos <spirosferderigos@gmail.com>
Cc: Phillip Ferderigos <pferderigos@barnwell-whaley.com>, "<iakovosstavros@gmail.com>" <iakovosstavros@gmail.com>

The irony in all this is that the son's want extra assurances that money will be paid back when the way our fathers always did it is with a hand shake. Ask your dad how many times my father loaned him money (his grocery store off America St, to buy Old Towne in 72, and to build our first apartment building in Greece) and there was no paperwork and all was paid back. In this case nobody is loaning anyone money but just a couple of hard headed kids who don't understand how family works. I don't think anybody owes anybody any money do they? I don't think anyone has any history of any money not being paid back do they?
We are all older now and our families have grown and we don't have to spend Thanksgiving together. Actually this entire deal has put such a bad taste that I dislike seeing you guys in public. Except Jacob of course. He is the only innocent one in this. Later on down the line when I'm in the money I may consider loaning Jacob the money and having a 25/75 split on the new building because I know that Jacob will pay me back and I won't need any side agreements trying to take more of his ownership if he doesn't pay. Bottom line is payments come out of profits and I know he is good for it.

Sent from my iPhone

> On Nov 24, 2014, at 2:17 PM, Spiros Ferderigos <spirosferderigos@gmail.com> wrote:
>

[Quoted text hidden]

EXHIBIT
tabbies
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Friday, April 24, 2015

Athan Fokas

My attorney asked me to find out how much the project would have increased if it was started in a month and after a week and a half of crunching numbers this is what Kevin sent me:

Keep in mind I have good me tuning to do when you says its a go. But looks like 12.5% will be difference. This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover. The quote I got on fire rated was 145k so add 90k for worse case. But that is not extra due to delay. It has always been an allowance item. 10:22 AM

So 1,946,250.00 plus windows over allowance and then any / all owner items.

Athan Fokas

We figured out a way to keep you out the law suit. 1:48 PM

Friday, April 24, 2015

Athan Fokas

My attorney asked me to find out how much the project would have increased if it was started in a month and after a week and a half of crunching numbers this is what Kevin sent me:

Keep in mind I have good me tuning to do when you says its a go. But looks like 12.5% will be difference. This number does not include windows over allowance. The allowance was 55k and we still need to determine if glass is fire rated or if sprinklers can cover. The quote I got on fire rated was 145k so add 90k for worse case. But that is not extra due to delay. It has always been an allowance item.
So 1,946,250.00 plus windows over allowance and then any / all owner items. 10:22 AM

Athan Fokas

We figured out a way to keep you out the law suit. 1:48 PM

Monday, April 27, 2015

Athan Fokas

I've already applied that beer check on the owe sheet for the stuff Maki and I brought back after family cup. 6:34 PM

Jacob Ferderigos

Ok, let's get it cleared up and not leave it for long periods of time. Maybe every time we exchange the books. 6:37 PM

Athan Fokas

I was going to wait after We do the food booths for the hospitals the week after Greek fest cause then we are done till September. 6:38 PM

Jacob Ferderigos

Ok 6:46 PM

Tuesday, April 28, 2015

Athan Fokas

I bought a case of hummus but only needed two tubs so I left the other two at old Towne and put on owe sheet. I also brought in 12 large throw away pans and lids for the rep deliveries I booked through Old Towne today. That's four this week that booked through Zeus. 7:55 AM

Athan Fokas

Go ahead and transfer 57000 miles out of the credit card. 8:37 AM

EXHIBIT

X

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Standard Agreement
Between Owner and Contractor
A 107

For CONSTRUCTION PROJECTS OF LIMITED SCOPE where
the Basis of Payment is a STIPULATED SUM

This document includes General Conditions, A201-L, and should not be used with other general conditions.

AGREEMENT

made as of the 15th day of October in the year of Two Thousand and Fourteen.

BETWEEN the Owner: Athan Fokas, Iakovos ferderigos
Old Town Suites
229 king street
Charleston, sc. 29401

and the Contractor: Kevin W. Carroll 1079 Harts Bluff Rd. Wadmalaw Island SC 29487

The Project is: Old Town Suites
229 King Street
Charleston, SC 29401

The Architect is: Joe Tucker
Tucker & associates
772 Gypsy Lane
Mount Pleasant, SC 29464

The Owner and Contractor agree as set forth below.

