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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM LAURENS COUNTY
Court of Common Pleas

Hon. Charles B. Simmons, Special Referee

Appellate Case No. 2014-001248
Case No. 2011-CP-30-00583

Certus Bank, N. A., ... Appellant,

v.

Kenneth E. Bennett, Twin Rivers Resort, LLC and
Bennett of Greenwood, LLC, ... Defendants,

Of which Twin Rivers Resort, LLC is the ..... Respondent.

RECORD ON APPEAL
VOLUME II OF II

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CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

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Attorneys for Appellant, Certus Bank, N.A.

December 31, 2014
Columbia, South Carolina

2007014681
ASSIGNMENT OF LEASES AND RENTS
RECORDING FEES $14.00
PRESENTED & RECORDED
12-10-2007 11:12 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: ROSLYN JOHNSON CLERK
BK: M 1727
PG: 10 - 17

State of South Carolina — Space Above This Line For Recording Data

This document was prepared by (name, address, phone number):
CommunitySouth Bank and Trust 6802 Calhoun Memorial Hwy Easley, SC 29640
(864) 222-8444

ASSIGNMENT OF LEASES AND RENTS

1. **DATE AND PARTIES.** The date of this Assignment of Leases and Rents (Assignment) is 11-01-2007. The parties and their addresses are:

ASSIGNOR: KENNETH E. BENNETT
6004 HIGHWAY 24
TOWNVILLE, SC 29689

☐ Refer to the Addendum that is attached and incorporated herein for additional Assignors.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Hwy
Easley, SC 29640

2. **ASSIGNMENT OF LEASES AND RENTS.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Assignor's performance under this Assignment, Assignor irrevocably assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (all referred to as Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases).

B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

C. The term Property as used in this Assignment shall include the following described real property:

PROBATE:

STATE OF South Carolina, COUNTY OF Anderson } ss.

Personally appeared before me the undersigned witness who, being duly sworn, deposed and said that (s)he saw the Mortgagor (and each Mortgagor if more than one) sign, seal and deliver the foregoing Mortgage and that (s)he, together with the other witness whose name appears as a witness, witnessed the execution thereof.

Sworn to and subscribed before me this 1st day

of November, 2007.

Notary Public for South Carolina

My commission expires: 10-18-14

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The Property is located in LAURENS County at
130 SQUIRREL DRIVE, WATERLOO, SC 29684 (Address, City, State, ZIP Code).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Assignment at any one time will not exceed $ 497,450.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Assignment. Also, this limitation does not apply to advances made under the terms of this Assignment to protect Lender's security and to perform any of the covenants contained in this Assignment. Interest under the Note will be deferred, accrued or capitalized; however, Lender will not be required to defer, accrue or capitalize any interest except as provided in the Note.

4. **SECURED DEBTS.** This Assignment will secure the following Secured Debts:

A. ☒ **Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. (Include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

☐ One or more of the debts secured by this Assignment contains a future advance provision.

B. ☐ **All Debts.** All present and future debts from Assignor and _____

to Lender, even if this Assignment is not specifically referenced or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Assignment, each agrees that it will secure debts incurred either individually or with others who may not sign this Assignment. Nothing in this Assignment constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide notice of the right of rescission, Lender waives any subsequent security interest in the Assignor's principal dwelling that is created by this Assignment. This Assignment will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Assignment will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities.

C. **Sums Advanced.** All sums advanced and expenses incurred by Lender under the terms of this Assignment.

5. **PAYMENTS.** Assignor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Assignment.

6. **COLLECTION OF RENTS.** Assignor may collect, receive, enjoy and use the Rents so long as Assignor is not in default. Assignor will not collect in advance any Rents due in future lease periods, unless Assignor first obtains Lender's written consent. Upon default, Assignor will receive any Rents in trust for Lender and Assignor will not commingle the Rents with any other funds. When Lender so directs, Assignor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Assignor agrees that this Assignment is immediately effective between Assignor and Lender and effective as to third parties on the recording of this Assignment.

7. **WARRANTIES AND REPRESENTATIONS.** To induce Lender to enter into the Loan, Assignor makes these representations and warranties for as long as this Assignment is in effect.

A. **Power.** Assignor is duly organized, validly existing and in good standing under the laws in the jurisdiction where Assignor was organized and is duly qualified, validly existing and in good standing in all jurisdictions in which Assignor operates or Assignor owns or leases property. Assignor has the power and authority to enter into this transaction and to carry on Assignor's business or activity as now conducted.

B. **Authority.** The execution, delivery and performance of this Assignment and the obligation evidenced by this Assignment: are within Assignor's duly authorized powers; has received all necessary governmental approval; will not violate any provision of law or order of court or governmental agency; and will not violate any agreement to which Assignor is a party or to which Assignor is or any of Assignor's property is subject.

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C. **Name and Place of Business.** Other than previously disclosed in writing to Lender, Assignor has not changed Assignor's name or principal place of business within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Assignor does not and will not use any other name and will preserve Assignor's existing name, trade names and franchises.

D. **Ownership or Lease of Property.** Assignor owns or leases all property that Assignor needs to conduct Assignor's business and activities. All of Assignor's property is free and clear of all liens, security interests, encumbrances and other adverse claims and interests, except those Lender previously agreed to in writing.

E. **Compliance with Laws.** Assignor is not violating any laws, regulations, rules, orders, judgments or decrees applicable to Assignor or Assignor's property, except for those that Assignor is challenging in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its challenge should Assignor lose.

F. **Title.** Assignor has good title to the Leases, Rents and Property and the right to assign, grant, bargain, convey and mortgage to Lender as additional security the Leases and Rents, and no other person has any right in the Leases and Rents.

G. **Recordation.** Assignor has recorded the Leases as required by law or as otherwise prudent for the type and use of the Property.

H. **Default.** No default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Assignor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Assignor or any party to the Lease defaults or fails to observe any applicable law, Assignor will promptly notify Lender.

I. **Lease Modification.** Assignor has not sublet, modified, extended, canceled, or otherwise altered the Leases, or accepted the surrender of the Property covered by the Leases (unless the Leases so required).

J. **Encumbrance.** Assignor has not assigned, compromised, subordinated or encumbered the Leases and Rents.

8. **COVENANTS.** Assignor agrees to the following covenants:

A. **Rent Abatement and Insurance.** When any Lease provides for an abatement of Rents due to fire, flood or other casualty, Assignor will insure against this risk of loss with a policy satisfactory to Lender. Assignor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.

B. **Copies of Leases.** Assignor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed.

C. **Right to Rents.** Immediately after the execution of this Assignment, Assignor will notify all current and future tenants and others obligated under the Leases of Lender's right to the Leases and Rents, and will request that they immediately pay all future Rents directly to Lender when Assignor or Lender asks them to do so.

D. **Accounting.** When Lender requests, Assignor will provide to Lender an accounting of Rents, prepared in a form acceptable to Lender, subject to generally accepted accounting principles and certified by Assignor or Assignor's accountant to be current, accurate and complete as of the date requested by Lender.

E. **Lease Modification.** Assignor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so required) without Lender's written consent.

F. **Encumbrance.** Assignor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent.

G. **Future Leases.** Assignor will not enter into any future Leases without prior written consent from Lender. Assignor will execute and deliver such further assurances and assignments as to these future Leases as Lender requires from time to time.

H. **Personal Property.** Assignor will not sell or remove any personal property on the Property, unless Assignor replaces this personal property with like kind for the same or better value.

I. **Prosecution and Defense of Claims.** Assignor will appear in and prosecute its claims or defend its title to the Leases and Rents against any claims that would impair Assignor's interest under this Assignment and, on Lender's request, Assignor will also appear in any action or proceeding on behalf of Lender. Assignor agrees to assign to Lender, as requested by Lender, any right, claims or defenses which Assignor may have against parties who supply labor or materials to improve or maintain the leaseholds subject to the Leases and/or the Property.

J. **Liability and Indemnification.** Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses or damages due to Lender's gross negligence or intentional torts to the extent permitted by law. Otherwise, Assignor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur

9. **TRANSFER OF AN INTEREST IN THE ASSIGNOR.** If Assignor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
   A. A beneficial interest in Assignor is sold or transferred.
   B. There is a change in either the identity or number of members of a partnership or similar entity.
   C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
   However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Assignment.

10. **DEFAULT.** Assignor will be in default if any of the following occur with regard to the Secured Debts that are secured by this Assignment:
   A. **Payments.** Assignor fails to make a payment in full when due.
   B. **Insolvency or Bankruptcy.** Assignor makes an assignment for the benefit of creditors or becomes insolvent, either because Assignor's liabilities exceed Assignor's assets or Assignor is unable to pay Assignor's debts as they become due; or Assignor petitions for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or is the subject of a petition or action under such laws and fails to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.
   C. **Death or Incompetency.** If Assignor is an individual, Assignor dies or is declared legally incompetent.
   D. **Business Termination.** If Assignor is not an individual, Assignor merges, dissolves, reorganizes or ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.
   E. **Failure to Perform.** Assignor fails to perform any condition or to keep any promise or covenant of this Assignment, any other document evidencing or pertaining to the Loan, or any other debt or agreement Assignor has with Lender.
   F. **Misrepresentation.** Assignor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
   G. **Property Transfer.** Assignor transfers all or a substantial part of Assignor's money or property.
   H. **Property Value.** The value of the Property declines or is impaired.
   I. **Name Change.** Assignor changes Assignor's name or assumes an additional name without notifying Lender before making such a change.
   J. **Material Change.** Without first notifying Lender, there is a material change in Assignor's business, including ownership, management, and financial conditions.
   K. **Insecurity.** Lender reasonably believes that Lender is insecure.

11. **REMEDIES.** After Assignor defaults, and after Lender gives any legally required notice and opportunity to cure the default, Lender may at Lender's option do any one or more of the following:
   A. **Acceleration.** Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due.
   B. **Additional Security.** Lender may demand additional security or additional parties to be obligated to pay the Secured Debts.
   C. **Sources.** Lender may use any and all remedies Lender has under the state law where the Property is located or federal law or in any instrument evidencing or pertaining to the Secured Debts.
   D. **Insurance Benefits.** Lender may make a claim for any and all insurance benefits or refunds that may be available on Assignor's default.
   E. **Payments Made On Assignor's Behalf.** Amounts advanced on Assignor's behalf will be immediately due and may be added to the Secured Debts.
   F. **Rents.** Lender may terminate Assignor's right to collect Rents and directly collect and retain Rents in Lender's name without taking possession of the Property and to demand, collect, receive, and sue for the Rents, giving proper receipts and releases. In addition, after deducting all reasonable expenses of collection from any collected and retained Rents, Lender may apply the balance as provided for by the Secured Debts.
   G. **Entry.** Lender may enter, take possession, manage and operate all or any part of the Property; make, modify, enforce or cancel or accept the surrender of any Leases; obtain or evict any tenants and licensees; increase or reduce Rents; decorate, clean and make repairs or do any other act or incur any other cost Lender deems proper to protect the Property as fully as Assignor could do. Any funds collected from the operation of the Property may be applied in such order as Lender may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Secured Debts, and toward the maintenance of reserves for repair or replacement. Lender may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, or receiver to be appointed by a court, and irrespective of Assignor's possession. The collection and application of the Rents or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any notice of default under the Secured Debts, this Assignment, or invalidate any act pursuant to such notice. The enforcement of such remedy by Lender, once exercised, shall continue for so long as Lender shall elect, notwithstanding that such collection and application of Rents may have cured the original default.

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H. **Waiver.** Except as otherwise required by law, by choosing any one or more of these remedies you do not give up any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

12. **APPOINTMENT OF A RECEIVER.** On or after an Assignor's default, Assignor agrees to Lender making an application to the court for an appointment of a receiver for the benefit of Lender to take possession of the Property and the Leases, with the power to receive, collect and apply the Rents. Any Rents collected will be applied as the court authorizes to pay taxes, to provide insurance, to make repairs and to pay costs or any other expenses relating to the Property, the Leases and Rents, and any remaining sums shall be applied to the Secured Debts. Assignor agrees that this appointment of a receiver may be without giving bond, without reference to the then-existing value of the Property, and without regard to the insolvency of any person liable for any of the Secured Debts.

13. **COLLECTION EXPENSES AND ATTORNEYS' FEES.** To the extent permitted by law, Assignor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Assignment. Unless the applicable law that governs this Assignment is North Dakota, expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. These expenses will bear interest from the date of payment until paid in full at the contract interest rate then in effect for the Loan. To the extent permitted by the United States Bankruptcy Code, Assignor agrees to pay the reasonable attorneys' fees Lender incurs to collect this Assignment as awarded by any court exercising jurisdiction under the Bankruptcy Code.

14. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substances" under any Environmental Law.

Assignor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
B. Except as previously disclosed and acknowledged in writing to Lender, Assignor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
C. Assignor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Assignor will take all necessary remedial action in accordance with Environmental Law.
D. Except as previously disclosed and acknowledged in writing to Lender, Assignor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Assignor or any tenant of any Environmental Law. Assignor will immediately notify Lender in writing as soon as Assignor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
E. Except as previously disclosed and acknowledged in writing to Lender, Assignor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.
F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
G. Assignor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

I. Upon Lender's request and at any time, Assignor agrees, at Assignor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Assignor's obligations under this section at Assignor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Assignor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses to the extent permitted by law, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Assignment and in return Assignor will provide Lender with collateral of at least equal value to the Property secured by this Assignment without prejudice to any of Lender's rights under this Assignment.

L. Notwithstanding any of the language contained in this Assignment to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Assignment regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

15. **TERM.** This Assignment will remain in full force and effect until the Secured Debts are paid or otherwise discharged and Lender is no longer obligated to advance funds under any loan or credit agreement which is a part of the Secured Debts. If any or all payments of the Secured Debts are subsequently invalidated, declared void or voidable, or set aside and are required to be repaid to a trustee, custodian, receiver or any other party under any bankruptcy act or other state or federal law, then the Secured Debts will be revived and will continue in full force and effect as if this payment had not been made.

16. **CO-SIGNERS.** If Assignor signs this Assignment but does not sign the Secured Debts, Assignor does so only to assign Assignor's interest in the Property to secure payment of the Secured Debts and Assignor does not agree to be personally liable on the Secured Debts. If this Assignment secures a guaranty between Lender and Assignor, Assignor agrees to waive any rights that may prevent Lender from bringing any action or claim against Assignor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

17. **WAIVERS.** Except to the extent prohibited by law, Assignor waives all homestead exemption rights relating to the Property.

18. **U.C.C. PROVISIONS.**

☐ **Construction Loan.** This Assignment secures an obligation incurred for the construction of an improvement on the Property.

19. **OTHER TERMS.** If checked, the following are applicable to this Assignment:

☐ **Line of Credit.** The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Assignment will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

☐ **Additional Terms.**

20. **APPLICABLE LAW.** This Assignment is governed by the laws of South Carolina, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

21. **JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Assignor's obligations under this Assignment are independent of the obligations of any other Assignor. Lender may sue each Assignor individually or together with any other Assignor. Lender may release any part of the Property and Assignor will still be obligated under this Assignment for the remaining Property. The duties and benefits of this Assignment will bind and benefit the successors and assigns of Lender and Assignor.

22. **AMENDMENT, INTEGRATION AND SEVERABILITY.** This Assignment may not be amended or modified by oral agreement. No amendment or modification of this Assignment is effective unless made in writing and executed by Assignor and Lender. This Assignment is the complete and final expression of the agreement. If any provision of this

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Certus/Bennett 0000080

CB-00019

503

Assignment is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

23. **INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Assignment.

24. **NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail and by registered or certified mail, return receipt requested, to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Assignor will inform Lender in writing of any change in Assignor's name, address or other application information. Assignor will provide Lender any financial statements or information Lender requests. All financial statements and information Assignor gives Lender will be correct and complete. Assignor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Assignor's obligations under this Assignment and to confirm Lender's lien status on any Property. Time is of the essence.

25. **SIGNATURES.** By signing under seal, Assignor agrees to the terms and covenants contained in this Assignment. Assignor also acknowledges receipt of a copy of this Assignment.

(Entity Name) _____

(Signature) KENNETH E. BENNETT _____ (Seal)

(Signature) _____ (Seal)

Signed, sealed and delivered in the presence of:

(Witness) _____

(Witness) _____

PROBATE:

STATE OF South Carolina, COUNTY OF Anderson) ss.

Personally appeared before me the undersigned witness who, being duly sworn, deposed and said that (s)he saw the Assignor (and each Assignor if more than one) sign, seal and deliver the foregoing Assignment and that (s)he, together with the other witness whose name appears as a witness, witnessed the execution thereof.

Sworn to and subscribed before me this 1st day of November, 2007.

_____ (Seal)

Notary Public for South Carolina

My commission expires: 10-18-14

JAMES S. BELK, ATTORNEY
MAIN STREET

EXHIBIT A – LEGAL DESCRIPTION

ALL that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-244 at Page 3; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

ALSO: ALL that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, recorded in the Office of the Clerk of Court for Laurens County in Plat Book 62 at Page 940; reference is hereby made to said plat for a more detailed metes and bounds description thereof. According to said plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the centerline of Road 8-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

Parcel 3

This being the same property conveyed to the Mortgagors herein by deed of Crescent Lake, LLC, of even date, to be recorded herewith in Deed Book 768 at Page 312.

BANK MONEY ORDER

123161

REMITTER

67-753/532

Richard Bennett

DATE 11-02-2007

PAY TO THE ORDER OF Jim Belk

$ 25,000.00

DOLLARS

THE PEOPLES BANK

THE PEOPLES BANK
IVA, SOUTH CAROLINA 29655

Angela Whitmire

⑈00123161⑈ ⑆053207533⑆ 72350002⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9266

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 55.00
Pay To: Laurens County Treasurer
For:
Government Charges
Recording Fees $25.00 (1st Mortgage:25.00) <> Recording Sat Fee $30.00

VOID

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9266

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST

67-811/532

NUMBER
BENNETT,KENNETH(REFI

Government Charges

--Fifty Five and 00/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****55.00

PAY TO THE ORDER OF Laurens County Treasurer

VOID

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009266⑈ ⑆053208118⑆30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9266

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 55.00
Pay To: Laurens County Treasurer
For:
Government Charges
Recording Fees $25.00 (1st Mortgage:25.00) <> Recording Sat Fee $30.00

VOID

SAFEGUARD LITHO USA SF4001-1 SFSL2GS CK7S081125
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5696
H138HZ0010000 G07SF000840

CB-00023

507

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9267

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 388.60
Pay To: Commonwealth Land Title Insurance Company
For:

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9267

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI

--Three Hundred Eighty Eight and 60/100 ---------- Dollars

DATE	AMOUNT
November 2, 2007	$ *****388.60

PAY
TO THE
ORDER
OF Commonwealth Land Title Insurance Company

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK - TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

⑈009267⑈ ⑆053208118⑆30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9267

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 388.60
Pay To: Commonwealth Land Title Insurance Company
For:

SAFEGUARD SF4001-1 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696 H138HZ0010000 G07SF000640

CB-00024

508

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9268

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 514.00
Pay To: Community South Bank & Trust
For:
Loan Closing
Loan Origination Fee $500.00 <> Flood Certification Fee $14.00 <>

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9268

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI

Loan Closing

--Five Hundred Fourteen and 00/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****514.00

PAY TO THE ORDER OF Community South Bank & Trust
1510 North Main Street
Anderson, SC 29621

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009268⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9268

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 514.00
Pay To: Community South Bank & Trust
For:
Loan Closing
Loan Origination Fee $500.00 <> Flood Certification Fee $14.00 <>

SAFEGUARD SF4001-1
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696
H138HZ0010000 G07SF000640

CB-00025

509

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9269

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 600.00
Pay To: Appraisal Associates of Clemson
For:
Appraisal Fee

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9269

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST

67-811/532

NUMBER
BENNETT,KENNETH(REFI

Appraisal Fee

--Six Hundred and 00/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****600.00

PAY TO THE ORDER OF
Appraisal Associates of Clemson
115 W. Windsor Street
Westminster, SC 29693

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009269⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9269

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 600.00
Pay To: Appraisal Associates of Clemson
For:
Appraisal Fee

SAFEGUARD LITHO USA SF4001-1 SFSL2GS GK7508112S
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696
H138HZ0010000 G07SF000640

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9270

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 667.00
Pay To: James S. Belk
For:
Settlement Agents Fees
MORTGAGE SATISFACTION FEE $92.00 <> Package Prep Fee $125.00 <> Attorney's Fees $450.00

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9270

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST

67-811/532

NUMBER
BENNETT,KENNETH(REFI

Settlement Agents Fees

--Six Hundred Sixty Seven and 00/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****667.00

PAY TO THE ORDER OF
James S. Belk
1202 N. Main Street
Anderson, SC 29621

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009270⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9270

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 667.00
Pay To: James S. Belk
For:
Settlement Agents Fees
MORTGAGE SATISFACTION FEE $92.00 <> Package Prep Fee $125.00 <> Attorney's Fees $450.00

SAFEGUARD LITHO USA SF4001-1 SFSL2GS CK/5081125
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696
H138HZ0010000 G07SF000840

CB-00027

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9271

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 1,327.90
Pay To: James S. Belk
For:

Abstract or Title Search (X 3) $577.50 <> Title Insurance Binder $95.00 <> Title Insurance $582.90 <> Copies, Processing. Wire & UPS $72.50

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9271

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI

--One Thousand Three Hundred Twenty Seven and 90/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****1,327.90

PAY
TO THE
ORDER
OF James S. Belk

HP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009271⑈ ⑆053208118⑆30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9271

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 1,327.90
Pay To: James S. Belk
For:

Abstract or Title Search (X 3) $577.50 <> Title Insurance Binder $95.00 <> Title Insurance $582.90 <> Copies, Processing. Wire & UPS $72.50

SAFEGUARD SF4001-1 LITHO USA SFSL2GS CK7SD81125 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696 H138HZ0010000 G07SF000640

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9272

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 1,400.00
Pay To: Integra Dodds Advisors
For:
Fee

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9272

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST

67-811/532

NUMBER
BENNETT,KENNETH(REFI

Fee

--One Thousand Four Hundred and 00/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****1,400.00

PAY TO THE ORDER OF
Integra Dodds Advisors
PO Box 185
Columbia, SC 29202

MP

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⑈009272⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9272

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 1,400.00
Pay To: Integra Dodds Advisors
For:
Fee

SAFEGUARD LITHO USA SFSL2GS CK7S08112S SF4001-T TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5696 H138HZ0010000 G07SF000640

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9273

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 4,665.12
Pay To: Laurens County Treasurer
For:

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9273

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI

--Four Thousand Six Hundred Sixty Five and 12/100 ---------- Dollars

DATE: November 2, 2007
AMOUNT: $ *****4,665.12

PAY
TO THE
ORDER
OF Laurens County Treasurer

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009273⑈ ⑆053208118⑆30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9273

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 4,665.12
Pay To: Laurens County Treasurer
For:

SF4001-1 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696 H138HZ0010000 G07SF000640

CB-00030

514

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9274

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 7,890.44
Pay To: Kenneth E. Bennett
For:
Excess Cash to Close

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9274

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI

Excess Cash to Close

--Seven Thousand Eight Hundred Ninety and 44/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****7,890.44

PAY TO THE ORDER OF Kenneth E. Bennett

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK - TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

⑈009274⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9274

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 7,890.44
Pay To: Kenneth E. Bennett
For:
Excess Cash to Close

SAFEGUARD SF4001-1 UTHO USA SFSL265 CK7S081125
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6698
H138HZ0010000 G07SF000840

CB-00031

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9275

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 50,738.03
Pay To: CommunitySouth Bank and Trust
For:
7000627

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9275

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI
7000627

--Fifty Thousand Seven Hundred Thirty Eight and 03/100 ---------- Dollars

DATE: November 2, 2007
AMOUNT: $ *****50,738.03

PAY TO THE ORDER OF CommunitySouth Bank and Trust

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009275⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9275

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 50,738.03
Pay To: CommunitySouth Bank and Trust
For:
7000627

SAFEGUARD. LITHO USA SF4001-1 SFSL2GS CK75081125
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6896
H138HZ0010000 G07SF000640

CB-00032

516

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9276

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 60,230.03
Pay To: CommunitySouth Bank and Trust
For:
7000437

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9276

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI
7000437

--Sixty Thousand Two Hundred Thirty and 03/100 ---------- Dollars

DATE: November 2, 2007
AMOUNT: $ *****60,230.03

PAY TO THE ORDER OF CommunitySouth Bank and Trust

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009276⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9276

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 60,230.03
Pay To: CommunitySouth Bank and Trust
For:
7000437

SAFEGUARD LITHO USA SF4001-1 SFSL2GS CK7S08112S
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5696
H138HZ0010000 G07SF000640

CB-00033

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9277

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 393,973.88
Pay To: CommunitySouth Bank and Trust
For:
8000425

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9277

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI
8000425

--Three Hundred Ninety Three Thousand Nine Hundred Seventy Three and 88/100 ---------- Dollars

DATE
November 2, 2007

AMOUNT
$ *****393,973.88

PAY
TO THE
ORDER
OF
CommunitySouth Bank and Trust
1502 North Main Street
Anderson, SC 29621

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈009277⑈ ⑆053208118⑆30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9277

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: November 2, 2007
Check Amount: $ 393,973.88
Pay To: CommunitySouth Bank and Trust
For:
8000425

SAFEGUARD LITHO USA SF4001-1 SFSL2GS: CK7S68112S
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6696
H138HZ0010000 G07SF000640

CB-00034

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9511

****** REAL ESTATE CLOSING ******

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: December 6, 2007
Check Amount: $ 55.00
Pay To: Laurens County Register of Deeds
For:
Government Charges
Recording Fees $25.00 (1st Mortgage:25.00) <> Recording Sat Fee $30.00

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

9511

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST
67-811/532

NUMBER
BENNETT,KENNETH(REFI

Government Charges

--Fifty Five and 00/100 ---------- DATE December 6, 2007 ---------- AMOUNT $ *****55.00 Dollars

PAY
TO THE
ORDER
OF Laurens County Register of Deeds

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK - TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

⑈009511⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

9511

Buyer/Borrower: Kenneth E. Bennett
Seller:
Lender: Community South Bank & Trust 8001376
Property: Twin Rivers and Dilliard Road/WaterLoo /
Settlement Date: November 1, 2007
Disbursement Date: December 6, 2007
Check Amount: $ 55.00
Pay To: Laurens County Register of Deeds
For:
Government Charges
Recording Fees $25.00 (1st Mortgage:25.00) <> Recording Sat Fee $30.00

SF4001-1 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-8698 H139L60010000 G07SF000640
SAFEGUARD. LITHO USA SFSL2GS CK7508112S

CB-00035

519

JAMES S. BELK
TRUST ACCOUNT-IOLTA

10474

****** REAL ESTATE CLOSING ******

Buyer/Borrower:
Seller:
Lender:
Property: /
Settlement Date:
Disbursement Date: April 29, 2008
Check Amount: $ 24.00
Pay To: Laurens County Register of Deeds
For:

B-1050 Recording Mortgage

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

10474

JAMES S. BELK
TRUST ACCOUNT-IOLTA
1202 N. MAIN STREET
ANDERSON, SC 29621
(864) 224-8123

CommunitySouth BANK & TRUST

67-811/532

NUMBER

TAXES/RECORDING

--Twenty Four and 00/100 ---------- DATE ---------- AMOUNT Dollars

April 29, 2008 $ *****24.00

PAY
TO THE
ORDER
OF Laurens County Register of Deeds

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE • RED IMAGE DISAPPEARS WITH HEAT

⑈010474⑈ ⑆053208118⑆ 30008221⑈

JAMES S. BELK
TRUST ACCOUNT-IOLTA

10474

Buyer/Borrower:
Seller:
Lender:
Property: /
Settlement Date:
Disbursement Date: April 29, 2008
Check Amount: $ 24.00
Pay To: Laurens County Register of Deeds
For:

B-1050 Recording Mortgage

SAFEGUARD LITHO USA SF4001-1 SFSL2GS OG7S08112S
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6896
H139L60010000 G07SF000640

CB-00036

55 D171

BAETY O. GROSS, JR.
ATTORNEY AT LAW
P.O. BOX 1135
FOUNTAIN INN, SC 29644

TITLE TO REAL ESTATE

BK:00787 PG:00311
200605700 06/21/2006
TIME:01:27P
LAURENS COUNTY SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS)

KNOW ALL MEN BY THESE PRESENTS, that **PAUL C. PENNINGTON AND ETHEL N. PENNINGTON** in consideration of **THIRTY-FIVE THOUSAND & 00/100 ($35,000.00) DOLLARS**, the receipt of which is hereby acknowledged, have granted, bargained, sold, and released, and by these presents do grant, bargain, sell and release unto:

JKR DEVELOPMENT, LLC

ALL those certain pieces, parcels or lots of land situate, lying and being in the County of Laurens, State of South Carolina, located in Edgewater Club Estates, being shown and designated as Lots 18, 19, 20, 21, 23, 24, 25, 26, and 27, on a plat for Edgewater Club Estates, dated September, 1960, prepared by Lewis C. Godsey and J.D. Calmes, Surveyors, recorded in the Office of the Clerk of Court for Laurens County in Plat Book 14 at Page 40; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

This being the same property conveyed to the Grantors herein by deeds recorded in Deed Book ~~195~~ at Page ~~337~~ on July 7, 1970; Deed Book 203 at Page ~~299~~ on July 17, 1973; Deed Book ~~214~~ at Page ~~434~~ on September 16, 1977; Deed Book ~~207~~ at Page ~~618~~ on March 21, 1975; Deed Book 207 at Page 556 on March 10, 1975 and Deed Book ~~227~~ at Page ~~392~~ on April 4, 1982.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

GRANTEES ADDRESS: 33 Twin Rivers Road, Waterloo, S.C. 29384

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned unto the grantee(s), and the grantee's(s;) heirs, successors and assigns, forever. And, the grantor(s) do(es) hereby bind the grantor(s) and the grantor's(s') heirs, successors, and personal representatives to warrant and forever defend all and singular said premises unto the grantee(s) and the grantee's(s') heirs, successors, and assigns, and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the grantor's(s') hand(s) and seal(s) this 20th day of June, 2006.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

Mandy D. Brazz
Baety O. Gross, Jr.

Paul C. Pennington (SEAL)
PAUL C. PENNINGTON

Ethel N. Pennington (SEAL)
ETHEL N. PENNINGTON

200605700
FILED, RECORDED, INDEXED
06/21/2006 01:27P
Bk:00787 Ps:00311
RecFee:10.00 St Fee:91.00
CoFee:38.50 Pages:1
CLERK OF COURT, LAURENS COUNTY SC
Barbara Wasson, Clerk of Court

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE) PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s)he saw the within named grantor(s) sign, seal and as the grantor's(s') act and deed deliver the within deed and that (s)he, with other witness subscribed above witnessed the execution thereof.

SWORN to before me this 20th Day of June, 2006.

Baety O. Gross, Jr. (SEAL)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 10-9-12

Mandy D. Brazz

LAURENS CO. ASSESSORS OFFICE
309-01-04-013
TMS 309-01-04-010
309-01-04-014

6/21/06 787 311 Sally B. Lancaster
DATE BOOK PAGE AUDITOR

CB-00037

521

TITLE TO REAL ESTATE (By LLC)--Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S. C.
07-491/Blackmon

PLEASE DO NOT PUBLISH IN NEWSPAPER

LAURENS CO ASSESSORS OFFICE
TMS:
309-01-04-014 PORTION

2007008389
DEED
RECORDING FEES $10.00
STATE TAX $130.00
COUNTY TAX $55.00
PRESENTED & RECORDED:
07-10-2007 03:52 PM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: ROSLYN JOHNSON CLERK
BK: D 841
PG: 89 - 90

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS)

KNOW ALL MEN BY THESE PRESENTS, that

JKR Development, LLC,

in consideration of Ten Dollars and other valuable consideration, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto

Clinton Todd Blackmon and Mechelle Dawn Blackmon

All that certain piece, parcel or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, on the northwest side of Douglas Avenue, being more fully shown and delineated as a portion of Lots 26 and 27 on a plat prepared for JKR Development, LLC by John E. Woods, RLS, dated June 6, 2007 and recorded in Plat Book 107, page 729, in the Office of the Clerk of Court for Laurens County.

This is a portion of the property conveyed to JKR Development, LLC by deed of Paul C. Pennington and Ethel N. Pennington, recorded June 21, 2006 in Deed Book 787, page 311, in the Office of the Clerk of Court for Laurens County.

ALSO: an easement across the lot of grantor at the corner of Douglas Ave. and Oakwood Drive for an existing water line service to the above-described property.

Tax Map Sheet: 309-01-01-014

The "Value" of the realty as defined in § 12-24-30, Code of Laws of South Carolina is $50,000.00.

Grantee's(s') address: 367 EDGEWATER DR; WATERLOO SC 29384

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned unto the grantee(s), and the grantee's(s') heirs and assigns, forever. And, the grantor does hereby bind itself and its successors to warrant and forever defend all and singular said premises unto the grantee(s) and the grantee's(s') heirs against every person whomsoever lawfully claiming or to claim the same or any part thereof.

07/11/2007	841	89	Sally B Lancaster
DATE	BOOK	PAGE	AUDITOR

CB-00038

WITNESS the hand and seal of the corporation by its duly authorized officer(s) this 21st day of June, 20 07.

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC
(Corporate Seal)

Laura A Price
(Witness # 1 signs here)

By: Kenneth E. Bennett sec
Kenneth E. Bennett

X Ann L. Kerwitz
(Witness # 2 signs here)

Its: Managing Member

ACKNOWLEDGEMENT

STATE OF ~~FLORIDA~~ IL
COUNTY OF WINNEBAGO

I LAURA A PRICE, a notary public do hereby certify that KENNETH E. BENNETT as Managing Member of JKR DEVELOPMENT, LLC, a SC limited liability company personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

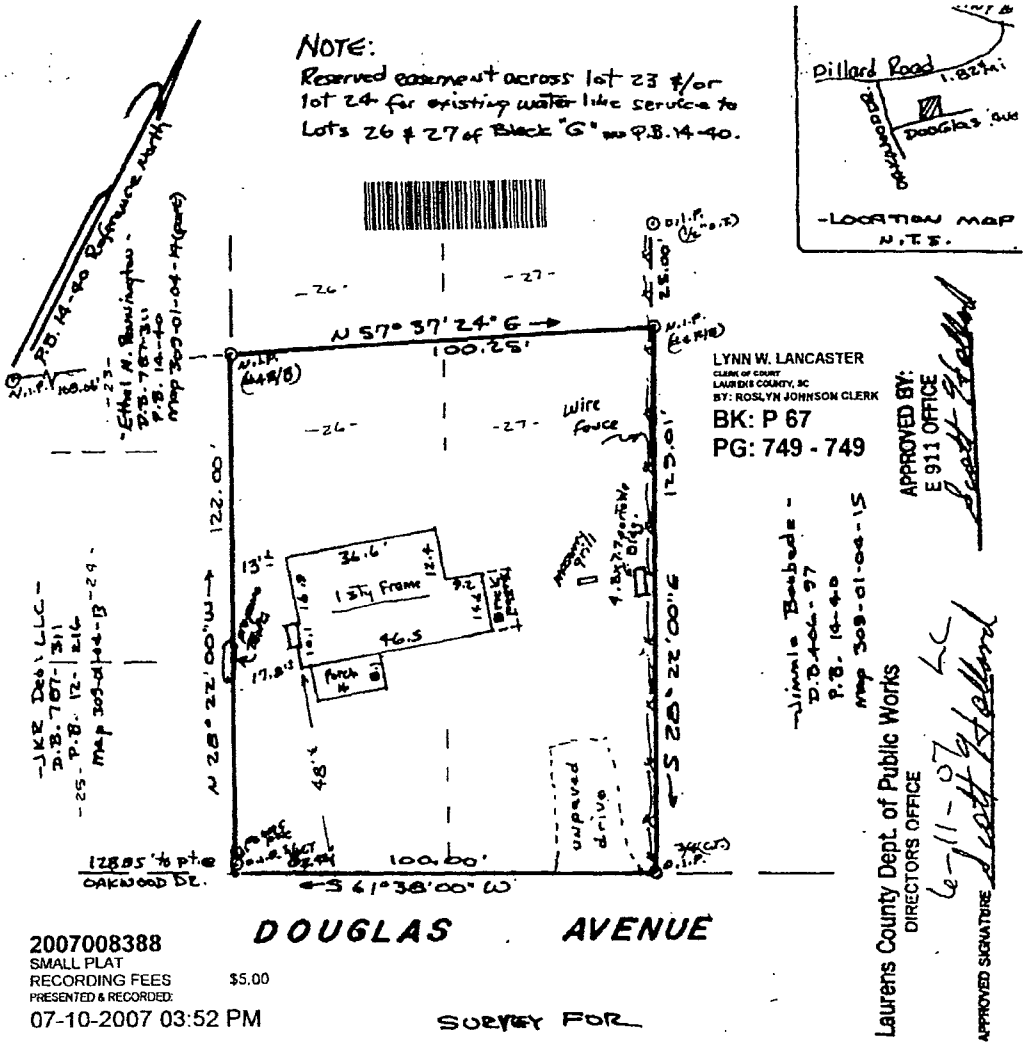
Witness my hand and official seal this the 21st day of June, 20 07.

Laura A Price (SEAL)
Notary Public for IL
My commission expires: 5/19/11

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

CB-00039

523



2007008388
SMALL PLAT
RECORDING FEES $5.00
PRESENTED & RECORDED:
07-10-2007 03:52 PM

SURVEY FOR

JKR DEVELOPMENT LLC

LAURENS COUNTY SOUTH CAROLINA
SCALE: 1" = 30' DATE: JUNE 6, 2007

I hereby state that to the best of my knowledge, information and belief, the survey shown hereon was made in accordance with the requirements of the Minimum Standards Manual for the Practice of Land Surveying in South Carolina, and meets or exceeds the requirements for a class B survey as specified therein.

SURVEY BY JOHN E. WOODS, P.L.S. NO 3780
378 Hillside Ch. Rd.
Fountain Inn S.C. 29644
(864-862-3953

-GRAPHIC SCALE-

TAX MAP 309-01-14(part)

CB-00040

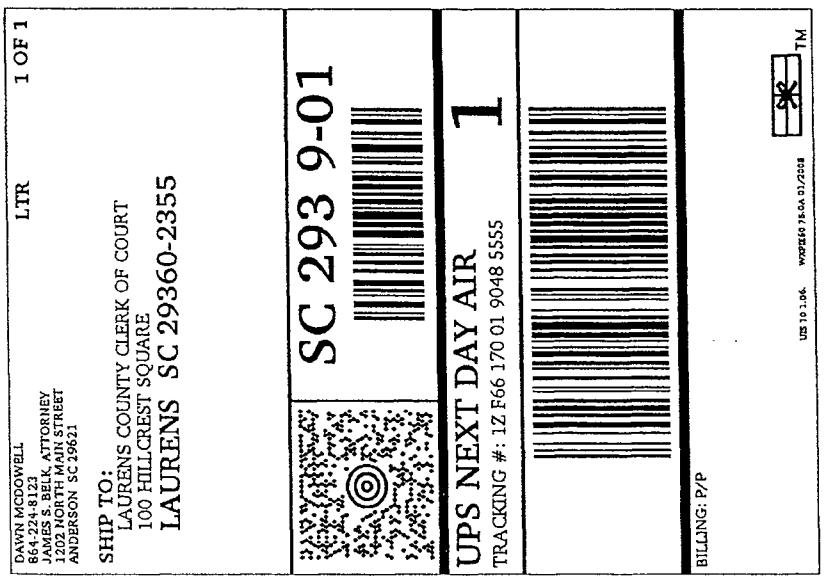
524

UPS Internet Shipping: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. **Fold the printed label at the dotted line.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. **GETTING YOUR SHIPMENT TO UPS**
   Customers without a Daily Pickup
   - Schedule a same day or future day Pickup to have a UPS driver pickup all of your Internet Shipping packages.
   - Hand the package to any UPS driver in your area.
   - Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services℠ (including via Ground) are accepted at Drop Boxes.
   - To find the location nearest you, please visit the 'Find Locations' Quick link at ups.com.

   Customers with a Daily Pickup
   - Your driver will pickup your shipment(s) as usual.

FOLD HERE



CB-00041

525

B=1050

2008005126
MORTGAGE
RECORDING FEES $23.00
PRESENTED & RECORDED
04-30-2008 11:24 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: TERESA ATWOOD CLERK
BK: M 1764
PG: 63 - 79

JAMES S. BELK, ATTORNEY
1202 NORTH MAIN STREET
ANDERSON, SC 29621

This document was prepared by (name, address, phone):
CommunitySouth Bank and Trust
6602 Calhoun Memorial Hwy
Easley, SC 29640
(864) 222-8444

State of South Carolina — Space Above This Line For Recording Data

REAL ESTATE MORTGAGE
(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage is 11-01-2007 and the parties and their addresses are as follows:

MORTGAGOR: KENNETH E. BENNETT
6004 HIGHWAY 24
TOWNVILLE, SC 29689

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Hwy
Easley, SC 29640

2. **MORTGAGE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (hereafter defined), Mortgagor grants, bargains, conveys and mortgages to Lender the following described property:

SEE ATTACHED "EXHIBIT A"

CB-00042

CommunitySouth
BANK & TRUST

November 1, 2007

James Belk
1202 North Main Street
Anderson, SC

Dear Cathy:

We have enclosed the closing documents for Kenneth E Bennett. This loan is scheduled to close at your office on November 1, 2007. Along with the executed closing documents, we will require the following documentation:

☒ **A copy of the hazard insurance policy with our bank name and address listed as mortgagee.**
☐ A copy of the builder's risk policy with our bank name and address listed as mortgagee.
☐ A copy of the borrower(s) or guarantor(s) driver's license or other form of picture identification.
☒ Other- described below:

1) An origination fee of $500.00 and a $14.00 flood certification fee payable to CommunitySouth Bank.
2) An appraisal fee of $600.00 payable to Appraisal Associates of Clemson.
3) An appraisal fee of $1,400 payable to Integra Realty Resources.
4) A payoff for $60,379.88 payable to CommunitySouth Bank for loan number 7000437.
5) A payoff for $50,864.23 payable to CommunitySouth Bank for loan number 7000627.
6) A payoff for $394,871.50 payable to CommunitySouth Bank for loan number 8000425.
7) A title insurance policy that insures over all matters of survey.

The package will be considered incomplete without all of the required documentation noted above. Please overnight the executed documents **within two business days** to CommunitySouth at the address listed below. If you have any questions, please call me at 864-306-2540.

Sincerely,

Cindy B Cooper
Commercial Loan Specialist
CommunitySouth Bank and Trust
6602 Calhoun Memorial Hwy.
Easley SC 29640

BLANK LOAN POLICY ENDORSEMENT

ISSUED BY
LandAmerica Commonwealth

Commonwealth Land Title Insurance Company is a member of the LandAmerica family of title insurance underwriters.

File No.: B-1050

Attached to and made a part of Policy No.: 507-1008497

The said policy is hereby amended in the following manner.

Additional Mortgage on Additional property was to be included on original policy: See attached Exhibit "A"

Mortgage from Kenneth E. Bennett to Community South Bank and Trust, In the principal amount of $497,450.00 dated November 1, 2007 of record in the Office of the Clerk of Court for Laurens County, South Carolina, on April 30, 2008 in Book M-1764 at Page 63-79.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused this Endorsement to be signed as of the 10th day of December, 2007 to be valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.

Countersigned:

By: _____
Authorized Officer or Agent

Commonwealth Land Title Insurance Company

By: _____
President

SEAL

Attest: _____
Secretary

Blank Endorsement Loan Policy

ORIGINAL

CB-00044

528

File No.
B-1050

Policy No.
507-1008497

LOAN POLICY - EXHIBIT "A"
PROPERTY DESCRIPTION

All that certain piece, parcel or lot of land situate, lying and being in, County of Laurens, State of South Carolina and being shown as Lot Three (3) as shown on that certain plat, dated May 5, 1993, of record in the Office of the Clerk of Court for Laurens County, South Carolina in Plat A-36 Book at Page 7. The metes, bounds, courses and distances as shown upon said plat are incorporated herein by reference thereto. Reference being invited to said plat for a fuller more accurate description of the above described property. This includes a 1973 Champion Mobile Home, which is affixed to the property.

This conveyance is specifically made subject to any and all recorded rights-of-way, easements, conditions and restrictions pertaining to the property herein conveyed, and in addition are subject to any of the foregoing which may appear from an inspection of the premises.

ALSO: conveyed herein is an easement for ingress and egress across Lot Numbers one (1) and Two (2) of Virginia Meadows Subdivision as shown on the aforesaid plat.

This being the same property conveyed unto Mortgagor herein by Deed of Jackie D. Hood, Ruth Louise Hood, Rickie E. Collins and Pamela D. Collins dated April 13, 2006 and recorded April 13, 2006 of record in the Office of the Clerk of Court for Laurens County, South Carolina in Book 779 at Page 155.

TMS# 277-00-00-108

ORIGINAL

BLANK LOAN POLICY ENDORSEMENT

ISSUED BY
LandAmerica Commonwealth

Commonwealth Land Title Insurance Company is a member of the LandAmerica family of title insurance underwriters.

File No.: B-1050

Attached to and made a part of Policy No.: 507-1008497

The said policy is hereby amended in the following manner.

Additional Mortgage on Additional property was to be included on original policy: See attached Exhibit "A"

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused this Endorsement to be signed as of the 10th day of December, 2007 to be valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.

Countersigned:

By: _____
Authorized Officer or Agent

Commonwealth Land Title Insurance Company

SEAL

By: _____
President

Attest: _____
Secretary

Blank Endorsement Loan Policy

ORIGINAL

ISSUED BY
LandAmerica Commonwealth

Loan No.: 8001376
Issued with Policy No.:

LOAN POLICY - SCHEDULE A

File No.	Date of Policy	Amount of Insurance	Premium	Policy No.
B-1050	December 10, 2007 at 11:12 AM	$ 497,450.00	$ 971.50 Loan/Mtg	507-1008497

1. Name of Insured:
   Community South Bank & Trust, its successors and/or assigns as their respective interests may appear.

2. The estate or interest in the land which is encumbered by the insured mortgage is:
   Fee Simple

3. Title to the estate or interest in the land is vested in:
   Kenneth E. Bennett

4. The insured mortgage and assignments thereof, if any, are described as follows:
   Mortgage from Kenneth E. Bennett to Community South Bank & Trust, in the principal amount of $497,450.00, dated November 1, 2007, of record in the Office of the Clerk of Court for Laurens County, South Carolina , on December 10, 2007 in Book M-1727, Page 1-9, Document Number 2007014680.

5. The land referred to in this Policy is described as set forth in the insured mortgage, is situated in the County of Laurens, State of South Carolina, and is identified as follows:
   See Exhibit "A" attached hereto.

Countersigned:
James S. Belk

By: James S. Belk
Authorized Officer or Agent

1202 N. Main Street
Anderson, SC 29621
(864)224-8123

ALTA Loan Policy (10-17-92) - Schedule A
Form 1191-13

ORIGINAL

Valid only if insuring provisions and Schedules A and B are attached.

File No.
B-1050

Policy No.
507-1008497

SCHEDULE B

PART I
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes for the year 2008 and subsequent years, a lien not yet due and payable.

PART II

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

NONE

File No.
B-1050

Policy No.
507-1008497

EXHIBIT "A"
(Property Description)

All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County, South Carolina in Plat Book A-244 at Page 3. The metes, bounds, courses and distances as shown upon said plat are incorporated herein by reference thereto. Reference being invited to said plat for a fuller more accurate description of the above described property.

ALSO: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on a survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS,, dated October 21, 1993, recorded in the Office of the Clerk of Court for Laurens County, South Carolina in Plat Book 62 at Page 940. The metes, bounds, courses and distances as shown upon said plat are incorporated herein by reference thereto. Reference being invited to said plat for a fuller more accurate description of the above described property. According to siad plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the center line of Road 8-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

This conveyance is specifically made subject to any and all recorded rights-of-way, easements, conditions and restrictions pertaining to the property herein conveyed, and in addition is subject to any of the foregoing which may appear from an inspection of the premises.

This being the same property conveyed unto Mortgagors herein by Deed of Crescent Lake, LLC, of even date, recorded of record in the Office of the Clerk of Court for Laurens County, South Carolina in Book 768 at Page 312 .

POTMS# 309-00-00-028/040

ALTA ENDORSEMENT - FORM 8.1 - ENVIRONMENTAL PROTECTION LIEN

ISSUED BY
LandAmerica Commonwealth

Commonwealth Land Title Insurance Company is a member of the LandAmerica family of title insurance underwriters.

File No.: B-1050

Attached to and made a part of Policy No.: 507-1008497

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

(a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or

(b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes:

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers or agents, this Endorsement to become valid when countersigned by an authorized officer or agentof the Company.

Date: December 10, 2007
Countersigned:

By: _____
Authorized Officer or Agent

By: _____
President

Attest: _____
Secretary

End. - ALTA Form 8.1 (Environmental Protection Lien)
Form 2291-45 (3/12/88)

ORIGINAL

ALTA ENDORSEMENT - FORM 9
RESTRICTIONS, ENCROACHMENTS, MINERALS - (REM) ENDORSEMENT

ISSUED BY

LandAmerica Commonwealth

Commonwealth Land Title Insurance Company is a member of the LandAmerica family of title insurance underwriters.

File No.: B-1050

Attached to and made a part of Policy No.: 507-1008497

The Company hereby insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The existence at Date of Policy of any of the following:
   (a) Covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
   (b) Unless expressly excepted in Schedule B:
      i. Present violations on the land of any enforceable covenants, conditions or restrictions, and any existing improvements on the land which violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.
      ii. Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides a lien for liquidated damages; (iii) provides for a private charge or assessment; (iv) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.
      iii. Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.
      iv. Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
      v. Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the insured, provided the violation results in:
   (a) Invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or
   (b) Loss of title to the estate or interest in the land if the Insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.
3. Damage to existing improvements, including lawns, shrubbery or trees:
   (a) Which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
   (b) Resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers or agents, this Endorsement to become valid when countersigned by an authorized officer or agent of the Company.

Date: December 10, 2007
Countersigned:

By: _____
Authorized Officer or Agent

SEAL 1925

By: _____
President

Attest: _____
Secretary

ALTA Form 9-Restriction, Encroachments, Minerals Endorsement (10-17-98)
Form 2313-25

ORIGINAL

PURCHASE AND ASSUMPTION AGREEMENT

WHOLE BANK

ALL DEPOSITS

AMONG

FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF COMMUNITYSOUTH BANK AND TRUST, EASLEY, SOUTH CAROLINA

FEDERAL DEPOSIT INSURANCE CORPORATION

and

CERTUSBANK, N.A.

DATED AS OF

January 21, 2011



PURCHASE AND ASSUMPTION AGREEMENT

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PURCHASE AND ASSUMPTION AGREEMENT

WHOLE BANK

ALL DEPOSITS

THIS AGREEMENT, made and entered into as of the 21st day of January, 2011, by and among the **FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER of COMMUNITYSOUTH BANK AND TRUST, EASLEY, SOUTH CAROLINA** (the "**Receiver**"), **CERTUSBANK, N.A.**, organized under the laws of the United States of America, and having its principal place of business in Charlotte, North Carolina (the "**Assuming Institution**"), and the **FEDERAL DEPOSIT INSURANCE CORPORATION**, organized under the laws of the United States of America and having its principal office in Washington, D.C., acting in its corporate capacity (the "**Corporation**").

RECITALS

A. On the Bank Closing Date, the Chartering Authority closed **COMMUNITYSOUTH BANK AND TRUST** (the "**Failed Bank**") pursuant to applicable law and the Corporation was appointed Receiver thereof.

B. The Assuming Institution desires to purchase certain assets and assume certain deposits and other liabilities of the Failed Bank on the terms and conditions set forth in this Agreement.

C. Pursuant to 12 U.S.C. § 1823(c)(2)(A), the Corporation may provide assistance to the Assuming Institution to facilitate the transactions contemplated by this Agreement, which assistance may include indemnification pursuant to Article XII.

D. The Board of Directors of the Corporation (the "**Board**") has determined to provide assistance to the Assuming Institution on the terms and subject to the conditions set forth in this Agreement.

E. The Board has determined pursuant to 12 U.S.C. § 1823(c)(4)(A) that such assistance is necessary to meet the obligation of the Corporation to provide insurance coverage for the insured deposits in the Failed Bank and is the least costly to the deposit insurance fund of all possible methods for meeting such obligation.

NOW, THEREFORE, in consideration of the mutual promises herein set forth and other valuable consideration, the parties hereto agree as follows:

AGREEMENT

ARTICLE I. GENERAL.

1.1. Purpose. The purpose of this Agreement is to set forth requirements regarding, among other things, the terms and conditions on which the Assuming Institution purchases certain assets and assumes certain liabilities of the Failed Bank.

1.2. Shared-Loss Agreements. If the Receiver and the Assuming Institution desire to share losses and recoveries on certain acquired assets, a Shared-Loss Agreement or Shared-Loss

Agreements are attached hereto as Exhibit 4.15A and/or Exhibit 4.15B, as applicable, and will govern the terms of any such shared-loss arrangement. To the extent that any inconsistencies may arise between the terms of this Agreement and a Shared-Loss Agreement with respect to the subject matter of a Shared-Loss Agreement, the terms of the applicable Shared-Loss Agreement shall control.

1.3. Defined Terms. Capitalized terms used in this Agreement shall have the meanings set forth or referenced in this Section 1.3. As used herein, words imparting the singular include the plural and vice versa.

"**Acquired Subsidiary**" or "**Acquired Subsidiaries**" means one or more, as applicable, Subsidiaries of the Failed Bank acquired pursuant to Section 3.1.

"**Affiliate**" of any Person means any director, officer, or employee of that Person and any other Person (i) who is directly or indirectly controlling, or controlled by, or under direct or indirect common control with, such Person, or (ii) who is an affiliate of such Person as the term "affiliate" is defined in § 2(k) of the Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1841.

"**Agreement**" means this Purchase and Assumption Agreement by and among the Assuming Institution, the Corporation and the Receiver, as amended or otherwise modified from time to time.

"**Assets**" means all assets of the Failed Bank purchased pursuant to Section 3.1. Assets owned by Subsidiaries of the Failed Bank are not "Assets" within the meaning of this definition by virtue of being owned by such Subsidiaries.

"**Assumed Deposits**" means Deposits.

"**Assuming Institution**" has the meaning set forth in the introduction to this Agreement.

"**Bank Closing Date**" means the close of business of the Failed Bank on the date on which the Chartering Authority closed such institution.

"**Bank Premises**" means the banking buildings, drive-in banking facilities, teller facilities (staffed or automated), storage and service facilities, structures connecting remote facilities to banking houses, land on which the foregoing are located and unimproved land, together with any adjacent parking, that are owned or leased by the Failed Bank and that have formerly been utilized, are currently utilized, or are intended to be utilized in the future by the Failed Bank as shown on the Failed Bank Records as of the Bank Closing Date.

"**Bid Amount**" has the meaning set forth in Article VII.

"**Bid Valuation Date**" means **October 29, 2010**.

"**Board**" has the meaning set forth in Recital D.

"**Book Value**" means, with respect to any Asset and any Liability Assumed, the dollar amount thereof stated on the Failed Bank Records. The Book Value of any item shall be determined as of the Bank Closing Date after adjustments made by the Receiver for differences in accounts, suspense items, unposted debits and credits and other similar adjustments or corrections and for setoffs, whether voluntary or involuntary. The Book Value of an Acquired

Subsidiary shall be determined from the investment in subsidiary and related accounts on the "bank only" (unconsolidated) balance sheet of the Failed Bank based on the equity method of accounting. Without limiting the generality of the foregoing, (i) the Book Value of a Liability Assumed shall include all accrued and unpaid interest thereon as of the Bank Closing Date, and (ii) the Book Value of a Loan shall reflect adjustments for earned interest, or unearned interest (as it relates to the "rule of 78s" or add-on-interest loans, as applicable), if any, as of the Bank Closing Date, adjustments for the portion of earned or unearned loan-related credit life and/or disability insurance premiums, if any, attributable to the Failed Bank as of the Bank Closing Date, and adjustments for Failed Bank Advances, if any, in each case as determined for financial reporting purposes. The Book Value of an Asset shall not include any adjustment for loan premiums, discounts or any related deferred income, fees or expenses, or general or specific reserves on the Failed Bank Records.

"**Business Day**" means a day other than a Saturday, Sunday, Federal legal holiday or legal holiday under the laws of the State where the Failed Bank is located, or a day on which the principal office of the Corporation is closed.

"**Chartering Authority**" means (i) with respect to a national bank, the Office of the Comptroller of the Currency, (ii) with respect to a Federal savings association or savings bank, the Office of Thrift Supervision, (iii) with respect to a bank or savings institution chartered by a State, the agency of such State charged with primary responsibility for regulating and/or closing banks or savings institutions, as the case may be, (iv) the Corporation in accordance with 12 U.S.C. § 1821(c)(4), with regard to self appointment, or (v) the appropriate Federal banking agency in accordance with 12 U.S.C. § 1821(c)(9).

"**Commitment**" means the unfunded portion of a line of credit or other commitment reflected on the books and records of the Failed Bank to make an extension of credit (or additional advances with respect to a Loan) that was legally binding on the Failed Bank as of the Bank Closing Date, other than extensions of credit pursuant to the credit card business and overdraft protection plans of the Failed Bank, if any.

"**Corporation**" has the meaning set forth in the introduction to this Agreement.

"**Counterclaim**" has the meaning set forth in Section 12.1(b).

"**Credit Documents**" means the agreements, instruments, certificates or other documents at any time evidencing or otherwise relating to, governing or executed in connection with or as security for, a Loan, including without limitation notes, bonds, loan agreements, letter of credit applications, lease financing contracts, banker's acceptances, drafts, interest protection agreements, currency exchange agreements, repurchase agreements, reverse repurchase agreements, guarantees, deeds of trust, mortgages, assignments, security agreements, pledges, subordination or priority agreements, lien priority agreements, undertakings, security instruments, certificates, documents, legal opinions, participation agreements and intercreditor agreements, and all amendments, modifications, renewals, extensions, rearrangements, and substitutions with respect to any of the foregoing.

"**Credit File**" means all Credit Documents and all other credit, collateral or insurance documents in the possession or custody of the Assuming Institution, or any of its Subsidiaries or Affiliates, relating to an Asset or a Loan included in a Put Notice, or copies of any such documents.

"**Deposit**" means a deposit as defined in 12 U.S.C. § 1813(l), including without limitation, outstanding cashier's checks and other official checks and all uncollected items included in the depositors' balances and credited on the books and records of the Failed Bank; provided that the term "Deposit" shall not include all or any portion of those deposit balances which, in the discretion of the Receiver or the Corporation, (i) may be required to satisfy it for any liquidated or contingent liability of any depositor arising from an unauthorized or unlawful transaction, or (ii) may be needed to provide payment of any liability of any depositor to the Failed Bank or the Receiver, including the liability of any depositor as a director or officer of the Failed Bank, whether or not the amount of the liability is or can be determined as of the Bank Closing Date.

"**Deposit Secured Loan**" means a loan in which the only collateral securing the loan is Assumed Deposits or deposits at other insured depository institutions.

"**Electronically Stored Information**" means any system backup tapes, any electronic mail (whether on an exchange or other similar system), any data on personal computers and any data on server hard drives.

"**Eligible Individuals**" has the meaning set forth in Section 4.12.

"**ERISA**" has the meaning set forth in Section 4.12.

"**Failed Bank**" has the meaning set forth in Recital A.

"**Failed Bank Advances**" means the total sums paid by the Failed Bank to (i) protect its lien position, (ii) pay ad valorem taxes and hazard insurance and (iii) pay premiums for credit life insurance, accident and health insurance and vendor's single interest insurance.

"**Failed Bank Records**" means Records of the Failed Bank, including but not limited to, its corporate minutes, general ledger and subsidiary ledgers and schedules which support the general ledger balances.

"**Fair Market Value**" means:

(a) "Market Value" as defined in the regulation prescribing the standards for real estate appraisals used in federally related transactions, 12 C.F.R. § 323.2(g), and accordingly shall mean the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the assumed consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(i) Buyer and seller are typically motivated;

(ii) Both parties are well informed or well advised, and acting in what they consider their own best interests;

(iii) A reasonable time is allowed for exposure in the open market;

(iv) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(v) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale;

as determined as of the Bank Closing Date by an appraiser chosen by the Assuming Institution from a list of acceptable appraisers provided by the Receiver; any costs and fees associated with such determination shall be shared equally by the Receiver and the Assuming Institution, and

with respect to Bank Premises (to the extent, if any, that Bank Premises are purchased utilizing this valuation method), shall be determined not later than sixty (60) days after the Bank Closing Date by an appraiser selected by the Receiver and the Assuming Institution within seven (7) days after the Bank Closing Date; or

(b) with respect to property other than Bank Premises purchased utilizing this valuation method, the price therefor as established by the Receiver and agreed to by the Assuming Institution, or in the absence of such agreement, as determined in accordance with clause (a) above.

"**FDIC Office Space**" has the meaning set forth in Section 4.11.

"**Final Legal Notice**" has the meaning set forth in Section 2.3(a).

"**Fixtures**" means those leasehold improvements, additions, alterations and installations constituting all or a part of Bank Premises and which were acquired, added, built, installed or purchased at the expense of the Failed Bank, regardless of the holder of legal title thereto as of the Bank Closing Date.

"**Furniture and Equipment**" means the furniture and equipment (other than Safe Deposit Boxes, Personal Computers, Owned Data Management Equipment and motor vehicles), leased or owned by the Failed Bank and reflected on the Failed Bank Records as of the Bank Closing Date and located on or at Bank Premises, including without limitation automated teller machines, carpeting, furniture, office machinery, shelving, office supplies, telephone, surveillance and security systems, ancillary equipment and artwork. Furniture and equipment located at a storage facility not adjacent to a Bank Premises are excluded from this definition.

"**GSE**" means a government sponsored enterprise.

"**Indemnitees**" means, except as provided in Section 12.1(b)(xi), (i) the Assuming Institution, (ii) the Subsidiaries and Affiliates of the Assuming Institution other than any Subsidiaries or Affiliates of the Failed Bank that are or become Subsidiaries or Affiliates of the Assuming Institution and (iii) the directors, officers, employees and agents of the Assuming Institution and its Subsidiaries and Affiliates who are not also present or former directors, officers, employees or agents of the Failed Bank or of any Subsidiary or Affiliate of the Failed Bank.

"**Information Package**" means the most recent compilation of financial and other data with respect to the Failed Bank, including any amendments or supplements thereto, provided to the Assuming Institution by the Corporation on the web site used by the Corporation to market the Failed Bank to potential acquirers.