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EXHIBIT
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ARTICLE 1

THE WORK OF THIS CONTRACT

1.1 The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others, or as follows.

Scope of Work: Erection of 3 story hotel suites as per drawings provided by Tucker and asscoiates.Project to be completed with interior items consistant with existing suites., subsitutions allowed per agreement with owner.Work Not included: Engineering,Architectural services, utilities, impact fees and/ or cost to supply. Builders Risk coverage, furnishings, Appliances, Fire protection services. Any and all Fire Protection, monitoring,alarms, sprinkler systems or life safety items. Contractor to work closely with architect, engineer.
Owner to provide proper size water and sewer service as required to perform project. Including any and all impact fees and any associated cost with service.Owner / Contractor agree to an allowance on windows and window installation of $55000.00 any and all cost accosiated with window package,delivery and installation above allowance to be additional cost. Owner / Contractor agree that any substitution of material or labor withinin industry standards are allowed without written notice as long as the finished product is consistant with existing suites and allowed by code. Contractor may confir with architect and engineers for changes to ensure substitution is acceptable by the codes. Owner may request changes /aditional items to be added to contract with verbal communication, approved via email.

ARTICLE 2

DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 The date of commencement is the date from which the Contract Time of Paragraph 2.2 is measured, and shall be the date of this Agreement, as first written above, unless a different date is state below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

11-3-2014

2.2 The Contractor shall achieve Substantial Completion of the entire Work no later than

Completion: 12-31-2015.

Bonus for early completion: ZERO (no compensation for early delivery)

The completion date is subject to adjustments of this Contract Time as provided in the Contract Documents.

Penalty: ZERO (owner and contractor agree to no penalties for delayed completion)

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ARTICLE 3

CONTRACT SUM

3.1 Subject to additions and deductions as provided in the Contract Documents, the Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract Sum of One Million, Seven Hundred Twenty Eight Thousand, Nine Hundred & no/100 Dollars ($ 1,728,900.00).

3.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

Contract is fixed price agreement. (with exclusions) Any
And all work required to meet any government, fire marshall, building official and or owner not shown in plans will be considered an additional item. If additional item is required, a meeting with contractor / owner shall be called to find agreed solution and cost to perform needed work. additional items can be agreed by verbal communication and confirmed via email.

3.3 Unit prices, if any, are as follows:

None

ARTICLE 4

PROGRESS PAYMENTS AND PAYMENT SCHEDULE

4.1 Based upon Applications for Payment submitted to the Owner, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents:

Mobilization Fee of $ 150,000.00 (one hundred fifty thousand dollars and zero cents)
Draw request will be made on or before Mondays for payment to be made on or before the following Monday. if payment is to be with-held or partially paid, owner is to notify contractor by the prior friday.

4.2 Documentation Required For Payment:

Written draw request in form of invoice due. (weekly billing as requested)

4.3 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

None (contractor and owner agree there will be no late fee or interest on delayed payment)
If payment is with-held contractor or owner may stop work untill resolved.

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

ARTICLE 5

FINAL PAYMENT

5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when the Work has been completed and the Contract fully performed, subject to the provisions listed under OTHER CONDITIONS OR PROVISIONS on page 6.

ARTICLE 6

ENUMERATION OF CONTRACT DOCUMENTS

6.1 The Contract Documents consist of this Agreement, Conditions of the Contract, Drawings, Addenda issued prior to the execution of this Agreement, and other documents listed here. Except for Modifications issued after execution of this Agreement, the documents are as follows:

6.1.1 The Agreement is this executed Abbreviated Agreement Between Owner and Contractor, A107-L.

6.1.2 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Pages	Title
NONE	None	None

6.1.3 The Specifications are those contained in the Project Manual dated as in Subparagraph 6.1.2 and are as follows:

Section	Pages	Title
None	None	None

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6.1.4 The Drawings are as follows, and are dated July 21, 2014 unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Pages	Title
N/A	54	229 KING STREET

6.1.5 The Addenda, if any, are as follows:

Number	Pages	Title
NONE	None	None

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 6.