"**Initial Payment**" means the payment made pursuant to Article VII (based on the best information available as of the Bank Closing Date), the amount of which shall be either (i) if the Bid Amount is positive, the aggregate Book Value of the Liabilities Assumed minus the sum of the aggregate purchase price of the Assets as determined pursuant to Section 3.2 and assets purchased and the positive Bid Amount, or (ii) if the Bid Amount is negative, the sum of the aggregate Book Value of the Liabilities Assumed and the negative Bid Amount minus the aggregate purchase price of the Assets and assets purchased. The Initial Payment shall be payable by the Corporation to the Assuming Institution if (i) the Liabilities Assumed are greater than the sum of the positive Bid Amount and the Assets and any other assets purchased, or if (ii) the sum of the Liabilities Assumed and the negative Bid Amount are greater than the Assets and assets purchased. The Initial Payment shall be payable by the Assuming Institution to the Corporation if (i) the Liabilities Assumed are less than the sum of the positive Bid Amount and the Assets and assets purchased, or if (ii) the sum of the Liabilities Assumed and the negative Bid Amount is less than the Assets and assets purchased. Such Initial Payment shall be subject to adjustment as provided in Article VIII.

"Leased Data Management Equipment" means any equipment, computer hardware, computer software (and the lease or licensing agreements related thereto), computer networking equipment, printers, fax machines, copiers, document scanners, data tape systems, data tapes, DVDs, CDs, flash drives, telecommunications and check processing equipment and any other electronic storage media leased by the Failed Bank at Bank Closing which is, was, or could have been used by the Failed Bank in connection with data management activities.

"**Legal Balance**" means the amount of indebtedness legally owed by an Obligor with respect to a Loan, including principal and accrued and unpaid interest, late fees, attorneys' fees and expenses, taxes, insurance premiums, and similar charges, if any.

"**Liabilities Assumed**" has the meaning provided in Section 2.1.

"**Lien**" means any mortgage, lien, pledge, charge, assignment for security purposes, security interest or encumbrance of any kind with respect to an Asset, including any conditional sale agreement or capital lease or other title retention agreement relating to such Asset.

"**Loan**" or "**Loans**" means, individually or collectively, all of the following owed to or held by the Failed Bank as of the Bank Closing Date:

(a) loans (including loans which have been charged off the Failed Bank Records in whole or in part prior to and including the Bid Valuation Date), participation agreements, interests in participations, overdrafts of customers (including but not limited to overdrafts made pursuant to an overdraft protection plan or similar extensions of credit in connection with a deposit account), revolving commercial lines of credit, home equity lines of credit, Commitments, United States and/or State-guaranteed student loans and lease financing contracts;

(b) all Liens, rights (including rights of set-off), remedies, powers, privileges, demands, claims, priorities, equities and benefits owned or held by, or accruing or to accrue to or for the benefit of, the holder of the obligations or instruments referred to in clause (a) above, including but not limited to those arising under or based upon Credit Documents, casualty insurance policies and binders, standby letters of credit, mortgagee title insurance policies and binders, payment bonds and performance bonds at any time

and from time to time existing with respect to any of the obligations or instruments referred to in clause (a) above; and

(c) all amendments, modifications, renewals, extensions, refinancings and refundings of or for any of the foregoing.

"**Obligor**" means each Person liable for the full or partial payment or performance of any Loan, whether such Person is obligated directly, indirectly, primarily, secondarily, jointly or severally.

"**Other Real Estate**" means all interests in real estate (other than Bank Premises and Fixtures), including but not limited to mineral rights, leasehold rights, condominium and cooperative interests, easements, air rights and development rights that are owned by the Failed Bank.

"**Owned Data Management Equipment**" means any equipment, computer hardware, computer software (and the lease or licensing agreements related thereto), computer networking equipment, printers, fax machines, copiers, document scanners, data tape systems, data tapes, DVDs, CDs, flash drives, telecommunications and check processing equipment and any other electronic storage media owned by the Failed Bank at Bank Closing which is, was, or could have been used by the Failed Bank in connection with data management activities.

"**Payment Date**" means the first Business Day after the Bank Closing Date.

"**Person**" means any individual, corporation, partnership, joint venture, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof, excluding the Corporation.

"Personal Computer(s)" means computers based on a microprocessor generally designed to be used by one person at a time and which usually store informational data on that computer's internal hard drive or attached peripheral, and associated peripherals (such as keyboard, mouse, etc.). A personal computer can be found in various configurations such as laptops, net books, and desktops.

"**Primary Indemnitor**" means any Person (other than the Assuming Institution or any of its Affiliates) who is obligated to indemnify or insure, or otherwise make payments (including payments on account of claims made against) to or on behalf of any Person in connection with the claims covered under Article XII, including without limitation any insurer issuing any directors and officers liability policy or any Person issuing a financial institution bond or banker's blanket bond.

"**Pro Forma**" means a balance sheet that reflects a reasonably accurate financial statement of the Failed Bank through the Bank Closing Date and serves as a basis for the opening entries of both the Assuming Institution and the Receiver.

"**Put Date**" has the meaning set forth in Section 3.4(d).

"**Put Notice**" has the meaning set forth in Section 3.4(c).

"**Qualified Beneficiaries**" has the meaning set forth in Section 4.12.

"**Qualified Financial Contract**" means a qualified financial contract as defined in 12 U.S.C. § 1821(e)(8)(D).

"**Record**" means any document, microfiche, microfilm or Electronically Stored Information (including but not limited to magnetic tape, disc storage, card forms and printed copy) of the Failed Bank generated or maintained by the Failed Bank that is owned by or in the possession of the Receiver at the Bank Closing Date.

"**Receiver**" has the meaning set forth in the introduction to this Agreement.

"**Related Liability**" with respect to any Asset means any liability existing and reflected on the Failed Bank Records as of the Bank Closing Date for (i) indebtedness secured by mortgages, deeds of trust, chattel mortgages, security interests or other liens on or affecting such Asset, (ii) ad valorem taxes applicable to such Asset and (iii) any other obligation determined by the Receiver to be directly related to such Asset.

"**Related Liability Amount**" with respect to any Related Liability on the books of the Assuming Institution, means the amount of such Related Liability as stated on the Failed Bank Records of the Assuming Institution (as maintained in accordance with generally accepted accounting principles) as of the date as of which the Related Liability Amount is being determined. With respect to a liability that relates to more than one Asset, the amount of such Related Liability shall be allocated among such Assets for the purpose of determining the Related Liability Amount with respect to any one of such Assets.

Such allocation shall be made by specific allocation, where determinable, and otherwise shall be pro rata based upon the dollar amount of such Assets stated on the Failed Bank Records of the entity that owns such Asset.

"**Repurchase Price**" means, with respect to any Asset, first taking the Book Value of the Asset at the Bank Closing Date and either subtracting the pro rata Asset discount or adding the pro rata Asset premium, and subsequently adjusting that amount (i) for any advances and interest on such Asset after the Bank Closing Date, (ii) by subtracting the total amount received by the Assuming Institution for such Asset after the Bank Closing Date, regardless of how applied and (iii) by adding total disbursements of principal made by the Receiver not otherwise included in the Book Value.

"**Safe Deposit Boxes**" means the safe deposit boxes of the Failed Bank, if any, including the removable safe deposit boxes and safe deposit stacks in the Failed Bank's vault(s), all rights and benefits under rental agreements with respect to such safe deposit boxes, and all keys and combinations thereto.

"**Settlement Date**" means the first Business Day immediately prior to the day which is three hundred sixty-five (365) days after the Bank Closing Date, or such other date prior thereto as may be agreed upon by the Receiver and the Assuming Institution. The Receiver, in its discretion, may extend the Settlement Date.

"**Settlement Interest Rate**" means, for the first calendar quarter or portion thereof during which interest accrues, the rate determined by the Receiver to be equal to the investment rate on twenty-six (26)-week United States Treasury Bills as published on the Bank Closing Date by the United States Treasury on the TreasuryDirect.gov website; provided, that if no such Investment Rate is published the week of the Bank Closing Date, the investment rate for such Treasury Bills

most recently published by the United States Treasury on TreasuryDirect.gov prior to the Bank Closing Date shall be used. Thereafter, the rate shall be adjusted to the rate determined by the Receiver to be equal to the Investment Rate on such Treasury Bills in effect as of the first day of each succeeding calendar quarter during which interest accrues as published by the United States Treasury on the TreasuryDirect.gov website.

"**Shared-Loss Agreements**" means, if any, the Single Family Shared-Loss Agreement attached hereto as Exhibit 4.15A and, if any, the Commercial Shared-Loss Agreement, attached hereto as Exhibit 4.15B.

"**Subsidiary**" has the meaning set forth in § 3(w)(4) of the Federal Deposit Insurance Act, 12 U.S.C. § 1813(w)(4), as amended.

ARTICLE II. ASSUMPTION OF LIABILITIES.

2.1. Liabilities Assumed by Assuming Institution. The Assuming Institution expressly assumes at Book Value (subject to adjustment pursuant to Article VIII) and agrees to pay, perform and discharge, all of the following liabilities of the Failed Bank as of the Bank Closing Date, except as otherwise provided in this Agreement (such liabilities referred to as "**Liabilities Assumed**"):

(a) Assumed Deposits, except those Deposits specifically listed on Schedule 2.1(a); provided, that as to any Deposits of public money which are Assumed Deposits, the Assuming Institution agrees to properly secure such Deposits with such Assets as appropriate which, prior to the Bank Closing Date, were pledged as security by the Failed Bank, or with assets of the Assuming Institution, if such securing Assets, if any, are insufficient to properly secure such Deposits;

(b) liabilities for indebtedness secured by mortgages, deeds of trust, chattel mortgages, security interests or other liens on or affecting any Assets, if any; provided, that the amount of any liability assumed pursuant to this Section 2.1(b) shall be limited to the market value of the Assets securing such liability as determined by the Receiver;

(c) all borrowings from, and obligations and indebtedness to, Federal Reserve Banks and Federal Home Loan Banks, if any, whether currently owed, or conditional or not yet matured, including but not limited to, if applicable, (i) advances, including principal, interest, and any prepayment fees, costs and expenses; (ii) letters of credit, including any reimbursement obligations; (iii) acquired member assets programs, including representations, warranties, credit enhancement obligations and servicing obligations; (iv) affordable housing programs, including retention agreements and other contracts and monitoring obligations; (v) swaps and other derivatives; and (vi) safekeeping and custody agreements, provided, that the assumption of any liability pursuant to this Section 2.1(c) shall be limited to the market value of the assets securing such liability as determined by the Receiver; and overdrafts, debit balances, service charges, reclamations and adjustments to accounts with the Federal Reserve Banks as reflected on the books and records of any such Federal Reserve Bank within ninety (90) days after the Bank Closing Date, if any;

(d) ad valorem taxes applicable to any Asset, if any; provided, that the assumption of any ad valorem taxes pursuant to this Section 2.1(d) shall be limited to an amount equal to the market value of the Asset to which such taxes apply as determined by the Receiver;

(e) liabilities, if any, for federal funds purchased, repurchase agreements and overdrafts in accounts maintained with other depository institutions (including any accrued and unpaid interest thereon computed to and including the Bank Closing Date); provided, that the assumption of any liability pursuant to this Section 2.1(e) shall be limited to the market value of the Assets securing such liability as determined by the Receiver;

(f) United States Treasury tax and loan note option accounts, if any;

(g) liabilities for any acceptance or commercial letter of credit provided, that the assumption of any liability pursuant to this Section 2.1(g) shall be limited to the market value of the Assets securing such liability as determined by the Receiver;

(h) liabilities for any "standby letters of credit" as defined in 12 C.F.R. § 337.2(a) issued on the behalf of any Obligor of a Loan acquired hereunder by the Assuming Institution, but excluding any other standby letters of credit;

(i) duties and obligations assumed pursuant to this Agreement including without limitation those relating to the Failed Bank's Records, credit card business, debit card business, stored value and gift card business, overdraft protection plans, safe deposit business, safekeeping business and trust business, if any;

(j) liabilities, if any, for Commitments;

(k) liabilities, if any, for amounts owed to any Acquired Subsidiary;

(l) liabilities, if any, with respect to Qualified Financial Contracts;

(m) duties and obligations under any contract pursuant to which the Failed Bank provides mortgage servicing for others, or any contract pursuant to which mortgage servicing is provided to the Failed Bank by others, including (i) any seller obligations, seller origination and repurchase obligations, and (ii) any GSE seller or servicer obligations, provided that, if the Assuming Institution is not an approved GSE servicer, or does not intend or is unable to become an approved GSE servicer, the Assuming Institution will cooperate with the Receiver and the GSE to effect the transfer of any such servicing obligations to a GSE-approved servicer; and,

(n) all asset-related offensive litigation liabilities and all asset-related defensive litigation liabilities, but only to the extent such liabilities relate to assets subject to a Shared-Loss Agreement, and provided that all other defensive litigation and any class actions with respect to credit card business are retained by the Receiver.

2.2. Interest on Deposit Liabilities. The Assuming Institution agrees that, from and after the Bank Closing Date, it will accrue and pay interest on Assumed Deposits pursuant to Section 2.1 at a rate(s) it shall determine; provided, that for non-transaction Deposit liabilities such rate(s) shall not be less than the lowest rate offered by the Assuming Institution to its depositors for non-transaction deposit accounts. The Assuming Institution shall permit each

depositor to withdraw, without penalty for early withdrawal, all or any portion of such depositor's Deposit, whether or not the Assuming Institution elects to pay interest in accordance with any deposit agreement formerly existing between the Failed Bank and such depositor; and further provided, that if such Deposit has been pledged to secure an obligation of the depositor or other party, any withdrawal thereof shall be subject to the terms of the agreement governing such pledge. The Assuming Institution shall give notice to such depositors as provided in Section 5.3 of the rate(s) of interest which it has determined to pay and of such withdrawal rights.

2.3. Unclaimed Deposits.

(a) Final Legal Notice. Fifteen (15) months following the Bank Closing Date, the Assuming Institution will provide the Receiver a listing of all deposit accounts, including the type of account, not claimed by the depositor. The Receiver will review the list and authorize the Assuming Institution to act on behalf of the Receiver to send a Final Legal Notice in a form substantially similar to Exhibit 2.3A (the "**Final Legal Notice**") to the owner(s) of the unclaimed deposits reminding them of the need to claim or arrange to continue their account(s) with the Assuming Institution. The Assuming Institution will send the Final Legal Notice to the depositors within thirty (30) days following notification of the Receiver's authorization. The Assuming Institution will prepare an Affidavit of Mailing in a form substantially similar to Exhibit 2.3B and will forward the Affidavit of Mailing to the Receiver after mailing out the Final Legal Notice to the owner(s) of unclaimed deposit accounts.

(b) Unclaimed Deposits. If, within eighteen (18) months after the Bank Closing Date, any depositor of the Failed Bank does not claim or arrange to continue such depositor's Assumed Deposits at the Assuming Institution, the Assuming Institution shall, within fifteen (15) Business Days after the end of such eighteen (18) month period, (i) refund to the Receiver the full amount of each such Deposit (without reduction for service charges), (ii) provide to the Receiver a schedule of all such refunded Deposits in such form as may be prescribed by the Receiver, and (iii) assign, transfer, convey, and deliver to the Receiver, all right, title and interest of the Assuming Institution in and to the Records previously transferred to the Assuming Institution and other records generated or maintained by the Assuming Institution pertaining to such Deposits. During such eighteen (18) month period, at the request of the Receiver, the Assuming Institution promptly shall provide to the Receiver schedules of unclaimed Deposits in such form as may be prescribed by the Receiver.

2.4. Employee Plans. Except as provided in Section 4.12, the Assuming Institution shall have no liabilities, obligations or responsibilities under the Failed Bank's health care, bonus, vacation, pension, profit sharing, deferred compensation, 401k or stock purchase plans or similar plans, if any, unless the Receiver and the Assuming Institution agree otherwise subsequent to the date of this Agreement.

ARTICLE III. PURCHASE OF ASSETS.

3.1. Assets Purchased by Assuming Institution. With the exception of certain assets expressly excluded in Sections 3.5 and 3.6 and, if applicable, listed on Schedule 3.5(l) the Assuming Institution hereby purchases from the Receiver, and the Receiver hereby sells, assigns, transfers, conveys and delivers to the Assuming Institution, all right, title and interest of the Receiver in and to all of the assets (real, personal and mixed, wherever located and however

acquired) including all subsidiaries, joint ventures, partnerships and any and all other business combinations or arrangements, whether active, inactive, dissolved or terminated, of the Failed Bank whether or not reflected on the books of the Failed Bank as of the Bank Closing Date. Assets are purchased hereunder by the Assuming Institution subject to all liabilities for indebtedness collateralized by Liens affecting such Assets to the extent provided in Section 2.1.

3.2. Asset Purchase Price.

(a) Determination of Asset Purchase Price. All Assets and assets of the Failed Bank subject to an option to purchase by the Assuming Institution shall be purchased for the amount, or the amount resulting from the method specified for determining the amount, as specified on Schedule 3.2, except as otherwise may be provided herein. Any Asset, asset of the Failed Bank subject to an option to purchase or other asset purchased for which no purchase price is specified on Schedule 3.2 or otherwise herein shall be purchased at its Book Value. Loans or other assets charged off on the Failed Bank Records before the Bid Valuation Date shall be purchased at a price of zero. The purchase price for Acquired Subsidiaries shall be adjusted pursuant to Section 4.6(i)(iv), if applicable.

(b) Purchase Price for Securities. The purchase price for securities (other than the capital stock of any Acquired Subsidiary and Federal Home Loan Bank stock) purchased under Section 3.1 by the Assuming Institution shall be the market value thereof as of the Bank Closing Date, which market value shall be (i) the market price for each such security quoted at the close of the trading day effective on the Bank Closing Date as published electronically by Bloomberg, L.P., or alternatively, at the discretion of the Receiver, IDC/Financial Times (FT) Interactive Data; (ii) provided that if such market price is not available for any such security, the Assuming Institution will submit a bid for each such security within three days of notification/bid request by the Receiver (unless a different time period is agreed to by the Assuming Institution and the Receiver) and the Receiver, in its sole and absolute discretion, will accept or reject each such bid; and (iii) further provided that in the absence of an acceptable bid from the Assuming Institution, each such security shall not pass to the Assuming Institution and shall be deemed to be an excluded asset hereunder and listed on Schedule 3.5(l).

(c) Purchase Price for Qualified Financial Contracts. Qualified Financial Contracts shall be purchased at market value determined in accordance with the terms of Exhibit 3.2(c). Any costs associated with such valuation shall be shared equally by the Receiver and the Assuming Institution.

3.3. Manner of Conveyance; Limited Warranty; Nonrecourse; Etc. THE CONVEYANCE OF ALL ASSETS, INCLUDING REAL AND PERSONAL PROPERTY INTERESTS, PURCHASED BY THE ASSUMING INSTITUTION UNDER THIS AGREEMENT SHALL BE MADE, AS NECESSARY, BY RECEIVER'S DEED OR RECEIVER'S BILL OF SALE, "AS IS", "WHERE IS", WITHOUT RECOURSE AND, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT, WITHOUT ANY WARRANTIES WHATSOEVER WITH RESPECT TO SUCH ASSETS, EXPRESS OR IMPLIED, WITH RESPECT TO TITLE, VALUE, COLLECTIBILITY, GENUINENESS, ENFORCEABILITY, DOCUMENTATION, CONDITION OR FREEDOM FROM LIENS OR ENCUMBRANCES (IN WHOLE OR IN PART), OR ANY OTHER MATTERS.

3.4. Puts of Assets to the Receiver.

(a) Puts Within 30 Days After the Bank Closing Date. During the thirty (30)-day period following the Bank Closing Date and only during such period (which thirty (30)-day period may be extended in writing in the sole and absolute discretion of the Receiver for any Loan), in accordance with this Section 3.4, the Assuming Institution shall be entitled to require the Receiver to purchase any Deposit Secured Loan transferred to the Assuming Institution pursuant to Section 3.1 which is not fully secured by Assumed Deposits or deposits at other insured depository institutions due to either insufficient Assumed Deposit or deposit collateral or deficient documentation regarding such collateral; provided that with regard to any Deposit Secured Loan secured by an Assumed Deposit:

(i) no such purchase may be required until any Deposit setoff determination, whether voluntary or involuntary, has been made; and

(ii) the Assuming Institution shall be entitled to require the Receiver to purchase, within a reasonable time, any remaining overdraft transferred to the Assuming Institution pursuant to Section 3.1 which existed on the thirtieth (30th) day following the Bank Closing Date and which was made after the Bid Valuation Date and not made pursuant to an overdraft protection plan or similar extension of credit.

Notwithstanding the foregoing, the Assuming Institution shall not have the right to require the Receiver to purchase any Loan if (i) the Obligor with respect to such Loan is an Acquired Subsidiary, or (ii) the Assuming Institution has:

(A) made any advance in accordance with the terms of a Commitment or otherwise with respect to such Loan;

(B) taken any action that increased the amount of a Related Liability with respect to such Loan over the amount of such liability immediately prior to the time of such action;

(C) created or permitted to be created any Lien on such Loan which secures indebtedness for money borrowed or which constitutes a conditional sales agreement, capital lease or other title retention agreement;

(D) entered into, agreed to make, grant or permit, or made, granted or permitted any modification or amendment to, any waiver or extension with respect to, or any renewal, refinancing or refunding of, such Loan or related Credit Documents or collateral, including, without limitation, any act or omission which diminished such collateral; or

(E) sold, assigned or transferred all or a portion of such Loan to a third party (whether with or without recourse).

(iii) The Assuming Institution shall transfer all such Assets to the Receiver without recourse, and shall indemnify the Receiver against any and all claims of any Person claiming by, through or under the Assuming Institution with respect to any such Asset, as provided in Section 12.4.

(b) Puts Prior to the Settlement Date. During the period from the Bank Closing Date to and including the Business Day immediately preceding the Settlement Date, the Assuming Institution shall be entitled to require the Receiver to purchase any Asset which the Assuming Institution can establish is evidenced by forged or stolen instruments as of the Bank Closing Date; provided that the Assuming Institution shall not have the right to require the Receiver to purchase any such Asset with respect to which the Assuming Institution has taken any action referred to in Section 3.4(a)(ii) with respect to such Asset. The Assuming Institution shall transfer all such Assets to the Receiver without recourse, and shall indemnify the Receiver against any and all claims of any Person claiming by, through or under the Assuming Institution with respect to any such Asset, as provided in Section 12.4.

(c) Notices to the Receiver. In the event that the Assuming Institution elects to require the Receiver to purchase one or more Assets, the Assuming Institution shall deliver to the Receiver a notice (a "**Put Notice**") which shall include:

(i) a list of all Assets that the Assuming Institution requires the Receiver to purchase;

(ii) a list of all Related Liabilities with respect to the Assets identified pursuant to (i) above; and

(iii) a statement of the estimated Repurchase Price of each Asset identified pursuant to (i) above as of the applicable Put Date.

Such notice shall be in the form prescribed by the Receiver or such other form to which the Receiver shall consent. As provided in Section 9.6, the Assuming Institution shall deliver to the Receiver such documents, Credit Files and such additional information relating to the subject matter of the Put Notice as the Receiver may request and shall provide to the Receiver full access to all other relevant books and Records.

(d) Purchase by Receiver. The Receiver shall purchase Assets that are specified in the Put Notice and shall assume Related Liabilities with respect to such Assets, and the transfer of such Assets and Related Liabilities shall be effective as of a date determined by the Receiver which date shall not be later than thirty (30) days after receipt by the Receiver of the Put Notice (the "**Put Date**").

(e) Purchase Price and Payment Date. Each Asset purchased by the Receiver pursuant to this Section 3.4 shall be purchased at a price equal to the Repurchase Price of such Asset less the Related Liability Amount applicable to such Asset, in each case determined as of the applicable Put Date. If the difference between such Repurchase Price and such Related Liability Amount is positive, then the Receiver shall pay to the Assuming Institution the amount of such difference; if the difference between such amounts is negative, then the Assuming Institution shall pay to the Receiver the amount of such difference. The Assuming Institution or the Receiver, as the case may be, shall pay the purchase price determined pursuant to this Section 3.4(e) not later than the twentieth (20th) Business Day following the applicable Put Date, together with interest on such amount at the Settlement Interest Rate for the period from and including such Put Date to and including the day preceding the date upon which payment is made.

(f) Servicing. The Assuming Institution shall administer and manage any Asset subject to purchase by the Receiver in accordance with usual and prudent banking standards and business practices until such time as such Asset is purchased by the Receiver.

(g) Reversals. In the event that the Receiver purchases an Asset (and assumes the Related Liability) that it is not required to purchase pursuant to this Section 3.4, the Assuming Institution shall repurchase such Asset (and assume such Related Liability) from the Receiver at a price computed so as to achieve the same economic result as would apply if the Receiver had never purchased such Asset pursuant to this Section 3.4.

3.5. Assets Not Purchased by Assuming Institution. The Assuming Institution does not purchase, acquire or assume, or (except as otherwise expressly provided in this Agreement) obtain an option to purchase, acquire or assume under this Agreement:

(a) any financial institution bonds, banker's blanket bonds, or public liability, fire, extended coverage insurance policy, bank owned life insurance or any other insurance policy of the Failed Bank, or premium refund, unearned premium derived from cancellation, or any proceeds payable with respect to any of the foregoing;

(b) any interest, right, action, claim, or judgment against (i) any officer, director, employee, accountant, attorney, or any other Person employed or retained by the Failed Bank or any Subsidiary of the Failed Bank on or prior to the Bank Closing Date arising out of any act or omission of such Person in such capacity, (ii) any underwriter of financial institution bonds, banker's blanket bonds or any other insurance policy of the Failed Bank, (iii) any shareholder or holding company of the Failed Bank, or (iv) any other Person whose action or inaction may be related to any loss (exclusive of any loss resulting from such Person's failure to pay on a Loan made by the Failed Bank) incurred by the Failed Bank; provided that for the purposes hereof, the acts, omissions or other events giving rise to any such claim shall have occurred on or before the Bank Closing Date, regardless of when any such claim is discovered and regardless of whether any such claim is made with respect to a financial institution bond, banker's blanket bond, or any other insurance policy of the Failed Bank in force as of the Bank Closing Date;

(c) prepaid regulatory assessments of the Failed Bank, if any;

(d) legal or equitable interests in tax receivables of the Failed Bank, if any, including any claims arising as a result of the Failed Bank having entered into any agreement or otherwise being joined with another Person with respect to the filing of tax returns or the payment of taxes;

(e) amounts reflected on the Failed Bank Records as of the Bank Closing Date as a general or specific loss reserve or contingency account, if any;

(f) leased or owned Bank Premises and leased or owned Fixtures, Furniture and Equipment located on leased or owned Bank Premises, if any; provided that the Assuming Institution does obtain an option under Sections 4.6, 4.7 or 4.8, as the case may be, with respect thereto;

(g) owned Bank Premises which the Receiver, in its discretion, determines may contain environmentally hazardous substances;

(h) any "goodwill," as such term is defined in the instructions to the report of condition prepared by banks examined by the Corporation in accordance with 12 C.F.R. § 304.3, and other intangibles (other than intellectual property);

(i) any criminal restitution or forfeiture orders issued in favor of the Failed Bank;

(j) any and all prepaid fees or any other income as shown on the books and Records of the Failed Bank, but not taken into income as of the Bank Closing Date, associated with a line of business of the Failed Bank which is not assumed pursuant to this Agreement;

(k) assets essential to the Receiver in accordance with Section 3.6;

(l) any banker's bank stock, and the securities listed on the attached Schedule 3.5(l);

(m) reserved;

(n) prepaid accounts associated with any contract or agreement that the Assuming Institution either does not directly assume pursuant to the terms of this Agreement nor has an option to assume under Section 4.8; and

(o) reserved.

3.6. Retention or Repurchase of Assets Essential to Receiver.

(a) The Receiver may refuse to sell to the Assuming Institution, or the Assuming Institution agrees, at the request of the Receiver set forth in a written notice to the Assuming Institution, to sell, assign, transfer, convey, and deliver to the Receiver, all of the Assuming Institution's right, title and interest in and to, any Asset or asset essential to the Receiver as determined by the Receiver in its discretion (together with all Credit Documents evidencing or pertaining thereto), which may include any Asset or asset that the Receiver determines to be:

(i) made to an officer, director, or other Person engaging in the affairs of the Failed Bank, its Subsidiaries or Affiliates or any related entities of any of the foregoing;

(ii) the subject of any investigation relating to any claim with respect to any item described in Section 3.5(a) or (b), or the subject of, or potentially the subject of, any legal proceedings;

(iii) made to a Person who is an Obligor on a loan owned by the Receiver or the Corporation in its corporate capacity or its capacity as receiver of any institution;

(iv) secured by collateral which also secures any asset owned by the Receiver; or

(v) related to any asset of the Failed Bank not purchased by the Assuming Institution under this Article III or any liability of the Failed Bank not assumed by the Assuming Institution under Article II.

(vi) Each such Asset or asset purchased by the Receiver shall be purchased at a price equal to the Repurchase Price thereof less the Related Liability Amount with respect to any Related Liabilities related to such Asset or asset, in each case determined as of the date of the notice provided by the Receiver pursuant to Section 3.6(a). The Receiver shall pay the Assuming Institution not later than the twentieth (20th) Business Day following receipt of related Credit Documents and Credit Files together with interest on such amount at the Settlement Interest Rate for the period from and including the date of receipt of such documents to and including the day preceding the day on which payment is made. The Assuming Institution agrees to administer and manage each such Asset or asset in accordance with usual and prudent banking standards and business practices until each such Asset or asset is purchased by the Receiver. All transfers with respect to Asset or assets under this Section 3.6 shall be made as provided in Section 9.6. The Assuming Institution shall transfer all such Assets or assets and Related Liabilities to the Receiver without recourse, and shall indemnify the Receiver against any and all claims of any Person claiming by, through or under the Assuming Institution with respect to any such Asset or asset, as provided in Section 12.4.

3.7. Receiver's Offer to Sell Withheld Loans. For the period of thirty (30) days commencing the day after the Bank Closing Date, the Receiver may sell, in its sole and absolute discretion, and the Assuming Institution, may purchase, in its sole and absolute discretion, at Book Value as of the Bank Closing Date, any Loans initially withheld from sale to the Assuming Institution pursuant to Sections 3.5 or 3.6 of this Agreement. Except for the sales price, Loans sold under this section will be treated as if initially sold under Section 3.1 of this Agreement, and will be subject to all relevant terms of this Agreement as similarly situated Loans sold and transferred pursuant to this Agreement, provided that, no Loan shall be a Shared-Loss Loan pursuant to the Shared-Loss Agreements if it does not meet the definition of Shared-Loss Loan in the applicable Shared-Loss Agreement. Payment for Loans sold under this Section 3.7 will be handled through the settlement process pursuant to Article VIII.

ARTICLE IV. ASSUMPTION OF CERTAIN DUTIES AND OBLIGATIONS.

4.1. Continuation of Banking Business. For the period commencing on the first banking Business Day after the Bank Closing Date and ending on the first anniversary of the Bank Closing Date, the Assuming Institution will provide full service banking in the trade area of the Failed Bank. Thereafter, the Assuming Institution may cease providing such banking services in the trade area of the Failed Bank, provided the Assuming Institution has received all necessary regulatory approvals, including the approval of the Receiver and, if applicable, the Corporation. At the option of the Assuming Institution, such banking services may be provided at any or all of the Bank Premises, or at other premises within such trade area, as determined by the Receiver. The Assuming Institution may open, close or sell branches upon receipt of the necessary regulatory approvals, provided that the Assuming Institution or its successors continue to provide banking services in the trade area during the period specified in this Section 4.1. The Assuming Institution will pay to the Receiver, upon the sale of a branch or branches within the year following the date of this Agreement, fifty percent (50%) of any franchise premium in

excess of the franchise premium paid by the Assuming Institution with respect to such branch or branches.

4.2. Credit Card Business. The Assuming Institution agrees to honor and perform, from and after the Bank Closing Date, all duties and obligations with respect to the Failed Bank's credit card business (including issuer or merchant acquirer) debit card business, stored value and gift card business, and/or processing related to credit cards, if any, and assumes all extensions of credit or balances outstanding as of the Bank Closing Date with respect to these lines of business.

4.3. Safe Deposit Business. The Assuming Institution assumes and agrees to discharge, from and after the Bank Closing Date, in the usual course of conducting a banking business, the duties and obligations of the Failed Bank with respect to all Safe Deposit Boxes, if any, of the Failed Bank and to maintain all of the necessary facilities for the use of such boxes by the renters thereof during the period for which such boxes have been rented and the rent therefor paid to the Failed Bank, subject to the provisions of the rental agreements between the Failed Bank and the respective renters of such boxes; provided, that the Assuming Institution may relocate the Safe Deposit Boxes of the Failed Bank to any office of the Assuming Institution located in the trade area of the branch of the Failed Bank in which such Safe Deposit Boxes were located, as determined by the Receiver. The Safe Deposit Boxes shall be located and maintained in such trade area for a minimum of one year from the Bank Closing Date.

4.4. Safekeeping Business. The Receiver transfers, conveys and delivers to the Assuming Institution and the Assuming Institution accepts all securities and other items, if any, held by the Failed Bank in safekeeping for its customers as of the Bank Closing Date. The Assuming Institution assumes and agrees to honor and discharge, from and after the Bank Closing Date, the duties and obligations of the Failed Bank with respect to such securities and items held in safekeeping. The Assuming Institution shall provide to the Receiver written verification of all assets held by the Failed Bank for safekeeping within sixty (60) days after the Bank Closing Date. The assets held for safekeeping by the Failed Bank shall be held and maintained by the Assuming Institution in the trade area of the Failed Bank for a minimum of one year from the Bank Closing Date. At the option of the Assuming Institution, the safekeeping business may be provided at any or all of the Bank Premises, or at other premises within such trade area, as determined by the Receiver. The Assuming Institution shall be entitled to all rights and benefits which accrue after the Bank Closing Date with respect to securities and other items held in safekeeping.

4.5. Trust Business.

(a) Assuming Institution as Successor. The Assuming Institution shall, without further transfer, substitution, act or deed, to the full extent permitted by law, succeed to the rights, obligations, properties, assets, investments, deposits, agreements, and trusts of the Failed Bank under trusts, executorships, administrations, guardianships, and agencies, and other fiduciary or representative capacities, all to the same extent as though the Assuming Institution had assumed the same from the Failed Bank prior to the Bank Closing Date; provided, that any liability based on the misfeasance, malfeasance or nonfeasance of the Failed Bank, its directors, officers, employees or agents with respect to the trust business is not assumed hereunder.

(b) Wills and Appointments. The Assuming Institution shall, to the full extent permitted by law, succeed to, and be entitled to take and execute, the appointment to all executorships, trusteeships, guardianships and other fiduciary or representative capacities to which the Failed Bank is or may be named in wills, whenever probated, or to which the Failed Bank is or may be named or appointed by any other instrument.

(c) Transfer of Trust Business. In the event additional proceedings of any kind are necessary to accomplish the transfer of such trust business, the Assuming Institution agrees that, at its own expense, it will take whatever action is necessary to accomplish such transfer. The Receiver agrees to use reasonable efforts to assist the Assuming Institution in accomplishing such transfer.

(d) Verification of Assets. The Assuming Institution shall provide to the Receiver written verification of the assets held in connection with the Failed Bank's trust business within sixty (60) days after the Bank Closing Date.

4.6. Bank Premises.

(a) Option to Purchase. Subject to Section 3.5, the Receiver hereby grants to the Assuming Institution an exclusive option for the period of ninety (90) days commencing the day after the Bank Closing Date to purchase any or all owned Bank Premises, including all Fixtures, Furniture and Equipment located on the Bank Premises. The Assuming Institution shall give written notice to the Receiver within the option period of its election to purchase or not to purchase any of the owned Bank Premises. Any purchase of such premises shall be effective as of the date of the Bank Closing Date and such purchase shall be consummated as soon as practicable thereafter, and in no event later than the Settlement Date. If the Assuming Institution gives notice of its election not to purchase one or more of the owned Bank Premises within seven (7) days of the Bank Closing Date, then, notwithstanding any other provision of this Agreement to the contrary, the Assuming Institution shall not be liable for any of the costs or fees associated with Fair Market Value appraisals for such Bank Premises and associated Fixtures, Furniture and Equipment.

(b) Option to Lease. The Receiver hereby grants to the Assuming Institution an exclusive option for the period of ninety (90) days commencing the day after the Bank Closing Date to cause the Receiver to assign to the Assuming Institution any or all leases for leased Bank Premises, if any, which have been continuously occupied by the Assuming Institution from the Bank Closing Date to the date it elects to accept an assignment of the leases with respect thereto to the extent such leases can be assigned; provided that the exercise of this option with respect to any lease must be as to all premises or other property subject to the lease. The Assuming Institution shall give notice to the Receiver within the option period of its election to accept or not to accept an assignment of any or all leases (or enter into new leases in lieu thereof). The Assuming Institution agrees to assume all leases assigned (or enter into new leases in lieu thereof) pursuant to this Section 4.6. If the Assuming Institution gives notice of its election not to accept an assignment of a lease for one or more of the leased Bank Premises within seven (7) days of the Bank Closing Date, then, notwithstanding any other provision of this Agreement to the contrary, the Assuming Institution shall not be liable for any of the costs or fees associated with Fair Market Value appraisals for the Fixtures, Furniture and Equipment located on such leased Bank Premises.

(c) Facilitation. The Receiver agrees to facilitate the assumption, assignment or sublease of leases or the negotiation of new leases by the Assuming Institution; provided that neither the Receiver nor the Corporation shall be obligated to engage in litigation, make payments to the Assuming Institution or to any third party in connection with facilitating any such assumption, assignment, sublease or negotiation or commit to any other obligations to third parties.

(d) Occupancy. The Assuming Institution shall give the Receiver fifteen (15) days prior written notice of its intention to vacate prior to vacating any leased Bank Premises with respect to which the Assuming Institution has not exercised the option provided in Section 4.6(b). Any such notice shall be deemed to terminate the Assuming Institution's option with respect to such leased Bank Premises.

(e) Occupancy Costs.

(i) The Assuming Institution agrees to pay to the Receiver, or to appropriate third parties at the direction of the Receiver, during and for the period of any occupancy by it of (x) owned Bank Premises the market rental value, as determined by the appraiser selected in accordance with the definition of Fair Market Value, and all operating costs, and (y) leased Bank Premises, all operating costs with respect thereto and to comply with all relevant terms of applicable leases entered into by the Failed Bank, including without limitation the timely payment of all rent. Operating costs include, without limitation all taxes, fees, charges, maintenance, utilities, insurance and assessments, to the extent not included in the rental value or rent. If the Assuming Institution elects to purchase any owned Bank Premises in accordance with Section 4.6(a), the amount of any rent paid (and taxes paid to the Receiver which have not been paid to the taxing authority and for which the Assuming Institution assumes liability) by the Assuming Institution with respect thereto shall be applied as an offset against the purchase price thereof.

(ii) The Assuming Institution agrees during the period of occupancy by it of owned or leased Bank Premises, to pay to the Receiver rent for the use of all owned or leased Furniture and Equipment and all owned or leased Fixtures located on such Bank Premises for the period of such occupancy. Rent for such property owned by the Failed Bank shall be the market rental value thereof, as determined by the Receiver within sixty (60) days after the Bank Closing Date. Rent for such leased property shall be an amount equal to any and all rent and other amounts which the Receiver incurs or accrues as an obligation or is obligated to pay for such period of occupancy pursuant to all leases and contracts with respect to such property. If the Assuming Institution purchases any owned Furniture and Equipment or owned Fixtures in accordance with Section 4.6(f) or 4.6(h), the amount of any rents paid by the Assuming Institution with respect thereto shall be applied as an offset against the purchase price thereof.

(f) Certain Requirements as to Fixtures, Furniture and Equipment. If the Assuming Institution purchases owned Bank Premises or accepts an assignment of the lease (or enters into a sublease or a new lease in lieu thereof) for leased Bank Premises as provided in Section 4.6(a) or 4.6(b), or if the Assuming Institution does not exercise such option but within twelve (12) months following the Bank Closing Date obtains the right to occupy such premises (whether by assignment, lease, sublease, purchase or otherwise), other than in accordance with Section 4.6(a) or 4.6(b), the Assuming Institution shall (i) effective as of the

Bank Closing Date, purchase from the Receiver all Fixtures, Furniture and Equipment owned by the Failed Bank at Fair Market Value and located thereon as of the Bank Closing Date, (ii) accept an assignment or a sublease of the leases or negotiate new leases for all Fixtures, Furniture and Equipment leased by the Failed Bank and located thereon, and (iii) if applicable, accept an assignment or a sublease of any ground lease or negotiate a new ground lease with respect to any land on which such Bank Premises are located; provided that the Receiver shall not have disposed of such Fixtures, Furniture and Equipment or repudiated the leases referred to in clause (ii) or (iii).

(g) Vacating Premises.

(i) If the Assuming Institution elects not to purchase any owned Bank Premises, the notice of such election in accordance with Section 4.6(a) shall specify the date upon which the Assuming Institution's occupancy of such premises shall terminate, which date shall not be later than ninety (90) days after the date of the Assuming Institution's notice not to exercise such option. The Assuming Institution shall be responsible for promptly relinquishing and releasing to the Receiver such premises and the Fixtures, Furniture and Equipment located thereon which existed at the time of the Bank Closing Date, in the same condition as at the Bank Closing Date and at the premises where they were inventoried at the Bank Closing Date, normal wear and tear excepted. Any of the aforementioned which is missing will be charged to the Assuming Institution at the item's Fair Market Value as determined in accordance with this Agreement. By occupying any such premises after the expiration of such ninety (90)-day period, the Assuming Institution shall, at the Receiver's option, (x) be deemed to have agreed to purchase such Bank Premises, and to assume all leases, obligations and liabilities with respect to leased Furniture and Equipment and leased Fixtures located thereon and any ground lease with respect to the land on which such premises are located, and (y) be required to purchase all Fixtures, Furniture and Equipment owned by the Failed Bank and located on such premises as of the Bank Closing Date.

(ii) If the Assuming Institution elects not to accept an assignment of the lease or sublease any leased Bank Premises, the notice of such election in accordance with Section 4.6(b) shall specify the date upon which the Assuming Institution's occupancy of such leased Bank Premises shall terminate, which date shall not be later than ninety (90) days after the date of the Assuming Institution's notice not to exercise such option. Upon vacating such premises, the Assuming Institution shall be liable for relinquishing and releasing to the Receiver such premises and the Fixtures and the Furniture and Equipment located thereon which existed at the time of the Bank Closing Date, in the same condition as at the Bank Closing Date, and at the premises where they were inventoried at Bank closing, normal wear and tear excepted. Any of the aforementioned which is missing will be charged to the Assuming Institution at the item's Fair Market Value as determined in accordance with this Agreement. By failing to provide notice of its intention to vacate such premises prior to the expiration of the option period specified in Section 4.6(b), or by occupying such premises after the ninety (90)-day period specified above in this Section 4 6(g)(ii), the Assuming Institution shall, at the Receiver's option, (x) be deemed to have assumed all leases, obligations and liabilities with respect to such premises (including any ground lease with respect to the land on which premises are located), and leased Furniture and Equipment and leased Fixtures located thereon in accordance with this Section 4.6 (unless the Receiver previously

repudiated any such lease), and (y) be required to purchase all Fixtures, Furniture and Equipment owned by the Failed Bank at Fair Market Value and located on such premises as of the Bank Closing Date.

(h) Furniture and Equipment and Certain Other Equipment. The Receiver hereby grants to the Assuming Institution an option to purchase all Furniture and Equipment owned by the Failed Bank at Fair Market Value and located at any leased or owned Bank Premises that the Assuming Institution elects to vacate or which it could have, but did not occupy, pursuant to this Section 4.6; provided that, the Assuming Institution shall give the Receiver notice of its election to purchase such property at the time it gives notice of its intention to vacate such Bank Premises or within ten (10) days after the Bank Closing Date for Bank Premises it could have, but did not, occupy.

(i) Option to Put Bank Premises and Related Fixtures, Furniture and Equipment.

(i) For a period of ninety (90) days following the Bank Closing Date, the Assuming Institution shall be entitled to require the Receiver to purchase any Bank Premises that is owned, directly or indirectly, by an Acquired Subsidiary and the purchase price paid by the Receiver shall be the Fair Market Value of the Bank Premises.

(ii) If the Assuming Institution elects to require the Receiver to purchase any Bank Premises that is owned, directly or indirectly, by an Acquired Subsidiary, the Assuming Institution shall also have the option, exercisable within the same ninety (90) day time period, to require the Receiver to purchase any Fixtures, Furniture and Equipment that is owned, directly or indirectly, by an Acquired Subsidiary which is located on such Bank Premises and was utilized by the Failed Bank for banking purposes. The purchase price paid by the Receiver shall be the Fair Market Value of the Fixtures, Furniture and Equipment purchased.

(iii) In the event the Assuming Institution elects to exercise its options under this Section 4.6(i), the Assuming Institution shall pay to the Receiver occupancy costs in accordance with Section 4.6(e) and shall vacate the Bank Premises in accordance with Section 4.6(g)(i).

(iv) Regardless of whether the Assuming Institution exercises any of its options under this Section 4.6(i), the purchase price for the Acquired Subsidiary shall be adjusted by the difference between the Fair Market Value of the Bank Premises and Fixtures, Furniture and Equipment utilized by the Failed Bank for banking purposes and their respective Book Value as reflected of the books and records of the Acquired Subsidiary. Such adjustment shall be made in accordance with Article VIII of this Agreement.

4.7. Agreement with Respect to Leased Data Management Equipment.

(a) Option. The Receiver hereby grants to the Assuming Institution an exclusive option for the period of ninety (90) days commencing the day after Bank Closing to accept an assignment from the Receiver of all Leased Data Management Equipment.

(b) Notices Regarding Leased Data Management Equipment. The Assuming Institution shall (i) give written notice to the Receiver within the option period

specified in Section 4.7(a) of its intent to accept or decline an assignment or sublease of all Leased Data Management Equipment and promptly accept an assignment or sublease of such Leased Data Management Equipment, and (ii) give written notice to the appropriate lessor(s) that it has accepted an assignment or sublease of any such Leased Data Management Equipment that is subject to a lease.

(c) Facilitation by Receiver. The Receiver agrees to facilitate the assignment or sublease of Leased Data Management Equipment or the negotiation of new leases or license agreements by the Assuming Institution; provided, that neither the Receiver nor the Corporation shall be obligated to engage in litigation, make payments to the Assuming Institution or to any third party in connection with facilitating any such assumption, assignment, sublease or negotiation or commit to any other obligations to third parties.

(d) Operating Costs. The Assuming Institution agrees, during its period of use of any Leased Data Management Equipment, to pay to the Receiver or to appropriate third parties at the direction of the Receiver all operating costs with respect thereto and to comply with all relevant terms of any existing Leased Data Management Equipment leases entered into by the Failed Bank, including without limitation the timely payment of all rent, taxes, fees, charges, maintenance, utilities, insurance and assessments.

(e) Assuming Institution's Obligation. The Assuming Institution shall, not later than fifty (50) days after giving the notice provided in Section 4.7(b), (i) relinquish and release to the Receiver or, at the direction of the Receiver, to a third party, all Leased Data Management Equipment, in the same condition as at Bank Closing, normal wear and tear excepted, or (ii) accept an assignment or a sublease of any existing Leased Data Management lease or negotiate a new lease or license agreement under this Section 4.7 with respect to Leased Data Management Equipment.

(f) Data Removal. The Assuming Institution shall, prior to returning any Leased Data Management Equipment, and unless otherwise requested by the Receiver, (i) remove all data from the Leased Data Management Equipment and (ii) provide a written statement to the Receiver that all data has been removed in a manner that renders it unrecoverable.

4.8. Certain Existing Agreements.

(a) Assumption of Agreements. Subject to the provisions of Section 4.8(b), with respect to agreements existing as of the Bank Closing Date which provide for the rendering of services by or to the Failed Bank, within thirty (30) days after the Bank Closing Date, the Assuming Institution shall give the Receiver written notice specifying whether it elects to assume or not to assume each such agreement. Except as may be otherwise provided in this Article IV, the Assuming Institution agrees to comply with the terms of each such agreement for a period commencing on the day after the Bank Closing Date and ending on: (i) in the case of an agreement that provides for the rendering of services by the Failed Bank, the date which is ninety (90) days after the Bank Closing Date, and (ii) in the case of an agreement that provides for the rendering of services to the Failed Bank, the date which is thirty (30) days after the Assuming Institution has given notice to the Receiver of its election not to assume such agreement; provided that the Receiver can reasonably make such service agreements available to the Assuming Institution. The Assuming Institution shall be deemed

by the Receiver to have assumed agreements for which no notification is timely given. The Receiver agrees to assign, transfer, convey and deliver to the Assuming Institution all right, title and interest of the Receiver, if any, in and to agreements the Assuming Institution assumes hereunder. In the event the Assuming Institution elects not to accept an assignment of any lease (or sublease) or negotiate a new lease for leased Bank Premises under Section 4.6 and does not otherwise occupy such premises, the provisions of this Section 4.8(a) shall not apply to service agreements related to such premises. The Assuming Institution agrees, during the period it has the use or benefit of any such agreement, promptly to pay to the Receiver or to appropriate third parties at the direction of the Receiver all operating costs with respect thereto and to comply with all relevant terms of such agreement.

(b) Excluded Agreements. The provisions of Section 4.8(a) regarding the Assuming Institution's election to assume or not assume certain agreements shall not apply to (i) agreements pursuant to which the Failed Bank provides mortgage servicing for others or mortgage servicing is provided to the Failed Bank by others, (ii) agreements that are subject to Sections 4.1 through 4.7 and any insurance policy or bond referred to in Section 3.5(a) or other agreement specified in Section 3.5 and (iii) consulting, management or employment agreements, if any, between the Failed Bank and its employees or other Persons. Except as otherwise expressly set forth elsewhere in this Agreement, the Assuming Institution does not assume any liabilities or acquire any rights under any of the agreements described in this Section 4.8(b).

4.9. Informational Tax Reporting. The Assuming Institution agrees to perform all obligations of the Failed Bank with respect to Federal and State income tax informational reporting related to (i) the Assets and the Liabilities Assumed, (ii) deposit accounts that were closed and loans that were paid off or collateral obtained with respect thereto prior to the Bank Closing Date, (iii) miscellaneous payments made to vendors of the Failed Bank, and (iv) any other asset or liability of the Failed Bank, including, without limitation, loans not purchased and Deposits not assumed by the Assuming Institution, as may be required by the Receiver.

4.10. Insurance.

(a) Assuming Institution to Insure. The Assuming Institution will obtain and maintain insurance coverage acceptable to the Receiver (including public liability, fire, and extended coverage insurance) naming the Assuming Institution as the insured and the Receiver as additional insured, effective from and after the Bank Closing Date, with respect to all (i) Bank Premises that the Assuming Institution occupies, and (ii) Fixtures, Furniture and Equipment and Leased Data Management Equipment located on those Bank Premises.

(b) Rights of Receiver. If the Assuming Institution at any time from or after Bank Closing Date fails to (i) obtain or maintain any of the insurance policies required by Section 4.10(a), (ii) pay any premium in whole or in part related to those insurance policies, or (iii) provide evidence of those insurance policies acceptable to the Receiver, then the Receiver may in its sole and absolute discretion, without notice, and without waiving or releasing any obligation or liability of the Assuming Institution, obtain and maintain insurance policies, pay insurance premiums and take any other actions with respect to the insurance coverage as the Receiver deem advisable. The Assuming Institution will reimburse the Receiver for all sums disbursed in connection with this Section 4.10(b).

4.11. Office Space for Receiver and Corporation; Certain Payments.

(a) FDIC Office Space. For the period commencing on the day following the Bank Closing Date and ending on the one hundred eightieth (180th) day following the Bank Closing Date, the Assuming Institution will provide to the Receiver and the Corporation, without charge, adequate and suitable office space (including parking facilities and vault space), furniture, equipment (including photocopying and telecopying machines), email accounts, network access and technology resources (such as shared drive), and utilities (including local telephone service and fax machines) (collectively, "**FDIC Office Space**") at the Bank Premises occupied by the Assuming Institution for the Receiver and the Corporation to use in the discharge of their respective functions with respect to the Failed Bank.

(b) Receiver's Right to Extend. Upon written notice by the Receiver or the Corporation, for the period commencing on the one hundred eighty first (181st) day following the Bank Closing Date and ending no later than the three hundred and sixty-fifth (365th) day following the Bank Closing Date, the Assuming Institution will continue to provide to the Receiver and the Corporation FDIC Office Space at the Bank Premises. During the period from the 181st day following the Bank Closing Date until the day the FDIC and the Corporation vacate FDIC Office Space, the Receiver and the Corporation will pay to the Assuming Institution their respective pro rata share (based on square footage occupied) of (A) the market rental value for the applicable owned Bank Premises or (B) actual rent paid for applicable leased Bank Premises.

(c) Receiver's Relocation Right. If the Receiver or the Corporation determine that the space provided by the Assuming Institution is inadequate or unsuitable, the Receiver and the Corporation may relocate to other quarters having adequate and suitable FDIC Office Space and the costs of relocation and any rental and utility costs for the balance of the period of occupancy by the Receiver and the Corporation shall be borne by the Assuming Institution.

(d) Expenditures. The Assuming Institution will pay such bills and invoices on behalf of the Receiver and the Corporation as the Receiver or the Corporation may direct for the period beginning on the date of the Bank Closing Date and ending on Settlement Date. The Assuming Institution shall submit its requests for reimbursement of such expenditures pursuant to Article VIII of this Agreement.

4.12. Continuation of Group Health Plan Coverage for Former Employees of the Failed Bank.

(a) Continuation Coverage. The Assuming Institution agrees to assist the Receiver, as provided in this Section 4.12, in offering individuals who were employees or former employees of the Failed Bank, or any of its Subsidiaries, and who, immediately prior to the Bank Closing Date, were receiving, or were eligible to receive, health insurance coverage or health insurance continuation coverage from the Failed Bank ("**Eligible Individuals**"), the opportunity to obtain health insurance coverage in the Corporation's Federal Insurance Administration Continuation Coverage Plan which provides for health insurance continuation coverage to such Eligible Individuals and other persons who are qualified beneficiaries of the Failed Bank ("**Qualified Beneficiaries**") as defined in the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") § 607, 29

U.S.C. § 1167. The Assuming Institution shall consult with the Receiver and not later than five (5) Business Days after the Bank Closing Date shall provide written notice to the Receiver of the number (if available), identity (if available) and addresses (if available) of the Eligible Individuals who are Qualified Beneficiaries of the Failed Bank and for whom a "qualifying event" (as defined in ERISA § 603, 29 U.S.C. § 1163) has occurred and with respect to whom the Failed Bank's obligations under Part 6 of Subtitle B of Title I of ERISA, 29 U.S.C. §§ 1161-1169 have not been satisfied in full, and such other information as the Receiver may reasonably require. The Receiver shall cooperate with the Assuming Institution in order to permit it to prepare such notice and shall provide to the Assuming Institution such data in its possession as may be reasonably required for purposes of preparing such notice.

(b) Qualified Beneficiaries; Expenses. The Assuming Institution shall take such further action to assist the Receiver in offering the Eligible Individuals who are Qualified Beneficiaries of the Failed Bank the opportunity to obtain health insurance coverage in the Corporation's Federal Insurance Administration Continuation Coverage Plan as the Receiver may direct. All expenses incurred and paid by the Assuming Institution (i) in connection with the obligations of the Assuming Institution under this Section 4.12, and (ii) in providing health insurance continuation coverage to any Eligible Individuals who are hired by the Assuming Institution and such employees' Qualified Beneficiaries shall be borne by the Assuming Institution.

(c) Employee List. No later than five (5) Business Days after the Bank Closing Date, the Assuming Institution shall provide the Receiver with a list of all Failed Bank employees the Assuming Institution will not hire.. Unless otherwise agreed, the Assuming Institution shall pay all salaries and payroll costs for all Failed Bank employees until the list is provided to the Receiver. The Assuming Institution shall be responsible for all costs and expenses (*i.e.*, salary, benefits, etc.) associated with all other employees not on that list from and after the date of delivery of the list to the Receiver. The Assuming Institution shall offer to the Failed Bank employees it retains employment benefits comparable to those the Assuming Institution, offers its current employees.

(d) No Third Party Beneficiaries. This Section 4.12 is for the sole and exclusive benefit of the parties to this Agreement, and for the benefit of no other Person (including any former employee of the Failed Bank or any Subsidiary thereof, Eligible Individual or Qualified Beneficiary of such former employee). Nothing in this Section 4.12 is intended by the parties, or shall be construed, to give any Person (including any former employee of the Failed Bank or any Subsidiary thereof, Eligible Individual or Qualified Beneficiary of such former employee) other than the Corporation, the Receiver and the Assuming Institution, any legal or equitable right, remedy or claim under or with respect to the provisions of this Section 4.12.

4.13. Interim Asset Servicing. At any time after the Bank Closing Date, the Receiver may establish on its books an asset pool(s) and may transfer to such asset pool(s) (by means of accounting entries on the books of the Receiver) all or any assets and liabilities of the Failed Bank which are not acquired by the Assuming Institution, including, without limitation, wholly unfunded Commitments and assets and liabilities which may be acquired, funded or originated by the Receiver subsequent to the Bank Closing Date. The Receiver may remove assets (and liabilities) from or add assets (and liabilities) to such pool(s) at any time in its discretion. At the

option of the Receiver, the Assuming Institution agrees to service, administer and collect such pool assets in accordance with, and for the term set forth in, Exhibit 4.13.

4.14. [RESERVED]

4.15. Loss Sharing. This Agreement includes a Commercial Shared-Loss Agreement attached hereto as Exhibit 4.15B. The Assuming Institution shall be entitled to require reimbursement from the Receiver for shared losses, and share recoveries, on certain loans and assets in accordance with the Commercial Shared-Loss Agreement.

ARTICLE V. DUTIES WITH RESPECT TO DEPOSITORS OF THE FAILED BANK.

5.1. Payment of Checks, Drafts, Orders and Deposits. Subject to Section 9.5, the Assuming Institution agrees to pay all properly drawn checks, drafts, withdrawal orders and Assumed Deposits of depositors of the Failed Bank presented for payment, whether drawn on the check or draft forms provided by the Failed Bank or by the Assuming Institution, to the extent that the Deposit balances to the credit of the respective makers or drawers assumed by the Assuming Institution under this Agreement are sufficient to permit the payment thereof, and in all other respects to discharge, in the usual course of conducting a banking business, the duties and obligations of the Failed Bank with respect to the Deposit balances due and owing to the depositors of the Failed Bank assumed by the Assuming Institution under this Agreement.

5.2. Certain Agreements Related to Deposits. Except as may be modified pursuant to Section 2.2, the Assuming Institution agrees to honor the terms and conditions of any written escrow or mortgage servicing agreement or other similar agreement relating to a Deposit liability assumed by the Assuming Institution pursuant to this Agreement.

5.3. Notice to Depositors.

(a) Assumption of Deposits. Within seven (7) days after the Bank Closing Date, the Assuming Institution shall give notice by mail to each depositor of the Failed Bank of (i) the assumption of the Deposit liabilities of the Failed Bank, and (ii) the procedures to claim Deposits (the Receiver shall provide item (ii) to Assuming Institution). The Assuming Institution shall also publish notice of its assumption of the Deposit liabilities of the Failed Bank in a newspaper of general circulation in the county or counties in which the Failed Bank was located.

(b) Notice to Depositors. Within seven (7) days after the Bank Closing Date, the Assuming Institution shall give notices by mail to each depositor of the Failed Bank, as required under Section 2.2.

(c) Fee Schedule. If the Assuming Institution proposes to charge fees different from those fees formerly charged by the Failed Bank, the Assuming Institution shall include its fee schedule in its mailed notice.

(d) Approval of Notices and Publications. The Assuming Institution shall obtain approval of all notices and publications required by this Section 5.3 from counsel for the Receiver prior to mailing or publication.

ARTICLE VI. RECORDS.

6.1. Transfer of Records. In accordance with Sections 2.1 and 3.1, the Receiver assigns, transfers, conveys and delivers to the Assuming Institution, whether located on Bank Premises occupied or not occupied by the Assuming Institution or at any other location, any and all Records of the Failed Bank, other than the following:

(a) Records pertaining to former employees of the Failed Bank who were no longer employed by the Failed Bank as of the Bank Closing Date and Records pertaining to employees of the Failed Bank who were employed by the Failed Bank as of the Bank Closing Date and for whom the Receiver is unable to obtain a waiver to release such Records to the Assuming Institution;

(b) Records pertaining to (i) any asset or liability of the Failed Bank retained by the Receiver, or (ii) any asset of the Failed Bank acquired by the Receiver pursuant to this Agreement; and

(c) any other Records as determined by the Receiver.

6.2. Transfer of Assigned Records. The Receiver shall transfer to the Assuming Institution all Records described in Section 6.1 as soon as practicable on or after the date of this Agreement.

6.3. Preservation of Records.

(a) Assuming Institution Records Retention. The Assuming Institution agrees that it will preserve and maintain for the joint benefit of the Receiver, the Corporation and the Assuming Institution, all Records of which it has custody. The Assuming Institution shall have the primary responsibility to respond to subpoenas, discovery requests, and other similar official inquiries and customer requests for lien releases with respect to the Records of which it has custody. With respect to its obligations under this Section 6.3 regarding Electronically Stored Information, the Assuming Institution will complete the Data Retention Catalog attached hereto as Schedule 6.3 and submit it to the Receiver within thirty (30) days following the Bank Closing Date.

(b) Destruction of Certain Records. With regard to all Records of which it has custody which are at least ten (10) years old as of the date of the appointment of the Receiver, the Assuming Institution agrees to request written permission to destroy such records by submitting a written request to destroy, specifying precisely which records are included in the request, to DRR– Records Manager, CServiceFDICDAL@FDIC.gov.

(c) Destruction of Records After Six Years. With regard to all Records of which it has custody which have been maintained in the custody of the Assuming Institution after six (6) years from the date of the appointment of the Receiver, the Assuming Institution agrees to request written permission to destroy such records by submitting a written request to destroy, specifying precisely which records are included in the request, to DRR– Records Manager, CServiceFDICDAL@FDIC.gov.

6.4. Access to Records; Copies. The Assuming Institution agrees to permit the Receiver and the Corporation access to all Records of which the Assuming Institution has custody, and to use, inspect, make extracts from or request copies of any such Records in the

manner and to the extent requested, and to duplicate, in the discretion of the Receiver or the Corporation, any Record pertaining to Deposit account relationships; provided that in the event that the Failed Bank maintained one or more duplicate copies of such Records, the Assuming Institution hereby assigns, transfers, and conveys to the Corporation one such duplicate copy of each such Record without cost to the Corporation, and agrees to deliver to the Corporation all Records assigned and transferred to the Corporation under this Article VI as soon as practicable on or after the date of this Agreement. The party requesting a copy of any Record shall bear the cost (based on standard accepted industry charges to the extent applicable, as determined by the Receiver) for providing such duplicate Records. A copy of each Record requested shall be provided as soon as practicable by the party having custody thereof.

6.5. Right of Receiver or Corporation to Audit. The Receiver or the Corporation, their respective agents, contractors and employees, may (but are not required to) perform an audit to determine the Assuming Institution's compliance with this Agreement at any time, by providing not less than ten (10) Business Days prior notice. The scope and duration of any such audit shall be at the discretion of the Receiver or the Corporation, as the case may be. The Receiver or the Corporation, as the case may be, shall bear the expense of any such audit. In the event that any corrections are necessary as a result of such an audit, the Assuming Institution and the Receiver shall make such accounting adjustments, payments and withholdings as may be necessary to give retroactive effect to such corrections.

ARTICLE VII. BID; INITIAL PAYMENT.

The Assuming Institution has submitted to the Receiver a Deposit premium bid of **0.0%** and an Asset premium (discount) bid of **($29,300,000.00)** (the "**Bid Amount**"). The Deposit premium bid will be applied to the total of all Assumed Deposits except for brokered, CDARS®, and any market place or similar subscription services Deposits as reflected on Schedule 7. On the Payment Date, the Assuming Institution will pay to the Corporation, or the Corporation will pay to the Assuming Institution, as the case may be, the Initial Payment, together with interest on such amount (if the Payment Date is not the day following the Bank Closing Date) from and including the day following the Bank Closing Date to and including the day preceding the Payment Date at the Settlement Interest Rate.

ARTICLE VIII. ADJUSTMENTS.

8.1. Pro Forma Statement. The Receiver, as soon as practicable after the Bank Closing Date, in accordance with the best information then available, shall provide to the Assuming Institution a Pro Forma statement reflecting any adjustments of such liabilities and assets as may be necessary. Such Pro Forma statement shall take into account, to the extent possible, (a) liabilities and assets of a nature similar to those contemplated by Section 2.1 or Section 3.1, respectively, which on the Bank Closing Date were carried in the Failed Bank's suspense accounts, (b) accruals as of the Bank Closing Date for all income related to the assets and business of the Failed Bank acquired by the Assuming Institution hereunder, whether or not such accruals were reflected on the Failed Bank Records in the normal course of its operations, and (c) adjustments to determine the Book Value of any investment in an Acquired Subsidiary and related accounts on the "bank only" (unconsolidated) balance sheet of the Failed Bank based on the equity method of accounting, whether or not the Failed Bank used the equity method of accounting for investments in subsidiaries, except that the resulting amount cannot be less than the Acquired Subsidiary's recorded equity as of the Bank Closing Date as reflected on the Failed

Bank Records of the Acquired Subsidiary. Any Loan purchased by the Assuming Institution pursuant to Section 3.1 which the Failed Bank charged off during the period beginning the day after the Bid Valuation Date to the date of the Bank Closing Date shall be deemed not to be charged off for the purposes of the Pro Forma statement, and the purchase price shall be determined pursuant to Section 3.2.

8.2. Correction of Errors and Omissions; Other Liabilities.

(a) Adjustments to Correct Errors. In the event any bookkeeping omissions or errors are discovered in preparing any Pro Forma statement or in completing the transfers and assumptions contemplated hereby, the parties hereto agree to correct such errors and omissions, it being understood that, as far as practicable, all adjustments will be made consistent with the judgments, methods, policies or accounting principles utilized by the Failed Bank in preparing and maintaining Failed Bank Records, except that adjustments made pursuant to this Section 8.2(a) are not intended to bring the Failed Bank Records into accordance with generally accepted accounting principles.

(b) Receiver's Rights Regarding Other Liabilities. If the Receiver discovers at any time subsequent to the date of this Agreement that any claim exists against the Failed Bank which is of such a nature that it would have been included in the liabilities assumed under Article II had the existence of such claim or the facts giving rise thereto been known as of the Bank Closing Date, the Receiver may, in its discretion, at any time, require that such claim be assumed by the Assuming Institution in a manner consistent with the intent of this Agreement. The Receiver will make appropriate adjustments to the Pro Forma statement provided by the Receiver to the Assuming Institution pursuant to Section 8.1 as may be necessary.

8.3. Payments. The Receiver agrees to cause to be paid to the Assuming Institution, or the Assuming Institution agrees to pay to the Receiver, as the case may be, on the Settlement Date, a payment in an amount which reflects net adjustments (including any costs, expenses and fees associated with determinations of value as provided in this Agreement) made pursuant to Section 8.1 or Section 8.2, plus interest as provided in Section 8.4. The Receiver and the Assuming Institution agree to effect on the Settlement Date any further transfer of assets to or assumption of liabilities or claims by the Assuming Institution as may be necessary in accordance with Section 8.1 or Section 8.2.

8.4. Interest. Any amounts paid under Section 8.3 or Section 8.5 shall bear interest for the period from and including the day following the Bank Closing Date to and including the day preceding the payment at the Settlement Interest Rate.

8.5. Subsequent Adjustments. In the event that the Assuming Institution or the Receiver discovers any errors or omissions as contemplated by Section 8.2 or any error with respect to the payment made under Section 8.3 after the Settlement Date, the Assuming Institution and the Receiver agree to promptly correct any such errors or omissions, make any payments and effect any transfers or assumptions as may be necessary to reflect any such correction plus interest as provided in Section 8.4.

ARTICLE IX. CONTINUING COOPERATION.

9.1. General Matters. The parties hereto will, in good faith and with their best efforts, cooperate with each other to carry out the transactions contemplated by this Agreement and to effect the purposes hereof.

9.2. Additional Title Documents. The Receiver, the Corporation and the Assuming Institution each shall, at any time, and from time to time, upon the request of any party hereto, execute and deliver such additional instruments and documents of conveyance as shall be reasonably necessary to vest in the appropriate party its full legal or equitable title in and to the property transferred pursuant to this Agreement or to be transferred in accordance herewith. The Assuming Institution shall prepare such instruments and documents of conveyance (in form and substance satisfactory to the Receiver) as shall be necessary to vest title to the Assets in the Assuming Institution. The Assuming Institution shall be responsible for recording such instruments and documents of conveyance at its own expense.

9.3. Claims and Suits.

(a) Defense and Settlement. The Receiver shall have the right, in its discretion, to (i) defend or settle any claim or suit against the Assuming Institution with respect to which the Receiver has indemnified the Assuming Institution in the same manner and to the same extent as provided in Article XII, and (ii) defend or settle any claim or suit against the Assuming Institution with respect to any Liability Assumed, which claim or suit may result in a loss to the Receiver arising out of or related to this Agreement, or which existed against the Failed Bank on or before the Bank Closing Date. The exercise by the Receiver of any rights under this Section 9.3(a) shall not release the Assuming Institution with respect to any of its obligations under this Agreement.

(b) Removal of Actions. In the event any action at law or in equity shall be instituted by any Person against the Receiver and the Corporation as codefendants with respect to any asset of the Failed Bank retained or acquired pursuant to this Agreement by the Receiver, the Receiver agrees, at the request of the Corporation, to join with the Corporation in a petition to remove the action to the United States District Court for the proper district. The Receiver agrees to institute, with or without joinder of the Corporation as co-plaintiff, any action with respect to any such retained or acquired asset or any matter connected therewith whenever notice requiring such action shall be given by the Corporation to the Receiver.

9.4. Payment of Deposits. In the event any depositor does not accept the obligation of the Assuming Institution to pay any Deposit liability of the Failed Bank assumed by the Assuming Institution pursuant to this Agreement and asserts a claim against the Receiver for all or any portion of any such Deposit liability, the Assuming Institution agrees on demand to provide to the Receiver funds sufficient to pay such claim in an amount not in excess of the Deposit liability reflected on the books of the Assuming Institution at the time such claim is made. Upon payment by the Assuming Institution to the Receiver of such amount, the Assuming Institution shall be discharged from any further obligation under this Agreement to pay to any such depositor the amount of such Deposit liability paid to the Receiver.

9.5. Withheld Payments. At any time, the Receiver or the Corporation may, in its discretion, determine that all or any portion of any deposit balance assumed by the Assuming

Institution pursuant to this Agreement does not constitute a "Deposit" (or otherwise, in its discretion, determine that it is the best interest of the Receiver or Corporation to withhold all or any portion of any deposit), and may direct the Assuming Institution to withhold payment of all or any portion of any such deposit balance. Upon such direction, the Assuming Institution agrees to hold such deposit and not to make any payment of such deposit balance to or on behalf of the depositor, or to itself, whether by way of transfer, set-off or otherwise. The Assuming Institution agrees to maintain the "withheld payment" status of any such deposit balance until directed in writing by the Receiver or the Corporation as to its disposition. At the direction of the Receiver or the Corporation, the Assuming Institution shall return all or any portion of such deposit balance to the Receiver or the Corporation, as appropriate, and thereupon the Assuming Institution shall be discharged from any further liability to such depositor with respect to such returned deposit balance. If such deposit balance has been paid to the depositor prior to a demand for return by the Corporation or the Receiver, and payment of such deposit balance had not been previously withheld pursuant to this Section 9.5, the Assuming Institution shall not be obligated to return such deposit balance to the Receiver or the Corporation. The Assuming Institution shall be obligated to reimburse the Corporation or the Receiver, as the case may be, for the amount of any deposit balance or portion thereof paid by the Assuming Institution in contravention of any previous direction to withhold payment of such deposit balance or return such deposit balance the payment of which was withheld pursuant to this Section 9.5.

9.6. Proceedings with Respect to Certain Assets and Liabilities.

(a) Cooperation by Assuming Institution. In connection with any investigation, proceeding or other matter with respect to any asset or liability of the Failed Bank retained by the Receiver, or any asset of the Failed Bank acquired by the Receiver pursuant to this Agreement, the Assuming Institution shall cooperate to the extent reasonably required by the Receiver.

(b) Access to Records. In addition to its obligations under Section 6.4, the Assuming Institution shall provide representatives of the Receiver access at reasonable times and locations without other limitation or qualification to (i) its directors, officers, employees and agents and those of the Acquired Subsidiaries, and (ii) its books and Records, the books and Records of such Acquired Subsidiaries and all Credit Files, and copies thereof. Copies of books, Records and Credit Files shall be provided by the Assuming Institution as requested by the Receiver and the costs of duplication thereof shall be borne by the Receiver.

(c) Loan Documents. Not later than ten (10) days after the Put Notice pursuant to Section 3.4 or the date of the notice of transfer of any Loan by the Assuming Institution to the Receiver pursuant to Section 3.6, the Assuming Institution shall deliver to the Receiver such documents with respect to such Loan as the Receiver may request, including without limitation the following: (i) all related Credit Documents (other than certificates, notices and other ancillary documents), (ii) a certificate setting forth the principal amount on the date of the transfer and the amount of interest, fees and other charges then accrued and unpaid thereon, and any restrictions on transfer to which any such Loan is subject, and (iii) all Credit Files, and all documents, microfiche, microfilm and computer records (including but not limited to magnetic tape, disc storage, card forms and printed copy) maintained by, owned by, or in the possession of the Assuming Institution or any Affiliate of the Assuming Institution relating to the transferred Loan.

9.7. Information. The Assuming Institution promptly shall provide to the Corporation such other information, including financial statements and computations, relating to the performance of the provisions of this Agreement as the Corporation or the Receiver may request from time to time, and, at the request of the Receiver, make available employees of the Failed Bank employed or retained by the Assuming Institution to assist in preparation of the Pro Forma statement pursuant to Section 8.1.

9.8. Tax Ruling. The Assuming Institution shall not at any time, without the Corporation's prior consent, seek a private letter ruling or other determination from the Internal Revenue Service or otherwise seek to qualify for any special tax treatment or benefits associated with any payments made by the Receiver or Corporation pursuant to this Agreement.

ARTICLE X. CONDITION PRECEDENT.

The obligations of the parties to this Agreement are subject to the Receiver and the Corporation having received at or before the Bank Closing Date evidence reasonably satisfactory to each of any necessary approval, waiver, or other action by any governmental authority, the board of directors of the Assuming Institution, or other third party, with respect to this Agreement and the transactions contemplated hereby, the closing of the Failed Bank and the appointment of the Receiver, the chartering of the Assuming Institution, and any agreements, documents, matters or proceedings contemplated hereby or thereby.

ARTICLE XI. REPRESENTATIONS AND WARRANTIES OF THE ASSUMING INSTITUTION.

The Assuming Institution represents and warrants to the Corporation and the Receiver as follows:

11.1. Corporate Existence and Authority. The Assuming Institution (a) is duly organized, validly existing and in good standing under the laws of its Chartering Authority and has full power and authority to own and operate its properties and to conduct its business as now conducted by it, and (b) has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The Assuming Institution has taken all necessary corporate (or other applicable governance) action to authorize the execution, delivery and performance of this Agreement and the performance of the transactions contemplated hereby.

11.2. Third Party Consents. No governmental authority or other third party consents (including but not limited to approvals, licenses, registrations or declarations) are required in connection with the execution, delivery or performance by the Assuming Institution of this Agreement, other than such consents as have been duly obtained and are in full force and effect.

11.3. Execution and Enforceability. This Agreement has been duly executed and delivered by the Assuming Institution and when this Agreement has been duly authorized, executed and delivered by the Corporation and the Receiver, this Agreement will constitute the legal, valid and binding obligation of the Assuming Institution, enforceable in accordance with its terms.

11.4. Compliance with Law.

(a) No Violations. Neither the Assuming Institution nor any of its Subsidiaries is in violation of any statute, regulation, order, decision, judgment or decree of,

or any restriction imposed by, the United States of America, any State, municipality or other political subdivision or any agency of any of the foregoing, or any court or other tribunal having jurisdiction over the Assuming Institution or any of its Subsidiaries or any assets of any such Person, or any foreign government or agency thereof having such jurisdiction, with respect to the conduct of the business of the Assuming Institution or of any of its Subsidiaries, or the ownership of the properties of the Assuming Institution or any of its Subsidiaries, which, either individually or in the aggregate with all other such violations, would materially and adversely affect the business, operations or condition (financial or otherwise) of the Assuming Institution or the ability of the Assuming Institution to perform, satisfy or observe any obligation or condition under this Agreement.

(b) No Conflict. Neither the execution and delivery nor the performance by the Assuming Institution of this Agreement will result in any violation by the Assuming Institution of, or be in conflict with, any provision of any applicable law or regulation, or any order, writ or decree of any court or governmental authority.

11.5. Insured or Guaranteed Loans. If any Loans being transferred pursuant to this Agreement are insured or guaranteed by any department or agency of any governmental unit, federal, state or local, Assuming Institution represents that Assuming Institution has been approved by such agency and is an approved lender or mortgagee, as appropriate, if such approval is required. The Assuming Institution further assumes full responsibility for determining whether or not such insurance or guarantees are in full force and effect on the date of this Agreement and with respect to those Loans whose insurance or guaranty is in full force and effect on the date of this Agreement, Assuming Institution assumes full responsibility for doing all things necessary to insure such insurance or guarantees remain in full force and effect. Assuming Institution agrees to assume all of the obligations under the contract(s) of insurance or guaranty and agrees to cooperate with the Receiver where necessary to complete forms required by the insuring or guaranteeing department or agency to effect or complete the transfer to Assuming Institution.

11.6. Representations Remain True. The Assuming Institution represents and warrants that it has executed and delivered to the Corporation a Purchaser Eligibility Certification and Confidentiality Agreement and that all information provided and representations made by or on behalf of the Assuming Institution in connection with this Agreement and the transactions contemplated hereby, including, but not limited to, the Purchaser Eligibility Certification and Confidentiality Agreement (which are affirmed and ratified hereby) are and remain true and correct in all material respects and do not fail to state any fact required to make the information contained therein not misleading.

11.7. No Reliance; Independent Advice. The Assuming Institution is not relying on the Receiver or the Corporation for any business, legal, tax, accounting, investment or other advice in connection with this Agreement and the Exhibits hereto and documents delivered in connection with the foregoing, and has had adequate opportunity to consult with advisors of its choice in connection therewith.

ARTICLE XII. INDEMNIFICATION.

12.1. Indemnification of Indemnitees. From and after the Bank Closing Date and subject to the limitations set forth in this Section 12.1 and Section 12.6 and compliance by the Indemnitees with Section 12.2, the Receiver agrees to indemnify and hold harmless the

Indemnitees against any and all costs, losses, liabilities, expenses (including attorneys' fees) incurred prior to the assumption of defense by the Receiver pursuant to Section 12.2(d), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with claims against any Indemnitee based on liabilities of the Failed Bank that are not assumed by the Assuming Institution pursuant to this Agreement or subsequent to the execution hereof by the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution for which indemnification is provided:

(a) hereunder in this Section 12.1, subject to certain exclusions as provided in Section 12.1(b):

(i) claims based on the rights of any shareholder or former shareholder as such of (A) the Failed Bank, or (B) any Subsidiary or Affiliate of the Failed Bank;

(ii) claims based on the rights of any creditor as such of the Failed Bank, or any creditor as such of any director, officer, employee or agent of the Failed Bank, with respect to any indebtedness or other obligation of the Failed Bank arising prior to the Bank Closing Date;

(iii) claims based on the rights of any present or former director, officer, employee or agent as such of the Failed Bank or of any Subsidiary or Affiliate of the Failed Bank;

(iv) claims based on any action or inaction prior to the Bank Closing Date of the Failed Bank, its directors, officers, employees or agents as such, or any Subsidiary or Affiliate of the Failed Bank, or the directors, officers, employees or agents as such of such Subsidiary or Affiliate;

(v) claims based on any malfeasance, misfeasance or nonfeasance of the Failed Bank, its directors, officers, employees or agents with respect to the trust business of the Failed Bank, if any;

(vi) claims based on any failure or alleged failure (not in violation of law) by the Assuming Institution to continue to perform any service or activity previously performed by the Failed Bank which the Assuming Institution is not required to perform pursuant to this Agreement or which arise under any contract to which the Failed Bank was a party which the Assuming Institution elected not to assume in accordance with this Agreement and which neither the Assuming Institution nor any Subsidiary or Affiliate of the Assuming Institution has assumed subsequent to the execution hereof;

(vii) claims arising from any action or inaction of any Indemnitee, including for purposes of this Section 12.1(a)(vii) the former officers or employees of the Failed Bank or of any Subsidiary or Affiliate of the Failed Bank that is taken upon the specific written direction of the Corporation or the Receiver, other than any action or inaction taken in a manner constituting bad faith, gross negligence or willful misconduct; and

(viii) claims based on the rights of any depositor of the Failed Bank whose deposit has been accorded "withheld payment" status and/or returned to the Receiver or Corporation in accordance with Section 9.5 and/or has become an

"unclaimed deposit" or has been returned to the Corporation or the Receiver in accordance with Section 2.3;

(b) provided that with respect to this Agreement, except for Section 12.1(a)(vii) and (viii), no indemnification will be provided under this Agreement for any:

(i) judgment or fine against, or any amount paid in settlement (without the written approval of the Receiver) by, any Indemnitee in connection with any action that seeks damages against any Indemnitee (a "**Counterclaim**") arising with respect to any Asset and based on any action or inaction of either the Failed Bank, its directors, officers, employees or agents as such prior to the Bank Closing Date, unless any such judgment, fine or amount paid in settlement exceeds the greater of (A) the Repurchase Price of such Asset, or (B) the monetary recovery sought on such Asset by the Assuming Institution in the cause of action from which the Counterclaim arises; and in such event the Receiver will provide indemnification only in the amount of such excess; and no indemnification will be provided for any costs or expenses other than any costs or expenses (including attorneys' fees) which, in the determination of the Receiver, have been actually and reasonably incurred by such Indemnitee in connection with the defense of any such Counterclaim; and it is expressly agreed that the Receiver reserves the right to intervene, in its discretion, on its behalf and/or on behalf of the Receiver, in the defense of any such Counterclaim;

(ii) claims with respect to any liability or obligation of the Failed Bank that is expressly assumed by the Assuming Institution pursuant to this Agreement or subsequent to the execution hereof by the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution;

(iii) claims with respect to any liability of the Failed Bank to any present or former employee as such of the Failed Bank or of any Subsidiary or Affiliate of the Failed Bank, which liability is expressly assumed by the Assuming Institution pursuant to this Agreement or subsequent to the execution hereof by the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution;

(iv) claims based on the failure of any Indemnitee to seek recovery of damages from the Receiver for any claims based upon any action or inaction of the Failed Bank, its directors, officers, employees or agents as fiduciary, agent or custodian prior to the Bank Closing Date;

(v) claims based on any violation or alleged violation by any Indemnitee of the antitrust, branching, banking or bank holding company or securities laws of the United States of America or any State thereof;

(vi) claims based on the rights of any present or former creditor, customer, or supplier as such of the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution;

(vii) claims based on the rights of any present or former shareholder as such of the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution regardless of whether any such present or former shareholder is also a present or former shareholder of the Failed Bank;

(viii) claims, if the Receiver determines that the effect of providing such indemnification would be to (A) expand or alter the provisions of any warranty or disclaimer thereof provided in Section 3.3 or any other provision of this Agreement, or (B) create any warranty not expressly provided under this Agreement;

(ix) claims which could have been enforced against any Indemnitee had the Assuming Institution not entered into this Agreement;

(x) claims based on any liability for taxes or fees assessed with respect to the consummation of the transactions contemplated by this Agreement, including without limitation any subsequent transfer of any Assets or Liabilities Assumed to any Subsidiary or Affiliate of the Assuming Institution;

(xi) except as expressly provided in this Article XII, claims based on any action or inaction of any Indemnitee, and nothing in this Agreement shall be construed to provide indemnification for (i) the Failed Bank, (ii) any Subsidiary or Affiliate of the Failed Bank, or (iii) any present or former director, officer, employee or agent of the Failed Bank or its Subsidiaries or Affiliates; provided that the Receiver, in its sole and absolute discretion, may provide indemnification hereunder for any present or former director, officer, employee or agent of the Failed Bank or its Subsidiaries or Affiliates who is also or becomes a director, officer, employee or agent of the Assuming Institution or its Subsidiaries or Affiliates;

(xii) claims or actions which constitute a breach by the Assuming Institution of the representations and warranties contained in Article XI;

(xiii) claims arising out of or relating to the condition of or generated by an Asset arising from or relating to the presence, storage or release of any hazardous or toxic substance, or any pollutant or contaminant, or condition of such Asset which violate any applicable Federal, State or local law or regulation concerning environmental protection; and

(xiv) claims based on, related to or arising from any asset, including a loan, acquired or liability assumed by the Assuming Institution, other than pursuant to this Agreement.

12.2. Conditions Precedent to Indemnification. It shall be a condition precedent to the obligation of the Receiver to indemnify any Person pursuant to this Article XII that such Person shall, with respect to any claim made or threatened against such Person for which such Person is or may be entitled to indemnification hereunder:

(a) give written notice to the Regional Counsel (Litigation Branch) of the Corporation in the manner and at the address provided in Section 13.6 of such claim as soon as practicable after such claim is made or threatened; provided that notice must be given on or before the date which is six (6) years from the date of this Agreement;

(b) provide to the Receiver such information and cooperation with respect to such claim as the Receiver may reasonably require;

(c) cooperate and take all steps, as the Receiver may reasonably require, to preserve and protect any defense to such claim;

(d) in the event suit is brought with respect to such claim, upon reasonable prior notice, afford to the Receiver the right, which the Receiver may exercise in its sole and absolute discretion, to conduct the investigation, control the defense and effect settlement of such claim, including without limitation the right to designate counsel and to control all negotiations, litigation, arbitration, settlements, compromises and appeals of any such claim, all of which shall be at the expense of the Receiver; provided that the Receiver shall have notified the Person claiming indemnification in writing that such claim is a claim with respect to which such Person is entitled to indemnification under this Article XII;

(e) not incur any costs or expenses in connection with any response or suit with respect to such claim, unless such costs or expenses were incurred upon the written direction of the Receiver; provided that the Receiver shall not be obligated to reimburse the amount of any such costs or expenses unless such costs or expenses were incurred upon the written direction of the Receiver;

(f) not release or settle such claim or make any payment or admission with respect thereto, unless the Receiver consents thereto; provided that the Receiver shall not be obligated to reimburse the amount of any such settlement or payment unless such settlement or payment was effected upon the written direction of the Receiver; and

(g) take such reasonable action as the Receiver may request in writing as necessary to preserve, protect or enforce the rights of the Indemnitee against any Primary Indemnitor.

12.3. No Additional Warranty. Nothing in this Article XII shall be construed or deemed to (a) expand or otherwise alter any warranty or disclaimer thereof provided under Section 3.3 or any other provision of this Agreement with respect to, among other matters, the title, value, collectability, genuineness, enforceability, documentation, condition or freedom from liens or encumbrances, of any (i) Asset, or (ii) asset of the Failed Bank purchased by the Assuming Institution subsequent to the execution of this Agreement by the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution, or (b) create any warranty not expressly provided under this Agreement with respect thereto.

12.4. Indemnification of Receiver and Corporation. From and after the Bank Closing Date, the Assuming Institution agrees to indemnify and hold harmless the Corporation and the Receiver and their respective directors, officers, employees and agents from and against any and all costs, losses, liabilities, expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any of the following:

(a) claims based on any and all liabilities or obligations of the Failed Bank assumed by the Assuming Institution pursuant to this Agreement or subsequent to the execution hereof by the Assuming Institution or any Subsidiary or Affiliate of the Assuming Institution, whether or not any such liabilities subsequently are sold and/or transferred, other than any claim based upon any action or inaction of any Indemnitee as provided in Section 12.1(a)(vii) or (viii);

(b) claims based on any act or omission of any Indemnitee (including but not limited to claims of any Person claiming any right or title by or through the Assuming Institution with respect to Assets transferred to the Receiver pursuant to Section 3.4 or

Section 3.6), other than any action or inaction of any Indemnitee as provided in (vii) or (viii) of Section 12.1(a); and

(c) claims based on any failure to preserve, maintain or provide reasonable access to Records transferred to the Assuming Institution pursuant to Article VI.

12.5. Obligations Supplemental. The obligations of the Receiver, and the Corporation as guarantor in accordance with Section 12.7, to provide indemnification under this Article XII are to supplement any amount payable by any Primary Indemnitor to the Person indemnified under this Article XII. Consistent with that intent, the Receiver agrees only to make payments pursuant to such indemnification to the extent not payable by a Primary Indemnitor. If the aggregate amount of payments by the Receiver, or the Corporation as guarantor in accordance with Section 12.7, and all Primary Indemnitors with respect to any item of indemnification under this Article XII exceeds the amount payable with respect to such item, such Person being indemnified shall notify the Receiver thereof and, upon the request of the Receiver, shall promptly pay to the Receiver, or the Corporation as appropriate, the amount of the Receiver's (or Corporation's) payments to the extent of such excess.

12.6. Criminal Claims. Notwithstanding any provision of this Article XII to the contrary, in the event that any Person being indemnified under this Article XII shall become involved in any criminal action, suit or proceeding, whether judicial, administrative or investigative, the Receiver shall have no obligation hereunder to indemnify such Person for liability with respect to any criminal act or to the extent any costs or expenses are attributable to the defense against the allegation of any criminal act, unless (a) the Person is successful on the merits or otherwise in the defense against any such action, suit or proceeding, or (b) such action, suit or proceeding is terminated without the imposition of liability on such Person.

12.7. Limited Guaranty of the Corporation. The Corporation hereby guarantees performance of the Receiver's obligation to indemnify the Assuming Institution as set forth in this Article XII. It is a condition to the Corporation's obligation hereunder that the Assuming Institution shall comply in all respects with the applicable provisions of this Article XII. The Corporation shall be liable hereunder only for such amounts, if any, as the Receiver is obligated to pay under the terms of this Article XII but shall fail to pay. Except as otherwise provided above in this Section 12.7, nothing in this Article XII is intended or shall be construed to create any liability or obligation on the part of the Corporation, the United States of America or any department or agency thereof under or with respect to this Article XII, or any provision hereof, it being the intention of the parties hereto that the obligations undertaken by the Receiver under this Article XII are the sole and exclusive responsibility of the Receiver and no other Person or entity.

12.8. Subrogation. Upon payment by the Receiver, or the Corporation as guarantor in accordance with Section 12.7, to any Indemnitee for any claims indemnified by the Receiver under this Article XII, the Receiver, or the Corporation as appropriate, shall become subrogated to all rights of the Indemnitee against any other Person to the extent of such payment.

ARTICLE XIII. MISCELLANEOUS.

13.1. Costs, Fees, and Expenses. All fees, costs and expenses incurred by a party in connection with this Agreement (including the performance of any obligations or the exercise of any rights hereunder) shall be borne by such party unless expressly otherwise provided; provided

that the Assuming Institution shall pay all fees, costs and expenses (other than attorneys' fees incurred by the Receiver) incurred in connection with the transfer to it of any Assets or Liabilities Assumed hereunder or in accordance herewith.

13.2. WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL RIGHT TO TRIAL BY JURY IN OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR RELATING TO OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

13.3. Consent; Determination or Discretion. When the consent or approval of a party is required under this Agreement, such consent or approval shall be obtained in writing and unless expressly otherwise provided, shall not be unreasonably withheld or delayed. When a determination or decision is to be made by a party under this Agreement, that party shall make such determination or decision in its reasonable discretion unless expressly otherwise provided.

13.4. Rights Cumulative. Except as expressly otherwise provided herein, the rights of each of the parties under this Agreement are cumulative, may be exercised as often as any party considers appropriate and are in addition to each such party's rights under this Agreement, any of the agreements related thereto or under applicable law. Any failure to exercise or any delay in exercising any of such rights, or any partial or defective exercise of such rights, shall not operate as a waiver or variation of that or any other such right, unless expressly otherwise provided.

13.5. References. References in this Agreement to Recitals, Articles, Sections, Schedules and Exhibits are to Recitals, Articles, Sections, Schedules and Exhibits of this Agreement, respectively, unless the context indicates that a Shared-Loss Agreement is intended. References to parties are to the parties to this Agreement. Unless expressly otherwise provided, references to days and months are to calendar days and months respectively. Article and Section headings are for convenient reference and shall not affect the meaning of this Agreement. References to the singular shall include the plural, as the context may require, and *vice versa*.

13.6. Notice.

(a) Form of Notices. All notices shall be given in writing and provided in accordance with the provisions of this Section 13.6, unless expressly otherwise provided.

(b) Notice to the Receiver or the Corporation. With respect to a notice under this Agreement:

Federal Deposit Insurance Corporation
7777 Baymeadows Way West
Jacksonville, FL 32256
Attention: Settlement Agent

In addition, with respect to notices under Section 4.6, with a copy to:

Resolutions and Closings Manager, ORE Department

1601 Bryan Street, 29th FL

Dallas, TX 75201

In addition, with respect to notice under Article XII:

Regional Counsel (Litigation Branch)

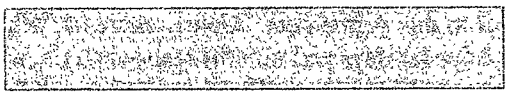
1601 Bryan Street, 15th FL
Dallas, TX 75201

In addition, with respect to communications under Exhibit 4.13, a copy to:

Attention: Interim Servicing Manager,
Federal Deposit Insurance Corporation
7777 Baymeadows Way West
Jacksonville, FL 32256

(c) Notice to Assuming Institution. With respect to a notice under this Agreement:

CertusBank, N.A.
2100 Rexford RD, Suite 100
Charlotte, N.C. 28211
Attention: Charles M. Williams, Jr., Vice-Chairman
with a copy to: Walter L. Davis, German Soto, Jonathan Charleston,
Peter G. Weinstock



13.7. Entire Agreement. This Agreement and the Shared-Loss Agreements, if any, including the Schedules and Exhibits hereto and thereto, embody the entire agreement of the parties hereto in relation to the subject matter herein and supersede all prior understandings or agreements, oral or written, between the parties.

13.8. Counterparts. This Agreement may be executed in any number of counterparts and by the duly authorized representative of a different party hereto on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

13.9. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE FEDERAL LAW OF THE UNITED STATES OF AMERICA, AND IN THE ABSENCE OF CONTROLLING FEDERAL LAW, IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE MAIN OFFICE OF THE FAILED BANK IS LOCATED.

13.10. Successors. All terms and conditions of this Agreement shall be binding on the successors and assigns of the Receiver, the Corporation and the Assuming Institution. Except as

otherwise specifically provided in this Agreement, nothing expressed or referred to in this Agreement is intended or shall be construed to give any Person other than the Receiver, the Corporation and the Assuming Institution any legal or equitable right, remedy or claim under or with respect to this Agreement or any provisions contained herein, it being the intention of the parties hereto that this Agreement, the obligations and statements of responsibilities hereunder, and all other conditions and provisions hereof are for the sole and exclusive benefit of the Receiver, the Corporation and the Assuming Institution and for the benefit of no other Person.

13.11. Modification. No amendment or other modification, rescission or release of any part of this Agreement or a Shared-Loss Agreement, if any, shall be effective except pursuant to a written agreement subscribed by the duly authorized representatives of the parties.

13.12. Manner of Payment. All payments due under this Agreement shall be in lawful money of the United States of America in immediately available funds as each party hereto may specify to the other parties; provided that in the event the Receiver or the Corporation is obligated to make any payment hereunder in the amount of $25,000.00 or less, such payment may be made by check.

13.13. Waiver. Each of the Receiver, the Corporation and the Assuming Institution may waive its respective rights, powers or privileges under this Agreement; provided that such waiver shall be in writing; and further provided that no failure or delay on the part of the Receiver, the Corporation or the Assuming Institution to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege by the Receiver, the Corporation or the Assuming Institution under this Agreement, nor will any such waiver operate or be construed as a future waiver of such right, power or privilege under this Agreement.

13.14. Severability. If any provision of this Agreement is declared invalid or unenforceable, then, to the extent possible, all of the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.

13.15. Term of Agreement. This Agreement shall continue in full force and effect until the tenth (10th) anniversary of the Bank Closing Date; provided that the provisions of Sections 6.3 and 6.4 shall survive the expiration of the term of this Agreement; and provided further that the receivership of the Failed Bank may be terminated prior to the expiration of the term of this Agreement, and in such event, the guaranty of the Corporation, as provided in and in accordance with the provisions of Section 12.7, shall be in effect for the remainder of the term of this Agreement. Expiration of the term of this Agreement shall not affect any claim or liability of any party with respect to any (a) amount which is owing at the time of such expiration, regardless of when such amount becomes payable, and (b) breach of this Agreement occurring prior to such expiration, regardless of when such breach is discovered.

13.16. Survival of Covenants, Etc. The covenants, representations, and warranties in this Agreement shall survive the execution of this Agreement and the consummation of the transactions contemplated hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF COMMUNITYSOUTH BANK AND TRUST
EASLEY, SOUTH CAROLINA

BY: _____

NAME: W. Steven Black
TITLE: Receiver In Charge

Attest:

_____

FEDERAL DEPOSIT INSURANCE CORPORATION

BY: _____

NAME: W. Steven Black
TITLE: Attorney In Fact

Attest:

_____

CERTUSBANK, N.A.

BY: _____

NAME: Charles Williams

TITLE: Vice Chairman

Attest:

_____

SCHEDULE 2.1(a)

EXCLUDED DEPOSIT LIABILITY ACCOUNTS

Accounts Excluded from P&A Transaction

CommunitySouth Bank and Trust
Easley, SC

CommunitySouth Bank and Trust (CSBT) has deposits associated with the Depository Organization (DO) Cede & Co as Nominee for DTC. The DO accounts do not pass to the Assuming Bank and are excluded from the transaction as described in section 2.1 of the P&A Agreement. The attached Schedule 2.1.a DO Detail Report identifies the DO accounts. This schedule will be updated post closing with data as of Bank Closing date.

	Account Title	Insured Amount	PH Amount
[redacted]	CEDE & CO AS NOMINEE OF THE D	$0.00	$6,060,320.55
	CEDE & CO AS NOMINEE OF THE D	$0.00	$5,052,719.18
	CEDE & CO AS NOMINEE OF THE D	$0.00	$4,040,761.64
	CEDE & CO AS NOMINEE OF THE D	$0.00	$9,592,845.15
	CEDE & CO AS NOMINEE OF THE D	$0.00	$10,597,819.63
Totals		**$0.00**	**$35,344,466.15**

SCHEDULE 3.2

PURCHASE PRICE OF ASSETS OR ANY OTHER ASSETS

(a)	cash and receivables from depository institutions, including cash items in the process of collection, plus interest thereon:	Book Value
(b)	securities (exclusive of the capital stock of Acquired Subsidiaries and FHLB stock), plus interest thereon:	As provided in Section 3.2(b)
(c)	federal funds sold and repurchase agreements, if any, including interest thereon:	Book Value
(d)	Loans:	Book Value
(e)	credit card business:	Book Value
(f)	Safe Deposit Boxes and related business, safekeeping business and trust business, if any:	Book Value
(g)	Records and other documents:	Book Value
(h)	Other Real Estate:	Book Value
(i)	boats, motor vehicles, aircraft, trailers, fire arms, and repossessed collateral	Book Value
(j)	capital stock of any Acquired Subsidiaries (subject to Section 3.2(b), and FHLB stock:	Book Value
(k)	amounts owed to the Failed Bank by any Acquired Subsidiaries:	Book Value
(l)	assets securing Deposits of public money, to the extent not otherwise purchased hereunder:	Book Value
(m)	overdrafts of customers:	Book Value

(n)	rights, if any, with respect to Qualified Financial Contracts:	As provided in Section 3.2(c)
(o)	rights of the Failed Bank to have mortgage servicing provided to the Failed Bank by others and related contracts:	Book Value
(q)	Personal Computers and Owned Data Management Equipment:	Fair Market Value

Assets subject to an option to purchase:

(a)	Bank Premises:	Fair Market Value
(b)	Furniture and Equipment:	Fair Market Value
(c)	Fixtures:	Fair Market Value
(d)	Other Equipment:	Fair Market Value

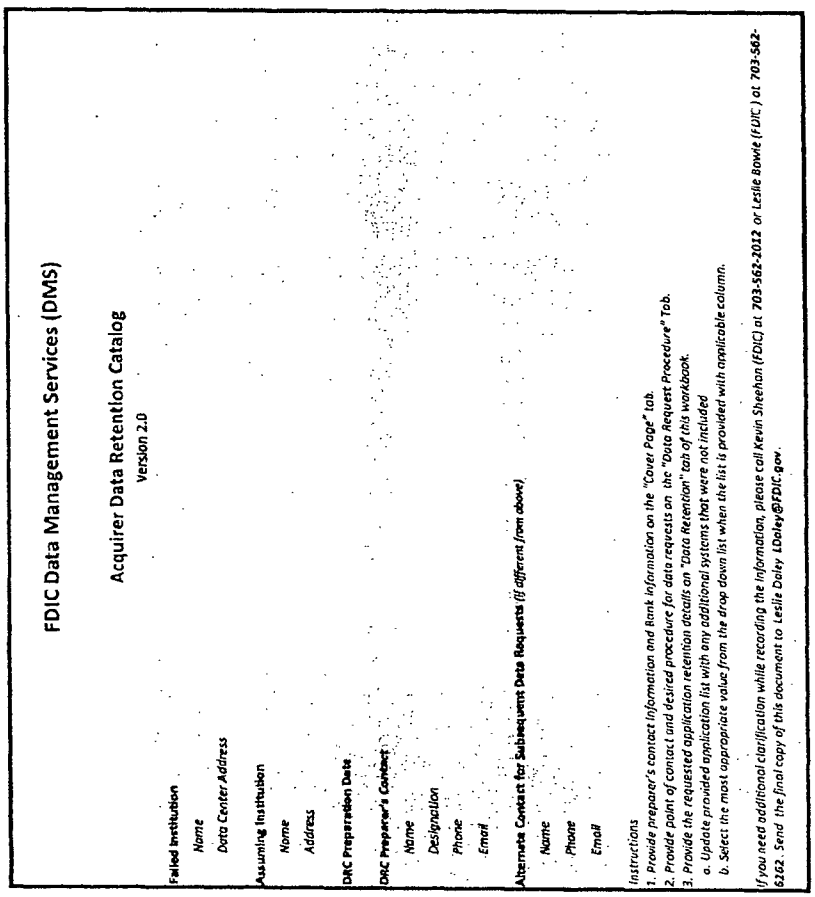
SCHEDULE 3.5(l)

EXCLUDED SECURITIES

NONE

SCHEDULE 6.3

DATA RETENTION CATALOG



FDIC_Acquirer_Data_Retention_Catalog_v2.0

FDIC Data Management Services (DMS)

Acquirer Data Retention Catalog

Version 2.0

Failed Institution

Name

Data Center Address

Assuming Institution

Name

Address

DRC Preparation Date

DRC Preparer's Contact

Name

Designation

Phone

Email

Alternate Contact for Subsequent Data Requests (if different from above)

Name

Phone

Email

Instructions

1. Provide preparer's contact information and Bank information on the "Cover Page" tab.

2. Provide point of contact and desired procedure for data requests on the "Data Request Procedure" Tab.

3. Provide the requested application retention details on "Data Retention" tab of this workbook.

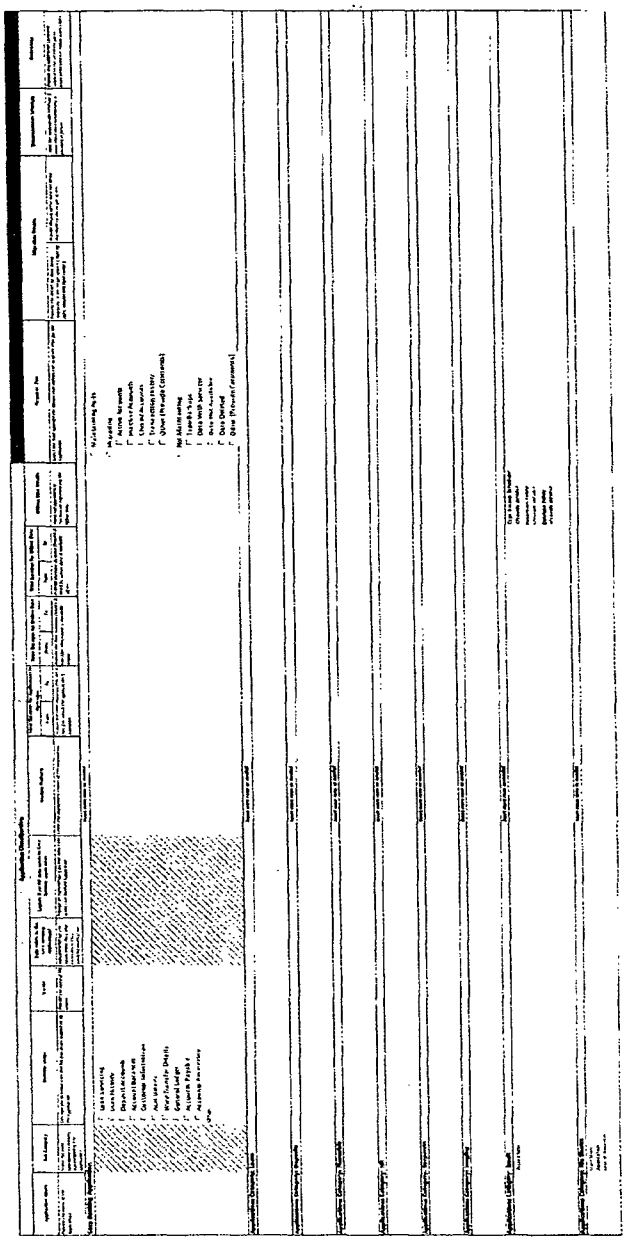
a. Update provided application list with any additional systems that were not included

b. Select the most appropriate value from the drop down list when the list is provided with applicable column.

If you need additional clarification while recording the information, please call Kevin Sheehan (FDIC) at 703-562-2012 or Leslie Bowie (FDIC) at 703-562-6162. Send the final copy of this document to Leslie Daley LDaley@FDIC.gov.

FDIC Confidential

5/25/2010



SCHEDULE 7

Accounts Excluded from Calculation of Deposit Franchise Bid Premium

CommunitySouth Bank and Trust
Easley, SC

The accounts identified below will pass to the Assuming Bank (unless otherwise noted). When calculating the premium to be paid on Assumed Deposits in a P&A transaction, the FDIC will exclude the following categories of deposit accounts:

Category	Description	Amount
I	Non- DO Brokered Deposits	$2,139,368
II	CDARS	$0
III	Market Place Deposits	$113,557,480
	Total deposits excluded from Calculation of premium	$115,696,848

Category Description

I Brokered Deposits
Brokered deposit accounts are accounts for which the "depositor of record" is an agent, nominee, or custodian who deposits funds for a principal or principals to whom "pass-through" deposit insurance coverage may be extended. The FDIC separates brokered deposit accounts into 2 categories: 1) Depository Organization (DO) Brokered Deposits and 2) Non-Depository Organization (Non-DO) Brokered Deposits. This distinction is made by the FDIC to facilitate our role as Receiver and Insurer. These terms will not appear on other "brokered deposit" reports generated by the institution.

Non-DO Brokered Deposits pass to the Assuming Bank, but are excluded from Assumed Deposits when the deposit premium is calculated. Please see the attached "Schedule 7 Non-DO Broker Deposit Detail Report" for a listing of these accounts. This list will be updated post closing with balances as of Bank Closing date.

DO Brokered Deposits (Cede & Co as Nominee for DTC), are typically excluded from Assumed Deposits in the P&A transaction. A list of these accounts is provided on "Schedule 2.1 DO Brokered Deposit Detail Report". If, however, the terms of a particular transaction are altered and the DO Brokered Deposits pass to the Assuming Bank, they will not be included in Assumed Deposits for purposes of calculating the deposit premium.

II CDARS
CDARS deposits pass to the Assuming Bank, but are excluded from Assumed Deposits when the deposit premium is calculated.

CommunitySouth Bank and Trust did not participate in the CDARS program as of the date of the deposit download. If CDARS deposits are taken between the date of the deposit download and the Bank Closing Date, they will be identified post closing and made part of Schedule 7 to the P&A Agreement.

III Market Place Deposits
"Market Place Deposits" is a description given to deposits that may have been solicited via a money desk, internet subscription service (for example, Qwickrate), or similar programs.

This schedule provides a snapshot of account categories and balances as of {insert date of deposit download], which is the date of the deposit download. The deposit franchise bid premium will be calculated using account categories and balances as of Bank Closing Date that are reflected in the general ledger or subsystem as described above. The final numbers for Schedule 7 will be provided post closing.

EXHIBIT 2.3A

FINAL LEGAL NOTICE
Claiming Requirements for Deposits
Under 12 U.S.C. 1822(e)

[Date]

[Name of Unclaimed Depositor]
[Address of Unclaimed Depositor]
[Anytown, USA]

Subject: **[XXXXX – Name of Bank**
City, State] – In Receivership

Dear **[Sir/Madam]**:

As you may know, on **[Date: Closing Date]**, the **[Name of Bank ("The Bank")]** was closed and the Federal Deposit Insurance Corporation ("FDIC") transferred **[The Bank's]** accounts to **[Name of Acquiring Institution]**.

According to federal law under 12 U.S.C., 1822(e), on **[Date: eighteen months from the Closing Date]**, **[Name of Acquiring Institution]** must transfer the funds in your account(s) back to the FDIC if you have not claimed your account(s) with **[Name of Acquiring Institution]**. Based on the records recently supplied to us by **[Name of Acquiring Institution]**, your account(s) currently fall into this category.

This letter is your formal Legal Notice that you have until **[Date: eighteen months from the Closing Date]**, to claim or arrange to continue your account(s) with **[Name of Acquiring Institution]**. There are several ways that you can claim your account(s) at **[Name of Acquiring Institution]**. It is only necessary for you to take any one of the following actions in order for your account(s) at **[Name of Acquiring Institution]** to be deemed claimed. In addition, if you have more than one account, your claim to one account will automatically claim all accounts:

1. Write to **[Name of Acquiring Institution]** and notify them that you wish to keep your account(s) active with them. Please be sure to include the name of the account(s), the account number(s), the signature of an authorized signer on the account(s), name, and address. **[Name of Acquiring Institution]** address is:

   [123 Main Street
   Anytown, USA]

2. Execute a new signature card on your account(s), enter into a new deposit agreement with **[Name of Acquiring Institution]**, change the ownership on your account(s), or renegotiate the terms of your certificate of deposit account(s) (if any).

3. Provide **[Name of Acquiring Institution]** with a change of address form.

4. Make a deposit to or withdrawal from your account(s). This includes writing a check on any account or having an automatic direct deposit credited to or an automatic withdrawal debited from an account.

If you do not want to continue your account(s) with **[Name of Acquiring Institution]** for any reason, you can withdraw your funds and close your account(s). Withdrawing funds from one or more of your account(s) satisfies the federal law claiming requirement. If you have time deposits, such as certificates of deposit, **[Name of Acquiring Institution]** can advise you how to withdraw them without being charged an interest penalty for early withdrawal.

If you do not claim ownership of your account(s) at **[Name of Acquiring Institution by Date: eighteen months from the Closing Date]** federal law requires **[Name of Acquiring Institution]** to return your deposits to the FDIC, which will deliver them as unclaimed property to the State indicated in your address in the Failed Institution's records. If your address is outside of the United States, the FDIC will deliver the deposits to the State in which the Failed Institution had its main office. 12 U.S.C. § 1822(e). If the State accepts custody of your deposits, you will have 10 years from the date of delivery to claim your deposits from the State. After 10 years you will be permanently barred from claiming your deposits. However, if the State refuses to take custody of your deposits, you will be able to claim them from the FDIC until the receivership is terminated. If you have not claimed your insured deposits before the receivership is terminated, and a receivership may be terminated at any time, all of your rights in those deposits will be barred.

If you have any questions or concerns about these items, please contact **[Bank Employee]** at **[Name of Acquiring Institution]** by phone at **[(XXX) XXX-XXXX].**

Sincerely,

[Name of Claims Specialist]
[Title]

EXHIBIT 2.3B

AFFIDAVIT OF MAILING

AFFIDAVIT OF MAILING

State of

COUNTY OF

I am employed as a **[Title of Office]** by the **[Name of Acquiring Institution]**.

This will attest that on **[Date of mailing]**, I caused a true and correct copy of the Final Legal Notice, attached hereto, to owners of unclaimed deposits of **[Name of Failed Bank]**, City, State, to be prepared for deposit in the mail of the United States of America on behalf of the Federal Deposit Insurance Corporation. A list of depositors to whom the notice was mailed is attached. This notice was mailed to the depositor's last address as reflected on the books and records of the **[Name of Failed Bank]** as of the date of failure.

_____

[Name]
[Title of Office]
[Name of Acquiring Institution]

Subscribed and sworn to before me this _____day of [Month, Year].

My commission expires:

_____ _____

[Name], Notary Public

EXHIBIT 3.2(c)

VALUATION OF CERTAIN

QUALIFIED FINANCIAL CONTRACTS

A. Scope

Interest Rate Contracts - All interest rate swaps, forward rate agreements, interest rate futures, caps, collars and floors, whether purchased or written.

Option Contracts - All put and call option contracts, whether purchased or written, on marketable securities, financial futures, foreign currencies, foreign exchange or foreign exchange futures contracts.

Foreign Exchange Contracts - All contracts for future purchase or sale of foreign currencies, foreign currency or cross currency swap contracts, or foreign exchange futures contracts.

B. Exclusions

All financial contracts used to hedge assets and liabilities that are acquired by the Assuming Institution but are not subject to adjustment from Book Value.

C. Adjustment

The difference between the Book Value and market value as of the Bank Closing Date.

D. Methodology

1. The price at which the Assuming Institution sells or disposes of Qualified Financial Contracts will be deemed to be the fair market value of such contracts, if such sale or disposition occurs at prevailing market rates within a predefined timetable as agreed upon by the Assuming Institution and the Receiver.

2. In valuing all other Qualified Financial Contracts, the following principles will apply:

   (i) All known cash flows under swaps or forward exchange contracts shall be present valued to the swap zero coupon interest rate curve.

   (ii) All valuations shall employ prices and interest rates based on the actual frequency of rate reset or payment.

   (iii) Each tranche of amortizing contracts shall be separately valued. The total value of such amortizing contract shall be the sum of the values of its component tranches.

(iv) For regularly traded contracts, valuations shall be at the midpoint of the bid and ask prices quoted by customary sources (e.g., The Wall Street Journal, Telerate, Reuters or other similar source) or regularly traded exchanges.

(v) For all other Qualified Financial Contracts where published market quotes are unavailable, the adjusted price shall be the average of the bid and ask price quotes from three (3) securities dealers acceptable to the Receiver and Assuming Institution as of the Bank Closing Date. If quotes from securities dealers cannot be obtained, an appraiser acceptable to the Receiver and the Assuming Institution will perform a valuation based on modeling, correlation analysis, interpolation or other techniques, as appropriate.

EXHIBIT 4.13

INTERIM ASSET SERVICING ARRANGEMENT

This Interim Asset Servicing Arrangement is made pursuant to and as of the date of that certain Purchase and Assumption Agreement (the "**Purchase and Assumption Agreement**") among the Receiver, the Assuming Institution and the Corporation, to which this Arrangement is attached. Capitalized terms used and not otherwise defined in this Exhibit 4.13 shall have the meanings assigned to such terms in the Agreement.

(a) With respect to each asset or liability designated from time to time by the Receiver to be serviced by the Assuming Institution pursuant to this Interim Asset Servicing Arrangement (the "**Arrangement**"), including any assets or liabilities sold or conveyed by the Receiver to any party other than the Assuming Institution (any such party, a "**Successor Owner**") but with respect to which the Receiver has an obligation to service or provide servicing support (such assets and liabilities, the "**Pool Assets**"), during the term of this Arrangement the Assuming Institution shall, with respect to the Pool Assets:

(i) promptly post and apply payments received to the applicable system of record;

(ii) reverse and return insufficient funds checks;

(iii) pay (A) participation payments to participants in Loans, as and when received; (B) tax and insurance bills, as they come due, out of any escrow funds maintained for such purposes; and (C) unfunded commitments and protective advances out of any escrow funds created for such purposes;

(iv) process funding draws under Loans and protective advances in connection with collateral and acquired property, in each case, as and to the extent authorized and funded by the Receiver;

(v) maintain in use all data processing equipment and systems and other systems of record on which any activity with respect to any Pool Assets are, or prior to the Bank Closing Date, were, recorded, and maintain all historical data on any such systems as of the Bank Closing Date and not, without the express consent of the Receiver (which consent must be sought at least sixty (60) days prior to taking any action), deconvert, remove, transfer or otherwise discontinue use of any of the Failed Bank's systems of record with respect to any Pool Asset;

(vi) maintain accurate records reflecting (A) payments received by the Assuming Institution, (B) information received by the Assuming Institution concerning changes in the address or identity of any Obligor and (C) other servicing actions taken by the Assuming Institution, including checks returned for insufficient funds;

(vii) send (A) billing statements to Obligors on Pool Assets (to the extent that such statements were sent by the Failed Bank or as are requested by the Receiver) and (B)

notices to Obligors who are in default on Loans (in the same manner as the Failed Bank or as are requested by the Receiver);

(viii) employ a sufficient number of qualified employees to provide the services required to be provided by the Assuming Institution pursuant to this Arrangement (with the number and qualifications of such employees to be not less than the number and qualifications of employees employed by the Failed Bank to perform such functions as of the Bank Closing Date);

(ix) hold in trust any Credit Files and any servicing files in the possession or on the premises of the Assuming Institution for the Receiver or the Successor Owner (as applicable) and segregate from the other books and records of the Assuming Institution and appropriately mark such Credit Files and servicing files to clearly reflect the ownership interest of the Receiver or the successor owner (as applicable);

(x) send to the Receiver (indicating closed bank name and number), Attn: Interim Servicing Manager, at the email address provided in Section 13.6 of the Purchase and Assumption Agreement, or to such other person at such address as the Receiver may designate, via overnight delivery: (A) on a weekly basis, weekly reports, including, without limitation, reports reflecting collections and trial balances, and (B) any other reports, copies or information as may be requested from time to time by the Receiver, including, if requested, copies of (1) checks or other remittances received, (2) insufficient funds checks returned, (3) checks or other remittances for payment to participants or for taxes, insurance, funding advances and protective advances, (4) pay-off requests, and (5) notices to defaulted Obligors;

(xi) remit on a weekly basis to the Receiver (indicating closed bank name and number), Attn: DRR Cashier Unit, Business Operations Support Branch, in the same manner as provided in paragraph (a)(x), via wire transfer to the account designated by the Receiver, or to such other person at such other address and/or account as the Receiver may designate, all payments received;

(xii) prepare and timely file all information reports with appropriate tax authorities, and, if requested by the Receiver, prepare and file tax returns and remit taxes due on or before the due date;

(xiii) provide and furnish such other services, operations or functions, including, without limitation, with regard to any business, enterprise or agreement which is a Pool Asset, as may be requested by the Receiver;

(xiv) establish a custodial account for the Receiver and for each successor owner at the Assuming Institution, each of which shall be interest bearing, titled in the name of Assuming Institution, in trust for the Receiver or the successor owner (as applicable), in each case as the owner, and segregate and hold all funds collected and received with respect to the Pool Assets separate and apart from any of the Assuming Institution's own funds and general assets; and

(xv) no later than the end of the second Business Day following receipt thereof, deposit into the applicable custodial account and retain therein all funds collected and received with respect to the Pool Assets.

Notwithstanding anything to the contrary in this Exhibit, the Assuming Institution shall not be required to initiate litigation or other collection proceedings against any Obligor or any collateral with respect to any defaulted Loan. The Assuming Institution shall promptly notify the Receiver, at the address referred to above in paragraph (a)(x), of any claims or legal actions regarding any Pool Asset.

(b) In consideration for the provision of the services provided pursuant to this Arrangement, the Receiver agrees to reimburse the Assuming Institution for actual, reasonable and necessary expenses incurred in connection with the performance of its duties pursuant to this Arrangement, including expenses of photocopying, postage and express mail, data processing and amounts paid for employee services (based upon the number of hours spent performing servicing duties).

(c) The Assuming Institution shall provide the services described herein for a term of up to three hundred sixty-five (365) days after the Bank Closing Date. The Receiver may terminate the Arrangement at any time upon not less than sixty (60) days notice to the Assuming Institution without any liability or cost to the Receiver other than the fees and expenses due to the Assuming Institution as of the termination date pursuant to paragraph (b) above.

(d) At any time during the term of this Arrangement, the Receiver may, upon not less than thirty (30) days prior written notice to the Assuming Institution, remove one or more Pool Assets, and at the time of such removal the Assuming Institution's responsibility with respect thereto shall terminate.

(e) At the expiration of this Arrangement or upon the termination of the Assuming Institution's responsibility with respect to any Pool Asset pursuant to paragraph (d) hereof, the Assuming Institution shall:

(i) deliver to the Receiver (or its designee) all of the Credit Documents and records relating to the Pool Assets; and

(ii) cooperate with the Receiver to facilitate the orderly transition of managing the Pool Assets to the Receiver or its designees (including, without limitation, its contractors and persons to which any Pool Assets are conveyed).

(f) At the request of the Receiver, the Assuming Institution shall perform such transitional services with regard to the Pool Assets as the Receiver may request. Transitional services may include, without limitation, assisting in any due diligence process deemed necessary by the Receiver and providing to the Receiver and its designees (including, without limitation, its contractors and any actual or potential successor owners) (i) information and data regarding the Pool Assets, including, without limitation, system reports and data downloads sufficient to transfer the Pool Assets to another system or systems and to facilitate due diligence by actual and potential successor owners, and (ii) access to employees of the Assuming Institution involved in the management of, or otherwise familiar with, the Pool Assets.

(g) Until such time as the Arrangement expires or is terminated, without limitation of its obligations set forth above or in the Purchase and Assumption Agreement and without any

additional consideration (other than that set forth in paragraph (b) above), the Assuming Institution shall provide the Receiver and its designees (including, without limitation, its contractors and actual and potential successor owners) with the following, as the same may be requested:

(i) access to and the ability to obtain assistance and information from personnel of the Assuming Institution, including former personnel of the Failed Bank and personnel of third party consultants;

(ii) access to and the ability to use and download information from data processing systems and other systems of record on which information regarding Pool Assets or any assets transferred to or liabilities assumed by the Assuming Institution is stored or maintained (regardless of whether information with respect to other assets or liabilities is also stored or maintained thereon); and

(iii) access to and the ability to use and occupy office space (including parking facilities and vault space), facilities, utilities (including local telephone service and facsimile machines), furniture, equipment (including photocopying and facsimile machines), and technology and connectivity (including email accounts, network access and technology resources such as shared drives) in the Bank Premises occupied by the Assuming Institution.

EXHIBIT 4.15A

SINGLE FAMILY SHARED-LOSS AGREEMENT

INTENTIONALLY OMITTED

SCHEDULE 4.15A

LOANS SUBJECT TO LOSS SHARING UNDER THE SINGLE FAMILY SHARED-LOSS AGREEMENT

NONE

EXHIBIT 4.15B

COMMERCIAL SHARED-LOSS AGREEMENT

EXHIBIT 4.15B
COMMERCIAL SHARED-LOSS AGREEMENT

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EXHIBIT 4.15B

COMMERCIAL SHARED-LOSS AGREEMENT

A. This Commercial Shared-Loss Agreement and the Exhibits attached hereto and incorporated herein by this reference (collectively, the "**Agreement**") is made pursuant to and as of the date of that certain Purchase and Assumption Agreement (the "**Purchase and Assumption Agreement**") among the Receiver, the Assuming Institution and the Corporation, to which this Agreement is attached.

B. This Agreement shall apply only if the Assuming Institution has purchased Shared-Loss Assets (as defined herein) pursuant to the Purchase and Assumption Agreement. Subject to the provisions of this Agreement, it is the intention of the parties that the Receiver and the Assuming Institution shall share certain losses, expenses and Recoveries (as defined herein).

A G R E E M E N T

ARTICLE 1. GENERAL.

1.1. Purpose. The purpose of this Agreement is to set forth requirements regarding, among other things, management of Shared-Loss Assets by the Assuming Institution and procedures for notices, consents, reporting and payments. In administering the Shared-Loss Assets, the Assuming Institution shall at all times comply with the Management Standards set forth in Article 3.

1.2. Relationship with Purchase and Assumption Agreement. To the extent that any inconsistencies may arise between the terms of the Purchase and Assumption Agreement and this Agreement with respect to the subject matter of this Agreement, the terms of this Agreement shall control.

1.3. Defined Terms. The capitalized terms used in this Agreement have the meanings defined or referenced in Article 8.

ARTICLE 2. SHARED-LOSS ARRANGEMENT.

2.1. Accounting for and Management of Shared-Loss Assets.

(a) Initial Values. The Assuming Institution shall record the Shared-Loss Assets on its Accounting Records at their respective Book Values as of the Commencement Date.

(b) Adjustments. After the Commencement Date, the Assuming Institution shall adjust the Book Values of the Shared-Loss Assets in accordance with this Agreement, the Examination Criteria and Article VIII of the Purchase and Assumption Agreement.