6.1.6 Other documents, if any, forming part of the Contract Documents are as follows:

None

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ARTICLE 7

LICENSES AND INSURANCE REQUIREMENTS

7.1 Licenses, permits and bonds to be supplied and paid by as follows:

Contractor to acquire and pay for permits related to the work to be performed.

7.2 Insurance Requirements:

Contractor to Supply: Certificate of Insurance.

ARTICLE 8

GENERAL PROVISIONS

Contractor is to include all labor and approved materials, appliances and services of every kind necessary for proper execution of work. Contractor shall re-execute any work that fails to conform to the requirements of the contract. Contractor will remove all of his construction debris from the site and leave premises in broom-clean condition. All work shall be completed in a workmanship like manner and in compliance with all codes and other applicable laws. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work. Contractor has the right to let other contracts in connection with the work contracted for. Contractor shall adequately protect the work, adjacent property and the public and shall be responsible for any damage or injury due to his act or neglect. Change Orders shall be in writing and signed by both parties to this Agreement.

To the fullest extent permitted by law, the Contractor shall hold harmless and indemnify the Owner and their Agent(s) from and against any and all claims, damages, losses, expenses and fees arising out of or resulting from performance of the Contractor's Work, including hazardous materials, Worker's Compensation claims and subrogation.

OTHER CONDITIONS OR PROVISIONS

Not responsible for delays caused by the site developer. The contract start date will be modified as stated herein. Start date will be 30 days after site developer has delivered the project site ready for foundation excavation.

Warranty: one year labor on all trades, any and all material or manufacturer warranties to convey

See attachment(s): ☐ Yes ☒ No

General Conditions A201-L Included: ☐ Yes ☒ No

This Agreement entered into as of the day and year first written above.

OWNER	CONTRACTOR
Signature	Signature
Athan Fokas, Iakovos ferderigos	kevin w carroll
Name and title	Name and title

August 21, 2015

Stan Barnett
Smith, Bundy, Byebee & Barnett, P.C.
1037 Chuck Dawley Boulevard
Suite 100, Building F
Mount Pleasant, SC 29464

Dear Mr. Barnett,

My name is Dr. Fanouris Ferderigos and I am the uncle of the Plaintiff and Defendants in case number 15-CP-10-3891 that you have filed in Charleston County, South Carolina. Your lawsuit alleges that my sister, Irene Fokas (which is Plaintiff Athan Fokas' mother), confronted Athan Fokas about "(a) Hiring someone to set fire to the second floor of the building at 229 King Street for the purpose of collecting insurance proceeds. (b) Falsely claiming in an insurance claim that he had been injured working in the restaurant business operated on the first floor of said building when he had, in fact, been injured in ways not related to the business; all for the purpose of collecting insurance proceeds." Your lawsuit alleges that Irene Fokas confronted Athan Fokas about these allegations, and Irene Fokas informed Athan Fokas that my brother, Stavros Ferderigos (which is Defendants' father), told her about the allegations stated above and set forth in your Complaint. Your lawsuit further alleges Irene Fokas informed Athan Fokas that Stavros Ferderigos identified Defendants (Phillip and Spiros Ferderigos) as the source of those statements.

This letter is to make you aware that on August 18, 2015 my sister, Irene Fokas, adamantly denied to me in person that Stavros Ferderigos ever told her anything about the allegations set forth above from your Complaint and that she has never even discussed with Stavros Ferderigos the topics of Athan Fokas being involved, directly or indirectly, with the fire at 229 King Street and/or anything to do with any of Athan Fokas' insurance claims. Irene Fokas further told me that she would testify under oath that she never was told about these allegations by Stavros Ferderigos in any way whatsoever.

With Kindest Regards, I am

Dr. Fanouris Ferderigos

Cc: Dawes M. Cook (288 Meeting Street, Suite 200, Charleston, SC 29401)

Richard Farrier (134 Meeting Street, Charleston, SC 29401)

EXHIBIT
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