(c) Management. The Assuming Institution shall manage and account for the Shared-Loss Assets in accordance with this Agreement.

2.2. Payments with Respect to Shared-Loss Assets.

(a) Calculation and Method of Payments. Subject to the conditions of this Agreement, the parties shall make the payments set forth in this Article 2. All payments made by a party under this Agreement shall be made by wire transfer.

(b) Timing of Payments.

(i) Payments by the Receiver under this Article 2 shall be made within thirty (30) days following the date on which the Receiver receives the Quarterly Certificate with respect to each Shared-Loss Quarter or Recovery Quarter, provided that the Quarterly Certificate is complete, accurate, timely and in compliance with the requirements of this Agreement.

(ii) Payments by the Assuming Institution under this Article 2 shall be made on or before the due date for the Quarterly Certificate for each Shared-Loss Quarter or Recovery Quarter, as applicable.

(c) Source of Receiver's Funds. Payment obligations of the Receiver with respect to this Agreement shall be treated as administrative expenses of the Receiver pursuant to 12 U.S.C § 1821(d)(11). To the extent that the Receiver requires funds to make payments relating to Shared-Loss Assets pursuant to this Agreement, the Receiver shall request funds under the Master Loan and Security Agreement between the FDIC in its corporate capacity and the FDIC in its receivership capacity, with respect to any receivership, dated as of May 21, 2009, as amended.

(d) Shared-Loss Subsidiaries. Covered Losses with respect to Subsidiary Shared-Loss Loans and Subsidiary ORE shall not exceed the Applicable Percentage of the Investment in Subsidiary of each Shared-Loss Subsidiary, if any, identified on Schedule 4.15C as the owner of each such Subsidiary Shared-Loss Loans or Subsidiary ORE.

2.3. Payments Applicable to Shared-Loss Quarters. For each Shared-Loss Quarter, pursuant to the applicable Quarterly Certificate, one of the payments described at (a) or (b) below shall be made, as appropriate, with respect to Shared-Loss Assets:

(a) Covered Loss Payments by the Receiver. The Receiver shall pay to the Assuming Institution the "**Covered Loss**" which is an amount equal to:

(i) the sum of the Applicable Percentage of:

(A) Charge-Offs; *plus*

(B) Reimbursable Expenses attributable to Shared-Loss Assets; *minus*

(C) Recoveries; and

(ii) fifty per cent (50%) of collections on Fully Charged-Off Assets less fifty per cent (50%) of any expenses attributable to such Fully Charged-Off Assets,

provided and only to the extent that such expenses would be Reimbursable Expenses if such Fully Charged-Off Assets were Shared-Loss Assets.

(b) Covered Gain Payments by the Assuming Institution. If the result of the calculation described in Section 2.3(a) is a negative amount (the "**Covered Gain**"), the Assuming Institution shall pay such amount to the Receiver.

2.4. Payments Applicable to Recovery Quarters. For each Recovery Quarter, pursuant to the applicable Quarterly Certificate, the payments described at (a) and (b) below shall be made, as appropriate, with respect to Shared-Loss Assets:

(a) Payments by the Receiver. The Receiver shall pay to the Assuming Institution an amount equal to the Applicable Percentage of any Reimbursable Expenses, for the period through and including the last Shared-Loss Quarter, which are specified on the Quarterly Certificate for the first Recovery Quarter.

(b) Payments by the Assuming Institution. The Assuming Institution shall pay to the Receiver:

(i) an amount equal to the Applicable Percentage of Net Recoveries for each Recovery Quarter; *plus*

(ii) an amount equal to fifty per cent (50%) of any collections on Fully Charged-Off Assets *minus* fifty per cent (50%) of any Reimbursable Expenses attributable to such Fully Charged-Off Assets.

(c) Net Recoveries. "**Net Recoveries**" means gross Recoveries during any Calendar Quarter *minus* Reimbursable Expenses during such Calendar Quarter.

(d) Negative Net Recoveries. If Net Recoveries received in a Recovery Quarter is a negative amount, then the amount of such Net Recoveries shall be offset against the amount of gross Recoveries received in the following Recovery Quarter to determine the amount of Net Recoveries for that following Recovery Quarter. If, after applying the preceding provisions, Net Recoveries received in any subsequent Recovery Quarter is also a negative amount, the provisions of this Section 2.4(d) shall continue to apply to determine the amount of Net Recoveries in each such subsequent Recovery Quarter.

2.5. True-Up Payment and Calculation.

(a) Payment Obligation of the Assuming Institution. If the Assuming Institution's Bid Amount, as set forth in Article VII of the Purchase and Assumption Agreement, includes an "Asset discount bid" which represents five percent (5%) or more of the purchase price of the Assets determined in accordance with Article III of the Purchase and Assumption Agreement, the Assuming Institution shall pay to the Receiver on the True-Up Date any positive amount resulting from the calculation set forth in Exhibit 2.5.

(b) Reporting of Calculation. On or before the True-Up Date the Assuming Institution shall deliver to the Receiver a schedule, signed by the chief executive officer or the

chief financial officer of the Assuming Institution, setting forth in reasonable detail the calculation described in Exhibit 2.5, including the calculation of the Net Loss Amount.

2.6. Limitation on Payments.

(a) Failure to Administer. If the Assuming Institution fails to administer any Shared-Loss Asset in accordance with the provisions of Article 3, the Receiver may determine that such asset will not be treated as a Shared-Loss Asset pursuant to this Agreement.

(b) Receiver's Right to Withhold Payment. Notwithstanding any other provision of this Article 2, the Receiver may withhold all or any portion of a payment to the Assuming Institution of the amount requested in a Quarterly Certificate if the Receiver determines that:

(i) the Quarterly Certificate is incomplete, inaccurate or untimely;

(ii) based upon the Examination Criteria, a Charge-Off of a Shared-Loss Asset should not have been effected by the Assuming Institution;

(iii) there is a reasonable basis under the terms of this Agreement for denying the eligibility of amounts included in a Quarterly Certificate for which reimbursement or payment is sought;

(iv) with respect to a particular Shared-Loss Asset, the Assuming Institution has not complied or is not complying with the Management Standards;

(v) the Assuming Institution has failed to comply with the requirements set forth in Section 5.5 including, but not limited to permitting the Receiver, its agents, contractors and/or employees to determine compliance with this Agreement pursuant to Section 5.5(c); or

(vi) a retroactive accounting adjustment is to be made by the Receiver pursuant to Section 5.5(c).

(c) Opportunity to Cure; Payment.

(i) In the event that a determination is made to withhold an amount pursuant to Section 2.6(b), the Receiver shall provide the Assuming Institution with notice detailing the grounds for withholding such amount and the Assuming Institution shall cure any deficiency within a reasonable period of time.

(ii) If the Assuming Institution demonstrates to the satisfaction of the Receiver that the grounds for withholding a payment, or any part thereof, no longer exist or have been cured, the Receiver shall pay the Assuming Institution the amount which the Receiver determines is eligible for payment within thirty (30) days following the date of such determination.

(iii) If the Assuming Institution does not cure any such deficiency within a reasonable period of time, the Receiver may withhold payment as described in

Section 2.6 (b) with respect to the affected Shared-Loss Asset(s), but such withholding will not affect the Receiver's obligation to make any other payment properly due pursuant to this Agreement.

(d) Adjustments. In the event that the Receiver withholds payment with respect to a Charge-Off of a Shared-Loss Asset or determines pursuant to Section 2.6(b) that a payment was improperly made, the Assuming Institution and the Receiver shall, upon final resolution of such issue, make such accounting adjustments and payments as may be necessary to give retroactive effect to such actions.

(e) Interest on Payments. Any payment by the Receiver pursuant to Section 2.6(d) shall be made together with interest on the amount thereof that accrues with effect from five (5) Business Days after the date on which payment was agreed or determined to be due until such amount is paid. The annual interest rate shall be determined by the Receiver based on the coupon equivalent of the three (3)-month U.S. Treasury Bill Rate in effect as of the first Business Day of each Calendar Quarter during which such interest accrues as reported in the Federal Reserve Board \ Statistical Release for Selected Interest Rates H.15 opposite the caption "Treasury bills (secondary market), 3-Month" or, if not so reported for such day, for the next preceding Business Day for which such rate was so reported.

(f) Determination of Disputes. Any dispute arising under this Section 2.6 shall be resolved pursuant to the dispute resolution procedures of Article 7.

2.7. Expenses.

(a) Reimbursable Expenses. Reimbursable Expenses incurred by the Assuming Institution for a product, service or activity may be reimbursable or recoverable by the Assuming Institution and may be included for the purpose of calculating payments relating to Shared-Loss Assets. "**Reimbursable Expenses**" means actual, reasonable and necessary out-of-pocket expenses incurred in the usual, prudent and lawful management of a Shared-Loss Asset which are paid to third parties by or on behalf of the Assuming Institution or its Affiliates for a Shared-Loss Quarter or a Recovery Quarter, as applicable, in respect of the following expenditure:

(i) expenses to recover amounts owed with respect to:

(A) Shared-Loss Assets as to which a Charge-Off was effected prior to the end of the final Shared-Loss Quarter as reflected on the Accounting Records of the Assuming Institution; and

(B) Failed Bank Charge-Offs;

(ii) expenses to recover amounts described in paragraph (i) which relate to an Environmental Assessment and any environmental conditions relating to the Shared-Loss Assets, including remediation expenses for any pollutant or contaminant and fees for consultants retained to assess the presence, storage or release of any hazardous or toxic substance or any pollutant or contaminant relating to the collateral securing a Shared-Loss Asset that has been fully or partially charged-off, in each case up to a

maximum of $200,000 per Shared-Loss Asset, except as provided in the last paragraph of this Section 2.7(a);

(iii) ORE Expenses to the extent that such amount exceeds any ORE Income;

(iv) reasonable and necessary litigation expenses with respect to maximizing Recoveries of Shared-Loss Assets but excluding amounts, if any, incurred with respect to any alleged improper conduct of the Assuming Institution;

(v) fees incurred for attorneys, appraisers and other independent professional consultants engaged as necessary to assist in collections of Shared-Loss Assets, up to a maximum of $100,000 per Shared-Loss Asset, except as provided in the last paragraph of this Section 2.7(a);

(vi) a proportion of expenses for collections by or on behalf of the Assuming Institution on an Asset other than a Shared-Loss Asset with a Book Value greater than zero which are applied to both that Book Value and to a Failed Bank Charge-Off, equal to the collections on such Asset which are applied to the Failed Bank Charge-Off divided by the total collections on such Asset; and

(vii) with respect to the final Recovery Quarter, Reimbursable Expenses may include (A) a Net ORE Loss Carryforward if applicable and to the extent set forth in Section 2.9(g)(iii) and (B) any ORE Expenses to the extent that such amount exceeds ORE Income.

If the Assuming Institution estimates in good faith that required expenditures for the purposes described (A) in paragraph (ii) may exceed $200,000 or (B) in paragraph (v) may exceed $100,000 with respect to a particular Shared-Loss Asset, and provides the Receiver with advance notice and details thereof prior to incurring any such expenditure, the Receiver may, in its sole and absolute discretion, consent to such greater amount being deemed a Reimbursable Expense for purposes of this Agreement.

(b) Exclusions. Reimbursable Expenses do not include the following:

(i) Capitalized Expenditures;

(ii) amounts paid to Affiliates of the Assuming Institution;

(iii) with respect to Shared-Loss Assets with prior Failed Bank Charge-Offs or Charge-Offs or write-downs for which the Assuming Institution is recognizing interest income as described in Section 2.9(d), the portion of the expense attributable to that Shared-Loss Loan which is derived by applying the calculation set forth in Exhibit 2.7;

(iv) Federal, State or local income taxes and expenses related thereto;

(v) salaries, other compensation and related benefits of employees of the Assuming Institution and its Affiliates including, without limitation, bonus,

commission or severance arrangements, training, payroll taxes, dues and travel- or relocation-related expenses;

(vi) the cost of space occupied by the Assuming Institution or its Affiliates and their respective staff and the rental and maintenance of furniture and equipment;

(vii) expenses for data processing, including the purchase or enhancement of data processing systems;

(viii) except as expressly permitted in Sections 2.7(a)(ii) and 2.7(a)(v), fees for accounting and other independent professional consultants;

(ix) allocated portions of any other overhead or general and administrative expense for services of a type which the Assuming Institution does not normally perform internally;

(x) expenses not incurred in good faith and/or with the same degree of care that the Assuming Institution normally would exercise in the collection of troubled assets in which it alone had an interest;

(xi) servicing fees payable to a third party (including a Third Party Servicer which is an Affiliate of the Assuming Institution), if the Assuming Institution would have provided those services had the relevant Shared-Loss Assets not been subject to this Agreement;

(xii) in a Recovery Quarter, ORE Expenses to the extent that such amount exceeds ORE Income; and

(xiii) expenses which exceed the amount of Recoveries made in any Recovery Quarter.

(c) Reimbursable Expenses Incurred in Shared-Loss Quarters. Reimbursable Expenses for Shared-Loss Quarters shall be submitted to the Receiver in each Quarterly Certificate, and in any event on or before the end of the first Recovery Quarter.

(d) Reimbursable Expenses Incurred in Recovery Quarters. Reimbursable Expenses for Recovery Quarters shall be submitted to the Receiver in the Quarterly Certificate for each Recovery Quarter, and in any event on or before the Termination Date.

(e) Notification of Certain Expenditures.

(i) Under certain circumstances the Assuming Institution may determine that, in order to maximize collection of a Shared-Loss Asset or an Asset on which a Failed Bank Charge-Off has been effected, there is a substantial likelihood that funds will need to be expended after the Bank Closing Date by or on behalf of the Assuming Institution to a third party for a specified purpose, which do not otherwise constitute Reimbursable Expenses. If such expenditure is estimated to exceed ten percent (10%) of the Book Value of such Shared-Loss Asset or Asset, respectively, and that

Shared-Loss Asset or Asset has a Legal Balance on the Accounting Records of the Assuming Institution of $1,000,000 or more, then the Assuming Institution shall promptly report such proposed expenditure to the Receiver, and may request that such expenditure be treated as a Permitted Expense.

(ii) Within thirty (30) days following receipt of a notice pursuant to Section 2.7(e)(i), the Receiver will advise the Assuming Institution whether the Receiver grants or withholds its consent to the qualification of the proposed expenditures as a Reimbursable Expense. If consent is withheld, the Assuming Institution shall not be required to make such expenditures and otherwise shall continue to administer such Shared-Loss Asset in accordance with the Management Standards.

2.8. Permitted Advances and Amendments. Pursuant to this Agreement, certain advances in respect of a Shared-Loss Loan and certain amendments in respect of a Shared-Loss Loan or a Shared-Loss Loan Commitment made by the Assuming Institution may be permissible additions to the Book Value of the Shared-Loss Assets, and entitle such Shared-Loss Assets to retain their status as such, if they satisfy certain criteria, as set forth below:

(a) Permitted Advance. A "**Permitted Advance**" is an advance on a Shared-Loss Loan which is made by the Assuming Institution in good faith, justified by contemporaneous supporting documentation in the Credit File, in accordance with the applicable requirements set forth in Article 3 and with the then effective written internal credit policy guidelines of the Assuming Institution and which meets the following criteria:

(i) it is an advance made by the Assuming Institution, or a legally binding commitment by the Assuming Institution to advance funds and, in either case, funds are advanced fully within one (1) year from the Commencement Date; and

(A) the sum of the following is less than 110% of the Book Value of such Shared-Loss Loan after such advance has been made:

(1) the Book Value of such Shared-Loss Loan; *plus*

(2) the unfunded amount of the legally binding commitment referred to at Section 2.8(a)(i) with respect to that Shared-Loss Loan;

(B) the Assuming Institution has not taken a Charge-Off with respect to that Shared-Loss Loan; and

(C) no Shared-Loss Loan Commitment exists for such Shared-Loss Loan; or

(ii) it is an advance made by the Assuming Institution which the Assuming Institution determines is necessary to preserve or secure the value of the collateral for a Shared-Loss Loan. In making such determination, the Assuming Institution shall apply the same criteria as it would if the Shared-Loss Assets were owned by the Assuming Institution or any of its Affiliates, and subject to the limitation on

expenses related to the remediation, presence, storage or release of any hazardous or toxic substance, pollutant or contaminant as set forth in Section 2.7(a)(ii).

(b) Permitted Amendment. A "**Permitted Amendment**" is, with respect to any Shared-Loss Loan Commitment or Shared-Loss Loan, any amendment, modification, renewal or extension thereof, or any waiver of any term, right or remedy thereunder which is made by the Assuming Institution in good faith, justified by contemporaneous supporting documentation in the Credit File, in accordance with the applicable requirements set forth in Article 3 and with the then effective written internal credit policy guidelines of the Assuming Institution. A Permitted Amendment must also satisfy the following criteria:

(i) the sum of the following is less than 110% of the Book Value of such Shared-Loss Loan after such amendment or modification has been made:

(A) the Book Value of such Shared-Loss Loan; *plus*

(B) the unfunded amount of any applicable Shared-Loss Loan Commitment, inclusive of amounts advanced pursuant to such amendment, modification, renewal or extension; and

(ii) with respect to a Shared-Loss Loan Commitment or Shared-Loss Loan which is not a revolving line of credit, it does not increase the amount of principal (A) then remaining available to be advanced by the Assuming Institution under the Shared-Loss Loan Commitment or (B) then outstanding under the Shared-Loss Loan beyond the limit provided in Section 2.8(b)(i); or

(iii) with respect to a Shared-Loss Loan Commitment or Shared-Loss Loan which is a revolving line of credit, it does not increase the maximum amount of principal authorized as of the Bank Closing Date to be outstanding at any one time under the underlying revolving line of credit relationship with the debtor beyond the limit provided in Section 2.8(b)(i) (regardless of the extent to which such revolving line of credit may have been funded as of the Bank Closing Date or may subsequently have been funded and/or repaid); and

(iv) it does not extend the term of such Shared-Loss Loan Commitment or Shared-Loss Loan beyond the end of the final Shared-Loss Quarter or, if later, beyond the term which existed as of the Bank Closing Date.

2.9. Recovery.

(a) Calculation of a Recovery. A "**Recovery**" is the sum of the following amounts (without duplication) for any period, subject to the limitations and exceptions set forth in Section 2.9(b):

(i) collections by or on behalf of the Assuming Institution on Charge-Offs of a Shared-Loss Asset effected by the Assuming Institution prior to the end of the final Shared-Loss Quarter;

(ii) collections by or on behalf of the Assuming Institution on Failed Bank Charge-Offs;

(iii) collections by or on behalf of the Assuming Institution on any Asset on which a Failed Bank Charge-Off has been effected, to the extent that such collections exceed the Book Value of such Asset;

(iv) ORE Income;

(v) collections by or on behalf of the Assuming Institution of any Reimbursable Expenses;

(vi) any gain received on a sale or other disposition of a Shared-Loss Loan or Shared-Loss Subsidiary by or on behalf of the Assuming Institution;

(vii) the amount of any fee or other consideration received by or on behalf of the Assuming Institution for any amendment, modification, renewal, extension, refinance, restructure, commitment, sale or other similar action with respect to a Shared-Loss Loan as to which there exists a Failed Bank Charge-Off or as to which a Charge-Off has been effected by the Assuming Institution during or prior to such period, not exceeding the total of any related Failed Bank Charge-Offs, Charge-Offs and Reimbursable Expenses made with respect to the particular Shared-Loss Loan; and

(viii) interest income, if any, pursuant to Section 2.9(d).

(b) Limitations and Exceptions. In calculating a Recovery, the following shall not be included:

(i) amounts paid to the Assuming Institution by the Receiver pursuant to Article 2;

(ii) amounts received by or on behalf of the Assuming Institution with respect to Charge-Offs effected by the Assuming Institution after the final Shared-Loss Quarter;

(iii) the amount of any gain with respect to Shared-Loss Loans, ORE, Additional ORE or Subsidiary ORE included in a Recovery which exceeds the total amount of any Failed Bank Charge-Offs, Charge-Offs and Reimbursable Expenses made with respect to the particular Shared-Loss Asset; and

(iv) after the final Shared-Loss Quarter, ORE Income except to the extent that aggregate ORE Income exceeds ORE Expenses.

(c) Order of Application. For the purpose of calculating Recoveries, the Assuming Institution shall apply any collections received on an Asset not otherwise applied to reduce the Book Value of such Asset, if applicable, in the following order:

(i) to Charge-Offs and Failed Bank Charge-Offs;

(ii) to Reimbursable Expenses;

(iii) to interest income; and

(iv) to other expenses incurred by the Assuming Institution which are not Reimbursable Expenses.

(d) Interest Income as a Recovery. In the event that (i) there is any amendment, modification, renewal, extension, refinance, restructure, commitment, sale or other similar action with respect to a Shared-Loss Loan as to which there exists a Failed Bank Charge-Off or as to which a Charge-Off has been effected by the Assuming Institution during or prior to a Recovery Period and (ii) as a result, the Assuming Institution recognizes interest income for financial accounting purposes on that Shared-Loss Loan, then a Recovery shall also include the portion of such interest income recognized by the Assuming Institution which is derived by applying the calculation set forth in Exhibit 2.9, subject to the limitations set forth in Section 2.9(e).

(e) Maximum Amount of Interest Income. The amount of any interest income included as a Recovery with respect to a Shared-Loss Loan subject to Section 2.9(d) shall not exceed the total of the following:

(i) Failed Bank Charge-Offs;

(ii) Charge-Offs effected by the Assuming Institution during or prior to the period in which the amount of a Recovery is being determined; and

(iii) Reimbursable Expenses paid to the Assuming Institution pursuant to this Agreement during or prior to the period in which the amount of a Recovery is being determined, all with respect to that particular Shared-Loss Loan.

(f) Application of Collections. Any collections on a Shared-Loss Loan that are not applied to reduce Book Value of principal or recognized as interest income shall be applied pursuant to Section 2.9(c).

(g) Treatment of Net ORE Loss Carryforward. To determine whether the Assuming Institution is entitled to apply a Net ORE Loss Carryforward at the end of the final Recovery Quarter, the Assuming Institution shall calculate and report the following information with respect to Recovery Quarters:

(i) For any Recovery Quarter other than the final Recovery Quarter, Net ORE Income is calculated as the amount of ORE Income received during such Recovery Quarter less (A) ORE Expenses paid to third parties during such Recovery Quarter and (B) if applicable, Net ORE Loss Carryforward. Any positive Net ORE Income shall be reported as a Recovery on the Quarterly Certificate for such Recovery Quarter.

(ii) For the final Recovery Quarter, Net ORE Income is calculated as the amount of ORE Income received during the final Recovery Quarter less ORE Expenses from the beginning of the final Recovery Quarter up to the date the Assuming Institution is required to deliver the Final Recovery Certificate pursuant to this Agreement.

(iii) If there is a Net ORE Loss Carryforward at the end of the final Recovery Quarter, an amount equal to the Net ORE Loss Carryforward up to but not exceeding the total Net ORE Income reported as a Recovery on Quarterly Certificates for all Recovery Quarters may be included as a Recovery Expense on the Final Recovery Certificate.

2.10. Treatment as a Shared-Loss Asset.

(a) Loss of Right to Receive Shared-Loss Asset Payments. The Assuming Institution shall not be entitled to payments relating to a Shared-Loss Asset pursuant to Section 2.2 if the Assuming Institution or any Affiliate of the Assuming Institution:

(i) sells or otherwise transfers that Shared-Loss Asset or any interest therein (whether with or without recourse) to any Person, other than in compliance with this Agreement;

(ii) makes any additional advance, commitment or increase in the amount of a commitment with respect to that Shared-Loss Loan that does not constitute a Permitted Advance or a Shared-Loss Loan Commitment Advance, in which case the entire Shared-Loss Loan will not be entitled to such payments;

(iii) makes any amendment, modification, renewal or extension of that Shared-Loss Loan that does not constitute a Permitted Amendment;

(iv) manages, administers or collects any Related Loan in a manner which would increase the amount of any collections with respect to that Related Loan to the detriment of the Shared-Loss Asset to which such loan is related; or

(v) fails to administer that Shared-Loss Asset pursuant to the Management Standards, including, without limitation, consistent failure to provide complete, accurate and timely certificates and reports pursuant to Article 5.

(b) Effective Date of Loss of Shared-Loss Asset Treatment. If any of the actions described in Section 2.10(a) occur with respect to a Shared-Loss Asset, the Receiver shall not be obligated to make any payments to the Assuming Institution with respect to any affected Shared-Loss Loan after the date of occurrence of such action. In the event that the Receiver withholds payment pursuant to the foregoing provisions, the Assuming Institution and the Receiver shall make such accounting adjustments and payments as may be necessary to give retroactive effect to such actions.

(c) Treatment of Recoveries. Notwithstanding Sections 2.10(a) and (b), a Shared-Loss Loan which has been the subject of Charge-Offs prior to the occurrence of any action described in Section 2.10(a) shall be treated as a Shared-Loss Asset for the purpose of calculating Recoveries on such Charge-Offs, provided that the amount of Recoveries shall be limited to the amount of such Charge-Offs.

2.11. Receiver's Option to Purchase.

(a) Exercise of Option to Purchase. At any time on or prior to the Termination Date, the Receiver shall have the option, exercisable by notice to the Assuming Institution, to purchase a Shared-Loss Asset or an Asset on which a Failed Bank Charge-Off has been effected which meets any of the following criteria:

(i) if the Shared-Loss Asset has been fully or partially charged-off or written down and the Receiver determines that the Assuming Institution is not diligently pursuing collection efforts with respect to such Shared-Loss Asset;

(ii) if the Shared-Loss Asset is the subject of a request pursuant to Section 2.7(e), notwithstanding any prior consent by the Receiver with respect to any requested expenditures;

(iii) if it is an Asset on which a Failed Bank Charge-Off has been effected; and

(iv) if the Shared-Loss Asset is a Related Loan required to be included in a schedule pursuant to Section 5.4.

(b) Transfer by the Assuming Institution. Within ten (10) Business Days following the date upon which the Assuming Institution receives notice pursuant to Section 2.11(a), the Assuming Institution shall transfer to the Receiver such Shared-Loss Asset or Asset and all Credit Files and Accounting Records relating thereto and shall take all such other actions as may be necessary and appropriate to assign, transfer and convey such Shared-Loss Asset or Asset to the Receiver.

(c) Payment by the Receiver. Within fifteen (15) Business Days after the date upon which the Assuming Institution transfers the Shared-Loss Asset or Asset pursuant to Section 2.11(b), the Receiver shall pay to the Assuming Institution a purchase price equal to:

(i) the principal amount of such Shared-Loss Asset, any fees or penalties due from an Obligor and any Accrued Interest (subject to the limitations set forth at Section 2.11(d)), as stated on the Accounting Records of the Assuming Institution, as of the date such price is determined (in the case of a Shared-Loss Loan, regardless of the Legal Balance thereof) plus all Reimbursable Expenses incurred up to and through the transfer date of such Shared-Loss Asset pursuant to Section 2.11(b) which have not previously been paid to the Assuming Institution; *minus*

(ii) the Related Liability Amount applicable to any Related Liabilities related to such Shared-Loss Asset or Asset.

(d) Limitations on Payment by the Receiver. In the case of the purchase of a Shared-Loss Loan:

(i) the price paid pursuant to Section 2.11(c) shall not include any Accrued Interest accruing during the ninety (90) day period prior to the purchase date

pursuant to Section 2.11(b), except to the extent that such Accrued Interest is included in the Book Value of such Shared-Loss Loan;

(ii) the Receiver shall be entitled to any collections received by the Assuming Institution after the purchase date, which shall be paid by the Assuming Institution forthwith upon receipt and in any event no later than simultaneously with delivery of the next Quarterly Certificate; and

(iii) for the purposes of determining the amount of unpaid interest which accrued during a given period with respect to a variable-rate Shared-Loss Loan, all collections of interest shall be deemed to be applied to unpaid interest in the chronological order (oldest first) in which such interest accrued.

(e) Receiver's Assumption of Related Liabilities. The Receiver shall assume all Related Liabilities with respect to any Shared-Loss Asset or Asset repurchased pursuant to this Section 2.11 with effect from the date of transfer of such Shared-Loss Asset or Asset.

ARTICLE 3. ADMINISTRATION OF SHARED-LOSS ASSETS.

3.1. Management Standards Regarding Administration. During the term of this Agreement the Assuming Institution shall manage, administer and collect all Shared-Loss Assets while owned by it or any of its Affiliates in accordance with the rules, requirements and standards regarding management, administration and collection of Shared-Loss Assets set forth in this Article 3 (the "**Management Standards**"). Failure to comply with the Management Standards shall constitute a material breach of this Agreement. If the Receiver determines in its sole and absolute discretion that the Assuming Institution is not in compliance with the Management Standards, it may notify the Assuming Institution of the breach and may take action pursuant to this Agreement including, without limitation, as provided in Sections 2.6(a) and (b).

3.2. Assuming Institution's Responsibilities and Duties.

(a) Covenants of the Assuming Institution. The Assuming Institution shall:

(i) be responsible to the Receiver and the Corporation in the performance of this Agreement, whether performed by the Assuming Institution, an Affiliate or a Third Party Servicer;

(ii) provide to the Receiver and the Corporation such certificates, notifications and reports as the Receiver or the Corporation reasonably deems advisable, including but not limited to the certificates, notifications and reports required by Article 5; and

(iii) permit the Receiver and the Corporation to monitor the Assuming Institution's performance of its duties hereunder at all times.

(b) Duties of the Assuming Institution with Respect to Shared-Loss Assets. In the performance of duties in accordance with the Management Standards, the Assuming Institution shall at all times exercise its best business judgment and shall:

(i) manage, administer, collect and effect Charge-Offs and Recoveries with respect to each Shared-Loss Asset in a manner consistent with the following:

(A) usual and prudent business and banking practices; and

(B) the Assuming Institution's (or, if applicable, a Third Party Servicer's) practices and procedures including, without limitation, all applicable law, the written internal credit policy guidelines of the Assuming Institution (or, if applicable, of a Third Party Servicer) in effect from time to time, with respect to the management, administration and collection of and taking of Charge-Offs and write-downs with respect to loans, ORE and repossessed collateral that do not constitute Shared-Loss Assets;

(ii) use its best efforts to maximize collections with respect to, and manage and administer, Shared-Loss Assets without favored treatment for any assets owned by the Assuming Institution or any of its Affiliates that are not Shared-Loss Assets;

(iii) adopt and implement accounting, reporting, record-keeping and similar systems with respect to the Shared-Loss Assets, as provided in Sections 5.6 and 5.7;

(iv) retain sufficient staff to perform its duties hereunder;

(v) not manage, administer or collect a Related Loan in a manner which would have the effect of increasing the amount of any collections with respect to the Related Loan to the detriment of the Shared-Loss Asset to which such loan is related; and

(vi) cause any of its Affiliates to which it transfers any Shared-Loss Assets and any Third Party Servicer to act in accordance with the Management Standards.

3.3. Third Party Servicers and Affiliates.

(a) Appointment of Third Party Servicers.

(i) With the prior consent of the Receiver, the Assuming Institution may perform any of its obligations and/or exercise any of its rights under this Agreement through one or more Third Party Servicers. The Assuming Institution shall notify the Receiver at least forty (40) days prior to the proposed appointment of a Third Party Servicer. Such notice will include information regarding the Third Party Servicer's relevant experience, qualifications, financial strength and any pending litigation in relation to servicing activities. In the case of a Third Party Servicer that is an Affiliate of the Assuming Institution, the notice shall include an express statement that the Third

Party Servicer is an Affiliate. The Receiver may object to the proposed appointment of a Third Party Servicer by giving the Assuming Institution notice that it so objects within thirty (30) days following the Receiver's receipt of the notice of the proposed appointment. The appointment of a Third Party Servicer by the Assuming Institution shall not release the Assuming Institution from any obligation or liability hereunder.

(ii) The Assuming Institution shall provide to the Receiver written notification immediately following the execution of any contract pursuant to which a Third Party Servicer or any third party (other than an Affiliate of the Assuming Institution) will manage, administer or collect any of the Shared-Loss Assets.

(b) Actions of and Expenses Incurred by Third Party Servicers. The Assuming Institution shall ensure that the practices, procedures and guidelines of any Third Party Servicer comply with the obligations of the Assuming Institution under this Agreement. The Assuming Institution shall provide to the Receiver a copy of the Assuming Institution's written agreement with each Third Party Servicer and shall ensure compliance by each Third Party Servicer with the Assuming Institution's obligations under this Agreement, including, without limitation, amending such agreement with each Third Party Servicer to the extent necessary. Subject to the foregoing and to the other provisions of this Agreement, a Third Party Servicer may take actions and incur expenditures in the same manner as the Assuming Institution, and out-of-pocket expenses incurred by a Third Party Servicer on behalf of the Assuming Institution shall be Reimbursable Expenses if such out-of-pocket expenses would qualify as Reimbursable Expenses if incurred by the Assuming Institution.

(c) Duties with Respect to Affiliates. The Assuming Institution shall provide to the Receiver prior written notification of any transaction with or by any Affiliate of the Assuming Institution with respect to any Shared-Loss Asset including, without limitation, the execution of any contract pursuant to which an Affiliate of the Assuming Institution will own, manage, administer or collect amounts owing with respect to a Shared-Loss Asset. The Assuming Institution shall notify the Receiver at least forty (40) days prior to a proposed transaction with an Affiliate which is not on an arm's length basis or commercially reasonable terms. Such notice will include information regarding the Affiliate's relevant experience, qualifications and financial strength. The Receiver may object to the proposed transaction with an Affiliate in such circumstances by giving the Assuming Institution notice that it so objects within thirty (30) days following the Receiver's receipt of the notice of the proposed transaction.

3.4. Utilization by the Assuming Institution of Special Receivership Powers.

(a) Notice and Request to Receiver. Upon timely notice to and with the prior consent of the Receiver, which may be granted or withheld in its sole discretion, to the extent permitted by applicable law, the Assuming Institution may utilize in a legal action any special legal power or right which the Assuming Institution derives as a result of having acquired a Shared-Loss Asset from the Receiver.

(b) Use of Special Legal Powers. The Receiver may direct usage by the Assuming Institution of any special legal powers of the Receiver or the Corporation. The Assuming Institution shall:

(i) comply in all respects with any direction from the Receiver or the Corporation and with any protocols, directives or interpretive memoranda issued from time to time by the Receiver or the Corporation;

(ii) upon request of the Receiver, notify the Receiver of the status of any legal action in which any special legal power or right is utilized; and

(iii) immediately notify the Receiver of any judgment or significant order in any legal action involving any of such special powers or rights.

3.5. Tax Ruling. The Assuming Institution shall not at any time, without the Corporation's prior consent, seek a private letter ruling or other determination from the Internal Revenue Service or otherwise seek to qualify for any special tax treatment or benefits associated with any payments made by the Receiver pursuant to this Agreement.

ARTICLE 4. SALE OF CERTAIN SHARED-LOSS ASSETS.

4.1. Sales of Shared-Loss Assets. All sales of Shared-Loss Assets are subject to the prior written approval of the Receiver, except as provided in Section 4.3:

(a) Sales with the Receiver's Consent. After the fourth anniversary of the Commencement Date and with the prior consent of the Receiver, the Assuming Institution may conduct sales to liquidate for cash consideration, in one or more transactions, all or a portion of the Shared-Loss Assets (individually or in portfolio transactions) then held by the Assuming Institution. The Assuming Institution shall provide the Receiver with at least sixty (60) days notice prior to any such proposed sale and the notice shall set forth the sale details and the proposed sale schedule.

(b) Sales Required by the Receiver. During the twelve (12) month period immediately prior to the Termination Date the Receiver may, in its sole and absolute discretion, require the Assuming Institution to liquidate for cash consideration, in one or more transactions, all Shared-Loss Assets then held by the Assuming Institution. If the Receiver exercises such right, it shall give notice to the Assuming Institution setting forth the time period within which the Assuming Institution shall be required to offer to sell the Shared-Loss Assets. The Assuming Institution shall make a good faith effort to sell the Shared-Loss Assets and to otherwise comply with the provisions of the Receiver's notice.

(c) Conduct of Sales. Any sale pursuant to this Section 4.1 shall be conducted by means of sealed bid, to third parties, which may not include any Affiliates of the Assuming Institution, any contractors of the Assuming Institution or any Affiliates of contractors of the Assuming Institution. The Assuming Institution shall notify the Receiver prior to the proposed appointment of any financial advisor or other third party broker or sales agent for the liquidation of the remaining Shared-Loss Assets pursuant to Section 4.1(b). The Receiver may object to such proposed appointment by giving the Assuming Institution notice that it so objects within thirty (30) days following the Receiver's receipt of the notice of the proposed appointment.

4.2. Calculation of Gain or Loss on Sale. The gain or loss on sales conducted in accordance with the provisions of Section 4.1 will be calculated based on the gross sale price

received by the Assuming Institution less the Book Value of the Shared-Loss Assets which are sold.

4.3. Sale of ORE, Additional ORE or Subsidiary ORE. Notwithstanding the provisions of Section 4.1, the Assuming Institution may sell or otherwise dispose of ORE, Additional ORE or Subsidiary ORE at any time to a Person other than an Affiliate, a contractor of the Assuming Institution or any Affiliate of a contractor of the Assuming Institution, provided that such sale is conducted in an arm's length, commercially reasonable and prudent manner.

ARTICLE 5. CERTIFICATES, REPORTS AND RECORDS.

5.1. Reporting Obligations of the Assuming Institution.

(a) Records, Notifications and Reports. The Assuming Institution shall maintain such records, provide such notifications and deliver such reports as are required pursuant to this Agreement, including, without limitation, the records, notifications and reports as provided in the following provisions of this Article 5. Nothing contained in this Agreement shall be deemed to modify any laws, regulations or orders that are otherwise applicable to the Assuming Institution.

(b) Certification of Accuracy and Completeness. Every submission by the Assuming Institution to the Receiver of a Quarterly Certificate, the Final Recovery Certificate and any other document or information shall constitute a certification from the Assuming Institution that the information provided in such submission is correct, complete and in compliance with this Agreement.

5.2. Quarterly Certificates.

(a) Shared-Loss Quarters. Within thirty (30) days after the end of each Shared-Loss Quarter, the Assuming Institution shall deliver to the Receiver a Quarterly Certificate setting forth the following information with respect to each such Shared-Loss Quarter, in such form and detail as the Receiver may specify from time to time:

(i) Charge-Offs with respect to Shared-Loss Assets;

(ii) Recoveries;

(iii) collections on Assets on which a Failed Bank Charge-Off has been effected;

(iv) aggregate Charge-Offs less Recoveries;

(v) Reimbursable Expenses; and

(vi) ORE Income.

(b) Recovery Quarters. Not later than thirty (30) days after the end of each Recovery Quarter, the Assuming Institution shall deliver to the Receiver a Quarterly Certificate setting forth the information specified in Section 5.2(a) and the following information with

respect to each Recovery Quarter, in such form and detail as the Receiver may specify from time to time:

(i) Recoveries and Reimbursable Expenses;

(ii) on the Quarterly Certificate for the first Recovery Quarter only, the Assuming Institution may report as a separate item any Reimbursable Expenses which were: (A) paid prior to or during the final Shared-Loss Quarter, (B) not included in a Quarterly Certificate for any Shared-Loss Quarter because they were not paid by or on behalf of the Assuming Institution during a Shared-Loss Quarter and (C) paid by or on behalf of the Assuming Institution during the first Recovery Quarter; and

(iii) ORE Income, ORE Expenses and Net ORE Income.

(c) Final Recovery Certificate. In addition to the information specified in Sections 5.2(a) and 5.2(b), in the Final Recovery Certificate the Assuming Institution shall include any Recoveries which were not included in a Quarterly Certificate for a Recovery Quarter and may include any Reimbursable Expenses which were: (A) incurred prior to or during the final Recovery Quarter, (B) not included in a Quarterly Certificate for any Recovery Quarter because they were not paid by or on behalf of the Assuming Institution during a Recovery Quarter and (C) paid by or on behalf of the Assuming Institution prior to the date the Assuming Institution is required to deliver the Final Recovery Certificate to the Receiver pursuant to Section 5.2(b).

(d) Completeness of Information. The Assuming Institution shall provide to the Receiver complete and accurate information, except to the extent that it is unable to do so as a result of the failure of the Failed Bank or the Receiver to provide requested information.

(e) Limitations. The Assuming Institution may claim each Charge-Off and each item of expenditure, income, gain or loss only on the Quarterly Certificate for the period in which such Charge-Off, expenditure, income, gain or loss was incurred. The inclusion of information regarding Reimbursable Expenses in a Quarterly Certificate or other documentation does not create any reimbursement obligation of the Receiver if the Assuming Institution is not otherwise in compliance with this Agreement.

(f) True-Up Date. The Assuming Institution shall deliver the schedule required pursuant to Section 2.5(b) on or before the True-Up Date.

5.3. Notification of Certain Transactions. Prior to the Termination Date the Assuming Institution shall notify the Receiver within fifteen (15) days following any of the following becoming fully or partially charged-off:

(a) a Shared-Loss Loan having a Legal Balance (or, in the case of more than one (1) Shared-Loss Loan made to the same Obligor, a combined Legal Balance) of $5,000,000 or more in circumstances in which a legal claim against the relevant Obligor survives; and

(b) a Shared-Loss Loan made to a director, an "executive officer" as defined in 12 C.F.R. § 215.2(d), a "principal shareholder" as defined in 12 C.F.R. § 215.2(l), or an Affiliate of the Assuming Institution.

5.4. Notification of Related Loans. In addition to maintaining records of all Related Loans, the Assuming Institution shall prepare and deliver to the Receiver, on a semi-annual basis, together with the Quarterly Certificates for all Shared-Loss Quarters and Recovery Quarters ending on June 30 and December 31, schedules of all Related Loans which are commercial loans or commercial real estate loans which have Legal Balances of $5,000,000 or more on the Accounting Records of the Assuming Institution as of June 30 and December 31, to the extent that more than one of such loans are to the same Obligor on Related Loans of $5,000,000 or more.

5.5. Auditor's Report; Right to Audit.

(a) Independent Auditor's Report.

(i) Within the time period permitted for the examination audit pursuant to 12 C.F.R. § 363 following the end of each fiscal year, from and including the fiscal year during which the Bank Closing Date occurs, up to and including the calendar year during which the Termination Date occurs, the Assuming Institution shall deliver to the Receiver and the Corporation a report signed by its independent public accountants stating that such accountants have reviewed this Agreement and that, in the course of their annual audit of the Assuming Institution's books and records, nothing has come to their attention suggesting that any computations required to be made by the Assuming Institution during each such year were not made in accordance with this Agreement.

(ii) In the event that the Assuming Institution cannot comply with the provisions of Section 5.5(a)(i), within seven (7) days following the end of the time period permitted for the examination audit pursuant to 12 C.F.R. § 363, the Assuming Institution shall submit to the Receiver corrected computations together with a report signed by its independent public accountants stating that, after giving effect to such corrected computations, nothing has come to the attention of such accountants suggesting that any computations required to be made by the Assuming Institution during such year were not made by the Assuming Institution in accordance with this Agreement. In such event, the Assuming Institution and the Receiver shall make all such accounting adjustments and payments as may be necessary to give effect to each correction reflected in such corrected computations, retroactive to the date on which the corresponding incorrect computation was made. It is the intention of this provision to align the timing of the audit required under this Agreement with the examination audit required pursuant to 12 C.F.R. § 363.

(b) Assuming Institution's Internal Audit. The Assuming Institution shall perform on an annual basis an internal audit of its compliance with this Agreement and shall provide the Receiver and the Corporation with:

(i) copies of all internal audit reports and access to all related internal audit work papers; and

(ii) a certificate signed by the chief executive officer or chief financial officer of the Assuming Institution certifying that the Assuming Institution is in compliance with this Agreement or identifying any areas of non-compliance.

(c) Right of Receiver or Corporation to Audit. The Receiver or the Corporation, their respective agents, contractors and employees, may (but are not required to) perform an audit to determine the Assuming Institution's compliance with this Agreement at any time, by providing not less than ten (10) Business Days prior notice. The scope and duration of any such audit shall be at the discretion of the Receiver or the Corporation, as the case may be. The Receiver or the Corporation, as the case may be, shall bear the expense of any such audit. In the event that any corrections are necessary as a result of such an audit, the Assuming Institution and the Receiver shall make such accounting adjustments, payments and withholdings as may be necessary to give retroactive effect to such corrections.

(d) Authority to Advisors and Representatives. The Assuming Institution shall, and shall cause its Affiliates, contractors and Third Party Servicers to, allow its advisors and representatives to discuss its (and any Affiliates', contractors' or Third Party Servicers') affairs, finances and accounts as they relate to Shared-Loss Assets, or any other matters relating to this Agreement or the rights and obligations hereunder, with the Receiver and authorizes such advisors and representatives to so discuss such affairs, finances and accounts with the Receiver.

5.6. Accounting Principles.

(a) Maintenance of Books and Records. The Assuming Institution shall at all times during the term of this Agreement keep books and records which fairly present all dealings and transactions carried out in connection with its business and affairs.

(b) Accounting Principles. Except as otherwise provided for in the Purchase and Assumption Agreement or this Agreement, the Assuming Institution shall keep all financial books and records in accordance with generally accepted accounting principles, which shall be consistently applied for the periods involved.

(c) Change in Accounting Principles. The Assuming Institution shall not make any change in its accounting principles which adversely affects the value of the Shared-Loss Assets, unless it obtains the prior written approval of the Corporation or if required by a change in generally accepted accounting principles. The Assuming Institution shall notify the Corporation of any change in its accounting principles that is required by a change in generally accepted accounting principles which would affect any Shared-Loss Asset, the accounting for any Shared-Loss Asset or the amount of any loss, gain, expense, cost or other item of reimbursement that may be due to or from the Assuming Institution.

5.7. Records and Reports.

(a) Content of Records. The Assuming Institution shall establish and maintain records on a separate general ledger, and on such subsidiary ledgers as may be appropriate, in such form and detail as the Receiver or the Corporation may specify, to account for the Shared-Loss Assets and to enable the Assuming Institution to prepare and deliver such reports as the Receiver or the Corporation may from time to time request pursuant to this Article 5. Without limitation, such books and records shall be kept in such a manner that information will be readily available to determine and document compliance with this Agreement and the Purchase and Assumption Agreement.

(b) Additional Information. The Assuming Institution shall promptly provide to the Receiver or the Corporation such information as the requesting party may request from time to time, including financial statements, computations and information as the Receiver or the Corporation deems necessary or appropriate in connection with monitoring compliance with this Agreement, certified as correct by the chief executive officer or chief financial officer of the Assuming Institution if so requested. The Assuming Institution shall provide to the Receiver all such loan-level data and cumulative information regarding the Shared-Loss Assets as the Receiver may request from time to time.

ARTICLE 6. MISCELLANEOUS.

6.1. Expenses. All costs and expenses incurred by a party in connection with this Agreement (including the performance of any obligations or the exercise of any rights hereunder) shall be borne by such party unless expressly otherwise provided, whether or not the transactions contemplated herein are consummated.

6.2. Successors and Assigns.

(a) Binding on Successors and Assigns; Assignment. This Agreement, and all of the terms and provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns only. The Receiver may assign or otherwise transfer this Agreement and the rights and obligations of the Receiver hereunder (in whole or in part) to the Corporation in its corporate capacity without the consent of the Assuming Institution. Notwithstanding anything to the contrary contained in this Agreement, the Assuming Institution may not assign or otherwise transfer this Agreement or any of the Assuming Institution's rights or obligations hereunder (in whole or in part) or sell or transfer any subsidiary of the Assuming Institution holding title to Shared-Loss Assets without the prior written consent of the Receiver, which consent may be granted or withheld by the Receiver in its sole and absolute discretion. An assignment or transfer of this Agreement includes:

(i) a merger or consolidation of the Assuming Institution with or into another Person, if the shareholders of the Assuming Institution will own less than sixty-six and two/thirds percent (66.66%) of the equity of the consolidated entity;

(ii) a merger or consolidation of the Assuming Institution's Holding Company with or into another Person, if the shareholders of the Holding Company will own less than sixty-six and two/thirds percent (66.66%) of the equity of the consolidated entity;

(iii) the sale of all or substantially all of the assets of the Assuming Institution to another Person; or

(iv) a sale of Shares by any one or more shareholders that will effect a change in control of the Assuming Institution, as determined by the Receiver with reference to the standards set forth in the Change in Bank Control Act, 12 U.S.C. 1817(j).

Any transaction under this Section 6.2 that requires the Receiver's consent that is made without such consent will relieve the Receiver of its obligations under this Agreement.

(b) No Recognition of Loss. No loss shall be recognized under this Agreement as a result of any accounting adjustments that are made due to or as a result of any assignment or transfer of this Agreement or any merger, consolidation, sale or other transaction to which the Assuming Institution, its Holding Company or any Affiliate is a party, regardless of whether the Receiver consents to such assignment or transfer in connection with such transaction pursuant to this Section 6.2.

6.3. WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL RIGHT TO TRIAL BY JURY IN, OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR RELATING TO OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

6.4. No Third Party Beneficiary. This Agreement is for the sole and exclusive benefit of the parties and their respective permitted successors and permitted assigns and there shall be no other third party beneficiaries. Nothing in this Agreement shall be construed to grant to any other Person any right, remedy or claim under or in respect of this Agreement or any provision hereof.

6.5. Consent; Determination or Discretion. When the consent or approval of a party is required under this Agreement, such consent or approval shall be obtained in writing and unless expressly otherwise provided, shall not be unreasonably withheld or delayed. When a determination or decision is to be made by a party under this Agreement, that party shall make such determination or decision in its reasonable discretion unless expressly otherwise provided.

6.6. Rights Cumulative. Except as expressly otherwise provided herein, the rights of each of the parties under this Agreement are cumulative, may be exercised as often as any party considers appropriate and are in addition to each such party's rights under the Purchase and Assumption Agreement, any of the agreements related thereto or under applicable law. Any failure to exercise or any delay in exercising any of such rights, or any partial or defective exercise of such rights, shall not operate as a waiver or variation of that or any other such right, unless expressly otherwise provided.

6.7. References. References in this Agreement to Recitals, Articles, Sections and Exhibits are to Recitals, Articles, Sections and Exhibits of this Agreement, respectively, unless the context indicates that the Purchase and Assumption Agreement is intended. References to parties are to the parties to this Agreement. Unless expressly otherwise provided, references to days and months are to calendar days and months respectively. Article and Section headings are for convenient reference and shall not affect the meaning of this Agreement. References to the singular shall include the plural, as the context may require, and *vice versa.*

6.8. Notice.

(a) Form of Notices. All notices shall be given in writing to the parties at the addresses set forth in Sections 6.8(b) and 6.8(c) and sent in accordance with the provisions of Section 13.6 of the Purchase and Assumption Agreement, unless expressly otherwise provided.

(b) Notice to FDIC (Division of Resolutions and Receiverships). With respect to a notice under this Agreement, other than pursuant to Section 3.4(a):

Federal Deposit Insurance Corporation
Division of Resolutions and Receiverships
550 17th Street, N.W.
Washington, D.C. 20429
Attention: Assistant Director, Franchise and Asset Marketing

(c) Notice to FDIC (Legal Division). With respect to a notice under Section 3.4(a):

Federal Deposit Insurance Corporation Legal Division
1601 Bryan Street
Dallas, Texas 75201
Attention: Regional Counsel

with a copy to:

Federal Deposit Insurance Corporation Legal Division
Virginia Square, L. William Seidman Center
3501 Fairfax Drive, VS-E-7056
Arlington, Virginia 22226
Attention: Senior Counsel (Special Issues Group)

ARTICLE 7. DISPUTE RESOLUTION.

7.1. Methods of Resolution. The methods of resolving a dispute arising pursuant to this Agreement shall be as follows:

(a) Charge-Offs. Any dispute as to whether a Charge-Off of a Shared-Loss Asset was made in accordance with the Examination Criteria shall be finally resolved by the Assuming Institution's Chartering Authority.

(b) Other Disputes. Any other dispute (a "**Dispute Item**") shall be resolved in accordance with the following provisions of this Article 7.

7.2. Informal Resolution. The Receiver or the Corporation, as appropriate, (the "**FDIC Party**") and the Assuming Institution shall negotiate in good faith to resolve any Dispute Item within thirty (30) Business Days following receipt of information concerning the Dispute Item.

7.3. Resolution by Non-Binding Dispute Resolution Proceeding. If informal resolution of the Dispute Item pursuant to Section 7.2 is unsuccessful, the FDIC Party, on the one hand, and the Assuming Institution, on the other hand, may submit to the other party written notification of a Dispute Item (a "**Notice of Dispute**"). The Notice of Dispute shall contain a description of the dispute, an estimate of the amount in issue and any other information required

pursuant to this Article 7. The parties shall make good faith efforts to resolve the dispute by mutual agreement within thirty-five (35) Business Days following receipt of the Notice of Dispute. In furtherance of these efforts, the parties should consider the mutually agreed upon use of less formal dispute resolution techniques, which may include, but are not limited to, mediation, settlement conference, early neutral evaluation and any other dispute resolution proceedings (as defined in § 571(6) of the Administrative Dispute Resolution Act ("**ADRA**"), 5 U.S.C. § 571 *et seq.*), as amended).

7.4. Confidentiality of Compromise Negotiations. All good faith attempts to resolve or compromise a dispute pursuant to Sections 7.2 or 7.3 will be confidential. All such compromise negotiations, including any statements made or documents prepared by any party, attorney or other participant, are inadmissible as evidence in other proceedings and may not be construed for any purpose as admissions against interest.

7.5. Payment Resulting from Compromise Negotiations. If the FDIC Party and the Assuming Institution resolve a Dispute Item to their mutual satisfaction pursuant to Sections 7.2 or 7.3, including any dispute pursuant to Section 2.6, then within thirty (30) days following such resolution, the appropriate party shall make payment or take action as agreed by the parties.

7.6. Formal Resolution.

(a) Arbitration Matters. Any Dispute Item which has an estimated amount in issue not exceeding $1,000,000 per Asset may be proposed by the party seeking relief (the "**Claimant Party**") for arbitration pursuant to the provisions of this Section 7.6. No more than three Dispute Items may be submitted for any single arbitration, provided that, by mutual agreement pursuant to Section 7.6(c), the parties may agree to submit any Dispute Item(s) to arbitration.

(b) Proposal to Arbitrate. If the FDIC Party and the Assuming Institution do not resolve a Dispute Item pursuant to Sections 7.2 and 7.3, then within ten (10) Business Days following the expiration of the period provided in Section 7.3, the Claimant Party may propose to submit the unresolved Dispute Item to arbitration by notifying the other party (the "**Respondent Party**") in writing.

(c) Submission to Arbitration. The Respondent Party may agree to the Claimant Party's proposal of arbitration by responding in writing within ten (10) Business Days following receipt of such proposal. Within five (5) Business Days following receipt of the Respondent Party's agreement to arbitrate, the Claimant Party may submit the Dispute Item to the American Arbitration Association ("**AAA**") for arbitration. No Dispute Item may be submitted for arbitration without the consent of both parties.

(d) Waiver of Arbitration. If the Claimant Party does not (i) propose to submit the Dispute Item to arbitration within the period set forth in Section 7.6(b) or (ii) submit the Dispute Item to AAA within the period set forth in Section 7.6(c), then the Claimant Party shall be deemed to have waived submission of the Dispute Item to arbitration.

(e) Litigation Matters. If the FDIC Party and the Assuming Institution do not agree to submit the Dispute Item to arbitration, the Dispute Item may be resolved by litigation in

accordance with Federal or state law, as provided in Section 13.10 of the Purchase and Assumption Agreement. Any litigation shall be filed in a United States District Court in the proper district.

(f) Arbitration Administrator. The FDIC Party may, in its discretion, appoint an organization other than AAA for administration of arbitration pursuant to this Section 7.6, in which case this Article 7 and the rules and procedures set forth herein, including the Commercial Arbitration Rules as referred to in Section 7.9, shall govern the arbitration. AAA or such other organization appointed pursuant to this Section 7.6(f) shall be referred to in this Agreement as the "**Arbitration Administrator**."

7.7. Limitation on FDIC Party. Nothing in this Article 7 shall be interpreted as obligating the FDIC Party to submit to a dispute resolution proceeding (as defined in ADRA at § 571(6)) any Dispute Item described in (i) ADRA, § 572(b) or (ii) the FDIC's Statement of Policy Regarding Binding Arbitration, 66 Fed. Reg. 18632 (April 10, 2001), as amended, as a dispute for which an agency shall consider not using a dispute resolution proceeding.

7.8. Effectiveness of Agreement Pending Dispute. Notwithstanding anything in this Agreement to the contrary, in the event that a Notice of Dispute is provided to a party under this Article 7 prior to the Termination Date, the terms of this Agreement shall remain in effect with respect to the items set forth in such notice until the dispute with respect to such items has been finally resolved, and such dispute shall be resolved in accordance with the provisions of this Agreement even if that resolution occurs after the Termination Date.

7.9. Governing Rules and Law for Arbitration. Any arbitration shall be substantively governed by the Federal law of the United States of America, and in the absence of controlling Federal law, in accordance with the laws of the state in which the main office of the Failed Bank is located. The arbitration shall be procedurally governed by the Commercial Arbitration Rules (the "**Commercial Arbitration Rules**") established by AAA to the extent that such rules are not inconsistent with this Article 7, the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* ("**Federal Arbitration Act**"), and ADRA., as each may be in effect at the time that the arbitration is initiated, except that the Commercial Arbitration Rules' Expedited Procedures shall not apply unless the FDIC Party and Claimant Party otherwise agree in writing. The Review Board (as defined below) may modify the procedures set forth in such rules from time to time with the prior written approval of the Claimant Party and the Respondent Party.

7.10. Review Board Proceedings. The arbitration of a dispute shall be conducted by a review board (a "**Review Board**") which shall consist of either one (1) or three (3) members (each, a "**Member**") with such expertise as the Claimant Party and Respondent Party agree is relevant. The Claimant Party shall specify, in its Notice of Dispute, the number of Members which it proposes for the Review Board.

(a) Selection of Members.

(i) Claimant Party Proposes One Member. If the Dispute Item(s) are less than $500,000 in total, the Claimant Party may propose that the Review Board shall consist of one Member, and shall state, in its Notice of Dispute, the name and address of the Member that it proposes for the Review Board. If the Respondent Party agrees, in its

response to the Notice of Dispute, the Member suggested by the Claimant Party shall comprise the Review Board. If the Respondent Party agrees, in its response to the Notice of Dispute, that the Review Board shall consist of one Member, but states the name and address of a different proposed Member for the Review Board, then that Member shall be deemed acceptable to the Claimant Party if it submits the Notice of Dispute to the Arbitration Administrator, provided that, before the Respondent Party responds to the Notice of Dispute with a different proposed Member, the parties may also mutually agree upon one Member. If the Respondent Party proposes that the Review Board shall consist of three Members, then the Members shall be selected in accordance with Section 7.10(a)(iv).

(ii) Claimant Party Proposes Three Members. If the Dispute Items exceed $500,000 in total, or if the Respondent Party proposes that the Review Board shall consist of three Members, then the Claimant Party shall state the name and address of the first of three Members in its Notice of Dispute. If the Respondent Party agrees that the Review Board shall consist of three Members, the Respondent Party shall state the name and address of the second Member in its response to the Notice of Dispute. Each such Member shall be considered a "Party-Appointed Arbitrator" ("**Party-Appointed Arbitrator**"), consistent with Commercial Arbitration Rule R-12. If the Claimant Party subsequently submits the Notice of Dispute to the Arbitration Administrator as provided in Section 7.6(c), then within ten (10) Business Days of such submission, the Party-Appointed Arbitrators shall select a neutral third Member (the "**Neutral Member**") in accordance with Commercial Arbitration Rules R-11 and R-13, except that the Neutral Member need not be from the National Roster of Commercial Arbitrators. If the Respondent Party proposes that the Review Board shall consist of one Member, then the Member shall be selected in accordance with Section 7.10(a)(iii).

(iii) Respondent Party Proposes One Member. If the Claimant Party proposes that the Review Board shall consist of three Members, but the Respondent Party proposes that the Review Board shall consist of one Member in its response to the Notice of Dispute, then the Member proposed by the Claimant Party in the Notice of Dispute shall comprise the Review Board unless the Respondent Party states the name and address of a different proposed Member in its response to the Notice of Dispute. If the Respondent Party proposes a different Member in its response to the Notice of Dispute, then that Member shall be deemed acceptable to the Claimant Party if it submits the Notice of Dispute to the Arbitration Administrator.

(iv) Respondent Party Proposes Three Members. If the Claimant Party proposes that the Review Board shall consist of one Member, but the Respondent Party proposes, in its response to the Notice of Dispute, that the Review Board shall consist of three Members, then the Member proposed by the Claimant Party in the Notice of Dispute shall comprise the first Member of the Review Board. The Respondent Party shall state the name and address of the second Member in its response to the Notice of Dispute. Each such Member shall be considered a Party-Appointed Arbitrator. If the Claimant Party subsequently submits the Notice of Dispute to the Arbitration Administrator, a Neutral Member shall be selected in accordance with the procedure set forth in Section 7.10(a)(ii).

(b) Removal of Members. A Party-Appointed Arbitrator may be removed at any time by the party who appointed that Member upon five (5) Business Days notice to the other party of the selection of a replacement Member. The Neutral Member may be removed by unanimous action of the Party-Appointed Arbitrators or unanimous action of the parties after five (5) Business Days notice to the Claimant Party and the Respondent Party and the Arbitration Administrator of the selection of a replacement Neutral Member.

(c) Vacancies. Any vacancy on the Review Board prior to or after the commencement of the hearing of evidence and argument (the "**Arbitration Hearing**") shall be handled in accordance with Commercial Arbitration Rule R-19, except that if a vacancy arises after the Arbitration Hearing has commenced, a substitute Member shall be selected in accordance with the rules under which the original Member was selected.

7.11. Impartiality. As a condition of serving on the Review Board, within five (5) Business Days after being selected, each Member shall provide a written oath, under penalty of perjury, containing a statement that the Member does not have any conflicts of interest (whether official, financial, personal or otherwise) with respect to the issues or parties in controversy, and that each Member agrees to be bound by the provisions of this Article 7 as applicable to the Members. If a Member has any potential conflict of interest, the Member shall fully disclose such interest in writing to the Claimant Party and the Respondent Party and the Member shall not serve on the Review Board, unless the Claimant Party and the Respondent Party agree otherwise. The Conflicts Committee of the Legal Division of the Corporation shall review any potential conflicts of interest for potential waiver. None of the Members may serve as counsel, advisor, witness or representative to any party to the arbitration.

7.12. Schedule. The Review Board shall assume control of the arbitration process and shall schedule all events as expeditiously as possible. The Arbitration Hearing shall commence within ninety (90) Business Days after receipt of the Notice of Dispute by the Arbitration Administrator.

7.13. Written Award. Within twenty (20) Business Days following closing of the Arbitration Hearing, as determined by Commercial Arbitration Rule R-35, the Review Board shall determine the prevailing party and award the prevailing party its proposed award/award any remedy or relief that the arbitrator deems just and equitable and within the scope of this Article 7, but in no event may an award of the Review Board (inclusive of all claims and counterclaims) exceed the maximum amount set forth in Section 7.6(a) of this Agreement. If the Review Board consists of three (3) Members, the determination of any two (2) Members shall constitute the Review Board's determination. The Review Board shall present to the Claimant Party and the Respondent Party a written award regarding the dispute. The written award shall contain a brief, informal discussion of the factual and legal basis for the award and need not contain formal findings of facts and law.

7.14. Interest Rate on Award. Any award amounts ultimately determined to be payable pursuant to the Review Board's written award shall bear interest at the Settlement Interest Rate from a beginning date specified by the Review Board in its written award and until the date on which payment is made.

7.15. Payments. All payments required to be made under this Article 7 shall be made by wire transfer and within fifteen (15) Business Days following the date on which the award becomes final, as provided by ADRA at § 580(b). The Review Board will have no authority to award any punitive, consequential, special or exemplary damages.

7.16. Fees, Costs and Expenses. The Review Board will have no authority to award attorneys' fees or costs incurred by either party to the arbitration. Each party will bear the fees, costs, and expenses which it incurs in connection with the submission of any dispute to a Review Board, including the fees and expenses of the Member which it selected in accordance with the Arbitration Administrator's fee schedule. The Claimant Party and the Respondent Party will share equally the fees and expenses of the Neutral Member and any administrative fees of the arbitration (which shall not include the fees and expenses of the Members). No fees, costs or expenses incurred by or on behalf of the Assuming Institution shall be subject to reimbursement by the Receiver under this Article 7 or otherwise.

7.17. Binding and Conclusive Nature. Arbitration of a dispute pursuant to this Article 7 shall be final, conclusive and binding on the parties and not subject to further dispute or review, and judgment upon the award made by the Review Board may be entered in accordance with applicable law in any court having jurisdiction thereof. Other than as provided by the Federal Arbitration Act and ADRA, no review, appeal or reconsideration of the Review Board's determination shall be permitted, including review, appeal or reconsideration by the Review Board or any other arbitrators. The parties agree to faithfully observe the provisions of this Article 7 and the Commercial Arbitration Rules, and the parties agree to abide by and perform any award rendered by the Review Board.

7.18. No Precedent. No decision, interpretation, determination, analysis, statement, award or other pronouncement of a Review Board shall constitute precedent in regard to any subsequent proceeding (whether or not such proceeding involves dispute resolution under this Agreement), nor shall any Review Board be bound to follow any decision, interpretation, determination, analysis, statement, award or other pronouncement rendered by any previous Review Board or any other previous dispute resolution panel that may have convened in connection with a transaction involving other failed financial institutions or Federal assistance transactions.

7.19. Confidentiality; Proceedings, Information and Documents. No arbitration held pursuant to this Article 7 shall be public or accessible to any person other than the parties and their representatives, the Review Board and witnesses participating in the arbitration (and then, only to the extent of their participation). Each party and each Member shall strictly maintain the confidentiality of all issues, disputes, arguments, positions and interpretations of any such proceeding, as well as all testimony, pleadings, filings, discovery, information, attachments, enclosures, exhibits, summaries, compilations, studies, analyses, notes, documents, statements, schedules and other similar items associated therewith ("**Confidential Information**"), in accordance with the provisions of ADRA. In the event that disclosure of Confidential Information is required pursuant to law, rule or regulation, or in the event that disclosure is required pursuant to statute or court determination as provided by ADRA, then to the extent reasonably practicable, the person required to make the disclosure shall provide the other party or parties with written notice of such disclosure within one (1) Business Day

following the request that it make such disclosure, and in any event prior to making such disclosure, so that the other party or parties may seek a protective order.

7.20. Confidentiality of Arbitration Award. Notwithstanding the provisions of Section 7.19, no party has any duty of confidentiality with respect to any arbitration award made pursuant to this Article 7.

7.21. Extension of Time Periods. The parties may extend any period of time provided in this Article 7 by mutual agreement.

7.22. Venue. The arbitration shall take place at such location as the parties thereto may mutually agree, but if they cannot agree, then it will take place at the offices of the Corporation in Washington, D.C., or Arlington, Virginia.

ARTICLE 8. DEFINITIONS. The capitalized terms used in this Agreement have the meanings defined or referenced in this Article 8.

"**AAA**" has the meaning set forth in Section 7.6(c).

"**Accounting Records**" means Records including, but not limited to, corporate minutes, general ledger and subsidiary ledgers and schedules which support general ledger balances.

"**Accrued Interest**" means, for any Shared-Loss Loan, Permitted Advance or Shared-Loss Loan Commitment Advance at any time, the amount of accrued earned and unpaid interest, taxes, credit life and/or disability insurance premiums (if any) payable by the Obligor, all as reflected on the Accounting Records of the Failed Bank or the Assuming Institution (as applicable), but excluding any amount accrued after the applicable Asset has been placed on non-accrual or nonperforming status by either the Failed Bank or the Assuming Institution (as applicable), for no more than a maximum of ninety (90) days.

"**Additional ORE**" means Shared-Loss Loans that become ORE after the Bank Closing Date.

"**ADRA**" has the meaning set forth in Section 7.3.

"**Affiliate**" has the meaning set forth in the Purchase and Assumption Agreement; provided that, for purposes of this Agreement, no Third Party Servicer appointed by an Affiliate shall be deemed to be an Affiliate of the Assuming Institution solely by virtue of that appointment.

"**Agreement**" has the meaning set forth in Recital A.

"**Applicable Percentage**" is **SIXTY-NINE** percent **[69%]** for the Tranche 1 Amount and **SIXTY-NINE** percent **[69%]** for the Tranche 2 Amount.

"**Arbitration Administrator**" has the meaning set forth in Section 7.6(f).

"**Arbitration Hearing**" has the meaning set forth in Section 7.10(a)(iii).

"**Assets**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Assuming Institution**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Bank Closing Date**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Bank Premises**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Bid Valuation Date**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Book Value**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Business Day**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Calendar Quarter**" means a period of three months in any year, commencing on the first day of each January, April, July or October, and each successive three-month period thereafter, except that the first such period shall commence on the Commencement Date and end on the last day of March, June, September or December, whichever is the first to occur after the Commencement Date.

"**Capitalized Expenditures**" means those expenditures that (a) would be capitalized under generally accepted accounting principles and (b) are incurred with respect to Shared-Loss Loans, ORE, Additional ORE or Subsidiary ORE, but excluding expenses related to environmental conditions including, but not limited to, remediation, storage or disposal of any hazardous or toxic substances or any pollutant or contaminant.

"**Charge-Off**" means, for any period with respect to a particular Shared-Loss Asset, the amount of a loan or portion of a loan classified as "Loss" under the Examination Criteria as effected by the Assuming Institution and reflected on its Accounting Records for such period, consisting solely of a charge-off of the following:

(a) the principal amount of such Shared-Loss Asset net of unearned interest;

(b) a write-down associated with Shared-Loss Assets, ORE or Additional ORE or loan modification(s);

(c) Accrued Interest for no more than a maximum of ninety (90) days; *plus*

(d) Capitalized Expenditures.

Losses incurred on the sale or other disposition of Shared-Loss Assets to any Person shall not constitute Charge-Offs except for: (i) sales duly conducted in accordance with the provisions of Sections 4.1(a) and 4.1(b), (ii) the sale or other disposition of ORE or Additional ORE to a Person other than an Affiliate of the Assuming Institution which was conducted in a commercially reasonable and prudent manner and (iii) other sales or dispositions, if any, with respect to which the Receiver granted prior consent.

"**Chartering Authority**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Claimant Party**" has the meaning set forth in Section 7.6(a).

"**Commencement Date**" means the first day following the Bank Closing Date.

"**Commercial Arbitration Rules**" has the meaning set forth in Section 7.9.

"**Commitment**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Confidential Information**" has the meaning set forth in Section 7.19.

"**Consumer Loans**" means loans to individuals for household, family and other personal expenditures, that are not secured by real estate, including but not limited to loans for (a) purchase of private automobiles, pickup trucks, household appliances, furniture, trailers and boats; (b) repairs or improvements to a borrower's residence; (c) educational expenses, including student loans, whether or not guaranteed by the United States or any state; (d) medical expenses; (e) taxes; (f) vacations; (g) personal (non-business) debt consolidation; and (h) purchase of a mobile home to be used as a residence which is not combined with real property. Consumer Loans may be installment loans, demand loans or single payment time loans, regardless of size or maturity and regardless of whether the loans are made by the consumer loan department or by any other department of the Failed Bank. Consumer Loans also include retail installment sales paper purchased by the Failed Bank from merchants or dealers, finance companies and others and extensions of credit pursuant to a credit card plan or debit card plan.

"**Corporation**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Covered Gain**" has the meaning set forth in Section 2.3(b).

"**Covered Loss**" has the meaning set forth in Section 2.3(a).

"**Credit File**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Dispute Item**" has the meaning set forth in Section 7.1(b).

"**Environmental Assessment**" means an assessment relating to the presence, storage or release of any hazardous or toxic substance, pollutant or contaminant with respect to the collateral securing a Shared-Loss Loan that has been fully or partially charged-off.

"**Examination Criteria**" means the loan classification criteria employed by, and any applicable regulations of, the Assuming Institution's Chartering Authority at the time an action is taken, as such criteria may be amended from time to time.

"**Failed Bank**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Failed Bank Charge-Offs**" means, with respect to any Asset, an amount equal to the aggregate reversals or charge-offs of Accrued Interest and charge-offs and write-downs of principal effected by the Failed Bank with respect to that Asset as reflected on the Accounting Records of the Failed Bank, excluding any Fully-Charged-Off Assets.

"**Federal Arbitration Act**" has the meaning set forward in Section 7.9.

"**Final Recovery Certificate**" means the Quarterly Certificate for the final Recovery Quarter.

"**Fixtures**" has the meaning set forth in the Purchase and Assumption Agreement.

"**FDIC**" means the Federal Deposit Insurance Corporation, in any capacity, as appropriate.

"**FDIC Party**" has the meaning set forth in Section 7.2.

"**Fully Charged-Off Assets**" means Assets subject to Failed Bank Charge-Offs that were completely charged-off by the Failed Bank and had a Book Value of zero on the Bank Closing Date.

"**Holding Company**" means any company owning Shares of the Assuming Institution that is a holding company pursuant to the Bank Holding Company Act of 1956, 12 U.S.C. 1841 *et seq.* or the Home Owners' Loan Act, 12 U.S.C. 1461 *et seq.*

"**Investment in Subsidiary**" means the amount of the Failed Bank's direct and indirect investment in a Shared-Loss Subsidiary, including any amounts due from that Shared-Loss Subsidiary to the Failed Bank that were acquired by the Assuming Institution, calculated as of the Commencement Date.

"**Intrinsic Loss Estimate**" is **SIXTY-ONE MILLION** dollars (**$61,000,000.00**).

"**Legal Balance**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Loan**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Management Standards**" has the meaning set forth in Section 3.1.

"**Member**" has the meaning set forth in Section 7.10.

"Net Loss Amount" means the sum of all Charge-Offs less all Recoveries and, if the Purchase and Assumption Agreement includes a Single Family Agreement, the Cumulative Loss Amount under and as defined in the Single Family Agreement.

"**Net ORE Income**" means the extent to which aggregate ORE Income exceeds ORE Expenses, as described in Section 2.9(g)(i) or (ii), as appropriate.

"**Net ORE Loss Carryforward**" means the amount of any ORE Income in any Recovery Quarter that is a negative number.

"**Net Recoveries**" has the meaning set forth in Section 2.4(c).

"**Neutral Member**" has the meaning set forth in Section 7.10(a)(ii).

"**New Shared-Loss Loans**" means loans that would otherwise be subject to loss sharing under this Agreement that were originated after the Bid Valuation Date and before the Bank Closing Date.

"**Notice of Dispute**" has the meaning set forth in Section 7.3.

"**Obligor**" has the meaning set forth in the Purchase and Assumption Agreement.

"**ORE**" means the following that (a) are owned by the Failed Bank as of the Bank Closing Date and purchased pursuant to the Purchase and Assumption Agreement or (b) have been acquired subsequent to the Bank Closing Date from the collection or settlement by the Assuming Institution of a Shared-Loss Loan, including, without limitation, any assets which have been fully or partially charged-off on the books and records of the Failed Bank or the Assuming Institution:

(a) interests in real estate (other than Bank Premises and Fixtures), including but not limited to mineral rights, leasehold rights, condominium and cooperative interests, air rights and development rights; and

(b) other assets (whether real property, furniture, fixtures or equipment and, at the option of the Receiver, other personal property) acquired by foreclosure of ORE or in full or partial satisfaction of judgments or indebtedness.

"**ORE Expenses**" means the aggregate expenses paid to third parties by or on behalf of the Assuming Institution after the final Shared-Loss Quarter to manage, operate and maintain ORE, Additional ORE and Subsidiary ORE, which may include property taxes, insurance and sales commissions, provided that such commissions are of an amount customary for the type and location of the asset.

"**ORE Income**" means income received by or on behalf of the Assuming Institution or its Affiliate(s) from the operation, and any gains recognized by the Assuming Institution on the disposition, of ORE, Additional ORE and Subsidiary ORE.

"**Party-Appointed Arbitrator**" has the meaning set forth in Section 7.10(a)(ii).

"**Permitted Advance**" has the meaning set forth in Section 2.8(a).

"**Permitted Amendment**" has the meaning set forth in Section 2.8(b).

"**Person**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Purchase and Assumption Agreement**" has the meaning set forth in Recital A.

"**Quarterly Certificate**" means a certificate or certificates, signed by an officer of the Assuming Institution involved in, or responsible for, the administration and servicing of the Shared-Loss Assets, whose name appears on a list provided to the Receiver (as updated by the Assuming Institution as needed from time to time) of servicing officers and the related supporting documentation setting forth in such form and detail as the Receiver may specify from time to time the items listed at Section 5.2(a), in the form set forth in Exhibit 5.2 and delivered as set forth in Article 5 of this Agreement.

"**Receiver**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Record**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Recovery**" has the meaning set forth in Section 2.9.

"**Recovery Quarter**" means a Calendar Quarter commencing with and including the first Calendar Quarter following the final Shared-Loss Quarter and ending on the Termination Date.

"**Reimbursable Expenses**" has the meaning set forth in Section 2.7(a).

"**Related Liability**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Related Liability Amount**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Related Loan**" means a loan or extension of credit held by the Assuming Institution at any time on or prior to the end of the final Recovery Quarter that is:

(a) made to the same Obligor with respect to a Loan that is a Shared-Loss Asset or with respect to a Loan from which ORE, Additional ORE or Subsidiary ORE derived; or

(b) attributable to the same primary Obligor with respect to any Loan described at paragraph (a) under the applicable rules of the Assuming Institution's Chartering Authority concerning the legal lending limits of financial institutions organized under its jurisdiction as in effect on the Commencement Date.

"**Respondent Party**" has the meaning set forth in Section 7.6(b).

"**Review Board**" has the meaning set forth in Section 7.10.

"**Settlement Interest Rate**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Shared-Loss Assets**" means Shared-Loss Loans, Subsidiary Shared-Loss Loans, ORE, Additional ORE, Subsidiary ORE and Capitalized Expenditures.

"**Shared-Loss Loan Commitment**" means (a) a Commitment to make a further extension of credit or a further advance with respect to an existing Shared-Loss Loan or (b) a Shared-Loss Loan in respect of which the Assuming Institution has made a Permitted Amendment.

"**Shared-Loss Loan Commitment Advance**" means an advance pursuant to a Shared-Loss Loan Commitment with respect to which the Assuming Institution has not made a Permitted Advance.

"**Shared-Loss Loans**" means the following:

(a) Loans purchased by the Assuming Institution pursuant to the Purchase and Assumption Agreement set forth on Schedule 4.15B thereto;

(b) New Shared-Loss Loans purchased by the Assuming Institution pursuant to the Purchase and Assumption Agreement;

(c) Permitted Advances;

(d) Shared-Loss Loan Commitment Advances, if any; and

(e) Shared-Loss Loans (as described at paragraphs (b) through (d) above) with respect to which the Assuming Institution has made a Permitted Amendment;

but does not include:

(i) Consumer Loans; or

(ii) Loans, New Shared-Loss Loans, Permitted Advances or Shared-Loss Loan Commitment Advances with respect to which a Shared-Loss Subsidiary is an Obligor.

"**Shared-Loss Quarter**" means a Calendar Quarter commencing with the initial Calendar Quarter and ending with and including the Calendar Quarter in which the fifth (5^{th}) anniversary of the Commencement Date occurs.

"**Shared-Loss Subsidiary**" and "**Shared-Loss Subsidiaries**" mean the Subsidiary or Subsidiaries, if any, listed on Schedule 4.15C, as applicable.

"**Shares**" means common stock and any instrument which by is, or which may become, convertible into common stock.

"**Single Family Agreement**" means, if any, the Single Family Shared-Loss Agreement and the Exhibits thereto attached as Exhibit 4.15A to the Purchase and Assumption Agreement and entered into of even date with this Agreement among the Receiver, the Corporation and the Assuming Institution.

"**Subsidiary**" has the meaning set forth in the Purchase and Assumption Agreement.

"**Subsidiary ORE**" means ORE listed on Schedule 4.15C and owned by the Shared-Loss Subsidiary identified on that Schedule 4.15C as the owner of such ORE.

"**Subsidiary Shared-Loss Loans**" means Shared-Loss Loans listed on Schedule 4.15C owned by the Shared-Loss Subsidiary identified on that Schedule 4.15C as the owner of such Shared-Loss Loans.

"**Termination Date**" means the last day of the Calendar Quarter in which the eighth (8th) anniversary of the Commencement Date occurs.

"**Third Party Servicer**" means any servicer appointed from time to time by the Assuming Institution, which may include an Affiliate of the Assuming Institution, to service the Shared-Loss Assets on behalf of the Assuming Institution.

"**Tranche 1 Amount**" means total Covered Losses less total Covered Gains up to and

including **SIXTY-ONE MILLION** dollars ($61,000.000.00).

"**Tranche 2 Amount**" means total Covered Losses less total Covered Gains in excess of the Tranche 1 Amount.

"**True-Up Date**" means the date which is forty-five (45) days after the latest to occur of the Termination Date of this Agreement, the Termination Date of the Single Family Agreement, if applicable, or disposition of all Assets pursuant to this Agreement or the Single Family Agreement, if applicable.

EXHIBIT 2.5

TRUE-UP

Pursuant to Section 2.5 of this Agreement, the following calculation applies to determine any payment due by the Assuming Institution to the Receiver on the True-Up Date. All capitalized terms used in this Exhibit 2.5 have the meanings defined or referenced in Article 8 of this Agreement.

$$X = \frac{A-(B+C+D)}{2}$$

Where:

X = the amount payable to the Receiver pursuant to Section 2.5

A = 20% of the Intrinsic Loss Estimate

B = 20% of the Net Loss Amount

C = 25% of the Asset discount bid, expressed in dollars, of total Shared-Loss Assets on Schedules 4.15A and 4.15B as of the Bank Closing Date

D = 3.5% of total Shared-Loss Assets on Schedules 4.15A and 4.15B as of the Bank Closing Date

EXHIBIT 2.7

EXCLUSION FROM REIMBURSABLE EXPENSES

Pursuant to Section 2.7(b)(iii) of this Agreement, the following calculation applies to determine the proportion of the expense attributable, for financial accounting purposes, to the reduction of the Book Value of a Shared-Loss Loan which may not be included as a Permitted Expense. All capitalized terms used in this Exhibit 2.7 have the meanings defined or referenced in Article 8 of this Agreement.

$$X = E * \left[1 - \frac{(A+B+C)}{(A+B+D)}\right]$$

Where:

X = the proportion of expense not allowed as a Permitted Expense pursuant to Section 2.7(b)(iii)

A = the total amount of all Failed Bank Charge-Offs of principal on the Shared-Loss Loan (excluding reversals or charge-offs of Accrued Interest)

B = the total of all Charge-Offs effected by the Assuming Institution of principal on the Shared-Loss Loan amount (excluding reversals or charge-offs of Accrued Interest)

C = the amount of principal on the Shared-Loss Loan that has not yet been charged-off but has been placed on non-accrual status, all of which occurred during the period in which the expenses represented by **E** were recognized

D = the total amount of principal indebtedness due from the Obligor on the Shared-Loss Loan after any amendment, modification, renewal, extension, refinance, restructure, commitment, sale or other similar action

E = the portion of the expense attributable, for financial accounting purposes, to the reduction of the Book Value of the Shared-Loss Loan

However, in the event that the portion derived from the calculation represented by:

$$\left[1 - \frac{(A+B+C)}{(A+B+D)}\right]$$

is a negative number, the value of: $\frac{(A+B+C)}{(A+B+D)}$

shall be deemed to be 1 and accordingly the value of **X** shall be zero.

EXHIBIT 2.9

INTEREST INCOME AS A RECOVERY

Pursuant to Section 2.9(d) of this Agreement, the following calculation applies to determine the proportion of interest income recognized by the Assuming Institution for financial accounting purposes with respect to a Shared-Loss Loan which may be included as a Recovery subject to the limit in Section 2.9(e). All capitalized terms used in this Exhibit 2.9 have the meanings defined or referenced in Article 8 of this Agreement.

$$X = \left((A + B + C)/D\right) * E$$

Where:

X = the allowable proportion of interest income recognized by the Assuming Institution on the Shared-Loss Loan pursuant to Section 2.9(d) provided that such portion may not exceed one hundred percent (100%) of **E**.

A = the total amount of all Failed Bank Charge-Offs of principal on the Shared-Loss Loan (excluding reversals or charge-offs of Accrued Interest)

B = the total amount of all Charge-Offs effected by the Assuming Institution of principal on the Shared-Loss Loan (excluding reversals or charge-offs of Accrued Interest)

C = the amount of principal on the Shared-Loss Loan that has not yet been charged-off but has been placed on non-accrual status, all of which occurred at any time prior to or during the period in which the interest income represented by **E** was recognized

D = the total amount of principal indebtedness (including all Failed Bank Charge-Offs and Charge-Offs as described at **A** and **B**) due from the Obligor on the Shared-Loss Loan after any amendment, modification, renewal, extension, refinance, restructure, commitment, sale or other similar action

E = the total amount of interest income recognized by the Assuming Institution for financial accounting purposes with respect to the Shared-Loss Loan

EXHIBIT 5.2

FDIC

Section 1: Payment Summary
For Commercial and Other
Shared-Loss Agreement

FDIC as Receiver of:
Fund No:
Purchase and Assumption Agreement Dated:
Beginning of this Shared-Loss Period:
End of this Shared-Loss Period:

FDIC completes
####
date
3/31/2010
6/30/2010

For Commercial and Other Shared Loss Agreement

1. Is FDIC receiver for a shared-loss commercial agreement (Yes/No)? .....
2. Are assets that were fully charged-off at closing marked as legally owned by the receiver? If the answer to 2 is No, then enter 0 in column C. .....
3. Single Family Residential Loans Contained in any of Accounts .....
   a. Servicing Incentive Fee Collected Loans, not Recovered .....

Yes
No

If the answers to 1 is Yes and to answer to 2 is Yes, then enter the following
1. Single Family Residential Loans that were fully charged-off assets
2. Servicing Incentive Fee Collected from fully charged-off assets

This section calculates covered losses during this period:

All Previous Certificates	This Certificate	Inception to Date
0	0	0
0	0	0
0	0	0

1. Total Covered Loss (Cert) Amount .....
2. If answer to 2 is Yes, then add and... Recoveries from Fully Charged-Off Assets .....
3. Regrets Total Covered Losses subject to cumulative share treatment .....

This section calculates the payment amount:

	Net Loss			
	1st Tranche (First Loss Tranche)	2nd Tranche (Below Stated Threshold)	3rd Tranche (Above Stated Threshold)	Recoveries from Fully-Charged-Off Assets at Close (not applicable)	Total Due From (to) FDIC
	100	200	n/a		
	0%	50%	95%	50%	
	-	-	-		
	-	n/a	n/a		
	-	-	-		
	-	-	-		
	-	-	-	-	

4. Maximum amount eligible for payment within each tranche .....
5. FDIC's Applicable Loss Share Percentage .....
10. Recovery Base, Covered Assets multiplied by the percentage in row 5 .....
11. Less Cumulative Gross Recoveries Collected during period .....
12. Cumulative Net Gains (positive) or Losses (negative) for the Shared-Loss .....
13. Cumulative Recoveries Collected after the Certificate .....
14. Covered Losses Eligible for Payment to Bank during this period (on the Cert) .....
15. Amount Payable to FDIC or the Bank .....

This section contains wiring instructions of Intergovernment Payout and Collection:

9-Digit ABA Number	
Account Number	
Account Name	
Further Credit Account	
Further Credit Name	
OBI	

Preparer signature: X

Preparer name:

Officer signature: X

Officer name:	
Officer title	
Bank Name	
Bank Address	

FDIC

Section 2: Quarterly Summary
For Commercial and Other
Shared Loss Agreement

FDIC as Receiver of:	FDIC completes
Fund No:	####
Purchase and Assumption Agreement Dated:	date
Beginning of this Shared-Loss Period:	3/31/2010
End of this Shared-Loss Period:	6/30/2010

PART A: Opening/Closing/Net Shared-Loss Asset Balances	Cumulative at beg of Quarter	This Quarter							
		Commercial Real Estate Loans		C & I Loans	ORE & oth repo assets	Consumer Loans	Other Loans	Investment in Subs	7.
		Constr & Dev	Other						
1. Opening Balance	0	0	0	0	0	0	0	0	
2. Adjustments: a) Transfers		0	0	0	0	0	0	0	
b) Reclassifications		0	0	0	0	0	0	0	
c) Assets dropped from loss share	0	0	0	0	0	0	0	0	
d) Other	0	0	0	0	0	0	0	0	
3. Adjusted Opening Balance	0	0	0	0	0	0	0	0	
4. Add: a) Assumed Commitment Advances	0	0	0	0		0	0	0	
b) Permitted Advances	0	0	0	0		0	0	0	
c) Capitalized Expenses	0	0	0	0	0	0	0	0	
5. Less: a) Prin Collections (amort/prepaymts)	0	0	0	0	0	0	0	0	
b) Paid in full	0	0	0	0	0	0	0	0	
c) Sales (qualifying or non-qualifying)	0	0	0	0	0	0	0	0	
d) Charge-Offs (excluding accr int)	0	0	0	0	0	0	0	0	
e) Qualifying loss on sales	0	0	0	0	0	0	0	0	
6. Net (Reduction)/Increase Amount	0	0	0	0	0	0	0	0	
7. Closing Balance	0	0	0	0	0	0	0	0	
PART B: Charge-Offs, Recoveries & Reimbursable Expenses									
8. Charge-offs: a) Principal (from 5d and 5e)	0	0	0	0	0	0	0	0	
b) Accr Int (up to 90 days)	0	0	0	0	0	0	0	0	
9. Total Charge-Offs	0	0	0	0	0	0	0	0	
10. Less: a) Recs From Fully CO Assets*	0	0	0	0	0	0	0	0	
b) Other Recoveries	0	0	0	0	0	0	0	0	
11. Net Charge-Offs/(Recoveries)	0	0	0	0	0	0	0	0	
12. Add: a) Reimb Exps from Fully CO Assets*	0	0	0	0	0	0	0	0	
b) Other Reimbursable Expenses	0	0	0	0	0	0	0	0	
13. Less: Offsetting Income	0	0	0	0	0	0	0	0	
14. Total Covered Loss (Gain) Amount	0	0	0	0	0	0	0	0	
Memo Items:									
15. Gross Recoveries this period									
16. Gross Recoveries from Fully Charged Off Assets this period *									
17. Total number of assets under loss share									

* = as of the beginning of the Loss Share agreement.

FDIC

Section 3: Quarterly Summary For Commercial and Other Shared Loss Agreement

FDIC as Receiver of:	FDIC completes
Fund No:	####
Purchase and Assumption Agreement Dated:	date
Beginning of this Shared-Loss Period:	3/31/2010
End of this Shared-Loss Period:	6/30/2010

Number of Loans / Properties

		Delinquent			In		
	Performing	30-59 days	60-89 days	90+ days	Foreclosure	Repossessed Assets *	Total
Construction & Development	0	0	0	0	0	0	0
Other Comm Real Estate	0	0	0	0	0	0	0
Total Comm Real Estate	0	0	0	0	0	0	0
C&I	0	0	0	0	0	0	0
Consumer Loans	0	0	0	0	0	0	0
Other Loans	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

$ Balance (000s)

		Delinquent			In		
	Performing	30-59 days	60-89 days	90+ days	foreclosure	Repossessed Assets *	Total
Construction & Development	0	0	0	0	0	0	0
Other Comm Real Estate	0	0	0	0	0	0	0
Total Comm Real Estate	0	0	0	0	0	0	0
C&I	0	0	0	0	0	0	0
Consumer Loans	0	0	0	0	0	0	0
Other Loans	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

* ORE for CRE loans; other types of repossessed assets for other types of loans.
Note: investments in subsidiaries are excluded.

Certificate--Section 3
Quarterly Performance Status Summary
For Commercial and Other Shared Loss Loans

FDIC as Receiver of:	FDIC completes
Fund No:	FDIC completes 10xxx
Purchase and Assumption Agreement Dated:	FDIC completes
Beginning of Shared-Loss Period:	date1
End of Shared-Loss Period:	date2

Number of Loans / Properties

		Delinquent			In				
	Performing	30-59 days	60-89 days	90+ days	Foreclosure	Repossessed Assets [A]	Total Non-Accrual Loans	Total	Δ± Since Last Quarter
Construction & Development	0	0	0	0	0	0	0	0	0
Other Comm Real Estate	0	0	0	0	0	0	0	0	0
Total Comm Real Estate	0	0	0	0	0	0	0	0	0
C&I	0	0	0	0	0	0	0	0	0
Consumer Loans	0	0	0	0	0	0	0	0	0
Other Loans	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

$ Balance (000s)

		Delinquent			In				
	Performing	30-59 days	60-89 days	90+ days	foreclosure	Repossessed Assets [A]	Total Non-Accrual Loans	Total	Δ± Since Last Quarter
Construction & Development	0	0	0	0	0	0	0	0	0
Other Comm Real Estate	0	0	0	0	0	0	0	0	0
Total Comm Real Estate	0	0	0	0	0	0	0	0	0
C&I	0	0	0	0	0	0	0	0	0
Consumer Loans	0	0	0	0	0	0	0	0	0
Other Loans	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

[A] ORE for CRE loans; other types of repossessed assets for other types of loans.

SCHEDULE 4.15B

LOANS SUBJECT TO LOSS SHARING UNDER THE COMMERCIAL SHARED-LOSS AGREEMENT

[TO BE PROVIDED]

SCHEDULE 4.15C

SHARED-LOSS SUBSIDIARIES

Schedule 4.15 – Subsidiaries

One Subsidiary is eligible for Loss Share

I.

The Bank has one subsidiary, [redacted], is 100% owned by the bank.

[redacted]

II.

Consolidated Balance Sheet
October 31, 2010

	[redacted]
ASSETS	
Cash	$ 852,279
Other Real Estate Owned	9,782,812
Repossessed Collateral	741,128
Other Assets	
Total Assets	$ 11,376,219
LIABILITIES & CAPITAL	
Common Stock	14,500,000
Accumulated Retained Earnings	(2,476,523)
YTD Net Income	(647,258)
Total Liab. and equity	$ 11,376,219

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF LAURENS)

Certus Bank, N.A.,

Plaintiff

-vs-

Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC,

Defendants.

C.A. No. 2011-CP-30-00583

COPY

DEPOSITION OF RICHARD CARL BENNETT
November 7, 2012

PURSUANT to Notice and/or agreement between the parties, the deposition of RICHARD CARL BENNETT, called by the Plaintiff, was taken commencing at the hour of 10:37 A.M. on Wednesday, November 7, 2012, at the offices of Cox & Ferguson, 107 East Laurens Street, Laurens, South Carolina.

Sheila B. Smith, CVR-CM-M
Certified Verbatim Reporter
Certificate of Merit-Master Level

APPEARANCES:

BROWN, MASSEY, EVANS, MCLEOD &
HAYNSWORTH, LLC
106 Williams Street
P. O. Box 2464
Greenville, South Carolina 29602
BY: E. Zachary Horton, Esquire

.....On behalf of the Plaintiff

COX & FERGUSON
107 East Laurens Street
Laurens, South Carolina 29360
BY: W. Reid Cox, Jr., Esquire

.....On behalf of the Defendants

ALSO ATTENDING: (None)

STIPULATIONS:

This deposition is taken pursuant to the South Carolina Rules of Civil Procedure; reading and signing of the deposition are waived.

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RICHARD CARL BENNETT, having first been duly sworn to tell the truth, testified as follows:

EXAMINATION

BY MR. HORTON:

Q. Mr. Bennett, my name is Zach Horton. And I'm here today on behalf of Certus Bank in this lawsuit we have going on regarding the property and the mortgage originating with Community South Bank and now with Certus Bank for the property out on the Twin Rivers, and that's on Lake Greenwood. You've already given your name. Can you tell us where you live? Let me back up. Let me back up and go through some preliminaries. I'm just skipping my preliminaries. I'm going to ask you some questions. If you don't understand my question, please let me know. I want to make sure I get correct answers, and if you're confused, please ask me to rephrase. If you don't understand a question, you can't necessarily look to your lawyer -- you can't really look to Reid for answers, so please ask me. If you ever need to take a break or anything, just please let us know. I don't expect we'll be here very long. This lady over here -- and also if you can give yes or no instead of nods of the head because this

lady here is going to be taking down all of your answers in a deposition transcript. So she needs audible answers so that she can get them down to make sure we have an accurate transcript. At the conclusion of the deposition, she will transcribe the deposition, all the questions and all the answers. You have the right to read and look over everything that she types up to make sure that you think she accurately took down what you said. You cannot change answers in doing that. For instance, if I asked you the question, "Is the light red or green" in the deposition and you said the light was green, you can't come back and say, "Well, you know, I've actually changed my mind. The light was red." You can't change answers, but if you think she misunderstood a name or something of that nature, spelling issues, you can read and correct those, or you can waive that right and just trust that she's going to take it and get down everything correctly. If you don't waive the right, she will send you a copy of the deposition and you will have a certain number of days to review it and get back to her before she declares it to be final. I don't know if you've had a chance to discuss with Reid yet whether you

want to read and sign or waive.

MR. COX: I don't think it'll be necessary. We'll waive that.

EXAMINATION RESUMED BY MR. HORTON:

Q. With that said, like I said, I don't think that this deposition will take too terribly long, and I will apologize up front. We're going through a lot of different documents, so I may jump around in time a little bit with the documents, but I'm going to try to stay -- I think we'll move through it efficiently if I just stay with the pile of documents as I've put them together sort of in the batches that they were given to me. Can you tell us where you live?

A. It's 33 Twin Rivers Road, Waterloo, South Carolina, 29384.

Q. Okay. And how long have you lived at that address?

A. Just short of seven years.

Q. And who lives there -- are you married?

A. No.

Q. Who lives there with you at that address?

A. Sandy Myers.

Q. And what is your occupation?

A. Just business manager.

Q. And do you manage the property out at 33 Twin Rivers?
A. Yes.
Q. And what kind of property is that?
A. It's a resort.
Q. Okay. And involved in the resort, are there apartments, rentals? Can you tell me a little bit about what sort of business that you do out there?
A. There are campers that rent by -- on an annual basis. There's also some rooms that we rent out by the day or the week or the weekend, and there's also -- I have a different company, Twin Rivers Landing that rents boats out, and I have some properties around the county that -- homes in residential areas that I rent out.
Q. All right. So you actually reside on the premises of this resort?
A. Yes.
Q. Who is the owner of that resort?
A. Twin Rivers Resort, LLC.
Q. And are you the sole member of that LLC?
A. I am.
Q. Did you set up that LLC for the purpose of owning this resort?
A. I think so, yes.

Q. And do you recall about when Twin Rivers, LLC came to own this resort?
A. No. I don't know the year.
Q. Well, we'll probably get to that later, or I'll show you a deed. Maybe that will --
A. Yeah. It's a matter of record.
Q. Okay. Can you tell me, what is your relationship to Kenneth E. Bennett?
A. He's my brother.
Q. And do you have any business dealings with him currently?
A. Yes.
Q. And what are those?
A. Real estate ventures. We have a vehicle together. Of course he's my brother. Over the years we've had a lot of real estate and dealings.
Q. And I'm going to ask -- there's a lot of Bennetts involved. Richard -- is it K. Bennett?
A. I think so. I'm not --
Q. Do you know who that is and what relationship he is to you?
A. My nephew.
Q. He's your nephew?
A. If it's the same one we're talking about, it's my nephew.

Q. And I'm speaking of the Richard Bennett that would have been the Richard Bennett of what was JKR Development.

A. Okay. That is Richard K. Bennett. That's my brother's son and my nephew, my brother Steve's son.

Q. Your brother Steve's son; okay. And do you have any business dealings with Richard Bennett?

A. No, none at this time.

Q. Let's focus specifically on the property out at Twin Rivers. Can you explain a little bit the background behind how Twin Rivers Resort, LLC came to own the Twin Rivers property?

A. I don't know how far back to go to make that -- I mean it's a long story. I don't know how far back I should go. The beginning?

Q. Well, yeah. Just start with the beginning.

A. Okay. I've been self-employed since 1982. I've done a lot of different business ventures. I've done a lot of different things. So seven years ago, Ken and Rich and Jim, the JKR, had an opportunity to buy Twin Rivers Resort and they needed -- they wanted -- they needed somebody to run it. It was a restaurant, in which I'd owned a restaurant before. It was a bar, which I've

owned a bar before. It was a resort, which I've done all these things before. And I came down and -- flew down and looked at it and did an analysis of income and outgo and whether it would work, whether it wouldn't work, and it looked good; and went back to JKR Development and they bought it. I came down as a percentage owner right away in January. We opened up in February and we just had it on fire. Everything was wide open, and the restaurant burned down in July. When the restaurant burned down, JKR wanted out and so they only wanted a positive cash flow situation. Without the restaurant, it became a negative cash flow or a push, at best, and that was the beginning of the changes. Bennett of Greenwood was formed and bought out JKR so that the property was now owned only by Bennett of Greenwood, LLC. And that went on for years and then Twin Rivers Resort bought it from Bennett of Greenwood, LLC, and that was another transition of real estate changeover. I hope I explained that well enough.

Q. That's a good overview. We'll get into some of the specifics. To back up a little bit to JKR initially owning it, you said that the restaurant

burned down and that's when sort of JKR decided they wanted out; is that correct?

A. That's correct.

Q. Okay. Do you know about when that was?

A. It burned in July of '06 and so this would have happened in late Fall of '06 maybe, early '07. And I could be wrong. Okay? But I mean --

Q. And you were not an owner or member of JKR Development; is that correct?

A. I was not a member of JKR Development. I was not a owner of JKR Development. I was an owner of a percentage of the Twin Rivers Resort asset of JKR Development when I came down here. I got ten percent of it to come down and that would increase every year as we went along, only this one asset of JKR Development.

Q. And that's the resort that you were a ten percent owner of?

A. Yes.

Q. Was there any documentation evidencing that you were a ten percent owner at that time?

A. Yeah.

MR. HORTON: You want to give him that?

MR. COX: I'll have to look through -- I've given you what I have at this point. I don't know

that I've seen that.
EXAMINATION RESUMED BY MR. HORTON:
Q. I'm going to show you a document that was produced to me. And I'll go ahead and mark this one.
(EXHIBIT NUMBER 1 MARKED; ATTACHED)
EXAMINATION RESUMED BY MR. HORTON:
Q. You, through your attorney, produced this to me, and I'm going to ask if you can identify that.
A. Yes.
Q. Can you tell me what that is?
A. This is a purchase between Bennett of Greenwood and JKR. This is when Bennett of Greenwood bought the -- bought Twin Rivers from JKR. In the interim, I had bought -- I had purchased many other pieces of real estate around the lake in the name of JKR. And I was, depending on the piece of real estate, 25 percent owner of most of those at that time. All that Bennett of Greenwood bought from JKR was -- well, I guess it's all that's down here pretty well. This covers it.
Q. Okay. Now, just to clarify something, when you say you had bought other properties and then you were specifically talking about this Twin Rivers property, the resort property, you said you were a ten percent owner. And then you said you bought

some other properties and you were a 25 percent owner. Are you saying that you are actually on the deeds of these properties or are you saying that JKR owned these properties but you had an arrangement with them whereby you would own certain percentages. Do you understand my question?

A. I do. I believe I understand your question. I was not on the deed. I was not a member of JKR Development, but I was entitled to 25 percent of the proceeds when we sold the property. We bought the property to sell the property, and that is where my 25 percent would come out.

Q. Now specifically with regard to the Twin Rivers Resort property, you said you were a ten percent -- you had an arrangement for a ten percent ownership; is that correct?

A. That was in 2005 when I came down. It was 25 percent in 2007, and then it was to go to 50 percent, as this thing states that.

Q. Okay. This agreement here that I've shown you, Exhibit Number 1, are you mentioned anywhere on this exhibit?

A. Yes.

Q. Can you point out where that is?

A. (Reviewing document.) "JKR owes Rick Bennett $35,500 from last year, plus 20,000 in loans made to JKR, plus 4,000 in salary."

Q. So this deal here that was sort of outlined in this letter -- which was done by Ken Bennett; is that correct?

A. That's correct.

Q. Were you a part of all of these negotiations?

A. Had knowledge of them. Was I a part of them? Yes. I mean, yeah. I had already moved down here and spent all kinds of money moving down here. Jim and Rich didn't care. They said, "Well, we want out anyway," and so there had to be -- I had to do something to stay.

Q. Okay. About two thirds of the way down it says that, "Ken will take over all payments on the 1st mortgage of the Twin Rivers less interest owed through 5/1/07." What mortgage is that referring to?

A. When I came down in the beginning, and this was 2006, there was a mortgage to Community South Bank. JKR had a mortgage to Community South Bank, and then there was a second mortgage to Jim and I made those payments regularly and on time. When Ken took the -- when Ken took over this payment

and closed out JKR, there was never again a mortgage on the property.

Q. So this agreement, though, says that Ken will take over all payments. Did he pay off the mortgage?

A. Sir, I don't know that.

Q. So is it your testimony from that point on when JKR -- when Ken took over for JKR, that the mortgage went away, was paid off?

A. Yes. JKR has and had -- and has -- and Ken and your bank and many, many banks, many, many, many loans. And how they collateralized and how they take care of things I do not know. I never have known, but I know that once this deal was done and it became Bennett of Greenwood, I never made another payment and I made each one of these payments on time. And there never was a mortgage after that point in time.

Q. So after this agreement was done, did you have -- personally have any involvement with Community South Bank or --

A. Yes.

Q. Regarding this property?

A. No, not with this property, not until way later, which you're going to come to. Again, we had lots of other properties by this time and we owed

lots of other loans at lots of different banks that I wasn't privy to. I just did -- made the payments.

MR. HORTON: Let me mark that as Exhibit 2. This is just the deed from JKR to Bennett of Greenwood.

MR. COX: Okay. Can I look at it?

MR. HORTON: Yeah.

MR. COX: (Reviewing document.) Okay.

(EXHIBIT NUMBER 2 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. That document there, I know that your signature is not anywhere on that document. But can you tell me what that document there appears to be?

A. It's a original document. If you read the second to the last paragraph, it says, "Ken is to pay $200,000 for remaining equity, $100,000 to Rich," which is Richard K. Bennett which is, and it states, 25 percent share, "100,000 to Jim," which is 25 percent share, and that leaves 25 percent share for Ken and the last 25 percent that's unstated is mine. That's why --

Q. And you're referring back, again, to Exhibit 1?

A. Exhibit 1, yeah. You asked me if there was any documentation of that percentage. It's right

there. And what is your specific question on the -- what am I reading?

Q. Can you identify that?

A. (Reviewing document.) The first section is what we call Twin Rivers.

Q. Okay. So you're looking I guess what is listed as Parcel 3? I'll assert to you, you tell me if you object, this is a deed from JKR to Bennett of Greenwood of various properties in Laurens County. Does that appear to be correct?

A. That's correct. And there again, there was several that I had purchased during that time.

Q. And what is listed as Parcel 3 on here, is that the property that you would call the Twin Rivers Resort?

A. Yes. Yes.

Q. If you'll look back, attached to the deed there is an affidavit. In paragraph 6 of the affidavit, it lists -- well, starting in 4 and then more detailed in 6, it says the consideration is 1.6 million dollars. Do you see that?

A. Yes.

Q. And then in number 5 there, it says, "If a lien of encumbrance is existing on the land" -- and part of that is basically being assumed, that lists

that amount is 1.3 million dollars. Do you see that?

A. I see that, but going back to the beginning, this is all the other properties that I'd already bought. You've got River Fork Road. We've got a whole bunch of lots there. You got all these other lots, so it's encompassing all of these real estate. It's not -- that's not Twin Rivers, that's a whole bunch of real estate that I bought since 2006.

Q. So are you saying that the 1.3 million dollars of liens and encumbrances that were assumed in this deal were on other properties?

A. I don't know that. I do not know that. I just -- I wouldn't know they divided that up. I don't know if it included properties that didn't have anything to do with me. That much I don't know.

Q. Okay. Would you agree that, according to this deed, they got property and in return they had to assume some debt, or encumbrances or liens on those properties, some combination thereof?

A. As long as we're in a deposition, I'm not going to assume anything.

Q. I understand.

A. I don't know an answer, so I can't give you one.

Q. Fair enough. Bennett of Greenwood, who is the owner of Bennett of Greenwood?
A. It's an LLC, and I believe that Ken is the only member.
Q. And what involvement have you had with Bennett of Greenwood?
A. Okay. Bennett of Greenwood and what we just looked at bought out -- bought these certain parcels, maybe 15 parcels in here, whatever in here, maybe 15 parcels of land from JKR. Okay, and then at that point I maintained all of those parcels, did what I could to improve them and market them and sell them.
Q. So were you an employee of Bennett of Greenwood?
A. I was a percentage -- when we sold the property, I would make -- in this case, it went from 25 to 50 percent on some of these parcels. So at the closing, I was -- I would have received 50 percent or 25 percent or ten percent, depending on the parcel, of the proceeds of that sale. So there was no paycheck. There was no -- you know, if we made money, we made money. If we didn't make money, we didn't. So --
Q. But you were not an owner of Bennett of Greenwood, you just had an arrangement with them to whereby

when properties were sold, you got certain percentages?

A. That's correct.

Q. Okay. Is that arrangement in writing or documented anywhere?

A. Well, as you can see, I got 25 percent right here, and it is in the trail of communication for the whole period of time. The ten percent was in the writing. That's when I came down, and then it went to 25 and then we bought JKR out after that, up 50 percent of the proceeds.

MR. HORTON: This is Exhibit 3. This is the deed from Bennett of Greenwood to Twin Rivers.

(EXHIBIT NUMBER 3 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You have in your hand what's been marked as Exhibit Number 3. Can you tell me if you can identify that document?

A. (Reviewing document.) The front page is all the real estate known as Twin Rivers.

Q. Parcel 1 and Parcel 2 on page 1 of this deed, that's what you refer to as the Twin Rivers Resort property?

A. Yes.

MR. COX: I'm not sure, Zach, if there's two

or three parcels comprising Twin Rivers. I don't remember specifically.

WITNESS CONTINUES:

A. There's three altogether now. There was two when I bought it and we added one on called -- we call it Dillard Road, and that was added on. And that was -- there was a real reason to do that, but it doesn't amount to any real estate, it just changes the boundary line out to the lake. So we call it Dillard Road, but it -- what it did is change the boundary line to the lake.

EXAMINATION RESUMED BY MR. HORTON:

Q. And the other, Parcel 3, do you --

A. That's some land up the road that I bought later on.

Q. Do you know what road that's --

A. It's on Dillard Road.

Q. Dillard Road. Is this the Dillard Road property that you were just referring to?

A. No.

Q. And Parcel 4?

A. I'm trying to read it and see what it's saying. (Reviewing document.) Okay, that's another property that I bought during the passage of time. And I bought that from Ken when we bought -- when

I bought -- when Twin Rivers Landing, LLC bought property from Bennett of Greenwood, LLC, these are different properties that I bought at that time from him, from Bennett of Greenwood.

Q. Okay. And back on the first page, what is the listed consideration? What did you pay for this property?

A. We had -- we have a specific amount of money for the -- what I paid was --

Q. We'll get into that. But as far as the deed, what does the deed say that you paid?

A. We probably put a dollar and other valuable consideration.

Q. Does it appear to say that in this case?

MR. COX: Zach, I believe the deed speaks for itself. It does say that.

MR. HORTON: Right. That's fine.

MR. COX: One dollar and other consideration.

WITNESS: That's what we normally would write I think. We bought dozens of properties.

MR. HORTON: The other valuable consideration part is not there. That's where I'm --

MR. COX: Well, yeah, that -- quote, "One dollar and other valuable consideration." Doesn't it say that?

MR. HORTON: It just says, "One dollar."

MR. COX: Okay. I'm sorry. I didn't remember. I'm sorry.

WITNESS ANSWERS:

A. That is part of our negotiation. We bought that. Bennett of Greenwood took over the JKR, which is listed right here and that -- at that time it was somewhere around $59,000. But by this time, it was $127,000, plus we had generated unsecured debt in the tune of about $100,000, which I took -- I'm part of this -- it's a legitimate transition, so -- and then I gave up all my percentages and all the other real estates that we had accumulated at that time, so that's how that was done. It was a long-term negotiation. I was living in Anderson, worked in his car lots, trying to save them. And it was --

MR. HORTON: And as far as there being -- Reid, to the extent there's any documentation documenting any of these percentages and these other properties other than what I have -- I'm not sure I've seen that. So if you can look at your records again.

MR. COX: I've given you all that I've gotten from my client.

EXAMINATION RESUMED BY MR. HORTON:

Q. All right. And the date -- what is the date of the deed from Bennett of Greenwood to Twin Rivers? It says it's September 14, 2010. Is that about --

A. That sounds about right.

Q. Do you know when the negotiations to start the whole transition from Bennett of Greenwood to you as Twin Rivers Resort, LLC -- when did the negotiations start for your basically sort split off from --

A. It started in the February of the same year. It might even have been late January.

Q. So in February, 2010?

A. It might have been late January.

Q. So the beginning of 2010, you all started negotiations to split off, and as part of that, you would take the Twin Rivers Resort property?

A. The economy went. The property wasn't worth what it was worth. We started figuring out what we were going to do with it.

Q. And when you took this property, you took it thinking that there was -- it was not subject to any mortgage; is that correct?

A. I wasn't thinking that. We're sitting with a professional real estate, and he's an attorney,

and there were no liens or encumbrances on that property when I took over. And God is my witness and I'm sitting here. There were no, and there are no liens or encumbrances on that property. If there was, then you couldn't -- I couldn't have made these kinds of negotiations if there were liens and encumbrances on it.

Q. And you were not aware of any potential claimed lien or any mortgages --

A. There were none. There are none.

MR. HORTON: Let's mark this. I'll hand this to you. This is what you all produced. Well, actually that's a fax which purports to be from Rick to David Swank with some insurance documents attached.

(EXHIBIT NUMBER 4 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You've been handed what's been marked now as Exhibit 4, which appears on its face to be a fax letter with some attachments to David Swank from yourself. Can you identify that document?

A. I can. This is -- and this is dated 4 April of '10. I didn't think it was that late in the game. But anyway, this is insurance coverage on various properties at Twin Rivers I ended up buying from

Bennett of Greenwood.

Q. Okay. Now, is there -- the coverages listed in here -- and you'll see if you'll turn to the second page of this fax, down at the bottom it's Bates-stamped as 31, just for identification purposes. You have signed there, Rick Bennett, as agent. Is that your signature?

A. Yes.

Q. And what is the date of that? Is that November of 2009?

A. That's what it says, yeah.

Q. And all of these insurance -- these are proof of insurance coverage; is that correct?

A. Yes.

Q. And it says -- the fax says on the Twin Rivers and there's some -- 127 Squirrel and 130 Squirrel. But would this be proof of insurance on the Twin Rivers Resort property?

A. Yes.

Q. And, to your knowledge, who is David Swank?

A. He's an insurance agent.

Q. David Swank's an insurance --

A. Well, David Swank is a -- is the banker.

Q. Okay. With which bank?

A. Community South.

Q. Do you recall why you were sending this to Mr. Swank?

A. Yes, I do. That was part of this negotiation that went on from late January or even February. I don't know if I got the year right. Must have been -- what year did I -- what year was that. Must have been '08 instead of '09, must have been '07 or '08. This is -- I'm looking back on this date. This is dated in '07, so that would have been January or February of '08. And at that point in time, that's when things were collapsing. And I had offered -- or we had offered to give Community South a mortgage on Twin Rivers and take over the obligation of one of Ken's many loans at Twin Rivers. And the bank said they'd do that, and so I went through all extremes to make that happen, and I did everything that they asked me to do. I prepared for them a mortgage on Twin Rivers Resort, which they did not have. They said, "That's not enough money for a $500,000 note. You have to have more collateral." I gave them obviously a bunch more collateral. They said, "That's not enough money." I have to have more collateral. So I went to Illinois, and I have real estate there that has sold for $350,000

under contract, so therefore it has a value because it's already been sold at 350,000. I put that up for collateral. I did all of these things, and as the document here, signing the property over to me if I take over that loan is what we were going to -- this was our first step. Then after the bank told me they'd do all that, they didn't do it. They backed out. They said, "This is all good and well, but if Ken fails on any of his other properties, we're going to take this property back, too." I said -- I came right down here to Professional Reid Cox. I said, "I can't sign that. They'll come and take my property back. Ken is going to fail on all these other properties. They know that, these car lots and these things that I'm trying to get going for him, they're doomed. They're not worth what he owes. They're underwater." So all the work we did on this for a year and all the money I spent on this for a year, Community South said, "We don't want that. We want a judgment against Ken," and that's what they got.

Q. So when did you start these negotiations with Community South Bank?

A. This is dated March --

MR. COX: Excuse me one second. Go off the record.

(DISCUSSION OFF THE RECORD)

EXAMINATION RESUMED BY MR. HORTON:

Q. Just to clarify, the negotiations with Community South Bank, they started in 2010; is that correct?

A. It looks like it was Spring of 2010, yeah -- or I mean early in 2010.

Q. And this fax, which is Exhibit 4, is a fax that you sent to David Swank, who was -- was he a loan officer at Community South?

A. Yes.

Q. And you were providing for him proof of insurance on numerous properties, including the Twin Rivers Resort property; is that correct?

A. Yes.

Q. Okay. Now if you'll look at the proof of insurance documents, they look to be in part an application for insurance signed by yourself as agent. Are you acting as agent for Bennett of Greenwood in this respect?

A. Yes.

Q. And what is the date of all of these documents? It says November of 2009; does that sound correct to you?

A. Yes.
Q. Would it be a fair assessment to say that you were -- while not the owner of Bennett of Greenwood, you were basically running Bennett of Greenwood?
A. No. I didn't run Bennett of Greenwood at all. I did run Twin Rivers Resort.
Q. So under what capacity -- what agreement were you I guess the agent for purposes of applying for insurance for Bennett of Greenwood?
A. I don't know what they called me, but I was their agent somehow. I don't know what the name was. I was an agent for Bennett of Greenwood, LLC, though I wasn't a member or anything.
Q. And if you'll look back on -- I'm not sure what page it's on, but down at the bottom, it is Bates-stamped as number 26. It's a Certificate of Property Insurance.
A. Uh-huh.
Q. Is this a certificate on the Twin Rivers? Can you tell by looking at the property description? Is this the certificate, in part at least, on the Twin Rivers Resort property?
A. Well, I don't see on this particular one. 33 Twin Rivers Road, so it looks like it, yes.
Q. And what is -- the date up in the top right-hand

corner is November of 2009; is that correct?
A. Yes.
Q. Okay. And down in the bottom left-hand corner, does it list Community South Bank as a certificate holder?
A. Yes.
Q. In November of 2009, why was Community South Bank listed as a certificate holder on the property?
A. That I don't know.
Q. Were you the one primarily responsible for applying for the insurance on this property?
A. Yes.
Q. Would it have been you that provided the insurance company with the information to list Community South Bank as a certificate holder on this property?
A. You know what, this is when -- probably the time frame that Bennett of Greenwood bought it from JKR and JKR did have a mortgage with Twin Rivers. So I probably did follow it just exactly like that, and I did apply for the loan at -- or the insurance at Taylor Agency. And I would have told them, "Just forward it to -- there, because that's where it was before."
Q. And on the last page of this document, Commercial

Property Section, South Carolina, at the bottom it says, "Additional Interest/Certificate Recipient." That lists Community South Bank as the mortgagee; is that correct?

A. Yes.

Q. And as the loss payable party?

A. Yes. Is this the same time frame it was changed or converted? I don't know.

Q. Are you looking for --

A. When it was changed from JKR to Bennett of Greenwood, I had to go get insurance on it. And I would have forwarded it to the bank the same way I did when it was JKR, so that's probably what happened here is my --

Q. So you're saying that when the property changed from JKR to Bennett of Greenwood, you had to go get insurance on the property to provide for the bank? Is that what you just said? I'm sorry.

A. I don't know that it was provided for the bank, but I would insure the property and I would have followed the same procedures and steps that I did with JKR. Again, I'm not familiar or privy to where their loans are or how they have their collateralization made so it wouldn't have been anything to me. That's why I would have just sent

it to the same place that I would have done JKR's because I had to buy new insurance in the name of Bennett of Greenwood.

Q. But would it be a fair assessment for the application for this insurance in November of 2009 on behalf of Bennett of Greenwood, you were the contact point for the insurance company in applying for this insurance?

A. Yes.

Q. Okay. And you provided all of this proof of insurance to Community South Bank?

A. Right, because they had JKR. I would have presumed it would have been the same, so I did, in fact, send the same stuff to them.

Q. Prior to that insurance -- again remind me of when you moved down and were living on the property. 2005, was that --

A. No. We bought it -- we came down in '05 to evaluate it and moved here early '06.

Q. And from early '06 on, you've been involved in the management of the resort; is that correct?

A. That's correct.

(EXHIBIT NUMBER 5 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. Okay. I'm going to show you what we've marked as

Number 5. This appears to be an Evidence of Property Insurance. The property information there -- and what you've got in your hand, again, is marked as Exhibit Number 5. Can you tell by looking at the property description and coverage information there if this appears to be on the Twin Rivers Resort property?

A. (Reviewing document.) Yeah, it very well could be. It doesn't say Twin Rivers at all; doesn't have an address at all.

Q. It lists there in the middle -- it says, "Apartment Building - four units." Would that be consistent with the Twin Rivers Resort property?

A. Yes.

Q. Okay. And Lake Greenwood, Waterloo, South Carolina, that would be consistent with the Twin Rivers Resort property?

A. Yes.

Q. And down at the bottom is Community South Bank again listed as the mortgagee on this property?

A. I don't see mortgagee. "Additional Interest."

Q. You'll see over in the middle of the page.

A. Okay. Yes.

Q. And the date of this certificate is August of 2008; is that correct?

A. Yes.

Q. And the transfer back, according to the deed that was Exhibit 2 from JKR to Bennett of Greenwood, we've got it there if you want to check, that transfer happened in February of 2008; is that correct?

A. I don't see a date on it. Yes, it is.

Q. So this certificate listing Community South Bank as the mortgagee is after the transfer to Bennett of Greenwood; is that --

A. According to the dates.

(EXHIBIT NUMBER 6 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. I'm going to hand you what's marked as Exhibit 6. This is basically a loan commitment on behalf of Community South to -- you have in your hand what's been marked Exhibit 6, which appears to be a letter to Kenneth E. Bennett and Richard C. Bennett, that's yourself, from Community South Bank. Can you identify that document and tell me what it is?

A. This is where Community South had -- this is where -- in the time frame that we were offering a -- to take over -- offering for me to take over this one loan of Ken's. It was one loan, one of Ken's many

loans, and that's what that was all about.

Q. Prior to this time, had you had any -- had you made any -- and this is dated March 30, 2010; is that correct?

A. Yes.

Q. About how far into the process, if you can recall, was this letter? Had you all been negotiating one or two months?

A. I would say a month anyway.

Q. The purpose of the loan says to, "Refinance loan 8001376, which is what you've said is one of Ken's loans, "With the addition of collateral." I think previously you mentioned some property in Illinois. Were you putting up additional property in Illinois as collateral for this loan?

A. I offered it.

Q. And then on the second page, which is down at the bottom, is marked with a 109. The description of collateral says, "This loan will be secured by a first mortgage, security interest in the real property located at Twin Rivers Road and 1879 Dillard Road, and a first mortgage" --

A. Where is this at now?

Q. Description of collateral, the second paragraph down.

A. Oh. Okay, what's the question?
Q. Okay. Then it goes on to talk about -- the properties in Illinois listed there, are those -- those are the properties that you offered to put up as collateral?
A. I offered, but they did not do it, so this has never materialized.
Q. But at this point, if you'll turn to the back page of this agreement, you signed off as your willingness to do all these terms at that point?
A. Correct. This is a loan commitment letter from Community South committing them to give me the loan, but then in the end, after six or eight months, they opted out.
Q. Okay. But at this point, you were in agreement to go through with these terms?
A. Yes.
(EXHIBIT NUMBER 7 MARKED; ATTACHED)
EXAMINATION RESUMED BY MR. HORTON:
Q. You're holding what's been marked as Exhibit 7. Do you recognize that document?
A. I see my signature, but I don't know what it's actually about. This is a refinance of that loan again, modification, yes.
Q. It appears to be a note. And at the top, it calls

itself a modification of a loan. Would this be the loan that you were negotiating with them?

A. Yes.

Q. This is dated September 29, 2010. Is this document a continuation of those discussions of the March 30, 2010 commitment?

A. Yes.

Q. And down there at the bottom on the first page, is that indeed your signature?

A. Yes.

Q. And to the left of your signature, there is a box that says, "Security," and in that box it says, "Mortgage dated 11/1/2007 recorded in Laurens County," and it gives the dates there. Do you know what mortgage that is?

A. No, I don't.

Q. But at the time you signed this document, the information was -- let me back up, catch my train of thought for a second. Does that box, security, indicate that there is a mortgage currently already on the property?

A. Yeah. I never -- obviously never looked at this. I don't know what that is, but that's what it looks like.

Q. Okay. And then it says the purpose is to add

additional collateral to the existing Community South Bank and Trust loan. That additional collateral would have been your Illinois properties?

A. We were going to add Twin Rivers Resort. We were going to add Illinois and my All Auto Parts on Starr Street. It's listed in the first page that we just discussed.

Q. Are you aware of any -- you said they were going to add Twin Rivers Resort. Were you aware of any collateral that the bank had for this loan prior to this modification?

A. I will reiterate this is Ken's loan. I don't know anything about Ken's loans. I don't know anything about how they collateralized things. I know they bought all kinds of subdivisions and lines and lines of properties. And how they collateralized them, I have no knowledge. This was to -- I offered them a mortgage on Twin Rivers Resort, All Auto Parts, to take this one loan out of our falling Bennett of Greenwood problems.

Q. Okay. And I've got several other documents here. I won't make you go through them, but did you, in fact, in conjunction with that Exhibit 7 there, actually execute mortgages and assignment of

leases on the properties in Illinois?

A. We did not ever execute a mortgage, no.

Q. I'm talking about the property in Illinois.

A. I have never executed a mortgage on the property in Illinois to this date. The last page of that documentation said if Ken defaulted on any loan, he would default on this loan. I would not sign that, and therefore the mortgage was never completed. And Attorney Reid Cox has assured me that that's true.

MR. HORTON: Mark these collectively as one exhibit. It purports to be unrecorded mortgages on the properties in Illinois.

WITNESS CONTINUES:

A. There's no mortgage on that property in Illinois at all. As a matter of fact, David Swank had the final page and he didn't even give to me in his office. He said he'd sent to me after Ken and I signed together. And when I saw it and read it, I stopped the whole thing.

(EXHIBIT NUMBER 8 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. I've handed you a stack of documents which is collectively marked as Exhibit 8. It calls the mortgagor R.I.C.K.S. RCB Enterprises, Inc., and

they are listed at the top as State of Illinois. And each page, there's a description of property located in Winnebago at 2235 -- I'm not going to pronounce that name, Kishwaukee Street, and each page is initialed. Do you recognize these documents as documents that you have signed and initialed?

A. These are documents in the production of a mortgage that was never completed, so this has never been completed.

Q. I understand. I'm not asking you to say that these represent a valid mortgage on the property. I'm just --

A. Sounds to me like you're trying to place a mortgage on my Illinois property.

Q. I'm just asking you if you signed these documents in conjunction with agreeing to give a mortgage on the Illinois property on the loan. We understand that the loan was never closed.

A. And the mortgages never fixed. I had offered it very clearly.

Q. But isn't it true that you not only offered, you went as far as to actually sign these documents to get there. I understand -- I'm not trying to say that the loan ever closed, I'm just asking you

to confirm that you actually signed these documents.

A. David Swank pulled the last page and didn't even give it to me. I drove to Illinois and that's where I saw the page that said if Ken defaulted on any loan, he would default on this loan.

MR. COX: He's not asking about an overall agreement, he just asked you did you sign those documents.

WITNESS CONTINUES:

A. Yes.

(EXHIBIT NUMBER 9 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You've got what's been marked as Exhibit 9, which purports to be a check to Community South Bank from Twin Rivers Resort, LLC signed by Rick Bennett. Is that your signature?

A. It is.

Q. Okay. And do you recall what this check is for?

A. Yes. When we were trying to write this mortgage and this loan, I wrote checks to Community South to catch everything up that was behind on that particular loan. That's one of them. And then they chose to not do it.

(EXHIBIT NUMBER 10 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. Let me show you what's been marked as Exhibit 10.

A. That's correct.

Q. Can you identify that?

A. Yeah. This is part of that loan.

Q. So this is part of the modification or refinance of the Ken Bennett loan -- Ken Bennett's loan that started in --

A. That's correct. I did everything -- everything the bank asked of me I did.

Q. The first paragraph -- and the date on this is March 12, 2010. Would that be consistent with about the time you would have sent this to them?

A. Yes.

Q. And that is your signature at the bottom?

A. Yes.

Q. And you did send this document to David Swank?

A. I believe so.

Q. In there it says -- starting at the very tail end of the second line of the text and going into the third, it says, "I will assume mortgage payment, and all payments will be on time." What mortgage are you referring to?

A. I had applied with them to -- and to take over Ken's loan, we had offered to put a mortgage on

Twin Rivers Resort. We'd offered to put a mortgage on the property you just were asking me about, the two properties in Illinois. I told him I'd bring all the back payments on this loan that Ken hadn't made up to date. I'd give them a mortgage on this property. I'd make all the new mortgage payments on time -- which you can check my record when JKR had it. They were all made on a timely basis. I did everything they wanted me to do. I paid the back taxes. I did anything that they wanted me to do. And I told them, "You just tell me what to do and I'll do it," and I did it and then they backed out.

Q. Okay. And about when, again, did they back out? We looked at the loan documents which were dated at the end of September, 2010. Was it obviously sometime after September, 2010 that they backed out?

A. I'll try not to say it again. But they had a final page in that mortgage document that --

Q. I understand that.

A. And it said if Ken default on any of his other loans, which I don't know if he had ten or 20 or a hundred other loans, I would be defaulting on my property with a mortgage on Twin Rivers and a

mortgage on the Rockford property, and I can't sign that, and they didn't want to do it. They wanted a lien against Ken. They didn't want the money. They didn't want the mortgage, and they chose to not do it and we spent hours and hours and hours trying to get that. They chose to not do it. Ken and I went into a different negotiation and I -- we traded other properties and did another thing, and that's where we are today. So it was their -- a hundred percent their choice. And it was after that date and it took months after that, and that's the way it is.

Q. And that was after these documents that were dated -- we looked at the prior exhibits dated in September, 2010. It was after that that you discovered this missing page and the deal fell through; is that correct?

A. Yes.

Q. So in March of 2010, when you represented to them that you will assume the mortgage payment, is it your testimony that this was a mortgage that would happen in the future?

A. It was happening right now. I was offering that mortgage that day right there on the spot, anything they wanted, so yes.

(EXHIBIT NUMBER 11 MARKED; ATTACHED)
EXAMINATION RESUMED BY MR. HORTON:
Q. I'm handing you what's been marked as Exhibit 11. Can you identify that? Is that a handwritten note to David Swank from yourself?
A. Yes.
Q. And it purports to say it was copies of paid -- although the attachments aren't there -- of all properties on the Twin Rivers loan and then lists several properties. The properties listed there, do they include the Twin Rivers Resort properties?
A. Yes.
Q. So all of those properties were to be included in what you're referring to as the Twin Rivers loan?
A. The new note, correct.
Q. And as collateral?
A. I had no reason to talk to David Swank. I've never had a loan with the bank prior to this loan.
Q. I'm going to run through here a few documents. And you all provided me with some documents and folders I think labeled by year. And some of the documents I'm unsure what they are, so you'll excuse me if I just hand you documents and might not even make them exhibits. Just tell me what this is so that I'll know for my records. But a

few. I'm going to ask you specific questions about and make exhibits.

(EXHIBIT NUMBER 12 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You're holding what's been marked as Exhibit 12 dated 11/29/2007; is that correct?

A. I'm sorry; I didn't hear you.

Q. You're holding Exhibit 12, which is dated November 29, 2007; is that correct?

A. Correct.

Q. And can you tell me what that is? It purports to be a handwritten note from you. Can you tell me what that is?

A. (Reviewing document.) This is the note to Ken stating current status on some loans and what we owe the bank and the deal with me, and we had a closing. I'd sold three of the lots on Riverfork, and I'd sold -- the Dillard Road property was sold. And then this in the bottom shows the profit, the half, which is a 50 percent profit after closing on a particular job -- on a particular property of $6,000.

Q. And when you refer to this at the bottom, you're talking about the second page of this exhibit; is that correct?

A. Yes.

Q. On the first page right in the middle it says, "I do not have the due dates or amount due at Community South on the Twin Rivers note." What are you referring to there?

A. I'm not sure the dates. Is this when Bennett of Greenwood bought it from JKR Development?

MR. COX: '07, upper right-hand corner.

WITNESS: 11/07.

MR. HORTON: This was in November of '07. I'll tell you that the deed from JKR to Bennett of Greenwood was '08.

MR. COX: JKR, '08.

WITNESS CONTINUES:

A. No, no. It was -- it's right here in '07 as well.

EXAMINATION RESUMED BY MR. HORTON:

Q. February of 2007 was the actual deed. I know that that was --

A. Well, this must be when -- see, this would have been -- either would have been JKR's note or it would have been that Bennett of Greenwood took it over and there is no note because I made the payments as long as it was in JKR. When JKR sold it to Bennett of Greenwood, there was never again a mortgage on the property, no more payments. I

never had a payment.

Q. So to clarify one point, as you mentioned a couple of times, when JKR had the property, you were making the payments? You were in charge of making the payments on the note?

A. Yes.

Q. To Community South?

A. As I recall, it was Community South.

Q. Right. And at that point in time, did you believe that there was -- that the payments were being made pursuant to a note and mortgage?

A. For JKR?

Q. For JKR.

A. Yes. This could be when Bennett of Greenwood bought it and there was no longer a bill, no longer a monthly bill.

(EXHIBIT NUMBER 13 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. I'll hand you what's been marked as Exhibit 13, dated May 6, 2008. Can you identify that document?

A. I signed it. It's a simple note to Ken, appears that I faxed to him. "I do not have a mortgage on Twin Rivers (Community South). Jim, three farms, four Capital, Bennett of Greenwood paid for

May of '08," so I paid Jim. I paid the three farms, I paid the four Capital loans. And at this time there is no mortgage payment on -- all of a sudden, it disappeared, and I -- I guess that's what it says, and I signed it. It looks like it was a fax.

Q. So in May, you say that the mortgage disappeared. So that question -- it says, "I do not have the main mortgage on Twin Rivers (Community South)." Explain to me I guess what you're meaning to Ken when you wrote that.

A. When JKR Development owned it, there was a mortgage, and I believe it to be Community South. And we did owe these other banks, too, but I believe it was Community South and I paid it every month on time. There was a second mortgage owed to Jim Hendershot, and I paid that every month on time. So this sounds like me saying to Ken, "I don't have the main mortgage on Twin Rivers, Community South," and then the next line says, "Jim," et cetera, et cetera, paid for May of '08. So I had paid the second mortgage to Jim, but there was no first mortgage to Community South at that time. So now Bennett of Greenwood, however they handled -- however they took care of their

loans, I don't know, but there was no mortgage and there was no payment on this anymore.

Q. When you say Bennett of Greenwood -- when you say however they took care of their loans, are you referring to Bennett of Greenwood or Community South?

A. Bennett of Greenwood and Community South, I have no idea how they took these properties and covered them for that property and cut this loan for that property. I don't know any of that.

Q. But in this inquiry here, are you asking -- did you believe that there should be a mortgage?

A. There is no mortgage. And I was paying -- there isn't -- I still owe money. I mean this didn't come for free, but there's no payment due. I do not have a main mortgage from Community South, and that's that. There's no longer a mortgage on it.

(EXHIBIT NUMBER 14 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You've got what's been marked as Exhibit 14 dated March 31, 2008. Can you identify that document?

A. Looks like another communication between myself and Ken, no different than normal.

Q. And the first sentence there says, "I do not have the main bill for Twin Rivers."

A. The same thing.
Q. Were you looking for information from Ken? Because this is dated March 31, 2008, and the prior one is dated -- where you mentioned it again is dated May 6, 2008. Was this information you were trying to get from Ken?
A. I don't know. I mean that's about five years ago. There was no mortgage payment anymore, so how he did his loans, I don't know, but I did pay a -- I pay for farm tract A, farm tract B, farm tract C, "Copies of the five Capital Banks to follow." I mean it's -- this was in my communication with him, so he didn't think that I was skipping or missing a payment or whatever. It's just a communication. "I pay Jim $1,500 on the first of the month, and I will do that," so it's a communication. I wouldn't want him to come and say, "Hey, how come you didn't make the payments on it" someday.
(EXHIBIT NUMBER 15 MARKED; ATTACHED)
EXAMINATION RESUMED BY MR. HORTON:
Q. You've got what's been marked as Exhibit 15, which is dated June 17, 2010; is that correct?
A. Yes.
Q. Can you tell me what this is?

A. This is the same thing we've been talking about, since February of 2010, where Community South agreed to put my name on the loan, take collateral from Twin Rivers, RCB Enterprises in Rockford, Illinois, 2310 Starr Street in Rockford, Illinois. I offered them and did every and anything they told me to do to get that done, and at the end they chose not to. This is just more correspondence, exactly the same thing.

Q. Okay. So this document here, it says, "New payment history to Community South Bank on Twin Rivers loan, 497,450," and it lists some payments there. The previous exhibits back in '08 where you were asking about a mortgage and saying there was no note, there was no payment due, at some point between '08 and 2010, did you realize that there actually was a note due?

A. Sir, this has nothing to do with 2008. In February of 2010, Ken and I with the falling problems with loans behind went to the bank. I offered to give them a mortgage on Twin Rivers, my Illinois property. This is the production of that mortgage that we have all kinds of documentation that you just a little while ago told me you thought there was a mortgage on that was never

completed. This is that, and I did at that time everything they told me to do to get it and in the end they chose to not do it anyway, and this is what that is. It has nothing to do with 2008 at all.

Q. In those negotiations, do you acknowledge that there was an existing what you're calling here a Twin Rivers loan that was due and payable at that time and this is the payment history? You provided this payment history. What's that payment history for?

A. **This is written in June of 2010. It begins 3/30/2010, and that's when they had given me a loan commitment. They'd committed to do this loan. I'd committed to give them mortgages and collateral, excessive collateral on this loan. I did everything they told me to do. This is the new loan, and then they chose not to. This has nothing to do with anything. This is when I got involved. I was never involved. I never had a loan with Community South prior to this, and they gave me a commitment, but they did not follow through. Did I answer that clearly?**

Q. You're saying that this is the new loan. So these payments were not to catch up an existing loan?

A. They said, "In order to take over this loan, here's what we need to do. Give me a mortgage on Twin Rivers. You have to bring me a mortgage on Twin Rivers. You have to catch up the taxes on Twin Rivers. You have to do this. You have to do that," and I did it all. Whatever they asked me to do I did. I gave them a mortgage on the Illinois property. I had it appraised. I had a environmental study done. I did everything they told me to do.

Q. You're saying catch up. I guess what I'm trying to clarify, what are you catching up? Are you saying that you were catching up a loan that was currently due, already due and payable?

A. If I gave them a mortgage on Twin Rivers Resort and it had $14,000 in back taxes, they have to be caught up or I can't -- they can't -- they wouldn't want the mortgage on it.

Q. So are you saying that that $14,000 is back taxes?

A. It appears to say that. It seems like my memory says it's that. I don't know where that big number would come from other than that.

Q. And you reference an actual loan number at the top?

A. Yes.

Q. Where would you have pulled that information?
A. It's in the documentation you've just been handing me. This is the loan that I was going to assume from Community South.
Q. I'm getting a little confused because you referenced a new loan and then you're saying assuming a loan. These were payments on an existing loan, to catch up an existing loan that you were going to refinance? That's the question.
A. Okay. I don't have any loans with Community South. I offered to take over this loan. We've been talking about it. In order to do that, these are the things that Community South wanted done. And I said, "I'll do whatever you want me to do," so this is where we start from zero and they would now a whole slew of mortgages to cover this $500,000 loan, and then they chose not to. I have never had a loan with Community South, ever.
(EXHIBIT NUMBER 16 MARKED; ATTACHED)
EXAMINATION RESUMED BY MR. HORTON:
Q. I'm going to hand you what's been marked as Exhibit 16, which appears to be a Past Due Notice dated June 2, 2010. And there are some handwritten notes on there. Are those your handwritten notes?

A. Yes.

Q. And the note says, "Mailed check 5326 for $2,487.26." What was that amount for? And we'll note that that is also listed on the payment history on Exhibit 15 in your handwritten note as well.

A. Do you want me to say it over again, or do you just want to go back and read what I said a few minutes ago?

Q. I guess what I'm trying to get at, these payments of 2,487.26, was that a payment on an existing loan to Community South Bank, or are you alleging that was a payment for something else like taxes or --

A. Somewhere around February, I said that we -- I would take over this loan from Community South. They said, "We don't have any collateral." I said, "I'll give you collateral." They said, "Twin Rivers isn't worth the loan." I said, "I'll give you extra collateral. What do you need?" They said, "You don't have enough." I gave them the collateral from Illinois. Once that was established and done, I got in here, and you just gave it to me, a commitment letter from Community South to extend that loan. Okay, and in order to

give me that loan, they wanted me to do all these things. And so I had now paid them -- I started making them payments. That's what that is, those are payments, payments on this loan, or on this -- whatever this is, and whatever else they told me to do. And this is with the commitment, with the agreement that they were going to take my Rockford property as a mortgage, they were going to take Twin Rivers as a mortgage, and I was going to take over all the payments and make them on time.

Q. Okay. Now, this is a -- so will you admit that you were making payments on an existing loan due to Community South Bank, these payments listed on this payment history on Exhibit 15?

A. Only with the commitment and the agreement that there would be a loan on the property. Yes, that was the agreement.

Q. On Exhibit 16, which you've just put down, it says, "Collateral property," and it says, "Twin Rivers Road, 1879 Dillard Road, Waterloo." Is that the --

A. Where does it say that?

Q. About a little over a third of the way down right above -- it says, "Past due date." A few lines above, "Total amount due," right there in the

middle.

A. I see it. I don't know.

Q. But this Past Due Notice, these are your handwritings with the date on them of May 19, 2010; is that correct?

A. Yes.

Q. So is it fair to say that you had this past due notice in hand and were actually making payments to Community South Bank based on amounts on this notice in May of 2010?

A. What I'm doing is complying with the commitment letter that Community South gave me and that was to get this thing done. And when they didn't do it, then they renegotiated and I bought the property in a different fashion. That's that.

Q. I guess if I can get a yes/no. You had this Past Due Notice in hand at least in May of 2010, and made handwritten notes? Or maybe it's June you made handwritten notes on this document?

A. Yes.

Q. And did you make payments to Community South Bank based on the amounts listed on this document? As a for instance, it says, "Late charges, $1,550.26." Did you not write -- did you pay that amount to them or was that to be taken off?

A. Per our commitment letter and agreement that that would be taken off when we got this loan.

Q. And you'll notice it says, "Last payment amount, $2,487.25." Do you see that there on the right-hand column?

A. Uh-huh.

Q. "Payment received, 5/27/2010." If you'll refer back to Exhibit 15, it notes that you wrote a check on 5/19/2010 --

A. That's correct.

Q. -- for that exact amount; is that --

A. That's correct.

Q. And all of these transactions are taking place before Twin Rivers Resort, LLC ever accepts a deed to this property; is that correct?

A. That is correct.

(EXHIBIT NUMBERS 17-18 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You've been handed what's been marked as Exhibits 17 and 18. Again, they're just two checks that appear to be signed by you written off of an account of Twin Rivers Resort, LLC with Community South Bank. Can you identify what these are?

A. These are the same documents that you just showed me a minute ago. These are my making good on

paying the bills that I said I'd pay when they made -- when they gave me the loan -- to extend it into the new loan.

Q. And they each reference loan number 8001376; is that correct?

A. Yes.

Q. One is off a -- Exhibit 18 is off an All Auto Parts Recycling, Inc. Is that a business of yours?

A. Yes.

Q. Okay. Is that still an operating business of yours?

A. Yes.

MR. HORTON: Can we go off the record for a second.

(OFF THE RECORD)

EXAMINATION RESUMED BY MR. HORTON:

Q. Mr. Bennett, we've looked at a stack of documents that you all produced to me and you all have clarified for me that this is the backup on all of the various loans that you made to Bennett of Greenwood which you claim to be sort of the consideration paid for the Greenwood -- the Twin Rivers Resort property; is that correct?

A. Yes.

Q. And can you give me -- I know you just said it off the record, but on there, can you give me a ballpark figure, approximation of about what money you had in Bennett of Greenwood that would have been the total consideration for this property?

A. Approximately $250,000 and seven years' work.

Q. Okay. During the seven years' work out there, where were you receiving -- were you not receiving any income from this project?

A. That's correct.

Q. Where were you receiving your income?

A. Living on -- I do have another company called Twin Rivers Landing, LLC and I rent pontoon boats and stuff on the lake and have a small income from that. I also have some income properties around the lake that are rented.

Q. And what other sort of real estate -- you said you've got a long history of real estate type business deals. Can you tell me -- give me an idea about how many of those types of deals do you have going at any one time.

A. Now or in the history or --

Q. Well, let's say back around this -- I mean in 2008, '09, '10 area. Maybe go back to '07 through 2010. Around that area, how many business type

real estate business deals do you --

A. When I came in '06, there was none. We just had Twin Rivers Resort, and then I bought several dozen in the first couple of years, properties I guess, and --

Q. Did you pay cash for those properties?

A. Ken financed them with different banks with different things. I -- only a few of them that I financed at all myself. This was all financed through either JKR Development or Bennett of Greenwood.

Q. Okay. And your experience with these types of real estate projects and financing are the same as -- would you say that it's normal and expected that a bank would get collateral for a loan on one of these deals?

A. Like I said, I don't have anything to do with Ken's thing. I know that he collateralizes groups of properties and lists the properties and different loans. I don't know what's what, and I've never sat with him and the bank or done anything with that. I don't have any loans with any of the banks. I know some of the loans were from Capital Bank. Some were Community South. Some were from different banks. That much I know.

I didn't communicate with any banks on any of these. Ken is -- Ken had billions of dollars at that time. So how much of it he took out of his pocket, how much of it he borrowed from a different thing, how much he put a loan against and other property, I don't have any idea.

Q. Now, you said that Ken had billions of dollars at that time.

A. I mean -- I meant millions. I'm sorry.

Q. Millions of dollars at that time?

A. I've been watching the election too much.

Q. You have to say trillions if you're watching that. But millions of dollars. To the best of your knowledge, I guess what made up his millions of dollars? Was it real estate or did he have cash?

A. Ken's a very smart man. He's made his fortune in the beginning in insurance and then he went into mobile home parks and then he went into real estate. And he's just done all kinds of things nationwide and made a lot of money.

Q. And Ken lives in Chicago, or in Illinois; is that correct?

A. Yes.

Q. And how long has he lived there?

A. We were born and raised there.

Q. So Ken has never moved down here?
A. No.
Q. And from 2005 forward, you were actually living at the Twin Rivers Resort property; is that --
A. I'm sorry; two thousand what?
Q. 2006 forward.
A. Yes.
Q. And Ken was not here at that point?
A. Correct.
Q. Is it a fair assessment to say that Ken basically left Bennett of Greenwood and its holdings for you to manage on his behalf?
A. No. He was here regularly, in and out regularly. Again, I didn't know -- I didn't do any financing at all, so I didn't do bank stuff, I didn't -- I don't have any idea.
Q. But you did deal with the banks on behalf of Bennett of Greenwood at certain times, did you not, providing information to Mr. Swank or applying for insurance?
A. I did the insurance and I -- like I said, when they transferred from JKR to Bennett of Greenwood, I forwarded -- obviously I forwarded that to David at that time. And then I worked with David for months on that one loan that did not materialize.

When the loan didn't work, we traded other properties off and went a different route.

Q. You said you traded other properties out. The $250,000 number that you stated, would that include total consideration that you gave -- that you claim you gave for the transfer of this Twin Rivers Resort property?

A. **That would have been virtually the value at that time. The bottom of real estate had fallen out, so we didn't have much value in the real estate at that time, just -- like I said, the bank wouldn't write a mortgage on Twin Rivers because it wasn't worth it anymore. So yes, I would say that was with the deflated -- there's a whole stack of stuff in there. There's several real estates.**

MR. COX: Zach, if I might clarify your question. Was there other properties involved?

WITNESS: In this transfer?

MR. COX: Between Bennett of Greenwood and Twin Rivers.

WITNESS: Yes.

MR. COX: I think that's what Zach was after.

WITNESS: Yes. You could --

MR. HORTON: But as far as the other properties involved, I guess I'm saying that the

total net, the 250, is that sort of a --

MR. COX: I have no idea.

WITNESS CONTINUES:

A. That would have been the value at that -- approximate value at that time. And if they'd come back, then it would have been worth more.

EXAMINATION RESUMED BY MR. HORTON:

Q. Back up. The 250, is that the -- are you saying that's the value of the Twin Rivers property at the time, or is that the value of the total consideration you paid for it at that time?

A. My contribution would have been 250,000.

MR. HORTON: Mark this one last thing.

(OFF THE RECORD)

(EXHIBIT NUMBER 19 MARKED; ATTACHED)

EXAMINATION RESUMED BY MR. HORTON:

Q. You've got what's been marked as Exhibit 19, which is a document that was produced to me as part of discovery in this matter. Can you identify that document?

A. Yes. It's kind of a summary of what we've been talking about.

Q. Okay. And you did -- you're the author of this document? I know your name's at the bottom. It's not signed, but you are the author of this

document?

A. Yes.

Q. And to the best of your knowledge, everything within this document is true and correct and would be -- you would vouch for it as your own testimony? And you can take time to read it through if you want to.

A. Exact numbers I'd have to do exact considerations, but the body of it is correct, yes.

MR. COX: For the record, I believe that was prepared and I received it during your request for discovery materials.

MR. HORTON: Right.

EXAMINATION RESUMED BY MR. HORTON:

Q. And one thing in there that I wanted to clarify, it says that you and Ken decided to separate in August of 2010; is that correct?

A. It's not really good verbiage. It's when Bennett of Greenwood was -- everything was falling apart, if you want to call it that, whatever you want to call it. It's when everything was going to come apart. Where was that at on here?

Q. It's the third to the last paragraph.

A. This is when they -- it might not have been August exactly. This is when they didn't give us the --

when they wouldn't do the loan, so we decided to go a different route. And I gave up -- that's exactly what I did. I gave up my farms and Riverfork project, Cunningham, two Neptune lots, Coursey, and I took over Twin Rivers. And this was a written agreement between me and Ken, and then he would know -- I also took on all -- there was still $100,000 of unsecured debt, plus everything that had to be put in there.

Q. Okay. And you've referred a couple times and pointed over at the folders there. The information in those folders, is that the stuff that's been provided to me already?

A. Yeah.

MR. COX: You had copies of all of it.

WITNESS CONTINUES:

A. Yeah. This is basically what that is.

EXAMINATION RESUMED BY MR. HORTON:

Q. Okay. It says August of 2010. So is it your testimony that in August of 2010, you knew the deal with Community South was not going to work?

A. The date might not be exactly correct, but you can look at the date that they sent out the last page of the loan after I'd done everything they told me to do.

Q. Now, this last page of the loan, is this something you have a copy of?

A. I'm sure we do.

MR. COX: Go off the record.

(DISCUSSION OFF THE RECORD)

MR. HORTON: I don't have anything else.

(There being no further questions, the deposition concluded at 12:24 P.M.)

STATE OF SOUTH CAROLINA)
: C E R T I F I C A T E
COUNTY OF GREENVILLE)

Be it known that I took the deposition of RICHARD CARL BENNETT;

That I was then and there a Notary Public in and for the State of South Carolina-at-Large;

That by virtue thereof, I was duly authorized to administer an oath;

That the witness was by me first duly sworn to testify the truth, the whole truth, and nothing but the truth concerning the matter in controversy aforesaid;

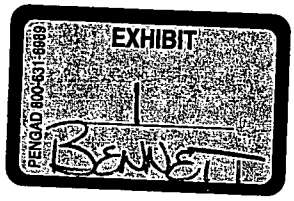
That the foregoing transcript of 70 pages is a true and correct transcript of the testimony given in this matter;

That I am not related to nor an employee of any of the parties hereto, nor a relative or employee of any attorney or counsel employed by the parties hereto, nor interested in the outcome of this acti

WITNESS MY HAND AND SEAL this 17th day of November, 2012.

Sheila B. Smith, CVR-CM-M
Notary Public for South Carolina
My Commission Expires: 3/9/2014

7/20/07



RE: Purchase agreement for all Twin Rivers area assets between Ken Bennett and Jim and Rich

Rich:

Below please find the purchase agreement between you, Jim and myself for your 50% interests in all Lake Greenwood acquisitions.

I am purchasing all assets of Twin Rivers Resort, and JKR Interests in Lake Greenwood.

Assets include but not limited to pontoons, kayaks, Harley motorcycle, small house on Dillard Road, circus wagon and all lake properties we purchased through JKR (4). All accounts are taken over by myself as of 5/1/07.

JKR will pay Jim's note of $60,000 back to Jim and will keep the $55,000 CD plus any accrued interest on that CD (the CD was purchased with funds from the fire loss claim).

JKR is to pay Jim the May payment on the installment note owed Jim ($157,000+/-).
Ken will pay the June and July payments. I'd like to keep that note through June 30, 2008 paying monthly installments when due and the balance in full ~~7/1/08.~~ 9-1-13 130mo.

Ken takes over all payments on the properties less interest through 5/1/07 which JKR shall pay. 4107.73

Ken will take over the line of credit ($50,000 at Community South) less any interest owed through 5/1/07 which JKR will pay. INT. ON TK 1600.-

Ken will take over all payments on the 1st mortgage for Twin Rivers ($405,000+/-) less interest owed through 5/1/07 which JKR shall pay.

JKR owes Rick Bennett $35,500.00 from last year, plus $19,107.00 in loans Rick made to JKR plus $4,000.00 in salary through 5/1/07. Ken will take responsibility for this balance $59,000+/-.

Ken is to pay $200,000 for the remaining equity…$100,000 to Rich (25% share) and $100,000 to Jim (25% share) as follows: $50,000 to Jim and Rich (paid 6/30/07) balance to each in $12,500.00 installments on August 1st, September 1st, October 1st and November 1st, 2007.

All of the above is as my notes show. Jim must determine if he'll hold the installment note through July 2008.

BALANCE 152,022.15 - 8-1-07
Convert to 6¼% Int./10 YR AM
5 YR BALLOON - NO Prepayment
penalty — 1706.91/MONTH
1ST PAYMENT - 9-1-07

Thanks,

Ken

P.S. Mike Smith is involved. We need to transfer from JKR to (Ken, Rich & Jim, personally). Then Ken buys Jim and Rich out. All is being reviewed by Mike Smith now.

TITLE TO REAL ESTATE (By Company)—Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S. C.
Bennett

PLEASE DO NOT PUBLISH IN NEWSPAPER

LAURENS CO ASSESSORS OFFICE
TMS:
279-03-01-002
309-00-00-040
309-00-00-028
211-00-00-043
277-00-00-108
309-01-04-014
309-01-04-010
309-01-04-013
308-00-00-008

2008002396
DEED
RECORDING FEES $12.00
STATE TAX $780.00
COUNTY TAX $330.00
PRESENTED & RECORDED
02-28-2008 10:44 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: ROSLYN JOHNSON CLERK
BK: D 873
PG: 258 - 265

Parcel 7 full parcel

Parcels 2 + 3 update

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS TNC)

KNOW ALL MEN BY THESE PRESENTS, that

JKR Development, LLC,

in consideration of five dollars, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto

Bennett of Greenwood, LLC

Parcel 1: All that certain piece, parcel or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, on the waters of Lake Greenwood, being more fully shown and delineated as Lot 13 of Lake Front Development on a plat prepared for O. C. Coursey by E. S. Ethridge, Surveyor, dated May 22, 1958 and recorded in Plat Book 12, page 59, in the Office of the Clerk of Court for Laurens County.

This is the same property conveyed to JKR Development, LLC by deed of Mildred S. Pruitt and John C. Pruitt recorded January 26, 2007 in Deed Book 817, page 220 in the Office of the Clerk of Court for Laurens County.

TMS: 279-03-01-002

Parcel 2: All that certain piece, parcel, or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, at Lake Greenwood, containing 0.027 acres, more or less, and being fully shown and delineated on a plat prepared for JKR DEVELOPMENT LLC by John E. Woods, RLS, dated May 23, 2007, recorded in Plat Book 67, page 759, in the Office of the Clerk of Court for Laurens County.

This is the same property conveyed to JKR Development, LLC by deed of David D. Dillard recorded August 6, 2007 in Deed Book 844, page 149 in the Office of the Clerk of Court for Laurens County.

02/29/2008	873	258	Sally B Lancaster
DATE	BOOK	PAGE	AUDITOR

EXHIBIT
Q
Bennett

TMS: p/o 309-00-00-028

Parcel 3: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-244 at Page 3; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

Also: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, recorded in the Office of Clerk of Court for Laurens County in Plat Book 62 at Page 940; reference is hereby made to said plat for a more detailed metes and bounds description thereof. According to said plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the centerline of Road 8-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

This is the same property conveyed to JKR Development, LLC by deed of Crescent Lake, LLC recorded February 1, 2006 in Deed Book 768, page 312 in the Office of the Clerk of Court for Laurens County.

TMS: 309-00-00-040 and p/o 309-00-00-028

Parcel 4: All that lot of parcel of land, situate, lying and being in the County of Laurens, State of South Carolina, containing 0.47 acres, more or less, and shown and designated as Lot "F" of Lake View Subdivision as per plat by Paul C. Wash, dated October 29, 1987, and recorded in the Office of the Clerk of Court for Laurens County in Plat Book 53 at page 248, reference to which is hereby craved for a more complete description.

Together with all of grantor's interest in and to a right of way for ingress and egress over and upon Coldwater Way leading to the subject property from Sulpher Springs Road.

Together with all grantor's interest in a common boat ramp located off Egret Road, formerly Ferry Road which was dedicated by the original developer for all lot owners of Lake View Subdivision.

This is the same property conveyed to JKR Development, LLC by deed of Roger Bailey recorded December 27, 2006 in Deed Book 813, page 213 in the Office of the Clerk of Court for Laurens County.

TMS: 211-00-00-043

Parcel 5: All those certain pieces, parcels or lots of land situate, lying and being in the County of Laurens, State of South Carolina, located in Edgewater Club Estate, being shown and designated as Lots 18, 19, 20, 21, 23, 24, 25, 26 and 27, on a plat for Edgewater Club Estates, dated September, 1960, prepared by Lewis C. Godsey and J.D. Calmes, Surveyors, recorded in the Office of the Clerk of Court for Laurens County in Plat Book 14 at Page 40; reference is hereby made to said plat for a more detailed metes and bounds description thereof. **Less and Except** a portion of lot 26 and Lot 27 conveyed by Deed Book 841, page 89.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

This is a portion of the property conveyed to JKR Development, LLC by deed of Paul C. Pennington and Ethel N. Pennington recorded June 21, 2006 in Deed Book 787, page 311 in the Office of the Clerk of Court for Laurens County.

TMS: 309-01-04-013, p/o 309-01-04-014 and 309-01-04-010

Parcel 6: All those certain pieces, parcels or lots of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, each containing 1.00 acre, more or less, and being more fully shown and delineated as Lot 22 and Lot 23 of Harbor Vista Subdivison, Phase II, on a plat prepared for Scott C. Shirley by Newby-Proctor & Associates, dated May 12, 1996 and recorded in Plat Book A-179, Page 1 & 2, in the Office of the Clerk of Court for Laurens County.

This is the same property conveyed to JKR Development, LLC by deed of Michael Williams and Sabrina Williams recorded January 26, 2007 in Deed Book 817, page 218 in the Office of the Clerk of Court for Laurens County.

TMS: 308-00-00-008

Parcel 7: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, being shown and designated as Lot 3 of Virginia Meadows Subdivision, containing 1.00 acres, more or less, on a plat for Scott Shirley, dated May 5, 1993 , prepared by Newby-Proctor & Associates, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-36 at Page 7; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

Also conveyed herein is an easement for ingress and egress across Lot Nos. 1 and 2 of Virginia Meadows Subdivision as shown as shown on the aforementioned plat.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

This is the same property conveyed to JKR Development, LLC by deed of Jackie D. Hood, Ruth Louise Hood, Rickie E. Collins and Pamela D. Collins recorded April 17, 2006 in Deed Book 779, page 155 in the Office of the Clerk of Court for Laurens County.

TMS: 277-00-00-108

Grantee's(s') address: 33 Twin Rivers Road, Waterloo, SC 29384

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned unto the grantee, its successors and assigns, forever. And, the grantor does hereby bind itself and its successors to warrant and forever defend all and singular said premises unto the grantee and its successors against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the hand and seal of the company by its duly authorized officer(s) this 22nd day of FEBRUARY, 20 06.

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

By: Kenneth E. Bennett

Its: Manager

Witness (1)

Witness (2) or notary

ACKNOWLEDGEMENT

STATE OF IL
COUNTY OF [illegible]

I LAURA A PRICE, a notary public do hereby certify that Kenneth E. Bennett personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal this the 22nd day of FEBRUARY, 2006.

Notary Public for WATERLOO, IL
My commission expires: 5/19/11

(SEAL) "OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

JKR Development, LLC

SIGNED, sealed and delivered in the presence of:

Witness (1) By: Richard K. Bennett

Witness (2) or Notary Its: Manager

ACKNOWLEDGEMENT

STATE OF SOUTH CAROLINA
COUNTY OF ANDERSON

I Cathy J. Slayton, a notary public do hereby certify that Richard K. Bennett personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal this the 25th day of February, 2008.

(SEAL)
Notary Public for South Carolina
My commission expires: 10-22-2013

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

By: James Hendershot

Its: Manager

Witness #1

Witness #2 or Notary

ACKNOWLEDGEMENT

STATE OF SOUTH CAROLINA
COUNTY OF Greenville

I Kelli Horne, a notary public do hereby certify that James Hendershot personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal this the 26th day of February, 2008.

Kelli Horne (SEAL)
Notary Public for South Carolina
My commission expires: July 2, 2014

STATE OF SOUTH CAROLINA
COUNTY OF LAURENS

AFFIDAVIT

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

1. I have read the information on the back of this affidavit and I understand such information.

2. The property being transferred located at Waterloo, bearing Laurens County Tax Map Number 309-00-00-040, 211-00-00-043, 277-00-00-108, 309-01-04-10, 309-01-04- 014, 309-01-04-013, 308-00-00-008, 279-03-01-002 and 309-00-00-028, was transferred by JKR Development, LLC to Bennett of Greenwood, LLC on February 22, 2008.

3. Check one of the following: The deed is

(a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.

(b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.

(c) exempt from the deed recording fee because (See Information section of affidavit):

(If exempt, please skip items 4-7, and go to item 8 of this affidavit.)

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of affidavit):

(a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of $1,600,000.00

(b) The fee is computed on the fair market value of the realty which is $.

(c) The fee is computed on the fair market value of the realty as established for property tax purposes which is $

5. Check Yes XXX or No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is $1,300,000.00 .

6. The deed recording fee is computed as follows:

(a)	Please insert the amount listed in item 4 above here:	1,600,000.00
(b)	Please insert the amount listed in item 5 above here: (if no amount is listed, place zero here.)	1,300,000.00
(c)	Subtract Line 6(b) from Line 6(a) and place result here:	300,000.00

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: $ 1,110.00

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction

as: Grantee

9. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Kenneth E. Bennett, Manager

SWORN to before me this 22nd day of February, 20 03

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

Notary Public for Wisconsin & IL
My Commission Expires: 5/19/11

INFORMATION

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

Exempted from the fee are deeds:

(1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
(2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
(3) that are otherwise exempted under the laws and Constitution of this State or of the United States;
(4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
(5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are exchanged in order to effect the partition;
(6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
(7) that constitute a contract for the sale of timber to be cut;
(8) transferring realty to a corporation, a partnership, or a trust as a stockholder, partner, or trust beneficiary of the entity or so as to become a stockholder, partner, or trust beneficiary of the entity as long as no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, except for transfers from one family trust to another family trust without consideration, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner or trust beneficiary of the entity is subject to the fee, even if the realty is transferred to another corporation, a partnership, or trust;
(9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, as long as no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which the beneficiaries are all members of the same family. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any of them and the grantor's and grantor's spouse's heirs under a statute of descent and distribution. A "family partnership" or "family trust" also includes charitable entities, other family partnerships and family trusts of the grantor, and charitable remainder and charitable lead trusts, if all of the beneficiaries are charitable entities or members of the grantor's family. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);
(10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;
(11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership;
(12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, as long as no consideration is paid or is to be paid under the corrective or quitclaim deed;
(13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed executed pursuant to foreclosure proceedings.
(14) transferring realty from an agent to the agent's principal in which the realty was purchased with funds of the principal, provided that a notarized document is also filed with the deed that establishes the fact that the agent and principal relationship existed at the time of the original purchase as well as for the purpose of purchasing the realty.
(15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electric utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a) and which is formed to operate or to take functional control of electric transmission assets in the Federal Power Act.

TITLE TO REAL ESTATE (By Corporation)—Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S. C.
Misc./Bennett

PLEASE DO NOT PUBLISH IN NEWSPAPER

LAURENS CO ASSESSORS OFFICE
TMS:
279-00-00-001 PORTION
279-01-01-038

2010010772
DEED
RECORDING FEES $10.00
STATE TAX $0.00
COUNTY TAX $0.00
PRESENTED & RECORDED
12-17-2010 11:14 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: TERESA ATWOOD CLERK
BK: D 1002
PG: 171 - 175

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAUREN TNC)

KNOW ALL MEN BY THESE PRESENTS, that

Bennett of Greenwood, LLC

in consideration of One Dollar, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto

Twin Rivers Resort, LLC

Parcel 1: All that certain piece, parcel, or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, at Lake Greenwood, containing 0.027 acres, more or less, and being fully shown and delineated on a plat prepared for JKR DEVELOPMENT LLC by John E. Woods, RLS, dated May 23, 2007, recorded in Plat Book 67, page 759, in the Office of the Clerk of Court for Laurens County.

TMS: 309-00-00-028

Parcel 2: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-244 at Page 3; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

Also: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, recorded in the Office of Clerk of Court for Laurens County in Plat Book 62 at Page 940; reference is hereby made to said plat for a more detailed metes and bounds description thereof. According to said plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the centerline of Road 8-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

TMS: 309-00-00-040

12/29/2010	1002	171	Sally B Lancaster
DATE	BOOK	PAGE	AUDITOR
12/20/2010	1002	171	Sally B Lancaster
DATE	BOOK	PAGE	AUDITOR

LAURENS CO ASSESSORS OFFICE
TMS:
309-00-00-028
309-00-00-040
309-01-04-013
309-01-04-014
277-00-00-108

EXHIBIT 33 Bennett

Parcel 3: All those certain pieces, parcels or lots of land situate, lying and being in the County of Laurens, State of South Carolina, located in Edgewater Club Estate, being shown and designated as Lots 18, 19, 20, 21, 23, 24, 25, 26 and 27, on a plat for Edgewater Club Estates, dated September, 1960, prepared by Lewis C. Godsey and J.D. Calmes, Surveyors, recorded in the Office of the Clerk of Court for Laurens County in Plat Book 14 at Page 40; reference is hereby made to said plat for a more detailed metes and bounds description thereof. **Less and Except** a portion of lot 26 and Lot 27 conveyed by Deed Book 841, page 89.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

TMS: 309-01-04-013 and 309-01-04-014

Parcel 4: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, being shown and designated as Lot 3 of Virginia Meadows Subdivision, containing 1.00 acres, more or less, on a plat for Scott Shirley, dated May 5, 1993 , prepared by Newby-Proctor & Associates, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-36 at Page 7; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

This is also includes a 1973 Champion Mobile Home, 60 x 12, Serial #043923447D.

Also conveyed herein is an easement for ingress and egress across Lot Nos. 1 and 2 of Virginia Meadows Subdivision as shown as shown on the aforementioned plat.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

TMS: 277-00-00-108

The "Value" of the realty as defined in § 12-24-30, Code of Laws of South Carolina is $zero.

Grantee's(s') address: 53 TWO RIVERS RD; WATERLOO SC 29384

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned unto the grantee, its successors and assigns, forever. And, the grantor does hereby bind itself and its successors to warrant and forever defend all and singular said premises unto the grantee and its successors against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the hand and seal of the corporation by its duly authorized officer(s) this 14th day of September, 20 10.

SIGNED, sealed and delivered in the presence of:

Witness #1

Witness #2 (Notary)

Bennett of Greenwood, LLC
(Corporate Seal)

By: _____
Kenneth E. Bennett
Its: Member

ACKNOWLEDGEMENT

STATE OF ILLINOIS
COUNTY OF Winnebago

I LAURA A PRICE, a notary public do hereby certify that Kenneth E. Bennett personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the corporation.

Witness my hand and official seal this the 14th day of September, 20 10.

_____ (SEAL)
Notary Public for Illinois
My commission expires: 5/19/11

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

STATE OF SOUTH CAROLINA)
COUNTY OF LAURENS)

AFFIDAVIT FOR EXEMPT TRANSFERS

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

1. I have read the information on the back of this affidavit and I understand such information.

2. The property being transferred is located at Lake Greenwood, bearing Laurens County Tax Map Numbers 309-00-00-028, 309-00-00-040, 309-01-01-013, 309-01-01-014 and 277-00-00-108 was transferred by Bennett of Greenwood, LLC to Twin Rivers Resort, LLC on ~~August~~ September 14, 2010.

3. The deed is exempt from the deed recording fee because (See Information section of affidavit): #1 - the value of the realty is zero.

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes or No

4. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor

5. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this 14th day of September 2010

Kenneth E. Bennett
Responsible Person Connected with the Transaction

(LS)
Notary Public for Illinois
My Commission Expires: 5/19/11

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

INFORMATION

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

Exempted from the fee are deeds:

(1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or

less than one hundred dollars;

(2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;

(3) that are otherwise exempted under the laws and Constitution of this State or of the United States;

(4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);

(5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;

(6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;

(7) that constitute a contract for the sale of timber to be cut;

(8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;

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

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

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

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

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

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

(15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electrical utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act.

4-14-10

2001376

Dawn Swank

re: Twin Rivers Loan
Cover of 12 inclusive

Insurance coverage on Twin Rivers, 127 Squirrel and 130 Squirrel are one in the same. I called Scott Taylor from Taylor Bros to be sure the Dillard Rd lots are included, He said they sent proof of Insurance back in 11-09 when I changed companies.

Thanks again

Rick Bennett
Bennett of Greenwood
Twin Rivers Lending
864-554-6498
FAX 864-677-4189
trresort@hotmail.com,

734

EXHIBIT 4 Bennett

Auto-Owners Insurance
Life Home Car Business

Authorization Agreement for Auto-Owners Insurance Direct Payment Plan

I authorize Auto-Owners Insurance to initiate transactions on my account regarding insurance premium. The amount due, as indicated on my premium notice, will be the amount withdrawn on the due date. I understand this authorization does not modify or change any policy provision.

If a payment is due on a weekend or holiday, Auto-Owners Insurance will initiate the withdrawal on the next business day.

☐ **Property/Casualty**

- ☐ New Business
- ☐ Auto-Owners Existing Account Number(s) _____

☐ Full Pay ☐ EZ Pay Semi-Annual ☐ 3-Pay
☐ EZ Pay Quarterly ☒ EZ Pay Monthly

☐ **Life, Health or Annuity**

- ☐ New Business
- ☐ Auto-Owners Existing Policy Number(s) _____

Print Name Rick Bennett Agent
Person authorizing direct payment

Signature Rick Bennett agent Date 11/6/09
Person authorizing direct payment

Bank Information:

Name of Financial Institution _____

Bank Routing/Transit Number _____

☐ Checking ☐ Savings Bank Account Number _____

Attach Blank Check Marked **VOID**

New Business

Property/Casualty Attach the Authorization Agreement and your deposit check behind the Company Bill Transmittal. We can obtain all information needed for withdrawals about your checking account from your deposit check. If you prefer to have withdrawals come from a savings account, please provide a copy of a deposit slip with the account number on it.

Life, Health, Annuity Complete Authorization Agreement. Attach the Authorization Agreement, "void" check and a check for the first 2 months premium to the **Life, Health or Annuity** application.

Existing Business

Property/Casualty Forward the Authorization Agreement and a blank check from the customer's account marked "void" to **Auto-Owners Insurance Premium Collections Department, P.O. Box 30315, Lansing, MI 48909-7815**

Life, Health, Annuity Complete Authorization Agreement. Send the Authorization Agreement and a "void" check to **Life Policyholder Service, Auto-Owners Insurance Company, P.O. Box 30660, Lansing, MI 48909-8160**

Both Property/Casualty and Life, Health or Annuity policies may be included on the Authorization Agreement.

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IMPORTANT INFORMATION REGARDING TERRORISM RISK INSURANCE COVERAGE
and
REJECTION OF TERRORISM RISK INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 was signed into law November 26, 2002. The Act (including ensuing Congressional actions pursuant to the Act) defines an act of terrorism, to mean any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States to be (i) an act of terrorism; (ii) to be a violent act or an act that is dangerous to human life, property or infrastructure; (iii) to have resulted in damage within the United States or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Subject to policy terms and conditions, the policy for which you have applied with an Auto-Owners Insurance Group Company* provides insurance coverage for acts of terrorism as defined in the Act.

Any coverage for certain commercial lines of property and casualty insurance provided by such policy for losses caused by certified acts of terrorism are partially paid by the federal government under a formula established by federal law. Under this formula, the government will reimburse us for 85% of such covered losses that exceed the statutory deductible paid by us. **You should also know that in the event aggregate insured losses exceed $100 billion during any year the Act is in effect, then the federal government and participating United States insurers that have met their insurer deductible shall not be liable for payment of any portion of the loss that exceeds $100 billion. In the event that aggregate insured losses exceed $100 billion annually, no additional claims will be paid by the federal government or insurers.** This formula is currently effective through December 31, 2014.

In the event that your policy, the policy for which you have applied or our proposal includes a premium charge for this coverage, your agency will advise you as to amount of this premium or it will be shown on the proposal. This premium charge will also be shown separately on the Declarations page for current policies or on the Declarations page that you will receive after the policy is issued.

For lines of insurance, other than Workers Compensation, to which the Terrorism Risk Insurance Act of 2002 applies, you may also reject coverage for certified acts of terrorism by completing the following and attaching it to your Auto-Owners Insurance Group Company* application or for in-force business, by submitting it to the Company.

REJECTION OF TERRORISM RISK INSURANCE COVERAGE

I hereby reject coverage for acts of terrorism as defined in the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act). Except as noted below, I understand that I will have no coverage for losses arising from acts of terrorism as defined in the Act. In the event of an act of terrorism as defined in the Act, future policies may also include a government assessed terrorism loss risk-spreading premium in accordance with the provisions of the Act. If coverage is provided for building(s) and contents located in Arizona, Georgia, Illinois, Iowa, North Carolina and North Dakota, I will have fire coverage for such property following a certified act of terrorism. If coverage is provided for building(s), contents or property covered by an inland marine policy located in Missouri and Wisconsin, I will have fire coverage for such property following a certified act of terrorism.

Bennett of Greenwood
Applicant or Policyholder Name

(X) Rick Bennett Agent
Signature - First Named Insured or Authorized Officer

11/6/09
Date

Policy Number (if applicable)

Rick Bennett Agent
Print Name

Taylor Insurance Agency - 16006900
Agency Name and Agency Code

* Auto-Owners Insurance Group includes: Auto-Owners Insurance Company, Home-Owners Insurance Company, Owners Insurance Company, Property-Owners Insurance Company and Southern-Owners Insurance Company.

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Applicant's Signature and Date:	Agent's Signature and Date:
X Jack Bennett agent 11/6/09	

PROXY DESIGNATION (AUTO-OWNERS INSURANCE CO. ONLY) (NOT APPLICABLE IN IOWA) I designate R.H. Simon, J.F. Harrold, R.J. Rupp, and each of them, attorneys and proxies, with the power of substitution and revocation to each, to vote as proxy at all meetings of the company, and at any adjournments thereof. The powers hereunder shall be exercised by a majority of said attorneys and proxies so present, but if only one is present, then that one shall have full power to act.

Applicant's Signature and Date:
X Jack Bennett agent 11/6/09

Total Policy Premium:	**$4,362.00**
Paid In Full Discount:	**$438.00**
Total Policy Premium If Paid In Full:	**$3,924.00**

Auto-Owners Insurance
Life Home Car Business

TAILORED PROTECTION POLICY APPLICATION

POLICY INFORMATION

Date: 11/6/2009 | ☐ Proposal ☒ Issue ☒ Bound ☐ Rewrite of:

Agency Code: 16006900 | Policy Effective Date: ~~11/6/2009~~ 11/4/09 11-6-09 | Policy Term: ☒ Annual ☐ 3-Year (fidelity only)

Agency/Address: Taylor Insurance Agency, PO Box 1646, Clinton SC 29325

Company: ☒ 01 - Auto-Owners ☐ 03 - Home-Owners ☐ 04 - Owners ☐ 05 - Property-Owners ☐ 08 - Southern-Owners

BILLING INFORMATION

Add to Current billing Account? ☐ Yes ☒ No If yes, billing account number:

Payment Plan: ☐ Escrow Direct Bill ☐ Now ☐ At Renewal | ☐ Agency Bill ☐ Full Pay ☐ Three Pay | ☐ Semi-Annual ☐ Quarterly ☐ Monthly | ☐ EZ Semi-Annual EFT ☐ EZ Quarterly EFT ☒ EZ Monthly EFT

Initial Payment: $ 363.50

Copy of Bill to Agency? ☐ Yes ☒ No

Mail Insured's copy of policy to Agency? ☐ New Bus. ☐ Renewal

Method of Payment: ☒ Check ☐ Cash ☐ Agency EFT (Sweep)

Alternate Billing Name and Address: **Bennett of Greenwood, 33 Twin Rivers Rd, Waterloo, SC 29384**

APPLICATION INCLUDES THE FOLLOWING COVERAGE PARTS

☒ Property ☒ General Liability ☐ Crime ☐ Inland Marine ☐ Other (please describe):

APPLICANT INFORMATION

Applicant: **Bennett of Greenwood** | Mailing Address: **33 Twin Rivers rd, waterloo SC 29384**

Entity: **Limited Liability Corporation** | Email:

Website:

Description of Business Operations: **rental Property**

Year business started: **1999** (New Venture: ☐ Yes ☒ No If yes, please provide description of owner's experience.)

Inspection Contact	Audit Contact
Name: **Rick Bennett**	Name: **Rick Bennett**
Address:	Address: **33 Twin Rivers Rd, Waterloo SC 29384**
Email:	Email:
Phone: **(864)554-6498**	Phone: **(864)554-6498**
Fax	Fax:
	Accounting Firm:

PREMISES INFORMATION

Loc	Bldg	Program	Location Address	Class Description	% Occupied	Within City Limits	Occupied By
1	1	39 - Special	33 Twin Rivers rd, waterloo SC 29384			No	
1	2	39 - Special	33 Twin Rivers rd, waterloo SC 29384			No	
2	1	39 - Special	212 Cunningham Slough rd, waterloo SC 29384				
3	1	39 - Special	105 Coursey Dr, waterloo SC 29384				
4		39 - Special	127 squirrel dr, waterloo SC 29384				
5		39 - Special	vacant lot, waterloo SC 29384 Neptune Dr. Smyrna Hill Rd Loo			No	

PREMIUM MODIFICATION

Cumulative Multi-Policy Discount (Provide policy numbers of other Auto-Owners policies, including Life & Disability.)

Policy Type	Policy Number	Policy Type	Policy Number

COMPANY USE ONLY — Agency Proposal: ☐ Yes ☐ No | Photo Reimbursement: ☐ Yes ___ # of Photos ☐ No | ☐ Policy Auditable ☐ Policy Non-Auditable | Underwritten by: _____ (Initials) Date: _____

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Special Rating Plan: % Group e and Number:

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES	Y	N	EXPLAIN ALL "YES" RESPONSES	Y	N
1. Is the applicant a subsidiary of another entity, or does the applicant have any subsidiaries, or is the applicant involved in any joint ventures?		X	8. Any past losses or claims relating to sexual abuse or molestation allegations, discrimination or negligent hiring?		X
2. Is a formal safety program in operation?		X	9. During the last ten years, has the applicant been convicted of any degree of the crime of arson?		X
3. Any exposure to flammables, explosives or chemicals?		X	10. Has the applicant filed bankruptcy within the last ten years?		X
4. Is this new business to the agency?			11. Any policy coverage declined, cancelled or non-renewed during the prior 3 years? (Not valid in Missouri)		X
5. Any uncorrected fire code violations?		X	Nonpayment?		Underwriting Reasons?
6. Is the applicant involved, or does the applicant have ownership interest, in any other business operations, or does the applicant have locations not indicated on the application?		X	12. Does the owner have coverage with an Auto-Owners Group program for a related business with this being only a new location of the same type of operation?		
7. Is any prior carrier a non-standard company?					

REMARKS

PRIOR CARRIER INFORMATION

COMMERCIAL GENERAL LIABILITY

Carrier	Cincinatti				
Policy Number					
Policy Type *(Please Check One)*	☐ Claims Made ☒ Occurrence	☐ Claims Made ☐ Occurrence	☐ Claims Made ☐ Occurrence	☐ Claims Made ☐ Occurrence	☐ Claims Made ☐ Occurrence
Policy Term					
Each Occurrence					

PROPERTY

Carrier	Cincinatti				
Policy Number					
Policy Type					
Policy Term					

INLAND MARINE

arrier					
Policy Number					
Policy Term					

CRIME

Carrier					
Policy Number					
Policy Type					
Limit					

Prior carriers annual total expiring premium (includes: Property, General Liability, Inland Marine and Crime): **$0 - $2,500**

LOSS HISTORY

CHECK HERE IF NONE ☒ | LOSS HISTORY ATTACHED ☐ | HAVE YOU DISCUSSED LOSSES WITH YOUR AGENT? Y/N

ENTER ALL CLAIMS (REGARDLESS OF FAULT) FOR THE PRIOR 5 YEARS

Date of Loss	Line	Description of Occurrence/Claim	Amount Paid	Amount Reserved	Open/Closed

What action has the applicant taken to prevent the type of losses listed above from recurring?

APPLICANT'S STATEMENT: I declare the facts stated in this application to be true to the best of my knowledge and request the Company to issue this insurance and any renewals thereof in reliance thereon. I further understand that: Any person who knowingly and with the intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact thereto, commits a fraudulent act, which is a crime and subjects the person to criminal and civil penalties.

ACORD™ CERTIFICATE OF PROPERTY INSURANCE

DATE 11/06/09

PRODUCER
Taylor Insurance Agency
P.O. Box 1646
Clinton, SC 29325
(864)938-0055

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: Auto - Owners

INSURED
Bennett of Greenwood
33 Twin Rivers Rd
Waterloo, SC 29384

COMPANY B:

COMPANY C:

COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	☑ PROPERTY CAUSES OF LOSS ☐ BASIC ☐ BROAD ☐ SPECIAL ☐ EARTHQUAKE ☐ FLOOD ☐ ☐	16006900	11/06/09	11/06/10	☑ BUILDING ☐ PERSONAL PROPERTY ☐ BUSINESS INCOME ☐ EXTRA EXPENSE ☐ BLANKET BUILDING ☐ BLANKET PERS PROP ☐ BLANKET BLDG & PP ☐ ☐	$ 80,000 $ $ $ $ $ $ $ $
	☐ INLAND MARINE TYPE OF POLICY CAUSES OF LOSS ☐ NAMED PERILS ☐ OTHER				☐ ☐ ☐ ☐ ☐ ☐	$ $ $ $ $ $
	☐ CRIME TYPE OF POLICY				☐ ☐ ☐	$ $ $
	☐ BOILER & MACHINERY				☐ ☐	$ $
	☐ OTHER				☐	$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
33 Twin Rivers Rd Waterloo, SC 29384

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

Community South
6650 Calhoun Memorial Hwy
Easley ,SC 29621

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 24 (1/95)

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ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE 11/06/09

PRODUCER
Taylor Insurance Agency
P.O. Box 1646
Clinton, SC 29325
(864)938-0055

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COMPANIES AFFORDING COVERAGE

COMPANY A: Auto - Owners

COMPANY B:

COMPANY C:

COMPANY D:

INSURED
Bennett of Greenwood
33 Twin Rivers Rd
Waterloo, SC 29384

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	☑ PROPERTY CAUSES OF LOSS ☐ BASIC ☐ BROAD ☐ SPECIAL ☐ EARTHQUAKE ☐ FLOOD ☐ ☐	16006900	11/06/09	11/06/10	☑ BUILDING ☐ PERSONAL PROPERTY ☐ BUSINESS INCOME ☐ EXTRA EXPENSE ☐ BLANKET BUILDING ☐ BLANKET PERS PROP ☐ BLANKET BLDG & PP ☐ ☐	$ 100,000 $ $ $ $ $ $ $ $
	☐ INLAND MARINE TYPE OF POLICY CAUSES OF LOSS ☐ NAMED PERILS ☐ OTHER				☐ ☐ ☐ ☐ ☐ ☐	$ $ $ $ $ $
	☐ CRIME TYPE OF POLICY				☐ ☐ ☐	$ $ $
	☐ BOILER & MACHINERY				☐ ☐	$ $
	☐ OTHER				☐	$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
33 Twin Rivers Rd Waterloo, SC 29384

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

Community South
6650 Calhoun Memorial Hwy
Easley ,SC 29621

CANCELLATION

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AUTHORIZED REPRESENTATIVE

ACORD 24 (1/95)

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ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE 11/06/09

PRODUCER
Taylor Insurance Agency
P.O. Box 1646
Clinton, SC 29325
(864)938-0055

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COMPANIES AFFORDING COVERAGE

COMPANY A: Auto - Owners

INSURED
Bennett of Greenwood
33 Twin Rivers Rd
Waterloo, SC 29384

COMPANY B:

COMPANY C:

COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	☑ PROPERTY CAUSES OF LOSS ☐ BASIC ☐ BROAD ☐ SPECIAL ☐ EARTHQUAKE ☐ FLOOD ☐ ☐	16006900	11/06/09	11/06/10	☑ BUILDING ☐ PERSONAL PROPERTY ☐ BUSINESS INCOME ☐ EXTRA EXPENSE ☐ BLANKET BUILDING ☐ BLANKET PERS PROP ☐ BLANKET BLDG & PP ☐ ☐	$ 40,000 $ $ $ $ $ $ $ $
	☐ INLAND MARINE TYPE OF POLICY CAUSES OF LOSS ☐ NAMED PERILS ☐ OTHER				☐ ☐ ☐ ☐ ☐ ☐	$ $ $ $ $ $
	☐ CRIME TYPE OF POLICY				☐ ☐ ☐	$ $ $
	☐ BOILER & MACHINERY				☐ ☐	$ $
	☐ OTHER				☐	$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
33 Twin Rivers Rd Waterloo, SC 29384
House

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

Community South
6650 Calhoun Memorial Hwy
Easley, SC 29621

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 24 (1/95)

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COMMERCIAL PROPERTY SECTION
SOUTH CAROLINA

Location: 1 Building: 1

	Rating Type	Named Windstorm or Hail Percentage Deductible	Deductible
Building Class Description: _____ County/City Code: 030 Territory: 300 Within City Limits: ☐ Yes ☒ No	☒ Class ☐ Builder's Risk ☐ Specific ☐ Special ☐ Dwelling ☐ Mobile Home	____ % * ☐ Exclude Wind/Hail	Location $ 1,000 Theft $ 1,000 Wind/Hail $ 1,000

* If chosen, a minimum $1,000 or the Commercial Property Deductible applies, whichever is greater.

COVERAGES

☐ Condominium Unit Owner?

Type of Property Covered	Coverage Form	Limit	EQ Incl	Class Code	Group I Rate	Group II Rate	Coins. %	ACV, RC, Funct. RC	Blanket	Agreed Value
Building		$100,000	N	0311	1.128	0.202	80	RC	N	N

BUSINESS INCOME/EXTRA EXPENSE ADDITIONAL INFORMATION

☐ With Extra Expense	☐ With Rental Value	☐ 12 Months Actual Loss Sustained
☐ Without Extra Expense	☐ Without Rental Value	☐ Extra Expense Without Business Income

Type Of Business: ☐ Mercantile/Non-Manufacturing ☐ Manufacturing ☐ Mining ☐ Rental Property

☐ Monthly Period of Indemnity _____ Limit	☐ Power/Heat Deduction $_____ Deductible	☐ Ordinary Payroll ☐ Exclude ☐ Include ☐ 90 Days ☐ 180 Days ☐ $ _____	☐ Tuition Fees ☐ Limited ☐ Broad	☐ Dependent Properties ☐ Contributing Location ☐ Recipient Location ☐ Manufacturing Location ☐ Leader Location ☐ Description
☐ Extended Period of Indemnity _____ Days	☐ Electronic Media _____ Days			
☐ Maximum Period of Indemnity _____ Days	☐ Ordinance or Law _____ Days			

☐ Off Premises Service Interruption
☐ Power Supply ☐ Water Supply ☐ Communication
☐ Include Overhead Transmission Lines
☐ Exclude Overhead Transmission Lines

☐ Extra Expense ☐ Ordinance and Law Increased Cost of Restoration
_____ Days Period of Restoration

Expanded Limits of Loss Payment _____ % _____ % _____ % _____ %

Name and Address(es) For Off Premises Service Interruption or Dependent Properties

PREMISES INFORMATION

Construction: **Frame** Original Construction Year: **1990**	Total Area: **2,500** Number of Stories: **1**	Sprinklered: ☐ Yes ☒ No	Group II territory/Zone: ☒ Inland ☐ Seacoast ☐ Beach
Listed On Historical Registry: ☐ Yes ☒ No	Protection Class: **6**		Rate Group: 3 Class Limit: $5,000
Updates by: ☐ Insured ☐ Contractor Plumbing, Year: **1990** Heating, Year: **1990** Wiring, Year: **1990** Roofing, Year: **2004**	Purchase price if purchased within the last six months: $ _____		Wood Shake Shingles? ____
ISO RISK ID:	Tentative Rate:	Approved by:	ISO Contents Code:

PREMISES PROTECTION

Burglar Alarm:	Is there a fire hydrant within 1000 feet? **Y**	Distance to the fire department: **5** Miles	
Are all emergency exits marked and well lit?		Responding fire department: **Waterloo**	
Is building window egress blocked by bars?			
Number of annually serviced Fire Extinguishers:		Is the building open sided? **N**	

OPTIONAL COVERAGES, ENDORSEMENTS AND RATING INFORMATION

Total Building Premium $ 1,282.00

COMMERCIAL PROPERTY SECTION
SOUTH CAROLINA

Location: 1 Building: 2

	Rating Type	Named Windstorm or Hail Percentage Deductible	Deductible
Building Class Description: _____ County/City Code: 020 Territory: 300 Within City Limits: ☐ Yes ☒ No	☐ Class ☐ Builder's Risk ☐ Specific ☐ Special ☒ Dwelling ☐ Mobile Home	_____ % * ☐ Exclude Wind/Hail	Location $ 1,000 Theft $ 1,000 Wind/Hail $ 1,000

* If chosen, a minimum $1,000 or the Commercial Property Deductible applies, whichever is greater.

COVERAGES

☐ Condominium Unit Owner?

Type of Property Covered	Coverage Form	Limit	EQ Incl	Class Code	Group I Rate	Group II Rate	Coins. %	ACV, RC, Funct. RC	Blanket	Agreed Value
Building		$40,000	N	0196	0.759	0.134	80	RC	N	N

BUSINESS INCOME/EXTRA EXPENSE ADDITIONAL INFORMATION

☐ With Extra Expense ☐ With Rental Value ☐ 12 Months Actual Loss Sustained

☐ Without Extra Expense ☐ Without Rental Value ☐ Extra Expense Without Business Income

Type Of Business: ☐ Mercantile/Non-Manufacturing ☐ Manufacturing ☐ Mining ☐ Rental Property

☐ Monthly Period of Indemnity _____ Limit	☐ Power/Heat Deduction $_____ Deductible	☐ Ordinary Payroll ☐ Exclude ☐ Include ☐ 90 Days ☐ 180 Days ☐ $ _____	☐ Tuition Fees ☐ Limited ☐ Broad	☐ Dependent Properties ☐ Contributing Location ☐ Recipient Location ☐ Manufacturing Location ☐ Leader Location ☐ Description
☐ Extended Period of Indemnity _____ Days	☐ Electronic Media _____ Days			
☐ Maximum Period of Indemnity _____ Days	☐ Ordinance or Law _____ Days			

☐ Off Premises Service Interruption
☐ Power Supply ☐ Water Supply ☐ Communication
☐ Include Overhead Transmission Lines
☐ Exclude Overhead Transmission Lines

☐ Extra Expense ☐ Ordinance and Law Increased Cost of Restoration
_____ Days Period of Restoration

Expanded Limits of Loss Payment _____ % _____ % _____ % _____ %

Name and Address(es) For Off Premises Service Interruption or Dependent Properties

PREMISES INFORMATION

Construction: **Frame** Original Construction Year: **1978**	Total Area: **900** Number of Stories: **1**	Sprinklered: ☐ Yes ☒ No	Group II territory/Zone: ☒ Inland ☐ Seacoast ☐ Beach
Listed On Historical Registry: ☐ Yes ☒ No	Protection Class: **6**	Rate Group:	Class Limit: $0
Updates by: ☐ Insured ☐ Contractor Plumbing, Year: **2002** Heating, Year: **2002** Wiring, Year: **2002** Roofing, Year: **2002**	Purchase price if purchased within the last six months: $ _____	Wood Shake Shingles? ____	
ISO RISK ID:	Tentative Rate:	Approved by:	ISO Contents Code:

PREMISES PROTECTION

Burglar Alarm:	Is there a fire hydrant within 1000 feet? Y	Distance to the fire department: **5 Miles**
Are all emergency exits marked and well lit?		Responding fire department: **Waterloo**
Is building window egress blocked by bars?		
Number of annually serviced Fire Extinguishers:		Is the building open sided? **N**

OPTIONAL COVERAGES, ENDORSEMENTS AND RATING INFORMATION

Dwelling Territory 50, Construction Year 1978

Total Building Premium $ 345.00

Total Location Premium $ 1,527.00

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COMMERCIAL PROPERTY SECTION
SOUTH CAROLINA

Location: 2 Building: 1

	Rating Type	Named Windstorm or Hail Percentage Deductible	Deductible
Building Class Description: _____ County/City Code: 030 Territory: 300 Within City Limits: ☐ Yes ☐ No	☐ Class ☐ Builder's Risk ☐ Specific ☐ Special ☒ Dwelling ☐ Mobile Home	____ % * ☐ Exclude Wind/Hail	Location $ 1,000 Theft $ 1,000 Wind/Hail $ 1,000

* If chosen, a minimum $1,000 or the Commercial Property Deductible applies, whichever is greater.

COVERAGES

☐ Condominium Unit Owner?

Type of Property Covered	Coverage Form	Limit	EQ Incl	Class Code	Group I Rate	Group II Rate	Coins. %	ACV, RC, Funct. RC	Blanket	Agreed Value
Building		$90,000	N	0196	0.596	0.105	80	RC	N	N

BUSINESS INCOME/EXTRA EXPENSE ADDITIONAL INFORMATION

☐ With Extra Expense ☐ With Rental Value ☐ 12 Months Actual Loss Sustained

☐ Without Extra Expense ☐ Without Rental Value ☐ Extra Expense Without Business Income

Type Of Business: ☐ Mercantile/Non-Manufacturing ☐ Manufacturing ☐ Mining ☐ Rental Property

☐ Monthly Period of Indemnity _____ Limit	☐ Power/Heat Deduction $_____ Deductible	☐ Ordinary Payroll ☐ Exclude ☐ Include ☐ 90 Days ☐ 180 Days ☐ $ _____	☐ Tuition Fees ☐ Limited ☐ Broad	☐ Dependent Properties ☐ Contributing Location ☐ Recipient Location ☐ Manufacturing Location ☐ Leader Location ☐ Description
☐ Extended Period of Indemnity _____ Days	☐ Electronic Media _____ Days			
☐ Maximum Period of Indemnity _____ Days	☐ Ordinance or Law _____ Days			

☐ Off Premises Service Interruption
☐ Power Supply ☐ Water Supply ☐ Communication
☐ Include Overhead Transmission Lines
☐ Exclude Overhead Transmission Lines

☐ Extra Expense ☐ Ordinance and Law Increased Cost of Restoration
_____ Days Period of Restoration

Expanded Limits of Loss Payment _____ % _____ % _____ % _____ %

Name and Address(es) For Off Premises Service Interruption or Dependent Properties

PREMISES INFORMATION

Construction: **Frame** Original Construction Year: **1980**	Total Area: **1,700** Number of Stories: **1**	Sprinklered: ☐ Yes ☒ No	Group II territory/Zone: ☒ Inland ☐ Seacoast ☐ Beach
Listed On Historical Registry: ☐ Yes ☒ No	Protection Class: **6**	Rate Group:	Class Limit: $0
Updates by: ☐ Insured ☐ Contractor Plumbing, Year: **2004** Heating, Year: **2004** Wiring, Year: **2004** Roofing, Year: **2004**	Purchase price if purchased within the last six months: $ _____	Wood Shake Shingles? ____	
ISO RISK ID:	Tentative Rate:	Approved by:	ISO Contents Code:

PREMISES PROTECTION

Burglar Alarm:	Is there a fire hydrant within 1000 feet?	Distance to the fire department:	Miles
Are all emergency exits marked and well lit?		Responding fire department:	
Is building window egress blocked by bars?			
Number of annually serviced Fire Extinguishers:		Is the building open sided?	N

OPTIONAL COVERAGES, ENDORSEMENTS AND RATING INFORMATION

Dwelling Territory 50. Construction Year 1980

Total Building Premium $ 822.00

Total Location Premium $ 822.00

COMMERCIAL PROPERTY SECTION
SOUTH CAROLINA

Location: 3 Building: 4

	Rating Type	Named Windstorm or Hail Percentage Deductible	Deductible
Building Class Description: _____ County/City Code: 030 Territory: 300 Within City Limits: ☐ Yes ☐ No	☐ Class ☐ Builder's Risk ☐ Specific ☐ Special ☒ Dwelling ☐ Mobile Home	____ % * ☐ Exclude Wind/Hail	Location $ 1,000 Theft $ 1,000 Wind/Hail $ 1,000

* If chosen, a minimum $1,000 or the Commercial Property Deductible applies, whichever is greater.

COVERAGES

☐ Condominium Unit Owner?

Type of Property Covered	Coverage Form	Limit	EQ Incl	Class Code	Group I Rate	Group II Rate	Coins. %	ACV, RC, Funct. RC	Blanket	Agreed Value
Building		$190,000	N	0196	0.507	0.089	100	RC	N	N

BUSINESS INCOME/EXTRA EXPENSE ADDITIONAL INFORMATION

☐ With Extra Expense ☐ With Rental Value ☐ 12 Months Actual Loss Sustained

☐ Without Extra Expense ☐ Without Rental Value ☐ Extra Expense Without Business Income

Type Of Business: ☐ Mercantile/Non-Manufacturing ☐ Manufacturing ☐ Mining ☐ Rental Property

☐ Monthly Period of Indemnity _____ Limit	☐ Power/Heat Deduction $_____ Deductible	☐ Ordinary Payroll ☐ Exclude ☐ Include ☐ 90 Days ☐ 180 Days ☐ $ _____	☐ Tuition Fees ☐ Limited ☐ Broad	☐ Dependent Properties ☐ Contributing Location ☐ Recipient Location ☐ Manufacturing Location ☐ Leader Location ☐ Description
☐ Extended Period of Indemnity _____ Days	☐ Electronic Media _____ Days			
☐ Maximum Period of Indemnity _____ Days	☐ Ordinance or Law _____ Days			

☐ Off Premises Service Interruption
☐ Power Supply ☐ Water Supply ☐ Communication
☐ Include Overhead Transmission Lines
☐ Exclude Overhead Transmission Lines

☐ Extra Expense ☐ Ordinance and Law Increased Cost of Restoration
_____ Days Period of Restoration

Expanded Limits of Loss Payment _____ % _____ % _____ % _____ %

Name and Address(es) For Off Premises Service Interruption or Dependent Properties

PREMISES INFORMATION

Construction: **Frame** Original Construction Year: **1975**	Total Area: **3,000** Number of Stories: **1**	Sprinklered: ☐ Yes ☒ No	Group II territory/Zone: ☒ Inland ☐ Seacoast ☐ Beach
Listed On Historical Registry: ☐ Yes ☒ No	Protection Class: **6**	Rate Group:	Class Limit: $0
Updates by: ☐ Insured ☐ Contractor Plumbing, Year: **2006** Heating, Year: **2006** Wiring, Year: **2006** Roofing, Year: **2006**	Purchase price if purchased within the last six months: $ _____	Wood Shake Shingles? ____	
ISO RISK ID:	Tentative Rate:	Approved by:	ISO Contents Code:

PREMISES PROTECTION

Burglar Alarm:	Is there a fire hydrant within 1000 feet?	Distance to the fire department:	Miles
Are all emergency exits marked and well lit?		Responding fire department:	
Is building window egress blocked by bars?			
Number of annually serviced Fire Extinguishers:		Is the building open sided?	N

OPTIONAL COVERAGES, ENDORSEMENTS AND RATING INFORMATION

Dwelling Territory 50. Construction Year 1975

ADDITIONAL INTEREST/CERTIFICATE RECIPIENT

Interest Type	Loss Payable	Interest Type	Mortgagee
Name	**Community South Bank**	Name	**Community South Bank**
Address	**6650 Calhoun Memorial Hwy**	Address	**6650 Calhoun Memorial Hwy**
Address		Address	
City	**Easley**	City	**Easley**
State	**SC**	State	**SC**
Zip	**29640**	Zip	**29640**

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ACORD EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 08/11/2008

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

IDUCER e Peoples Agency ; Box 5136 derson, SC 29623 PHONE (A/C, No, Ext): (864)224-7444	COMPANY Cincinnati Insurance Co. P. O. Box 145496 Cincinnati, OH 45214-5496
DE: 39-054 SUB CODE: ENCY STOMER ID #: 00007164	
URED Ken E Bennett Bennett of Greenwood, LLC 33 Twin Rivers Road Waterloo, SC 29384	LOAN NUMBER POLICY NUMBER CAP5126935 EFFECTIVE DATE 06/15/2007 EXPIRATION DATE 06/15/2010 CONTINUED UNTIL TERMINATED IF CHECKED THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

OCATION/DESCRIPTION
Loc 00004 Bldg 00001 6 acres, Lake Greenwood Waterloo, SC 29384

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Apartment Building - 4 units, RC, Special (Including theft) - Detail	100,000	1000
Building, RC, Special (Including theft) - Detail	40,000	1000
Building, RC, Special (Including theft) - Detail	80,000	1000

REMARKS (Including Special Conditions)

Transferred from JKR Development 08/05/2008

EXHIBIT 51 BENNETT PENGAD 800-631-6989

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS
Community South Bank
6602 Calhoun Memorial Hwy
Easley, SC 29640

X MORTGAGEE
LOSS PAYEE
ADDITIONAL INSURED
LOAN#

AUTHORIZED REPRESENTATIVE
Cynthia J. Dodgens
Cindy Dodgens, CISR/CTD

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CommunitySouth
BANK & TRUST

March 30, 2010

Kenneth E. Bennett and Richard C. Bennett

On behalf of CommunitySouth Bank and Trust I am pleased to offer you a loan commitment based upon the following terms and conditions and your acceptance thereof:

NAME OF BORROWER: Kenneth E Bennett

AMOUNT OF LOAN: an amount up to $497,450 (the interest must be made current by 03/31/2010)

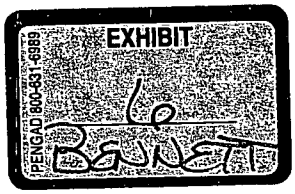
PURPOSE OF LOAN: Refinance loan 8001376 with the addition of collateral

INTEREST RATE: The interest rate on this loan will be 6 percent (%) fixed.

TERMS OF REPAYMENT: Payments on this loan will be calculated on a 15 year amortization, with a three year call. Payments will be due in equal, amortizing monthly payments, including principal and interest, with one final payment of all remaining principal and accrued interest. The payments would be re-amortized if a large payment of at least $100,000 is made.

LOAN DOCUMENTS: CommunitySouth Bank and Trust will require the following loan documents on forms approved by the bank: (1) Promissory Note, (2) A first mortgage/deed of trust, security agreement covering other collateral property as previously defined, (3) All other documents as may by required by CommunitySouth Bank and Trust when and as requested, must be made available.

PREPAYMENT: This loan may be prepaid at any time without penalty. All payments received in excess of the required amount will be credited to the outstanding principal balance of the loan.



CORPORATE RESOLUTION: A corporate resolution, authorizing this loan and designating those persons authorized to sign will be required at closing.

DESCRIPTION OF COLLATERAL: This loan will be secured by a first mortgage security interest in the real property located at Twin Rivers Rd and 1879 Dillard Rd, Waterloo, SC 29834 and a first mortgage/deed of trust for $200,000 on a properly known as 2235 Kishwaukee St and 2310 Starr Street, Rockford, Ill 61104 (PIN # 11-35-325-010, 11-35-327-002)(property in the name of R.I.C.K.S RCB Enterprises, Inc or Richard C Bennett aka Rick Bennett)

ENVIRONMENTAL QUESTIONNAIRE: A copy of the previously obtained Phase I and II Environmental Survey, performed by a licensed engineer must be provided prior to closing. All cost of this survey is to be borne by the Borrower and must be paid before ordering.

APPRAISAL: A detailed appraisal of the property serving as collateral for this loan will be required. This appraisal is to be furnished by an appraiser acceptable to CommunitySouth Bank and Trust. All cost of such appraisal are to be borne by the borrower and must be collected before the appraisal can be ordered.

WAIVER OF APPRAISAL RIGHTS: In accordance with Section 29-3-680, South Carolina Code of Laws 1976, as amended. CommunitySouth Bank and Trust will require the Borrower and the Guarantors to waive their statutory appraisal rights and to sign a statement in the loan documents waiving such appraisal rights in compliance with the aforesaid statute.

TITLE INSURANCE: A title insurance binder must be provided prior to closing.

PROPERTY TAXES: All property taxes which are considered due and payable must be paid prior to closing.

TRANSFER OF PROPERTY: The mortgage will contain a provision that on sale or transfer of the mortgaged property, without CommunitySouth Bank and Trust prior written approval, the entire balance of the loan will be immediately become due and payable.

ASSIGNMENTS OF LEASES: A conditional assignment of Borrower's interest in all present and future leases of the Property will be required. Further, any leases of the Property entered into subsequent to loan closing will be subject to CommunitySouth Bank and Trust prior written approval, which approval will not be unreasonably withheld or delayed. (ILL property) RCB RB

ASSIGNMENTS OF RENTS: As additional security for payment of the note, the Borrower hereby assigns to the Lender all of the rents and other payments for the occupancy or the use of the property or the improvements (collectively, the rents) but the Lender does not assume any liabilities of the Borrower with respect to the leases and other agreements for occupancy of any part of the property or the improvements (the leases).

GUARANTOR(S): Joint and several guarantees will be required from Kenneth E Bennett and Richard C Bennett.

LOAN AGREEMENT: A separate (term loan) agreement may be required at closing.

DEPOSIT ACCOUNT: As a condition of this loan, Borrower must maintain all normal deposits accounts with CommunitySouth Bank and Trust

HAZARD INSURANCE: Borrower must at all times maintain hazard insurance coverage on the collateral in an amount equal to or greater than the replacement cost of the buildings or appurtenances on the mortgage property, and issued by an insurance company satisfactory to the bank. A certificate of insurance must be furnished, showing CommunitySouth Bank and Trust interest as mortgagee, prior to closing. If the mortgaged property is located in a federally identified flood hazard area, flood hazard insurance coverage must also be provided. As soon as practical, following closing, and actual copy of the policy is to be delivered to CommunitySouth Bank and Trust.

FINANCIAL INFORMATION: We will require you to furnish us with complete financial statements, at least on a fiscal year end basis, as well as a complete personal financial statement and tax return, annually, from any and all personal guarantors. These statements, whether personal or company, must be signed, including title, unless they are audited on an unqualified basis.

LEGAL FEES: All legal and recording expenses incurred in connection with this loan shall be the responsibility of the Borrower.

COMMITMENT PERIOD: This commitment must be accepted within 1 days from the date of this letter and the loan must be closed no later than 30 days from the date of this letter or the terms and conditions of this commitment will become null and void.

COMMITMENT LETTER / LOAN AGREEMENT: In addition to the terms and conditions contained in any specific loan agreement or other loan documents, the terms and conditions of this loan, as described in the foregoing commitment letter, will survive the closing of the loan and will remain effective as long as any portion of this obligation remains outstanding.

TERMINATION OF COMMITMENT: The issuance of this commitment is based upon the accuracy of your representations, statements, loan application and all additional information, representations, exhibits and other matters submitted to CommunitySouth Bank and Trust for its consideration. CommunitySouth Bank and Trust may, at its sole discretion, declare their commitment to be canceled if there has been any misrepresentation, misstatement, omission or material error in anything submitted to CommunitySouth Bank and Trust or if prior to the initial disbursement, there shall have been any adverse change in the state of facts submitted to CommunitySouth Bank and Trust or the Borrower, or any guarantor has become insolvent, bankrupt or incapacitated.

BORROWER(S) WARRANTY: Borrower covenants by execution of the commitment letter that neither the Borrower, any Guarantors have been convicted of any federal, state, or local crime, nor have any such parties been the subject of any civil judgment or regulatory order for finding involving fraud, securities violations or other matters relating to financial responsibility or business integrity. None of such parties has ever been the subject of any bankruptcy, insolvency, receivership, assignment for the benefit of creditors or similar proceeding. The lender is authorized to take appropriate action to verify these matters.

OTHER: In the next 180 days, the borrower must liquidate the remaining collateral used for loan #1580762, #1580786, and #8001381 at a reasonable price (subject to bank approval). The borrower must bring all offers to David Swank and/or Allan Ducker and the bank will approve if the net proceeds are below the current outstanding loan balance. Failure to keep payments current for proposed loan will accelerate the foreclosure process on the remaining loans.

Please indicate your acceptance of this commitment by signing, dating, and returning the original, keeping a copy for your records.

Sincerely,

David R. Swank
Vice President

THE TERMS AND CONDITIONS OF THIS COMMITMENT LETTER, AS STATED ABOVE, ARE HEREBY ACCEPTED.

Borrower's Name:

By:

It's: OWNER

Guarantor's Name(s):

KENNETH E. BENNETT; RICHARD C. BENNETT 3923 E STATE ST ROCKFORD, IL 61108-2003 **BORROWER'S NAME AND ADDRESS** "I" includes each borrower above, jointly and severally.	CommunitySouth Bank and Trust 6602 Calhoun Memorial Highway Easley, SC 29640 **LENDER'S NAME AND ADDRESS** "You" means the lender, its successors and assigns.	Part # 200 Loan Number 8001376 Date 09-29-2010 Maturity Date 09-29-2013 Loan Amount $ 497,450.00 Renewal Of MODIFICATION Officer # DAVID SWANK

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of four hundred ninety seven thousand four hundred fifty and no/100 Dollars $ 497,450.00

☒ **Single Advance:** I will receive all of this principal sum on _____. No additional advances are contemplated under this note.

☐ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of $ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____

☐ **Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.

☐ **Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 09-29-2010 at the rate of 6.000% per year until 09-29-2013.

☐ **Variable Rate:** This rate may then change as stated below.

☐ **Index Rate:** The future rate will be _____ the following index rate: _____

☐ **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ **Frequency and Timing:** The rate on this note may change as often as _____.
A change in the interest rate will take effect _____.

☐ **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %. The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

☐ _____.

ACCRUAL METHOD: Interest will be calculated on a Actual/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ **LATE CHARGE:** If a payment is not made within 10 days after it is due, I agree to pay a late charge of 5.000% of the late amount.

☐ **ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____.

PAYMENTS: I agree to pay this note as follows:

35 monthly payments of $4,221.04 beginning 10-29-2010 and 1 balloon payment of $434,817.15 on 09-29-2013.

ADDITIONAL TERMS: I (WE) AGREE IF BORROWERS MAKE A PRINCIPAL REDUCTION OF AT LEAST $100,000.00 DURING THE LOAN PERIOD, THE BANK WILL ALLOW FOR THE NOTE TO BE RE-AMORTIZED. THE PRINCIPAL REDUCTION WOULD COME FROM THE POSSIBLE SALE OF THE ILLINOIS PROPERTY.

EXHIBIT 7 BENNETT

☒ **SECURITY:** This note is separately secured by (describe separate document by type and date): MORTGAGE DATED 11-1-2007 RECORDED IN LAURENS COUNTY 12-10-2007 BK M1727 PG 1. MORTGAGE DATED 11-1-2007 RECORDED IN LAURENS COUNTY 4-30-2008 BK M1764 PG 63. MORTGAGE DATED 9-29-2010.CROSS COLLATERALIZATION DATED 9-29-2010

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is TO ADD ADDITIONAL COLLATERAL TO EXISTING CSBAT LOAN.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

Signature for Lender

DAVID SWANK, OFFICER

KENNETH E. BENNETT

RICHARD C. BENNETT

SOUTH CAROLINA - UNIVERSAL NOTE

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DEFINITIONS: As used on page 1, "☒" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of South Carolina will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

COMMISSIONS OR OTHER REMUNERATION: I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

(1) any deposit account balance I have with you;

(2) any money owed to me on an item presented to you or in your possession for collection or exchange; and

(3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

(1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).

(2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.

(3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.

(4) You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

(1) demand payment of amounts due (presentment);

(2) obtain official certification of nonpayment (protest); or

(3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

FINANCIAL INFORMATION: I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

WAIVER OF HEARING PRIOR TO IMMEDIATE POSSESSION: If this loan is for a business purpose I agree to waive the right to five days' notice and a presaizure hearing prior to seizure of any personal property which may secure this loan.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
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	$		$	$	%	$	
	$		$	$	%	$	

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TITLE UNDERWRITERS AGENCY
Agent for
Chicago Title Insurance Co

PERSONAL UNDERTAKING

WHEREAS, Title Underwriters Agency, hereinafter referred to as "the Company", is about to issue its title insurance policy or policies or commitments therefore, all hereafter referred to as "the Title Insurance Policy", Number W180337COM in respect to the land therein described and commonly known as: 2235 Kishwaukee Street, Rockford, Illinois
Permanent Tax Number: 215C 555B

WHEREAS, the Company is unwilling to issue such policies unless exception is made for the following matters (hereinafter referred to as "the Exception"):

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to August 10, 2010 but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage covered herein.

AND WHEREAS, the Company has been requested to issue the Title Insurance Policy, and may hereafter in the ordinary course of its business issue title insurance policy or policies or commitments therefore in the form or forms now or then commonly used by the Company in respect to the land or to some part or parts thereof, or interest therein, free and clear of all mention of the aforesaid exception to title.

NOW, THEREFORE, in consideration of the issuance of said title insurance policies as aforesaid and of the sum of One Dollar ($1.00) in hand paid to the undersigned by the company, the receipt whereof is hereby acknowledged, the undersigned, _____, does hereby for itself, its successors and assigns, covenant and agree with the company: 1) to fully protect, defend and save harmless the Company from and against the above mentioned rights and liens, and each and every one of them; 2) to fully protect defend and save harmless the Company from any and all loss, costs, damages: attorney's and solicitor's fees and expenses of every kind and nature which it may suffer, expend or incur under or by reason or in consequence of said title insurance policies, on account of, in consequence of or growing out of the above mentioned rights and liens, or of any of them, or on account of the assertion or enforcement or attempted assertion or enforcement thereof, or of any right existing or hereafter arising, or which at any time be claimed to exist under or by reason, or in consequence of or growing out of the said rights and liens, or of any of them; 3) as against the assertion or attempted assertion of any such rights and liens to defend at its own costs and charges in behalf of and for the protection of the company and of the parties insured, or who may be insured, against loss by it under said title insurance policies (but without prejudice to the right of the Company to defend if it so elects) any and every suit, action or proceeding in which any such rights and liens may be asserted or attempted to be asserted, established or enforced in, to, upon, against or in respect to said real estate, or any part thereof, or interest therein; 4) that each and every provision hereof shall extend to and be in force concerning any and every other title insurance policy or policies which the Company may at any time or times hereafter issue insuring against loss by reason of the "Exceptions to Title" noted above with respect to the real estate hereinbefore described, or any part or parts thereof, or interest therein.

IN WITNESS WHEREOF, said David Swank has caused these presents to be signed this 23 day of September, 2010.

By: Richard C Bennett

Title Underwriters Agency

STATEMENT REQUIRED FOR THE ISSUANCE OF ALTA OWNERS AND LOAN POLICIES

Commitment No. W180337COM Loan No. Date:

To the best knowledge and belief of the undersigned, the following is hereby certified with respect to the land described in the above commitment.

1. That, except as noted at the end of this paragraph, within the last six (6) months, (a) no labor, service or materials have been furnished to improve the land, or to rehabilitate, repair, refurbish, or remodel the building(s) situated on the land; (b) nor have any goods, chattels, machinery, apparatus or equipment been attached to the building(s) thereon, as fixtures; (c) nor have any contracts been let for the furnishing of labor, service, materials, machinery, apparatus or equipment which are to be completed subsequent to the date hereof; (d) nor have any notices of lien been received, except the following, if any:

2. There are no revolving credit mortgages, line of credit mortgages, home equity loan mortgages, or other voluntary liens or mortgages affecting title, other than those shown on Schedule B of the Commitment, except the following, if any:

3. That all management fees, if any, are fully paid, except the following:

4. That there are no unrecorded security agreements, leases, financing statements, chattel mortgages or conditional sales agreements in respect to any appliances, equipment or chattels that have or are to become attached to the land or any improvements thereon as fixtures, except the following if any:

5. That there are no unrecorded contracts or options to purchase the land, except the following, if any:

6. That there are no unrecorded leases, easements, or other servitudes to which the land or building, or portions thereof, are subject, except the following, if any:

7. That, in the event the undersigned is a mortgagor in a mortgage to be insured under a loan policy to be issued pursuant to the above commitment, the mortgage and the principal obligations it secures are good and valid and free from all defenses; that any person purchasing the mortgage and obligations it secures, or otherwise acquiring any interest therein, may do so in reliance upon the truth of the matters herein recited; and that this certification is made for the purpose of better enabling the holder or holders, from time to time, of the above mortgage and obligations to sell, pledge or otherwise dispose of the same freely at any time, and to insure the purchasers or pledgees thereof against any defenses thereto by the mortgagor or the mortgagor's heirs, personal representative or assigns.

8. The following applies if checked:

☐ That I/we am/are the purchaser(s) or mortgagor(s) of land improved with a residential dwelling not exceeding four units, and no current survey or mortgagee's inspection report has been furnished to or is available to me/us.

The undersigned makes the above statement for the purpose of inducing Chicago Title Insurance Co to issue its owners or loan policy pursuant to the above commitment.

Seller or Owner

Purchaser

Richard C Bennett

P.C.K.S. RCB Enterprises,

Inc., an A Corporation

Richard C Bennett

LENDER'S DISBURSEMENT STATEMENT

The undersigned hereby certifies that the proceeds of the loan secured by the mortgage to be insured under the loan policy to be issued pursuant to the above commitment was fully disbursed to or on the order of the mortgagor on . You are hereby authorized to date down the above commitment to cover the date of said disbursement.

9/25/10

Dated

Signature

F.3738 ALTA 10/04 DGG

This instrument was prepared by:
CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway
Easley, SC 29640

When recorded return to (name, address):
CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway
Easley, SC 29640

State of Illinois — Space Above This Line For Recording Data

REAL ESTATE MORTGAGE

(With Future Advance Clause)

1. DATE AND PARTIES. The date of this Mortgage (Security Instrument) is 09-29-2010 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: R.I.C.K.S. RCB ENTERPRISES INC
216 NORTH COURT STREET
ROCKFORD, IL 61101

☐ If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Highway
Easley, SC 29640

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender the following described property:

SEE ATTACHED "EXHIBIT A"

The property is located in WINNEBAGO (County) at 2235 KISHWAUKEE STREET PARCEL I (Address); ROCKFORD (City), Illinois 61104 (Zip Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, all water and riparian rights, wells, ditches, reservoirs, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. SECURED DEBT AND FUTURE ADVANCES. The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. *(When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)*

KENNETH E BENNETT AND RICHARD C BENNETT
$497,450.00
6.00% FIXED MATURITY DATE 9-29-20230 LOAN # 8001376

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EXHIBIT 8 BENNETT

PBNGAD 800-631-6989

B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Mortgagor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.

C. All obligations Mortgagor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

4. **PAYMENTS.** Mortgagor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.

5. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:
   A. To make all payments when due and to perform or comply with all covenants.
   B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
   C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

6. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

7. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.

8. **TRANSFER OF AN INTEREST IN THE MORTGAGOR.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
   A. A beneficial interest in Mortgagor is sold or transferred.
   B. There is a change in either the identity or number of members of a partnership or similar entity.
   C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.

However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.

9. **ENTITY WARRANTIES AND REPRESENTATIONS.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Mortgagor makes to Lender the following warranties and representations which shall continue as long as the Secured Debt remains outstanding:
   A. Mortgagor is duly organized and validly existing in Mortgagor's state of incorporation or organization. Mortgagor is in good standing in all states in which Mortgagor transacts business. Mortgagor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagor operates.
   B. The execution, delivery and performance of this Security Instrument by Mortgagor and the obligations evidenced by the Secured Debt are within the power of Mortgagor, have been duly authorized, have received all

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necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.

C. Other than previously disclosed in writing to Lender, Mortgagor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

10. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

11. **AUTHORITY TO PERFORM.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

12. **ASSIGNMENT OF LEASES AND RENTS.** Mortgagor assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (Property):
   A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including but not limited to, any extensions, renewals, modifications or replacements (Leases).
   B. Rents, issues and profits, including but not limited to, security deposits, minimum rents, percentage rents, additional rents, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property (Rents).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment.

As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance.

Mortgagor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so require) without Lender's consent. Mortgagor will not assign,

compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional torts. Otherwise, Mortgagor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

13. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

14. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Any party obligated on the Secured Debt fails to make payment when due;

B. A breach of any term or covenant in this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt;

C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;

D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Mortgagor or any other person or entity obligated on the Secured Debt;

E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;

F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or

G. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

15. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. Upon default, Lender shall have the right, without declaring the whole indebtedness due and payable, to foreclose against all or part of the Property and shall have the right to possession provided by law. This Security Instrument shall continue as a lien on any part of the Property not sold on foreclosure.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

16. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Lender agrees to pay for any recordation costs of such release.

17. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means all federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

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Unless otherwise agreed in writing, all insurance proceeds shall be applied to restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

B. Mortgagor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.

C. Mortgagor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

20. **ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

21. **FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.

22. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

23. **APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

24. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

25. **WAIVERS.** Except to the extent prohibited by law, Mortgagor hereby waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future relating to the right of homestead exemption, redemption, reinstatement, appraisement, the marshalling of liens and assets and all other exemptions as to the Property.

26. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed $ 175,900.00. This limitation of amount does not include interest, attorneys' fees, and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

27. **U.C.C. PROVISIONS.** If checked, the following are applicable to, but do not limit, this Security Instrument:

☐ **Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.

☐ **Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.

☐ **Crops; Timber; Minerals; Rents, Issues and Profits.** Mortgagor grants to Lender a security interest in all crops, timber and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

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B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law and Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

F. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

G. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

H. Lender may perform any of Mortgagor's obligations under this section at Mortgagor's expense.

I. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.

J. Notwithstanding any of the languages contained in this Security Instrument to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

18. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

19. INSURANCE. Mortgagor agrees to maintain insurance as follows:

A. Mortgagor shall keep the Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debt. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

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H. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

12. APPOINTMENT OF A RECEIVER. On or after an Assignor's default, Assignor agrees to Lender making an application to the court for an appointment of a receiver for the benefit of Lender to take possession of the Property and the Leases, with the power to receive, collect and apply the Rents. Any Rents collected will be applied as the court authorizes to pay taxes, to provide insurance, to make repairs and to pay costs or any other expenses relating to the Property, the Leases and Rents, and any remaining sums shall be applied to the Secured Debts. Assignor agrees that this appointment of a receiver may be without giving bond, without reference to the then-existing value of the Property, and without regard to the insolvency of any person liable for any of the Secured Debts.

13. COLLECTION EXPENSES AND ATTORNEYS' FEES. To the extent permitted by law, Assignor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Assignment. Unless the applicable law that governs this Assignment is North Dakota, expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. These expenses will bear interest from the date of payment until paid in full at the contract interest rate then in effect for the Loan. To the extent permitted by the United States Bankruptcy Code, Assignor agrees to pay the reasonable attorneys' fees Lender incurs to collect this Assignment as awarded by any court exercising jurisdiction under the Bankruptcy Code.

14. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substances" under any Environmental Law.

Assignor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Except as previously disclosed and acknowledged in writing to Lender, Assignor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Assignor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Assignor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Assignor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Assignor or any tenant of any Environmental Law. Assignor will immediately notify Lender in writing as soon as Assignor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, Assignor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.

F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Assignor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Assignor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Assignor and any tenant are in compliance with applicable Environmental Law.

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I. Upon Lender's request and at any time, Assignor agrees, at Assignor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Assignor's obligations under this section at Assignor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Assignor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses to the extent permitted by law, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Assignment and in return Assignor will provide Lender with collateral of at least equal value to the Property secured by this Assignment without prejudice to any of Lender's rights under this Assignment.

L. Notwithstanding any of the language contained in this Assignment to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Assignment regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

15. TERM. This Assignment will remain in full force and effect until the Secured Debts are paid or otherwise discharged and Lender is no longer obligated to advance funds under any loan or credit agreement which is a part of the Secured Debts. If any or all payments of the Secured Debts are subsequently invalidated, declared void or voidable, or set aside and are required to be repaid to a trustee, custodian, receiver or any other party under any bankruptcy act or other state or federal law, then the Secured Debts will be revived and will continue in full force and effect as if this payment had not been made.

16. CO-SIGNERS. If Assignor signs this Assignment but does not sign the Secured Debts, Assignor does so only to assign Assignor's interest in the Property to secure payment of the Secured Debts and Assignor does not agree to be personally liable on the Secured Debts. If this Assignment secures a guaranty between Lender and Assignor, Assignor agrees to waive any rights that may prevent Lender from bringing any action or claim against Assignor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

17. WAIVERS. Except to the extent prohibited by law, Assignor waives all appraisement and homestead exemption rights relating to the Property.

18. U.C.C. PROVISIONS.

☐ Construction Loan. This Assignment secures an obligation incurred for the construction of an improvement on the Property.

19. OTHER TERMS. If checked, the following are applicable to this Assignment:

☐ Line of Credit. The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Assignment will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

☐ Additional Terms.

20. APPLICABLE LAW. This Assignment is governed by the laws of Illinois, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

21. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Assignor's obligations under this Assignment are independent of the obligations of any other Assignor. Lender may sue each Assignor individually or together with any other Assignor. Lender may release any part of the Property and Assignor will still be obligated under this Assignment for the remaining Property. The duties and benefits of this Assignment will bind and benefit the successors and assigns of Lender and Assignor.

22. AMENDMENT, INTEGRATION AND SEVERABILITY. This Assignment may not be amended or modified by oral agreement. No amendment or modification of this Assignment is effective unless made in writing and executed by Assignor and Lender. This Assignment is the complete and final expression of the agreement. If any provision of this Assignment is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

23. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Assignment.

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☐ Personal Property. Mortgagor grants to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgagor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

☐ Filing As Financing Statement. Mortgagor agrees and acknowledges that this Security Instrument also suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.

28. OTHER TERMS. If checked, the following are applicable to this Security Instrument:

☐ Line of Credit. The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

☒ Separate Assignment. The Mortgagor has executed or will execute a separate assignment of leases and rents. If the separate assignment of leases and rents is properly executed and recorded, then the separate assignment will supersede this Security Instrument's "Assignment of Leases and Rents" section.

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

Entity Name: R.L.C.K.S. RCB ENTERPRISES INC

(Signature) RICHARD BENNETT, PRESIDENT (Date)

(Signature) (Date)

(Signature) (Date)

(Signature) (Date)

ACKNOWLEDGMENT:

(Individual) STATE OF _____, COUNTY OF _____) ss:

This instrument was acknowledged before me this _____ day of _____

by _____

My commission expires:

_____ (Notary Public)

STATE OF South Carolina , COUNTY OF Spartanburg) ss.

(Business or Entity Acknowledgment)

This instrument was acknowledged before me this 29th day of September, 2010

by RICHARD BENNETT, PRESIDENT

(Title(s))

of R.L.C.K.S. RCB ENTERPRISES INC

(Name of Business or Entity)

a Illinois Corporation on behalf of the business or entity.

My commission expires:

MY COMMISSION EXPIRES JULY 21, 2018

Tammy Bettis

(Notary Public)

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EXHIBIT A

Part of the East Half (1/2) of the Southwest Quarter (1/4) of Section 35, Township 44 North, Range 1 East of the Third Principal Meridian, situated in the County of Winnebago and State of Illinois, bounded as follows, to-wit: Beginning on the West line of Kishwaukee Street, at a point Six Hundred Eighty-five and Seven Tenths (685.7) feet South of the North line of said Quarter (1/4) Section; thence South along the West line of Kishwaukee Street, Two Hundred Two and Fifty-seven Hundredths (202.57) feet, more or less, to the Southeast corner of premises conveyed by Julia C. Lathrop, et al, to Edward W. Brown by Warranty Deed dated June 7, 1919 and recorded in Book 259 of Deeds, Page 479 in the Recorder's Office of Winnebago County, Illinois; thence West along the Southerly line of said premises so conveyed to Edward W. Brown and parallel with the North line of said Quarter (1/4) Section, 630 feet, more or less, said point also being Thirty-three (33) feet Easterly from the Easterly line of premises conveyed by William Lathrop, et al, to Illinois, Iowa and Minnesota Railway Company by Deed recorded in said Recorder's Office in Book 187 of Deeds, Page 316; thence Northerly parallel with said last mentioned line to a point Six Hundred Thirty-five and Seven Tenths (635.7) feet South of the North line of said Quarter (1/4) Section; thence East Four Hundred Eighty-two and Fifty-five Hundredths (482.55) feet, more or less, to the Northwest corner of premises conveyed to Smith Oil Corporation by Warranty Deed recorded February 2, 1988 on Microfilm No. 8805-0046; thence South parallel with the West line of Kishwaukee Street, Fifty (50) feet; thence East parallel with the North line of said Quarter (1/4) Section, One Hundred Fifty (150) feet to the place of beginning; ALSO, Lots One (1), Two (2), Three (3) Four (4), Five (5), Six (6), Twelve (12), Thirteen (13), Fourteen (14) Fifteen (15) and Sixteen (16) in Block Two (2) as designated upon the Plat of Rockford Sand and Gravel Company's Subdivision of part of Sections 34 and 35, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which is recorded in Book 11 on Page 32 in the Recorder's Office of Winnebago County, Illinois; ALSO, the Westerly One-half (1/2) of the following described strip of land; that portion of the Plat of Rockford Sand and Gravel Company's Subdivision recorded in Book 11 of Plats, Page 32 in the Recorder's Office of Winnebago County, Illinois, being a purported roadway, bounded on the North by the North line of said Plat on the East by the West line of Block Two (2), on the West by the East line of Block Three (3), on the South by the North line of Peoples Avenue, as shown on said Plat extended across the Southerly end of said purported roadway, situated in the County of Winnebago and State of Illinois.

Property Address: 2235 Kishwaukee St, Rockford, IL 61104
P.I.N.: Part of 11-35-326-010



State of Illinois — Space Above This Line For Recording Data

This instrument was prepared by (name, address): CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway Easley, SC 29640
When recorded return to (name, address): CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway Easley, SC 29640

ASSIGNMENT OF LEASES AND RENTS

1. DATE AND PARTIES. The date of this Assignment of Leases and Rents (Assignment) is 09-29-2010. The parties and their addresses are:

ASSIGNOR: R.L.C.K.S. RCB ENTERPRISES INC
215 NORTH COURT STREET
ROCKFORD, IL 61101

☐ Refer to the Addendum that is attached and incorporated herein for additional Assignors.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Highway
Easley, SC 29640

2. ASSIGNMENT OF LEASES AND RENTS. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Assignor's performance under this Assignment, Assignor irrevocably assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (all referred to as Property):

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases).

B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

C. The term Property as used in this Assignment shall include the following described real property:

SEE ATTACHED "EXHIBIT A"
(page 1 of 7)

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The Property is located in WINNEBAGO County at 2235 KISHWAUKEE STREET PARCEL, ROCKFORD, IL 61104 (Address, City, State, ZIP Code).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

3. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Assignment at any one time will not exceed $ 175,900.00. This limitation of amount does not include interest, attorneys' fees and other fees and charges validly made pursuant to this Assignment. Also, this limitation does not apply to advances made under the terms of this Assignment to protect Lender's security and to perform any of the covenants contained in this Assignment.

4. SECURED DEBTS. This Assignment will secure the following Secured Debts:

A. ☐ Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. (Include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

☐ One or more of the debts secured by this Assignment contains a future advance provision.

B. ☒ All Debts. All present and future debts from Assignor and KENNETH E. BENNETT; RICHARD E. BENNETT to Lender, even if this Assignment is not specifically referenced or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Assignment, each agrees that it will secure debts incurred either individually or with others who may not sign this Assignment. Nothing in this Assignment constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide notice of the right of rescission, Lender waives any subsequent security interest in the Assignor's principal dwelling that is created by this Assignment. This Assignment will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Assignment will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities.

C. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Assignment.

5. PAYMENTS. Assignor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Assignment.

6. COLLECTION OF RENTS. Assignor may collect, receive, enjoy and use the Rents so long as Assignor is not in default. Assignor will not collect in advance any Rents due in future lease periods, unless Assignor first obtains Lender's written consent. Upon default, Assignor will receive any Rents in trust for Lender and Assignor will not commingle the Rents with any other funds. When Lender so directs, Assignor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Assignor agrees that this Assignment is immediately effective between Assignor and Lender and effective as to third parties on the recording of this Assignment.

7. WARRANTIES AND REPRESENTATIONS. To induce Lender to enter into the Loan, Assignor makes these representations and warranties for as long as this Assignment is in effect.

A. Power. Assignor is duly organized, validly existing and in good standing under the laws in the jurisdiction where Assignor was organized and is duly qualified, validly existing and in good standing in all jurisdictions in which

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Assignor operates or Assignor owns or leases property. Assignor has the power and authority to enter into this transaction and to carry on Assignor's business or activity as now conducted.

B. Authority. The execution, delivery and performance of this Assignment and the obligation evidenced by this Assignment are within Assignor's duly authorized powers; has received all necessary governmental approval; will not violate any provision of law or order of court or governmental agency; and will not violate any agreement to which Assignor is a party or to which Assignor is or any of Assignor's property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to Lender, Assignor has not changed Assignor's name or principal place of business within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Assignor does not and will not use any other name and will preserve Assignor's existing name, trade names and franchises.

D. Ownership or Lease of Property. Assignor owns or leases all property that Assignor needs to conduct Assignor's business and activities. All of Assignor's property is free and clear of all liens, security interests, encumbrances and other adverse claims and interests, except those Lender previously agreed to in writing.

E. Compliance with Laws. Assignor is not violating any laws, regulations, rules, orders, judgments or decrees applicable to Assignor or Assignor's property, except for those that Assignor is challenging in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its challenge should Assignor lose.

F. Title. Assignor has good title to the Leases, Rents and Property and the right to assign, grant, bargain, convey, mortgage and warrant to Lender as additional security the Leases and Rents, and no other person has any right in the Leases and Rents.

G. Recordation. Assignor has recorded the Leases as required by law or as otherwise prudent for the type and use of the Property.

H. Default. No default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Assignor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Assignor or any party to the Lease defaults or fails to observe any applicable law, Assignor will promptly notify Lender.

I. Lease Modification. Assignor has not sublet, modified, extended, canceled, or otherwise altered the Leases, or accepted the surrender of the Property covered by the Leases (unless the Leases so required).

J. Encumbrance. Assignor has not assigned, compromised, subordinated or encumbered the Leases and Rents.

8. COVENANTS. Assignor agrees to the following covenants:

A. Rent Abatement and Insurance. When any Lease provides for an abatement of Rents due to fire, flood or other casualty, Assignor will insure against this risk of loss with a policy satisfactory to Lender. Assignor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.

B. Copies of Leases. Assignor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed.

C. Right to Rents. Immediately after the execution of this Assignment, Assignor will notify all current and future tenants and others obligated under the Leases of Lender's right to the Leases and Rents, and will request that they immediately pay all future Rents directly to Lender when Assignor or Lender asks them to do so.

D. Accounting. When Lender requests, Assignor will provide to Lender an accounting of Rents, prepared in a form acceptable to Lender, subject to generally accepted accounting principles and certified by Assignor or Assignor's accountant to be current, accurate and complete as of the date requested by Lender.

E. Lease Modification. Assignor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so required) without Lender's written consent.

F. Encumbrance. Assignor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent.

G. Future Leases. Assignor will not enter into any future Leases without prior written consent from Lender. Assignor will execute and deliver such further assurances and assignments as to these future Leases as Lender requires from time to time.

H. Personal Property. Assignor will not sell or remove any personal property on the Property, unless Assignor replaces this personal property with like kind for the same or better value.

I. Prosecution and Defense of Claims. Assignor will appear in and prosecute its claims or defend its title to the Leases and Rents against any claims that would impair Assignor's interest under this Assignment and, on Lender's request, Assignor will also appear in any action or proceeding on behalf of Lender. Assignor agrees to assign to Lender, as requested by Lender, any right, claims or defenses which Assignor may have against parties who supply labor or materials to improve or maintain the leaseholds subject to the Leases and/or the Property.

J. Liability and Indemnification. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses or damages due to Lender's gross negligence or intentional torts to the extent permitted by law. Otherwise, Assignor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

K. Leasehold Estate. Assignor will not cause or permit the leasehold estate under the Leases to merge with Assignor's reversionary interest, and agrees that the Leases shall remain in full force and effect regardless of any merger of the Assignor's interests and of any merger of the interests of Assignor and any party obligated under the Leases.

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L. Insolvency. Lender will be the creditor of each tenant and of anyone else obligated under the Leases who is subject to an assignment for the benefit of creditors, an insolvency, a dissolution or a receivership proceeding, or a bankruptcy.

9. TRANSFER OF AN INTEREST IN THE ASSIGNOR. If Assignor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
A. A beneficial interest in Assignor is sold or transferred.
B. There is a change in either the identity or number of members of a partnership or similar entity.
C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Assignment.

10. DEFAULT. Assignor will be in default if any of the following occur with regard to the Secured Debts that are secured by this Assignment:
A. Payments. Assignor fails to make a payment in full when due.
B. Insolvency or Bankruptcy. Assignor makes an assignment for the benefit of creditors or becomes insolvent, either because Assignor's liabilities exceed Assignor's assets or Assignor is unable to pay Assignor's debts as they become due; or Assignor petitions for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or is the subject of a petition or action under such laws and fails to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.
C. Death or Incompetency. If Assignor is an individual, Assignor dies or is declared legally incompetent.
D. Business Termination. If Assignor is not an individual, Assignor merges, dissolves, reorganizes or ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.
E. Failure to Perform. Assignor fails to perform any condition or to keep any promise or covenant of this Assignment, any other document evidencing or pertaining to the Loan, or any other debt or agreement Assignor has with Lender.
F. Misrepresentation. Assignor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
G. Property Transfer. Assignor transfers all or a substantial part of Assignor's money or property.
H. Property Value. The value of the Property declines or is impaired.
I. Name Change. Assignor changes Assignor's name or assumes an additional name without notifying Lender before making such a change.
J. Material Change. Without first notifying Lender, there is a material change in Assignor's business, including ownership, management, and financial conditions.
K. Insecurity. Lender reasonably believes that Lender is insecure.

11. REMEDIES. After Assignor defaults, and after Lender gives any legally required notice and opportunity to cure the default, Lender may at Lender's option do any one or more of the following:
A. Acceleration. Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due.
B. Additional Security. Lender may demand additional security or additional parties to be obligated to pay the Secured Debts.
C. Sources. Lender may use any and all remedies Lender has under the state law where the Property is located or federal law or in any instrument evidencing or pertaining to the Secured Debts.
D. Insurance Benefits. Lender may make a claim for any and all insurance benefits or refunds that may be available on Assignor's default.
E. Payments Made On Assignor's Behalf. Amounts advanced on Assignor's behalf will be immediately due and may be added to the Secured Debts.
F. Rents. Lender may terminate Assignor's right to collect Rents and directly collect and retain Rents in Lender's name without taking possession of the Property and to demand, collect, receive, and sue for the Rents, giving proper receipts and releases. In addition, after deducting all reasonable expenses of collection from any collected and retained Rents, Lender may apply the balance as provided for by the Secured Debts.
G. Entry. Lender may enter, take possession, manage and operate all or any part of the Property; make, modify, enforce or cancel or accept the surrender of any Leases; obtain or evict any tenants and licensees; increase or reduce Rents; decorate, clean and make repairs or do any other act or incur any other cost Lender deems proper to protect the Property as fully as Assignor could do. Any funds collected from the operation of the Property may be applied in such order as Lender may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Secured Debts, and toward the maintenance of reserves for repair or replacement. Lender may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, or receiver to be appointed by a court, and irrespective of Assignor's possession. The collection and application of the Rents or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any notice of default under the Secured Debts, this Assignment, or invalidate any act pursuant to such notice. The enforcement of such remedy by Lender, once exercised, shall continue for so long as Lender shall elect, notwithstanding that such collection and application of Rents may have cured the original default.

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H. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

12. APPOINTMENT OF A RECEIVER. On or after an Assignor's default, Assignor agrees to Lender making an application to the court for an appointment of a receiver for the benefit of Lender to take possession of the Property and the Leases, with the power to receive, collect and apply the Rents. Any Rents collected will be applied as the court authorizes to pay taxes, to provide insurance, to make repairs and to pay costs or any other expenses relating to the Property, the Leases and Rents, and any remaining sums shall be applied to the Secured Debts. Assignor agrees that this appointment of a receiver may be without giving bond, without reference to the then-existing value of the Property, and without regard to the insolvency of any person liable for any of the Secured Debts.

13. COLLECTION EXPENSES AND ATTORNEYS' FEES. To the extent permitted by law, Assignor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Assignment. Unless the applicable law that governs this Assignment is North Dakota, expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. These expenses will bear interest from the date of payment until paid in full at the contract interest rate then in effect for the Loan. To the extent permitted by the United States Bankruptcy Code, Assignor agrees to pay the reasonable attorneys' fees Lender incurs to collect this Assignment as awarded by any court exercising jurisdiction under the Bankruptcy Code.

14. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substances" under any Environmental Law.

Assignor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Except as previously disclosed and acknowledged in writing to Lender, Assignor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Assignor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Assignor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Assignor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Assignor or any tenant of any Environmental Law. Assignor will immediately notify Lender in writing as soon as Assignor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, Assignor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.

F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Assignor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Assignor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Assignor and any tenant are in compliance with applicable Environmental Law.

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I. Upon Lender's request and at any time, Assignor agrees, at Assignor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Assignor's obligations under this section at Assignor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Assignor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses to the extent permitted by law, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Assignment and in return Assignor will provide Lender with collateral of at least equal value to the Property secured by this Assignment without prejudice to any of Lender's rights under this Assignment.

L. Notwithstanding any of the language contained in this Assignment to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Assignment regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

15. TERM. This Assignment will remain in full force and effect until the Secured Debts are paid or otherwise discharged and Lender is no longer obligated to advance funds under any loan or credit agreement which is a part of the Secured Debts. If any or all payments of the Secured Debts are subsequently invalidated, declared void or voidable, or set aside and are required to be repaid to a trustee, custodian, receiver or any other party under any bankruptcy act or other state or federal law, then the Secured Debts will be revived and will continue in full force and effect as if this payment had not been made.

16. CO-SIGNERS. If Assignor signs this Assignment but does not sign the Secured Debts, Assignor does so only to assign Assignor's interest in the Property to secure payment of the Secured Debts and Assignor does not agree to be personally liable on the Secured Debts. If this Assignment secures a guaranty between Lender and Assignor, Assignor agrees to waive any rights that may prevent Lender from bringing any action or claim against Assignor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

17. WAIVERS. Except to the extent prohibited by law, Assignor waives all appraisement and homestead exemption rights relating to the Property.

18. U.C.C. PROVISIONS.

☐ Construction Loan. This Assignment secures an obligation incurred for the construction of an improvement on the Property.

19. OTHER TERMS. If checked, the following are applicable to this Assignment:

☐ Line of Credit. The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Assignment will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

☐ Additional Terms.

20. APPLICABLE LAW. This Assignment is governed by the laws of Illinois, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

21. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Assignor's obligations under this Assignment are independent of the obligations of any other Assignor. Lender may sue each Assignor individually or together with any other Assignor. Lender may release any part of the Property and Assignor will still be obligated under this Assignment for the remaining Property. The duties and benefits of this Assignment will bind and benefit the successors and assigns of Lender and Assignor.

22. AMENDMENT, INTEGRATION AND SEVERABILITY. This Assignment may not be amended or modified by oral agreement. No amendment or modification of this Assignment is effective unless made in writing and executed by Assignor and Lender. This Assignment is the complete and final expression of the agreement. If any provision of this Assignment is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

23. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Assignment.

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24. **NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail and by registered or certified mail, return receipt requested, to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Assignor will inform Lender in writing of any change in Assignor's name, address or other application information. Assignor will provide Lender any financial statements or information Lender requests. All financial statements and information Assignor gives Lender will be correct and complete. Assignor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Assignor's obligations under this Assignment and to confirm Lender's lien status on any Property. Time is of the essence.

25. **SIGNATURES.** By signing, Assignor agrees to the terms and covenants contained in this Assignment. Assignor also acknowledges receipt of a copy of this Assignment.

R.I.C.K.S. RCB ENTERPRISES INC
(Entity Name)

Richard C Bennett
(Signature) RICHARD BENNETT, PRESIDENT

(Signature)

ACKNOWLEDGMENT:

(Individual)
STATE OF _____, COUNTY OF _____) ss.
This instrument was acknowledged before me this _____ day of _____
by _____
My commission expires: _____

_____
(Notary Public)

(Business or Entity Acknowledgment)
STATE OF South Carolina, COUNTY OF Spartanburg) ss.
This instrument was acknowledged before me this 29th day of September, 2010
by RICHARD BENNETT, PRESIDENT
(Title(s))
of R.I.C.K.S. RCB ENTERPRISES INC (Name of Business or Entity)
a Illinois Corporation on behalf of the business or entity.
My commission expires:

MY COMMISSION EXPIRES JULY 21, 2018

Tammy Byars
(Notary Public)

EXHIBIT A

Part of the East Half (1/2) of the Southwest Quarter (1/4) of Section 35, Township 44 North, Range 1 East of the Third Principal Meridian, situated in the County of Winnebago and State of Illinois, bounded as follows, to-wit: Beginning on the West line of Kishwaukee Street, at a point Six Hundred Eighty-five and Seven Tenths (685.7) feet South of the North line of said Quarter (1/4) Section; thence South along the West line of Kishwaukee Street, Two Hundred Two and Fifty-seven Hundredths (202.57) feet, more or less, to the Southeast corner of premises conveyed by Julia C. Lathrop, et al, to Edward W. Brown by Warranty Deed dated June 7, 1919 and recorded in Book 259 of Deeds, Page 479 in the Recorder's Office of Winnebago County, Illinois; thence West along the Southerly line of said premises so conveyed to Edward W. Brown and parallel with the North line of said Quarter (1/4) Section, 630 feet, more or less, said point also being Thirty-three (33) feet Easterly from the Easterly line of premises conveyed by William Lathrop, et al, to Illinois, Iowa and Minnesota Railway Company by Deed recorded in said Recorder's Office in Book 187 of Deeds, Page 316; thence Northerly parallel with said last mentioned line to a point Six Hundred Thirty-five and Seven Tenths (635.7) feet South of the North line of said Quarter (1/4) Section; thence East Four Hundred Eighty-two and Fifty-five Hundredths (482.55) feet, more or less, to the Northwest corner of premises conveyed to Smith Oil Corporation by Warranty Deed recorded February 2, 1988 on Microfilm No. 8805-0048; thence South parallel with the West line of Kishwaukee Street, Fifty (50) feet; thence East parallel with the North line of said Quarter (1/4) Section, One Hundred Fifty (150) feet to the place of beginning; ALSO, Lots One (1), Two (2), Three (3) Four (4), Five (5), Six (6), Twelve (12), Thirteen (13), Fourteen (14) Fifteen (15) and Sixteen (16) in Block Two (2) as designated upon the Plat of Rockford Sand and Gravel Company's Subdivision of part of Sections 34 and 35, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which is recorded in Book 11 on Page 32 in the Recorder's Office of Winnebago County, Illinois; ALSO, the Westerly One-half (1/2) of the following described strip of land; that portion of the Plat of Rockford Sand and Gravel Company's Subdivision recorded in Book 11 of Plats, Page 32 in the Recorder's Office of Winnebago County, Illinois, being a purported roadway, bounded on the North by the North line of said Plat on the East by the West line of Block Two (2), on the West by the East line of Block Three (3), on the South by the North line of Peoples Avenue, as shown on said Plat extended across the Southerly end of said purported roadway, situated in the County of Winnebago and State of Illinois.

Property Address: 2235 Kishwaukee St., Rockford, IL 61104
P.I.N.: Part of 11-35-326-010



This instrument was prepared by:
CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway
Easley, SC 29640

When recorded return to (name, address):
CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway
Easley, SC 29640

State of Illinois — Space Above This Line For Recording Data:

REAL ESTATE MORTGAGE

(With Future Advance Clause)

1. DATE AND PARTIES. The date of this Mortgage (Security Instrument) is 09-29-2010 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: RICHARD C. BENNETT
2310 STARR STREET
ROCKFORD, IL 61104

☐ If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Highway
Easley, SC 29640

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender the following described property:

SEE ATTACHED "EXHIBIT A"

The property is located in WINNEBAGO (County) at 223S KISHWAUKEE STREET PARCEL # (Address) ROCKFORD (City), Illinois 61104 (Zip Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, all water and riparian rights, wells, ditches, reservoirs, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. SECURED DEBT AND FUTURE ADVANCES. The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. *(When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)*

KENNETH E BENNETT AND RICHARD C BENNETT
$497,450.00
6.00% FIXED. MATURITY DATE 9-29-2030 LOAN # 8001376

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B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Mortgagor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.

C. All obligations Mortgagor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

4. PAYMENTS. Mortgagor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.

5. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

A. To make all payments when due and to perform or comply with all covenants.

B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

6. CLAIMS AGAINST TITLE. Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

7. DUE ON SALE OR ENCUMBRANCE. Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.

8. TRANSFER OF AN INTEREST IN THE MORTGAGOR. If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:

A. A beneficial interest in Mortgagor is sold or transferred.

B. There is a change in either the identity or number of members of a partnership or similar entity.

C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.

However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.

9. ENTITY WARRANTIES AND REPRESENTATIONS. If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Mortgagor makes to Lender the following warranties and representations which shall continue as long as the Secured Debt remains outstanding:

A. Mortgagor is duly organized and validly existing in Mortgagor's state of incorporation or organization. Mortgagor is in good standing in all states in which Mortgagor transacts business. Mortgagor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagor operates.

B. The execution, delivery and performance of this Security Instrument by Mortgagor and the obligations evidenced by the Secured Debt are within the power of Mortgagor, have been duly authorized, have received all

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necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.

C. Other than previously disclosed in writing to Lender, Mortgagor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

10. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

11. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

12. ASSIGNMENT OF LEASES AND RENTS. Mortgagor assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (Property):

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including but not limited to, any extensions, renewals, modifications or replacements (Leases).

B. Rents, issues and profits, including but not limited to, security deposits, minimum rents, percentage rents, additional rents, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property (Rents).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment.

As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance.

Mortgagor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so require) without Lender's consent. Mortgagor will not assign,

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compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional torts. Otherwise, Mortgagor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

13. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

14. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Any party obligated on the Secured Debt fails to make payment when due;

B. A breach of any term or covenant in this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt;

C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;

D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Mortgagor or any other person or entity obligated on the Secured Debt;

E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;

F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or

G. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

15. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. Upon default, Lender shall have the right, without declaring the whole indebtedness due and payable, to foreclose against all or part of the Property and shall have the right to possession provided by law. This Security Instrument shall continue as a lien on any part of the Property not sold on foreclosure.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

16. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Lender agrees to pay for any recordation costs of such release.

17. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means all federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

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B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law and Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

F. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

G. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

H. Lender may perform any of Mortgagor's obligations under this section at Mortgagor's expense.

I. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.

J. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

18. **CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

19. **INSURANCE.** Mortgagor agrees to maintain insurance as follows:

A. Mortgagor shall keep the Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debt. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

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Unless otherwise agreed in writing, all insurance proceeds shall be applied to restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

B. Mortgagor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.

C. Mortgagor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

20. ESCROW FOR TAXES AND INSURANCE. Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

21. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.

22. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

23. APPLICABLE LAW; SEVERABILITY; INTERPRETATION. This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

24. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

25. WAIVERS. Except to the extent prohibited by law, Mortgagor hereby waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future relating to the right of homestead exemption, redemption, reinstatement, appraisement, the marshalling of liens and assets and all other exemptions as to the Property.

26. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time shall not exceed $ 175,900.00. This limitation of amount does not include interest, attorneys' fees, and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

27. U.C.C. PROVISIONS. If checked, the following are applicable to, but do not limit, this Security Instrument:

☐ Construction Loan. This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.

☐ Fixture Filing. Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.

☐ Crops; Timber; Minerals; Rents, Issues and Profits. Mortgagor grants to Lender a security interest in all crops, timber and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

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☐ Personal Property. Mortgagor grants to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgagor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

☐ Filing As Financing Statement. Mortgagor agrees and acknowledges that this Security Instrument also suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.

28. OTHER TERMS. If checked, the following are applicable to this Security Instrument:

☐ Line of Credit. The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

☒ Separate Assignment. The Mortgagor has executed or will execute a separate assignment of leases and rents. If the separate assignment of leases and rents is properly executed and recorded, then the separate assignment will supersede this Security Instrument's "Assignment of Leases and Rents" section.

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

Entity Name:

Richard C Bennett 9-29-10

(Signature) RICHARD C. BENNETT (Date) (Signature) (Date)

(Signature) (Date) (Signature) (Date)

ACKNOWLEDGMENT:

STATE OF South Carolina, COUNTY OF Spartanburg } ss.

[Individual] This instrument was acknowledged before me this 29th day of September, 2010

by RICHARD C. BENNETT

My commission expires:

MY COMMISSION EXPIRES JULY 21, 2018

Tammy Byars

(Notary Public)

(Business or Entity Acknowledgment)

STATE OF _____ COUNTY OF _____) ss.

This instrument was acknowledged before me this _____ day of _____

by _____
(Title(s))

of _____
(Name of Business or Entity)

on behalf of the business or entity.

My commission expires:

_____
(Notary Public)

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EXHIBIT A

The Northerly 37 1/2 feet in width of Lot Sixteen (16) in Block One (1) as designated upon the Plat of Rockford Sand and Gravel Company's Subdivision of a part of Sections 34 and 35, in Township 44 North, Range 1 East of the Third Principal Meridian, the North line of said premises being parallel with the South line of said lot, situated in the County of Winnebago and State of Illinois.

Property Address: 2235 Kishwaukee Street, Rockford, IL 61104

P.I.N.: Part of 11-35-326-010

State of Illinois — Space Above This Line For Recording Data

This instrument was prepared by (name, address): CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway Easley, SC 29640
When recorded return to (name, address): CommunitySouth Bank and Trust
6602 Calhoun Memorial Highway Easley, SC 29640

ASSIGNMENT OF LEASES AND RENTS

1. DATE AND PARTIES. The date of this Assignment of Leases and Rents (Assignment) is 05-29-2010. The parties and their addresses are:

ASSIGNOR: RICHARD C. BENNETT
2310 STARR STREET
ROCKFORD, IL 61104

☐ Refer to the Addendum that is attached and incorporated herein for additional Assignors.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Highway
Easley, SC 29640

2. ASSIGNMENT OF LEASES AND RENTS. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Assignor's performance under this Assignment, Assignor irrevocably assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (all referred to as Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases).

B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

C. The term Property as used in this Assignment shall include the following described real property:

SEE ATTACHED "EXHIBIT A"

ILLINOIS ASSIGNMENT OF LEASES AND RENTS (NOT FOR FNMA, FHLMC, OR VA USE AND NOT FOR CONSUMER PURPOSES)
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The Property is located in WINNEBAGO County at 2235 KISHWAUKEE STREET PARCEL II, ROCKFORD, IL 61104 (Address, City, State, ZIP Code).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

3. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Assignment at any one time will not exceed $ 175,900.00. This limitation of amount does not include interest, attorneys' fees and other fees and charges validly made pursuant to this Assignment. Also, this limitation does not apply to advances made under the terms of this Assignment to protect Lender's security and to perform any of the covenants contained in this Assignment.

4. SECURED DEBTS. This Assignment will secure the following Secured Debts:

A. ☐ Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. (Include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

☐ One or more of the debts secured by this Assignment contains a future advance provision.

B. ☒ All Debts. All present and future debts from Assignor and KENNETH E. BENNETT; RICHARD C. BENNETT to Lender, even if this Assignment is not specifically referenced or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Assignment, each agrees that it will secure debts incurred either individually or with others who may not sign this Assignment. Nothing in this Assignment constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide notice of the right of rescission, Lender waives any subsequent security interest in the Assignor's principal dwelling that is created by this Assignment. This Assignment will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Assignment will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities.

C. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Assignment.

5. PAYMENTS. Assignor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Assignment.

6. COLLECTION OF RENTS. Assignor may collect, receive, enjoy and use the Rents so long as Assignor is not in default. Assignor will not collect in advance any Rents due in future lease periods, unless Assignor first obtains Lender's written consent. Upon default, Assignor will receive any Rents in trust for Lender and Assignor will not commingle the Rents with any other funds. When Lender so directs, Assignor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Assignor agrees that this Assignment is immediately effective between Assignor and Lender and effective as to third parties on the recording of this Assignment.

7. WARRANTIES AND REPRESENTATIONS. To induce Lender to enter into the Loan, Assignor makes these representations and warranties for as long as this Assignment is in effect.

A. Power. Assignor is duly organized, validly existing and in good standing under the laws in the jurisdiction where Assignor was organized and is duly qualified, validly existing and in good standing in all jurisdictions in which

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L. Insolvency. Lender will be the creditor of each tenant and of anyone else obligated under the Leases who is subject to an assignment for the benefit of creditors, an insolvency, a dissolution or a receivership proceeding, or a bankruptcy.

9. TRANSFER OF AN INTEREST IN THE ASSIGNOR. If Assignor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
A. A beneficial interest in Assignor is sold or transferred.
B. There is a change in either the identity or number of members of a partnership or similar entity.
C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Assignment.

10. DEFAULT. Assignor will be in default if any of the following occur with regard to the Secured Debts that are secured by this Assignment:
A. Payments. Assignor fails to make a payment in full when due.
B. Insolvency or Bankruptcy. Assignor makes an assignment for the benefit of creditors or becomes insolvent, either because Assignor's liabilities exceed Assignor's assets or Assignor is unable to pay Assignor's debts as they become due; or Assignor petitions for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or is the subject of a petition or action under such laws and fails to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.
C. Death or Incompetency. If Assignor is an individual, Assignor dies or is declared legally incompetent.
D. Business Termination. If Assignor is not an individual, Assignor merges, dissolves, reorganizes or ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.
E. Failure to Perform. Assignor fails to perform any condition or to keep any promise or covenant of this Assignment, any other document evidencing or pertaining to the Loan, or any other debt or agreement Assignor has with Lender.
F. Misrepresentation. Assignor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
G. Property Transfer. Assignor transfers all or a substantial part of Assignor's money or property.
H. Property Value. The value of the Property declines or is impaired.
I. Name Change. Assignor changes Assignor's name or assumes an additional name without notifying Lender before making such a change.
J. Material Change. Without first notifying Lender, there is a material change in Assignor's business, including ownership, management, and financial conditions.
K. Insecurity. Lender reasonably believes that Lender is insecure.

11. REMEDIES. After Assignor defaults, and after Lender gives any legally required notice and opportunity to cure the default, Lender may at Lender's option do any one or more of the following:
A. Acceleration. Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due.
B. Additional Security. Lender may demand additional security or additional parties to be obligated to pay the Secured Debts.
C. Sources. Lender may use any and all remedies Lender has under the state law where the Property is located or federal law or in any instrument evidencing or pertaining to the Secured Debts.
D. Insurance Benefits. Lender may make a claim for any and all insurance benefits or refunds that may be available on Assignor's default.
E. Payments Made On Assignor's Behalf. Amounts advanced on Assignor's behalf will be immediately due and may be added to the Secured Debts.
F. Rents. Lender may terminate Assignor's right to collect Rents and directly collect and retain Rents in Lender's name without taking possession of the Property and to demand, collect, receive, and sue for the Rents, giving proper receipts and releases. In addition, after deducting all reasonable expenses of collection from any collected and retained Rents, Lender may apply the balance as provided for by the Secured Debts.
G. Entry. Lender may enter, take possession, manage and operate all or any part of the Property; make, modify, enforce or cancel or accept the surrender of any Leases; obtain or evict any tenants and licensees; increase or reduce Rents; decorate, clean and make repairs or do any other act or incur any other cost Lender deems proper to protect the Property as fully as Assignor could do. Any funds collected from the operation of the Property may be applied in such order as Lender may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Secured Debts, and toward the maintenance of reserves for repair or replacement. Lender may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, or receiver to be appointed by a court, and irrespective of Assignor's possession. The collection and application of the Rents or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any notice of default under the Secured Debts, this Assignment, or invalidate any act pursuant to such notice. The enforcement of such remedy by Lender, once exercised, shall continue for so long as Lender shall elect, notwithstanding that such collection and application of Rents may have cured the original default.

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Assignor operates or Assignor owns or leases property. Assignor has the power and authority to enter into this transaction and to carry on Assignor's business or activity as now conducted.

B. Authority. The execution, delivery and performance of this Assignment and the obligation evidenced by this Assignment: are within Assignor's duly authorized powers; has received all necessary governmental approval; will not violate any provision of law or order of court or governmental agency; and will not violate any agreement to which Assignor is a party or to which Assignor is or any of Assignor's property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to Lender, Assignor has not changed Assignor's name or principal place of business within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Assignor does not and will not use any other name and will preserve Assignor's existing name, trade names and franchises.

D. Ownership or Lease of Property. Assignor owns or leases all property that Assignor needs to conduct Assignor's business and activities. All of Assignor's property is free and clear of all liens, security interests, encumbrances and other adverse claims and interests, except those Lender previously agreed to in writing.

E. Compliance with Laws. Assignor is not violating any laws, regulations, rules, orders, judgments or decrees applicable to Assignor or Assignor's property, except for those that Assignor is challenging in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its challenge should Assignor lose.

F. Title. Assignor has good title to the Leases, Rents and Property and the right to assign, grant, bargain, convey, mortgage and warrant to Lender as additional security the Leases and Rents, and no other person has any right in the Leases and Rents.

G. Recordation. Assignor has recorded the Leases as required by law or as otherwise prudent for the type and use of the Property.

H. Default. No default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Assignor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Assignor or any party to the Lease defaults or fails to observe any applicable law, Assignor will promptly notify Lender.

I. Lease Modification. Assignor has not sublet, modified, extended, canceled, or otherwise altered the Leases, or accepted the surrender of the Property covered by the Leases (unless the Leases so required).

J. Encumbrance. Assignor has not assigned, compromised, subordinated or encumbered the Leases and Rents.

B. COVENANTS. Assignor agrees to the following covenants:

A. Rent Abatement and Insurance. When any Lease provides for an abatement of Rents due to fire, flood or other casualty, Assignor will insure against this risk of loss with a policy satisfactory to Lender. Assignor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.

B. Copies of Leases. Assignor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed.

C. Right to Rents. Immediately after the execution of this Assignment, Assignor will notify all current and future tenants and others obligated under the Leases of Lender's right to the Leases and Rents, and will request that they immediately pay all future Rents directly to Lender when Assignor or Lender asks them to do so.

D. Accounting. When Lender requests, Assignor will provide to Lender an accounting of Rents, prepared in a form acceptable to Lender, subject to generally accepted accounting principles and certified by Assignor or Assignor's accountant to be current, accurate and complete as of the date requested by Lender.

E. Lease Modification. Assignor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so required) without Lender's written consent.

F. Encumbrance. Assignor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent.

G. Future Leases. Assignor will not enter into any future Leases without prior written consent from Lender. Assignor will execute and deliver such further assurances and assignments as to these future Leases as Lender requires from time to time.

H. Personal Property. Assignor will not sell or remove any personal property on the Property, unless Assignor replaces this personal property with like kind for the same or better value.

I. Prosecution and Defense of Claims. Assignor will appear in and prosecute its claims or defend its title to the Leases and Rents against any claims that would impair Assignor's interest under this Assignment and, on Lender's request, Assignor will also appear in any action or proceeding on behalf of Lender. Assignor agrees to assign to Lender, as requested by Lender, any right, claims or defenses which Assignor may have against parties who supply labor or materials to improve or maintain the leaseholds subject to the Leases and/or the Property.

J. Liability and Indemnification. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses or damages due to Lender's gross negligence or intentional torts to the extent permitted by law. Otherwise, Assignor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

K. Leasehold Estate. Assignor will not cause or permit the leasehold estate under the Leases to merge with Assignor's reversionary interest, and agrees that the Leases shall remain in full force and effect regardless of any merger of the Assignor's interests and of any merger of the interests of Assignor and any party obligated under the Leases.

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24. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail and by registered or certified mail, return receipt requested, to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Assignor will inform Lender in writing of any change in Assignor's name, address or other application information. Assignor will provide Lender any financial statements or information Lender requests. All financial statements and information Assignor gives Lender will be correct and complete. Assignor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Assignor's obligations under this Assignment and to confirm Lender's lien status on any Property. Time is of the essence.

25. SIGNATURES. By signing, Assignor agrees to the terms and covenants contained in this Assignment. Assignor also acknowledges receipt of a copy of this Assignment.

(Entity Name)

(Signature) RICHARD C. BENNETT

(Signature)

ACKNOWLEDGMENT:

(Individual) STATE OF South Carolina, COUNTY OF Spartanburg) ss.
This instrument was acknowledged before me this 29th day of September, 2010
by RICHARD C. BENNETT
My commission expires:

MY COMMISSION EXPIRES JULY 21, 2018

(Notary Public)

(Business or Entity Acknowledgment) STATE OF _____, COUNTY OF _____) ss.
This instrument was acknowledged before me this _____ day of _____
by _____ (Title(s))
of _____ (Name of Business or Entity)
a _____ on behalf of the business or entity.
My commission expires:

(Notary Public)

EXHIBIT A

The Northerly 37 1/2 feet in width of Lot Sixteen (16) in Block One (1) as designated upon the Plat of Rockford Sand and Gravel Company's Subdivision of a part of Sections 34 and 35, in Township 44 North, Range 1 East of the Third Principal Meridian, the North line of said premises being parallel with the South line of said lot, situated in the County of Winnebago and State of Illinois.

Property Address: 2235 Kishwaukee Street, Rockford, IL 61104

P.I.N.: Part of 11-35-326-010



Form [illegible]

MISCELLANEOUS TRANSACTION CREDIT

ACCOUNT NAME: Ken Bennett

PREPARED BY: D Swank

DATE: 9/30/10

MISCELLANEOUS TRANSACTIONS CREDIT

APP	TC	DESCRIPTION
DDA	008	FORCE RE-OPEN DEPOSIT
DDA	009	REGULAR DEPOSIT
DDA	015	MISCELLANEOUS CREDIT
DDA	017	TELEPHONE TRANSFER
DDL	031	REGULAR PAYMENT
SAV	108	FORCE RE-OPEN DEPOSIT
SAV	109	REGULAR DEPOSIT
SAV	115	MISCELLANEOUS CREDIT
SAV	117	TELEPHONE TRANSFER
COD	208	REGULAR DEPOSIT
COD	215	MISCELLANEOUS CREDIT
GL	400	GL CREDIT
LAS	325	REGULAR PAYMENT
LAS	327	PRINCIPAL ONLY PAYMENT
LAS	329	INTEREST ONLY PAYMENT
LAS	333	LATE CHARGE PAYMENT
SDB	540	REGULAR PAYMENT
SDB	542	LATE CHARGE PAYMENT
SDB	546	CLOSING CREDIT

AMOUNT: 331625

TRAN CODE: 330

ACCOUNT NUMBER: 8001376

⑆5400⑈2000⑆

TWIN RIVERS RESORT LLC
33 TWIN RIVERS RD
WATERLOO, SC 29384-4834

1030
57-811/532

9-29-2010
DATE

PAY TO THE ORDER OF Community South Bank & Trust $ 3316.25

Three Thousand Six Hundred Sixteen and 25/100 DOLLARS

CommunitySouth BANK & TRUST
www.communitysouthbankandtrust.com

Free Checking

FOR Loan # 8001376

Rick Bennett

⑆053208118⑆ 300248559⑈ 1030

EXHIBIT
9
BENNETT

PENGAD 800-631-6989

Certus/Bennett 0000168

791

3-12-2010

David R. Swank

I.e.: Renewal of Twin Rivers Notes

Per our conversation 3-10-2010, if we can come to an agreement, I will bring the payments and taxes to current immediately. I would like to pay property taxes by 3-15-2010, as they go up again 3-16-2010. I will assume mortgage payment, and all payments will be on time. It would take very little improvement for Twin Rivers to have a positive cash flow with a new mortgage.

I appreciate your help in this matter and look forward to a positive response.

Enclosed cover to 16 inclusive: Twin Rivers P&L, Personal Financial, All Auto Parts Lease (obtained from AA Parts in Rockford via fax). I will have to drive to Waterloo where my records are, to send you the expired purchase agreement. You can see some of Manuel's investments, in the past 18 months, we have spent over $250,000 on this parcel, and it is now to 2010 city codes. Manuel has invested $100,000 beside rents. I'm in the driver's seat but he does not want to move anywhere.

If you have any questions or I may be of any assistance please call.

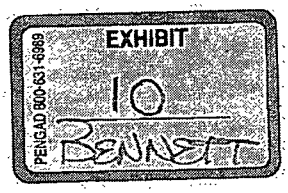
Thank you, sincerely,

Rick Bennett

Rick Bennett

864-554-6498

trresort@hotmail.com



3-15-2010

Darrel Swink

Copies of pd taxes all property on
Twin Rivers loans

1 Twin Rivers Commercial
1 Twin Rivers Tract "B"
1 #3 Virginia, 130 Lynnsil
1 2 Lots on Dillard Rd
1 4 Lots on Dillard Rd

US Bank is making copies of the last
12 payments from all Lots to RCB, 5/3
within 24 hours

Copies of lease purchase agreement,
and agreement for deed.

Thanks

Rick Bennett

864-554-6498

twresort@hotmail.com

EXHIBIT
11
BENNETT

Certus/Bennett 0000214

793

Tom

11-29-07

Sign Cop will E Mail warranty deed, it is done. or Carrington.

We still have 3 Loans w/ JKR at Capital Bank.

			Payment
55 Carlisle	9108509	75,041.21	574.35
105 Cameron	9108512	162,578.89	1,114.34
423 Nash St	9108521	122,447.49	887.60
			2511.29
Due 12-3-07			
First Credit Bank Loan	9116684	220,703.52	1931.96
3) Farm Tracts A, B, C.			1465.07

I do not have the date or amount due at Community South on Farm property note?

I need payment amount, and opportunity on June Henderson Loan or Fund Facts

Balance of Bank Loans 11-29-07 $121,353.68

Have a good

Thanks

Les

EXHIBIT 12 BENNETT
PENGAD 800-631-6989

11-29-07

Tom

Can you get me a quote for

Arbor Cation Deion Resins will replace components, and help a tech (700 hours), but not have enough for Deionizer 1st payment.

Change out Compressor, ground wire $ 6,165.36 after 6,000 hour spec RGB department. Original budget is $20,000, signed for $40,000 by plant Co. (Can't do the math comes back up.) 1st payment Be ready by Christmas.

Tel check pay $1,699 Deposit 7.15 10 days.

Check finance must be $13,491.16

11-29-07 Total owed to Check Book $3,310.44

Check on Refinery $ 525 466.71

$500 deposit ok must be out by end of week to order chemicals, our costs 2 post after phone at Refinery 6,735 total

Thanks

Tel

5-6-08

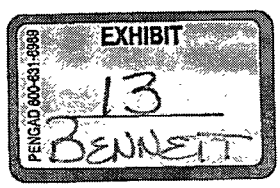
Ken

I do not have the main mortgage on Twin Rivers (Community Lenth)!

Ann, Bjarne & I Capital Benefit & Greenwood paid for May 08-

Thanks

Bob



HP OfficeJet 5600 series 5610 Personal Printer/Fax/Copier/Scanner

...oe for
...ick Bennett
384-677-4139
May 05 2008 1:26p

...ast Transaction

Date	Time	Type	Identification	Duration	Pages	Result
May 05	01:25p	Fax Sent	18154942388	0:29	1	OK

1

3-3-08

Ken

I do not have the exact list for this filing

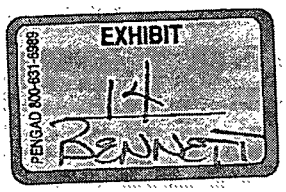
I pay Jim $150 on the first of each month,
and have it mailed out.

Earth bond due on 4th Tract A. 468.97
Tract B 479.97
Tract C 516.13
due 1485.07

Copies of 5 Capital Bank filings due 4-3-08

Rocky Ford

Bond A of Unwound 3277.42
Shawmark Treasury 8251.76



6-17-10

New Payment Posting to Community South Bank
on Twin Rivers Loan # 900137b $497,450.00

3-30-10 Appr ck # 8813 $14,923.49
agreed to remote late fee of $1550.24 at meeting

4-27-10 TR ck # 5311 1989.00
Cleared Bank 4-27-10
5-19-10 TR ck # 5326 2487.25
Cleared Bank 5-27-10

Called
Alma Calhoun Master Payment
to post payment on this account

Thank You
Kay Cook
Loan Servicing
877-220-2762 Extension 1139

EXHIBIT
PENGAD 800-631-6989
15
BENNETT

023 05 01 00048

COMMUNITYSOUTH BANK AND TRUST
6602 CALHOUN MEMORIAL HIGHWAY
EASLEY SC 29640

PHONE: 864-306-2540

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

LOAN: 8001376

AS OF: 06/02/10

* P A S T D U E N O T I C E *

LOAN TYPE:	COMMERCIAL R/E VAR	MATURITY DATE:	07/23/10
PRINCIPAL BALANCE:	497,450.00	ORIGINAL LOAN DATE:	11/01/07
CURRENT RATE:	6.0000	ORIGINAL LOAN AMOUNT:	497,450.00
INTEREST THRU 06/02/10:	911.99	LAST PAYMENT RECEIVED:	05/27/10
ONE DAY'S INTEREST:	82.90	LAST PAYMENT AMOUNT:	2,487.25
LATE CHARGE BALANCE:	1,550.26		

COLLATERAL/PROPERTY: TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO SC 29384

PAST DUE DATE:	05/23/10
AMOUNT PAST DUE:	2,487.25
LATE CHARGES:	1,550.26

JUN - 7 2010

TOTAL AMOUNT DUE: ********** * 4,037.51 * **********

HOMEOWNERSHIP COUNSELING IS AVAILABLE BY CALLING 1-800-569-4287.
WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

IF PAYMENT HAS BEEN MADE, KINDLY DISREGARD THIS NOTIFICATION
* PLEASE RETURN THIS PORTION WITH YOUR PAYMENT *

P A S T D U E N O T I C E

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

AMOUNT PAST DUE:	2,487.25
LATE CHARGES:	1,550.26
TOTAL AMOUNT DUE:	4,037.51

AMOUNT ENCLOSED: $_____

DATE PAYMENT WAS DUE: 05/23/10
LOAN TYPE: COMMERCIAL R/E VAR
LOAN NUMBER: 8001376
REGULAR PAYMENT T/C: 325

COMMUNITYSOUTH BANK AND TRUST
P.O. BOX 2849
EASLEY, SC 29641

EXHIBIT 16 BENNETT

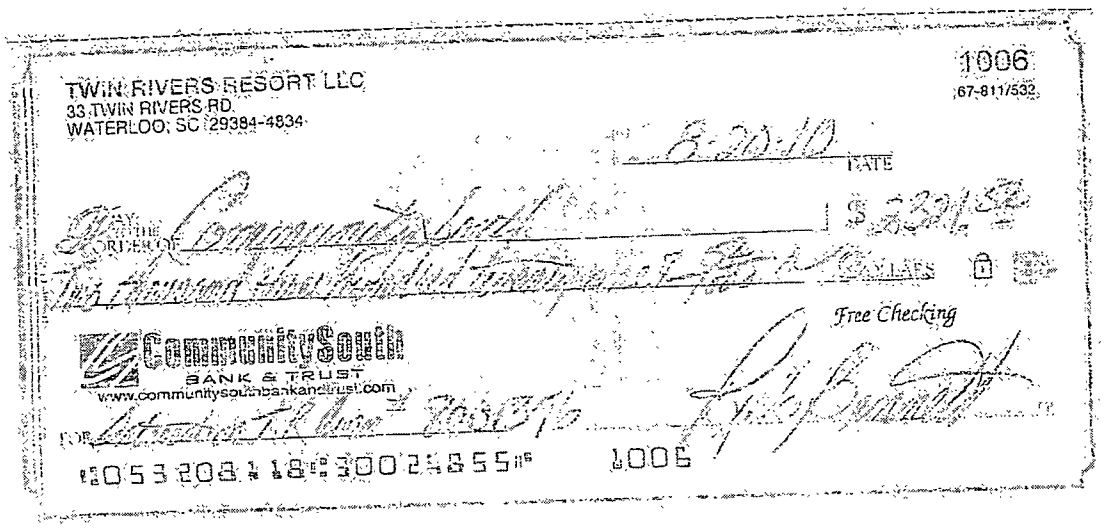
Interest Due

David Swank 8:54 AM
To trresort@hotmail.com

Rick,
Hope you are well. The interest due on the loan will be $2321.52. The loan extension was sent via FedEx to Ken last night. If you could please mail me the check and I will put it with the loan extension when we receive it back. Let me know if you have any questions.

David R. Swank
VP/Special Assets Manager
CommunitySouth Bank & Trust
531 E. Main Street
Spartanburg, SC 29301
864-573-6347 (office)
864-266-3141 (mobile)
864-573-6459 (fax)
www.communitysouthbankandtrust.com

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TWIN RIVERS RESORT LLC
33 TWIN RIVERS RD.
WATERLOO, SC 29384-4834

1006
67-811/532

8-20-10
DATE

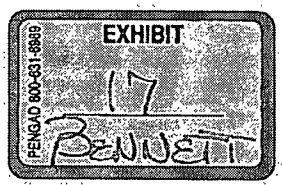
PAY TO THE ORDER OF Community South
$ 2321.52
Two thousand three hundred twenty-one and 52/100 DOLLARS

Free Checking

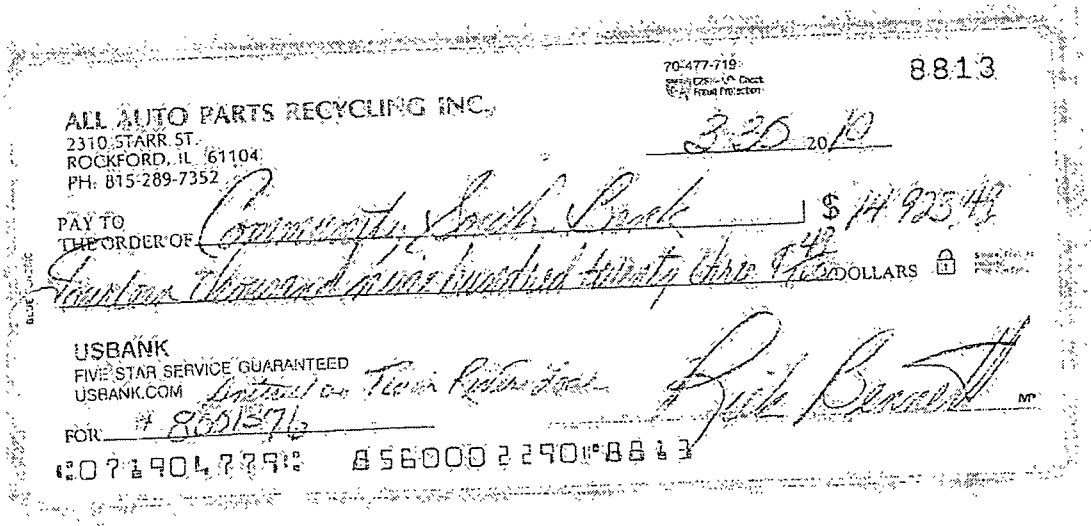
CommunitySouth
BANK & TRUST
www.communitysouthbankandtrust.com

FOR Interest on Loan 2010076

⑆053208118⑆ 300248555⑈ 1006



800



70-477-719
8813

ALL AUTO PARTS RECYCLING INC.
2310 STARR ST.
ROCKFORD, IL 61104
PH: 815-289-7352

3-20 2010

PAY TO THE ORDER OF Community South Bank $ ##923.43

Nine Hundred Twenty Three 43/100 DOLLARS

USBANK
FIVE STAR SERVICE GUARANTEED
USBANK.COM

FOR # 8651871

⑆071904779⑆ 856000 2290⑈8813

EXHIBIT
18
BENNETT

FENGAO 800-631-6989

To whom it may concern;

My name is Richard C. Bennett, sole member of Twin Rivers Resort LLC., Owner, with deed in hand of property known as Twin Rivers Resort, 33 Twin Rivers rd Waterloo S.C. 29384.

I have been self employed since 1982. I have enjoyed many different business ventures over the years. In December of 2005, Ken Bennett, a member of J.K.R Development LLC. approached me with a business opportunity, in waterloo S.C.. Sandy and I flew to Waterloo S.C. to evaluate, and analyze the potential profitability of the complex, as well as the value of the real estate, as it had a positive cash flow, and with my input could be a generous profit center.

Per our agreement, we came to Twin Rivers Restaurant, & resort, as a 10% owner, ownership to be increased as time passed. We sold Sandy's house, closed my office in Rockford, brought all of my office equip., [computers, phone, fax equip., etc..] all maintenance, and lawn equip, as there was no tools ,or maintenance equip. at Twin Rivers.

When the restaurant burned down, I accepted all of the personal assets of Twin Rivers in lue of the first years salary. ie; pontoons, kayaks, freezers, and grills remaining after the fire. I was not reimbursed for many of my tools, and equip. lost in the fire. Subsequent years of money, labor, and sweat equity to be applied to %, and value of ownership.

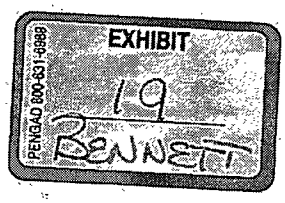
After the loss of the restaurant, Ken bought out Jim, and Rich , [the J & R of JKR Development] . We formed Bennett of Greenwood LLC. . My job was to locate good real estate investments, and have them rehabbed, for resale. Ken was to put up all of the money, and I was to do all the leg work, make things happen. I did not , and do not have the monies to do these kinds of investments. In 2008 when all real estate fell apart, I tried to help as things fell apart. I have a lengthy list of RKloans, to keep Bennett of Greenwood, Twin Rivers afloat. I had invested in excess of $160,000.00.

In August of 2010 Ken & I decided to separate, . I would take Twin Rivers , and Ken would take all other assets of Bennett of Greenwood. I would give up my 50% of 3 farm tracts, [100 acres,] my 50% of the Riverfork project, 50% of 212 Cunningham, 25% of the 2 Neptune lots, 25% of 105 Coursey, all of which I have substantial cash, and labor investments in.

For my ownership of the Twin Rivers property, I would forfeit all cash invested, regrettably forfeit all money invested in, and earned on 7.1 acres acquired and sold by me, assume all unsecured debt, prox $70.000. Apply all the maintenance on all the properties, and apply all cash, and sweat equity in all projects, over 6 years time, to the purchase of the Twin Rivers Property.

I have enclosed copies of RKloans, for verification of monies invested in the bonefide purchase of Twin Rivers Properties.

Richard C. Bennett





STATE OF SOUTH CAROLINA

COUNTY OF LAURENS

CertusBank, N.A.,

Plaintiff(s),

v.

Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC,

Defendant(s).

IN THE COURT OF COMMON PLEAS

CASE NO. 2011-CP-30-00583

PLAINTIFFS RESPONSES TO FIRST REQUESTS FOR ADMISSIONS BY DEFENDANT TWIN RIVERS RESORT, LLC

The Plaintiff CertusBank, N.A., pursuant to Rule 36 of the South Carolina Rules of Civil Procedure, hereby responds to Defendant's Requests for Admissions as follows:

1. Admit that on November 1, 2007 neither Richard C. Bennett nor Twin Rivers Resort, LLC was indebted to CommunitySouth Bank and Trust.

Response: Based on information available to the Plaintiff, the Plaintiff cannot admit or deny this statement. CertusBank did not buy loans from the FDIC made by CommunitySouth that had been paid in full prior to January 21, 2011. Upon information and belief, the system/database of these loans was purged by CommunitySouth or FDIC. Do have some references in system that Note 80425 existed in 2007 in the name of JKR Development, LLC d/b/a Twin Rivers, that Richard C. Bennett is tied to loan on the system in some capacity and that the loan was paid off in November 2, 2007. That is all they know at this time.

2. Admit that Exhibit "A" is a true and authentic copy of the promissory note by Kenneth E. Bennett and CommunitySouth Bank and Trust dated CommunitySouth Bank November 1, 2007 (Bates Numbers 0000012-0000013).

Response: Admitted as stated.

3. Admit that Exhibit "B" is a true and authentic copy of the Real Estate Mortgage granted by Kenneth E. Bennett ("mortgagor") to CommunitySouth Bank and Trust dated November 1, 2007.

Response: Admitted as stated.

4. Admit that on November 1, 2007 Kenneth E. Bennett did not own the property described on Exhibit "A" to the Real Estate Mortgage (Exhibit "B" attached hereto).

Response: Denied as stated. Plaintiff can only admit that the land records for Laurens County do not show Kenneth E. Bennett as the land owner of record on November 1, 2007.

5. Admit that a proper title examination of the property described in Request for Admission No. 4 above would have shown that as of November 1, 2007 Kenneth E. Bennett did not own the property described on Exhibit "A" to the Real Estate Mortgage (Exhibit "B" attached hereto).

Response: Plaintiff objects to the requested admission. Plaintiff lacks sufficient knowledge, training or expertise to admit or deny this request.

6. Admit that a closing attorney performed or had performed on his behalf a proper title examination of the real property described in Request for Admission No(s). 4 and 5 above in accordance with accepted practices for real estate attorneys.

Response: Denied as stated. Plaintiff does not have independent knowledge as to whether or not the closing attorney actually performed a title examination of the property shown in the mortgage.

7. Admit that the title examination of the Real Property described in Requests to Admit No(s). 4, 5, and 6 was performed in accordance with applicable standards of care required of attorneys closing loans secured by Real Property.

Response: Plaintiff objects to the requested admission. Plaintiff lacks sufficient knowledge, training or expertise to admit or deny this request.

8. Admit that neither Richard C. Bennett nor Twin Rivers Resort, LLC executed mortgages to CommunitySouth Bank and Trust or to Certus Bank.

Response: Admitted as to Plaintiff CertusBank. Plaintiff cannot answer as to CommunitySouth, as Plaintiff did not buy loans from the FDIC made by CommunitySouth that had been paid in full prior to January 21, 2011.

9. Admit that there is no signed mortgage granted by Twin Rivers Resort, LLC to Community South Bank.

Response: Admitted as to the November 1, 2007 loan transaction only. CertusBank did not buy loans from the FDIC made by CommunitySouth that had been paid in full prior to January 21, 2011.

10. Admit that CommunitySouth Bank and Trust paid loan proceeds described in Exhibit "A" to Kenneth E. Bennett.

Response: Admitted with the following qualification - The closing proceeds were sent to the closing attorney who disbursed the funds in accordance with the Settlement Statement executed at the loan closing.

11. Admit that Richard C. Bennett was not a member of Bennett of Greenwood, LLC.

Response: Plaintiff objects to the request as being overly broad and not limited to any time frame. Subject to that objection, Plaintiff denies the request as stated. Plaintiff has

no independent knowledge concerning the names of the individuals or entities that were past members of Bennett of Greenwood, LLC or that are current members of Bennett of Greenwood, LLC.

12. Admit that neither CommunitySouth Bank and Trust nor CertusBank advanced any funds to Richard C. Bennett or Twin Rivers Resort, LLC for the purchase of the Real Property described on in Exhibit "B".

Response: Admitted as to CertusBank. Admitted as to CommunitySouth for the November 1, 2007 transaction only, as that is the only asset purchased by CertusBank from the FDIC related to this property.

BROWN, MASSEY, EVANS, MCLEOD & HAYNSWORTH, LLC

E. Zachary Horton (S.C. Bar #68436)
106 Williams Street
P.O. Box 2464 (29602)
Greenville, SC 29601
864.271.7424

Greenville, South Carolina
July 26, 2013

STATE OF SOUTH CAROLINA COUNTY OF LAURENS	IN THE COURT OF COMMON PLEAS
Certus Bank, N.A., Plaintiff(s), v. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC, Defendant(s).	CASE NO. 2011-CP-30-00583 **PLAINTIFFS RESPONSES TO SECOND REQUESTS FOR ADMISSIONS BY DEFENDANT TWIN RIVERS RESORT, LLC**

The Plaintiff, CertusBank, N.A., pursuant to Rule 36 of the South Carolina Rules of Civil Procedure, hereby responds to Defendant's Second Requests for Admissions as follows:

1. Admit that **Exhibit 1** attached hereto (CB-00001 thru 00002) is a true and accurate copy of a claim made on behalf of Plaintiff Certus Bank, NA on Title Policy 507-1008497.

Response: Plaintiff admits that Exhibit 1 is a true and accurate copy of a letter sent to Commonwealth Land Title Insurance Company on behalf of the Plaintiff CertusBank, N.A., submitting a claim under Title Policy 507-1008497.

2. Admit that the statements of fact made in **Exhibit 1** are truthful and accurate.

Response: Plaintiff admits only that the statements made in Exhibit 1 represent the observations and conclusions of the author made at the time the letter was written on February 18, 2011.

3. Admit that Plaintiff Certus Bank, N.A. has obtained a default judgment for $510,400.15 from Kenneth E. Bennett.

Response: Plaintiff admits that CertusBank, N.A., has obtained a default judgment against Kenneth E. Bennett in the amount so stated in that judgment.

4. Admit that **Exhibit 2** attached hereto (CB-00067 thru 00074) is a true and accurate copy of excerpts of an appraisal by Integra Realty Resources dated October 4, 2007 provided to CommunitySouth Bank and Trust.

807

Response: Plaintiff can only admit that the copy of the excerpts from the appraisal (Exhibit 2) are a true and accurate copy of excerpts from the appraisal provided to CertusBank, N.A., by the FDIC as Receiver for CommunitySouth Bank and Trust. Plaintiff does not have knowledge of what was originally provided to CommunitySouth Bank and Trust by Integra Realty Resources.

5. Admit that the statement on Page 2 (CB-00071) of **Exhibit 2** "According to public records, Deed Book 844, Page 149 and Deed Book 768, Page 312, the owner of record is JKR Development, LLC" is true.

Response: Plaintiff admits that the statement quoted above is shown on page 2 of Exhibit 2 (CB-00071), but Plaintiff cannot admit the truth of the statement and would assert that the public records speak for themselves on the point at issue.

6. Admit that **Exhibit 3** attached hereto (CB-00126 thru 00127) is a true and accurate copy of a Settlement Statement dated November 1, 2007.

Response: Plaintiff can only admit that the Settlement Statement dated November 1, 2007, is a true and accurate copy of the Settlement Statement provided to CertusBank, N.A., by the FDIC as Receiver for CommunitySouth Bank and Trust. Plaintiff does not have knowledge of what was originally provided to CommunitySouth Bank and Trust.

7. Admit that **Exhibit 3** truthfully shows a Summary of Borrowers Transaction and settlement charges.

Response: Plaintiff does not have sufficient knowledge to admit or deny that Exhibit 3 shows a summary of the borrower's transaction and settlement charges since CertusBank was not the original party to the transaction.

8. Admit that **Exhibit 3**, Line 1102 shows a disbursement of $577.50 to Abstracting Associates.

Response: Plaintiff admits that Line 1102 of Exhibit 3 shows a disbursement of $577.50 to Abstracting Associates.

9. Admit that **Exhibit 4** (CB-00130 thru 00138) is a true and accurate copy of a loan policy of Title Insurance Policy 507-1008497.

Response: Plaintiff can only admit that Exhibit 4 is a true and accurate copy of the loan policy of title insurance provided to CertusBank, N.A., by the FDIC as Receiver for CommunitySouth Bank and Trust.

10. Admit that **Exhibit 5** (CB-00434 thru 00439) is a true and accurate copy of a Problem Loan Action Report Worksheet.

Response: Plaintiff admits that Exhibit 5 is a true and accurate copy of a Problem Loan Action Report Worksheet.

11. Admit that the statements of fact in **Exhibit 5** are true.

Response: Plaintiff can only admit that the that the statements made in Exhibit 5 represent the observations and conclusions of the author made at the time the worksheet was completed on December 31, 2012.

BROWN, MASSEY, EVANS, MCLEOD & HAYNSWORTH, LLC

E. Zachary Horton (S.C. Bar #68436)
106 Williams Street
P.O. Box 2464 (29602)
Greenville, SC 29601
864.271.7424

Greenville, South Carolina
December 5, 2013

STATE OF SOUTH CAROLINA COUNTY OF LAURENS	IN THE COURT OF COMMON PLEAS
Certus Bank, N.A., Plaintiff(s), v. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC, Defendant(s).	CASE NO. 2011-CP-30-00583 **AFFIDAVIT OF JAMES S. BELK**

I, James S. Belk, being duly sworn, state as follows:

1. I am over the age of 21 and am competent to make this Affidavit. I am an attorney licensed to practice law in the State of South Carolina.

2. I was the closing attorney for the loan transaction between Kenneth Bennett and Community South Bank and Trust ("CSBT") that closed in my office on November 1, 2007 and that is evidenced by the Closing Statement attached as Exhibit A. By virtue of the foregoing, I have personal knowledge of the matters stated herein.

3. I represented Kenneth Bennett as the borrower in that transaction.

4. In conjunction with that closing, Kenneth Bennett signed the mortgage attached hereto as Exhibit B, which was recorded in the Laurens Country Register of Deeds Office.

5. That this mortgage was intended to encumber the property described therein to secure the loan I was closing, along with an Assignment of Leases and Rents related to the same property was explained to Kenneth Bennett and that he understood that said mortgage was to secure the loan he was obtaining from CSBT to allow him to pay off the prior liens on the property described in the mortgage. I am informed and believe Kenneth Bennett was personally liable for the debts secured by these prior liens.

6. I was instructed by CSBT to obtain and did obtain from Kenneth Bennett proof of a hazard insurance policy on the property naming the CSBT as mortgagee.

7. I was further instructed by CSBT to payoff various other debts owed to CSBT and that were secured by prior mortgages on the property described in the attached mortgage.

8. That I was responsible for the disbursement of the proceeds from that loan to Kenneth Bennett, and that the proceeds were disbursed to retire prior liens placed on the property

by JKR Development, LLC such that CSBT was intended to have a first priority mortgage lien on that property described in the mortgage attached as Exhibit B.

9. Based on my knowledge of this transaction, it was my intent as closing attorney, the intent of Kenneth Bennett, and the intent of CSBT for CSBT to obtain a first lien on the property described in the attached mortgage in order to secure repayment of its loan and it was the intent of JKR Development, LLC, of which Kenneth Bennett was a member, as the title holder to the property, to give CSBT that first lien.

10. The title work for this transaction in my file shows JKR Development, LLC as the title holder to the property. It was through oversight, inadvertence or a scrivener's error that the mortgagor on the mortgage did not correctly reflect the title holder to the property the mortgage was intended to encumber.

James S. Belk

Sworn to before me this 2nd of April, 2014.

(SEAL)
Notary Public for South Carolina
My commission expires: 9-25-23

TITLE TO REAL ESTATE (By Company)--Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S.C. Bennett

PLEASE DO NOT PUBLISH IN NEWSPAPER

LAURENS CO ASSESSORS OFFICE
TMS:
279-03-01-002
309-00-00-040
309-00-00-028
211-00-00-043
277-00-00-108
309-01-04-014
309-01-04-010
309-01-04-013
308-00-00-008

Parcel 7 full parcel
Parcels 2 + 3 update

2008002396
DEED
RECORDING FEES $12.00
STATE TAX $780.00
COUNTY TAX $330.00
PRESENTED & RECORDED
02-28-2008 10.44 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: ROSLYN JOHNSON CLERK
BK: D 873
PG: 258 - 265

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS TNC)

KNOW ALL MEN BY THESE PRESENTS, that

JKR Development, LLC,

in consideration of five dollars, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto

Bennett of Greenwood, LLC

Parcel 1: All that certain piece, parcel or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, on the waters of Lake Greenwood, being more fully shown and delineated as Lot 13 of Lake Front Development on a plat prepared for O. C. Coursey by E. S. Ethridge, Surveyor, dated May 22, 1958 and recorded in Plat Book 12, page 59, in the Office of the Clerk of Court for Laurens County.

This is the same property conveyed to JKR Development, LLC by deed of Mildred S. Pruitt and John C. Pruitt recorded January 26, 2007 in Deed Book 817, page 220 in the Office of the Clerk of Court for Laurens County.

TMS: 279-03-01-002

Parcel 2: All that certain piece, parcel, or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, at Lake Greenwood, containing 0.027 acres, more or less, and being fully shown and delineated on a plat prepared for JKR DEVELOPMENT LLC by John S. Woods, RLS, dated May 23, 2007, recorded in Plat Book 67, page 759, in the Office of the Clerk of Court for Laurens County.

This is the same property conveyed to JKR Development, LLC by deed of David D. Dillard recorded August 6, 2007 in Deed Book 844, page 149 in the Office of the Clerk of Court for Laurens County.

02/29/2008 DATE | 873 BOOK | 258 PAGE | Sally B Lancaster AUDITOR

TMS: p/o 309-00-00-028

Parcel 3: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-244 at Page 3; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

Also: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, recorded in the Office of Clerk of Court for Laurens County in Plat Book 62 at Page 940; reference is hereby made to said plat for a more detailed metes and bounds description thereof. According to said plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the centerline of Road S-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

This is the same property conveyed to JKR Development, LLC by deed of Crescent Lake, LLC recorded February 1, 2006 in Deed Book 768, page 312 in the Office of the Clerk of Court for Laurens County.

TMS: 309-00-00-040 and p/o 309-00-00-028

Parcel 4: All that lot of parcel of land, situate, lying and being in the County of Laurens, State of South Carolina, containing 0.47 acres, more or less, and shown and designated as lot "F" of Lake View Subdivision as per plat by Paul C. Wash, dated October 29, 1987, and recorded in the Office of the Clerk of Court for Laurens County in Plat Book 53 at page 248, reference to which is hereby craved for a more complete description.

Together with all of grantor's interest in and to a right of way for ingress and egress over and upon Coldwater Way leading to the subject property from Sulpher Springs Road.

Together with all grantor's interest in a common boat ramp located off Egret Road, formerly Ferry Road which was dedicated by the original developer for all lot owners of Lake View Subdivision.

This is the same property conveyed to JKR Development, LLC by deed of Roger Bailey recorded December 27, 2005 in Deed Book 813, page 213 in the Office of the Clerk of Court for Laurens County.

TMS: 211-00-00-043

Parcel 5: All those certain pieces, parcels or lots of land situate, lying and being in the County of Laurens, State of South Carolina, located in Edgewater Club Estate, being shown and designated as Lots 18, 19, 20, 21, 23, 24, 25, 26 and 27, on a plat for Edgewater Club Estates, dated September, 1960, prepared by Lewis C. Godsey and J.D. Calmes, Surveyors; recorded in the Office of the Clerk of Court for Laurens County in Plat Book 14 at Page 40; reference is hereby made to said plat for a more detailed metes and bounds description thereof. **Less and Excepta** portion of lot 26 and Lot 27 conveyed by Deed Book 841, page 89.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

This is a portion of the property conveyed to JKR Development, LLC by deed of Paul C. Pennington and Ethel N. Pennington recorded June 21, 2006 in Deed Book 787, page 311 in the Office of the Clerk of Court for Laurens County.

TMS: 309-01-04-013, p/o 309-01-04-014 and 309-01-04-010

Parcel 6: All those certain pieces, parcels or lots of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, each containing 1.00 acre, more or less, and being more fully shown and delineated as Lot 22 and Lot 23 of Harbor Vista Subdivison, Phase II, on a plat prepared for Scott C. Shirley by Newby-Proctor & Associates, dated May 12, 1996 and recorded in Plat Book A-179, Page 1 & 2, in the Office of the Clerk of Court for Laurens County.

This is the same property conveyed to JKR Development, LLC by deed of Michael Williams and Sabrina Williams recorded January 26, 2007 in Deed Book 817, page 218 in the Office of the Clerk of Court for Laurens County.

TMS: 308-00-00-008

Parcel 7: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, being shown and designated as Lot 3 of Virginia Meadows Subdivision, containing 1.00 acres, more or less, on a plat for Scott Shirley, dated May 5, 1993 , prepared by Newby-Proctor & Associates, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-36 at Page 7; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

Also conveyed herein is an easement for ingress and egress across Lot Nos. 1 and 2 of Virginia Meadows Subdivision as shown as shown on the aforementioned plat.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

This is the same property conveyed to JKR Development, LLC by deed of Jackie D. Hood, Ruth Louise Hood, Rickie E. Collins and Pamela D. Collins recorded April 17, 2006 in Deed Book 779, page 155 in the Office of the Clerk of Court for Laurens County.

TMS: 277-00-00-108

Grantee's(s') address: 33 Twin Rivers Road, Waterloo, SC 29384

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned unto the grantee, its successors and assigns, forever. And, the grantor does hereby bind itself and its successors to warrant and forever defend all and singular said premises unto the grantee and its successors against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the hand and seal of the company by its duly authorized officer(s) this 22nd day of FEBRUARY, 20 06.

SIGNED, sealed and delivered in the presence of:

Witness (1)

Witness (2) or Notary

JKR Development, LLC

By: Kenneth E. Bennett

Its: Manager

ACKNOWLEDGEMENT

STATE OF IL.
COUNTY OF [illegible]

I, LAURA A PRICE, a notary public do hereby certify that: Kenneth E. Bennett personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal this the 22nd day of FEBRUARY, 2006.

Notary Public for WILMINGTON CITY
My commission expires: 5/19/11

(SEAL)

OFFICIAL SEAL
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

[redacted]

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

Witness #1

By: Richard K. Bennett

Witness #2 or notary

Its: Manager

ACKNOWLEDGEMENT

STATE OF SOUTH CAROLINA
COUNTY OF ANDERSON

I, Cathy J. Slayton, a notary public do hereby certify that Richard K. Bennett personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company

Witness my hand and official seal this the 25th day of February, 2008.

Notary Public for South Carolina (SEAL)
My commission expires: 10-22-2013

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

By: James Hendershot

Its: Manager

Witness

Kelli Horne
Notary

----------ACKNOWLEDGEMENT----------

STATE OF SOUTH CAROLINA
COUNTY OF Greenville

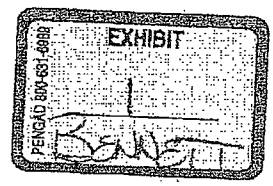
I, Kelli Horne, a notary public do hereby certify that James Hendershot personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal this the 26th day of February, 20 08.

Kelli Horne (SEAL)
Notary Public for South Carolina
My commission expires: July 2, 2014



7/20/07



RE: Purchase agreement for all Twin Rivers area assets between Ken Bennett and Jim and Rich

Rich:

Below please find the purchase agreement between you, Jim and myself for your 50% interests in all Lake Greenwood acquisitions.

I am purchasing all assets of Twin Rivers Resort, and JKR Interests in Lake Greenwood.

Assets include but not limited to pontoons, kayaks, Harley motorcycle, small house on Dillard Road, circus wagon and all lake properties we purchased through JKR (4). All accounts are taken over by myself as of 5/1/07.

JKR will pay Jim's note of $60,000 back to Jim and will keep the $55,000 CD plus any accrued interest on that CD (the CD was purchased with funds from the fire loss claim).

JKR is to pay Jim the May payment on the installment note owed Jim ($157,000+/-).
Ken will pay the June and July payments. I'd like to keep that note through June 30, 2008 paying monthly installments when due and the balance in full ~~7/1/08.~~ 9-1-13 1300 mo.

Ken takes over all payments on the properties less interest through 5/1/07 which JKR shall pay. 4107.73 INT. ON TR 1600 - 6

Ken will take over the line of credit ($50,000 at Community South) less any interest owed through 5/1/07 which JKR will pay.

Ken will take over all payments on the 1st mortgage for Twin Rivers ($405,000+/-) less interest owed through 5/1/07 which JKR shall pay.

JKR owes Rick Bennett $35,500.00 from last year, plus $19,107.00 in loans Rick made to JKR plus $4,000.00 in salary through 5/1/07. Ken will take responsibility for this balance $59,000+/-.

Ken is to pay $200,000 for the remaining equity…$100,000 to Rich (25% share) and $100,000 to Jim (25% share) as follows: $50,000 to Jim and Rich (paid 6/30/07) balance to each in $12,500.00 installments on August 1st, September 1st, October 1st and November 1st, 2007.

All of the above is as my notes show. Jim must determine if he'll hold the installment note through July 2008.

BALANCE 152,022.15 - 8-1-07
Convert to 6¼% Int./10 YR AM
5 YR Balloon - No Prepayment
Penalty — 1706.91/month
1ST PAYMENT - 9-1-07

Thanks,

Ken

P.S. Mike Smith is involved. We need to transfer from JKR to (Ken, Rich & Jim, personally). Then Ken buys Jim and Rich out. All is being reviewed by Mike Smith now.

CommunitySouth
BANK & TRUST

November 1, 2007

James Belk
1202 North Main Street
Anderson, SC

Dear Cathy:

We have enclosed the closing documents for Kenneth E Bennett. This loan is scheduled to close at your office on November 1, 2007. Along with the executed closing documents, we will require the following documentation:

☒ **A copy of the hazard insurance policy with our bank name and address listed as mortgagee.**
☐ A copy of the builder's risk policy with our bank name and address listed as mortgagee.
☐ A copy of the borrower(s) or guarantor(s) driver's license or other form of picture identification.
☒ Other- described below:

1) An origination fee of $500.00 and a $14.00 flood certification fee payable to CommunitySouth Bank.
2) An appraisal fee of $600.00 payable to Appraisal Associates of Clemson.
3) An appraisal fee of $1,400 payable to Integra Realty Resources.
4) A payoff for $60,379.88 payable to CommunitySouth Bank for loan number 7000437.
5) A payoff for $50,864.23 payable to CommunitySouth Bank for loan number 7000627.
6) A payoff for $394,871.50 payable to CommunitySouth Bank for loan number 8000425.
7) A title insurance policy that insures over all matters of survey.

The package will be considered incomplete without all of the required documentation noted above. Please overnight the executed documents **within two business days** to CommunitySouth at the address listed below. If you have any questions, please call me at 864-306-2540.

Sincerely,

Cindy B Cooper
Commercial Loan Specialist
CommunitySouth Bank and Trust
6602 Calhoun Memorial Hwy.
Easley SC 29640

AGREEMENT TO PROVIDE INSURANCE

DATE AND PARTIES. The date of this Agreement to Provide Insurance (Agreement) is 11-01-2007. The parties and their addresses are:

OWNER: KENNETH E. BENNETT
6004 HIGHWAY 24
TOWNVILLE, SC 29689

SECURED PARTY: CommunitySouth Bank and Trust
6602 Calhoun Memorial Hwy
Easley, SC 29640

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Owner.

1. LOAN, LEASE, OR CONTRACT DESCRIPTION (Loan).
   A. Date: 11-01-2007
   B. Loan Number: 8001376
   C. Loan Amount: 497,450.00
   D. Additional Information:

2. AGREEMENT TO PROVIDE INSURANCE. As part of my Loan, I agree to do all of the following (in addition to any requirements specified in the Loan documents).
   A. I will insure the Property as listed and with the coverages shown in the COVERAGES section.
   B. I will have you named on the policy, with the status listed under the STATUS section.
   C. I will arrange for the insurance company to notify you that the policy is in effect and your status has been noted.
   D. I will pay for this insurance, including any fee for this endorsement.
   E. I will keep the insurance in effect until the Property is no longer subject to your security interest. (I understand that the Property may secure debts in addition to any listed in the LOAN DESCRIPTION section.)

3. DESCRIPTION OF PROPERTY. The Property subject to this Agreement is described as follows.
   TWIN RIVERS ROAD AND 1879 DILLARD ROAD
   WATERLOO, SC 29384

4. COVERAGES. I agree to insure the Property according to the following described risks, amount of coverage, and maximum deductible allowed.
   ☒ If checked, all coverages will be for the full replacement value of the Property.
   Homeowner's Coverage. ☐ R.C. ☐ Other (Describe) _____
   Insurable Value: Deductible:
   Automobile Coverages. ☐ Fire ☐ Theft ☐ Collision ☐ Comprehensive ☐ Liability ☐ Other _____
   Insurable Value: Deductible: Minimum limits:
   Property Coverage. ☐ Fire ☐ Theft ☐ Collision ☐ Comprehensive ☐ Liability ☐ Other _____
   Insurable Value: Deductible:

5. STATUS. Your status shall be listed on the insurance policy as follows.
   ☐ Lienholder ☐ Certificate Holder ☐ Additional Insured ☒ Mortgagee ☐ Other _____
   California Real Property: Hazard insurance exceeding the replacement value of the improvements on the property is not required as a condition of this loan.

6. ADDITIONAL TERMS.

7. INSURANCE COMPANY. The insurance policy covering the Property and the insurance company issuing the policy are as follows.
   A. Policy Number: _____ Effective From _____ To _____.
   B. Insurance Company Name, Address, and Phone Number:

8. INSURANCE AGENCY AND AGENT. The insurance agency through which I have purchased, or intend to purchase, the required insurance is as follows.
   A. Agent Name: _____.
   B. Agency Name, Address, and Phone Number:

9. SIGNATURES.

SIGNATURES FOR OWNER(S) AND AUTHORIZATION TO INSURANCE AGENT AND COMPANY. By signing below, I agree to the terms contained in this Agreement and acknowledge receipt of a copy of this Agreement. I request the listed insurance company and agency to provide the indicated coverage and list you on the policy with the indicated status. I also request the insurance company or its authorized agent to immediately confirm that the policy is in effect by signing this form and forwarding a copy of the policy to you.

X _____ 11/1/07
KENNETH E. BENNETT Date

X _____
Date

SIGNATURE FOR SECURED PARTY AND REQUEST FOR CONFIRMATION. Upon receipt of this Agreement, the insurance company or agency named above is requested to confirm the policy coverages shown above.

2 Lots

2007014680
MORTGAGE
RECORDING FEES $15.00
PRESENTED & RECORDED:
12-10-2007 11:12 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: ROSLYN JOHNSON CLERK
BK: M 1727
PG: 1 - 9

This document was prepared by (name, address, phone):
CommunitySouth Bank and Trust
6602 Calhoun Memorial Hwy
Easley, SC 29640
(864) 306-2540

State of South Carolina — Space Above This Line For Recording Data

REAL ESTATE MORTGAGE
(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage is 11-01-2007 and the parties and their addresses are as follows:

MORTGAGOR: KENNETH E. BENNETT
6004 HIGHWAY 24
TOWNVILLE, SC 29689

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors.

LENDER: CommunitySouth Bank and Trust
Organized and existing under the laws of the state of South Carolina
6602 Calhoun Memorial Hwy
Easley, SC 29640

2. **MORTGAGE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (hereafter defined), Mortgagor grants, bargains, conveys and mortgages to Lender the following described property:

SEE ATTACHED "EXHIBIT A"

The property is located in LAURENS (County) at TWIN RIVERS ROAD AND 1878 DILLARD ROAD (Address), WATERLOO (City), South Carolina 29384 (Zip Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property"). The term Property also includes, but is not limited to, any and all water wells, water, ditches, reservoirs, reservoir sites and dams located on the real estate and all riparian and water rights associated with the Property, however established.

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3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount of the Secured Debt (hereafter defined) secured by this Mortgage at any one time shall not exceed $ 497,450.00 . This limitation of amount does not include interest, loan charges, commitment fees, brokerage commissions, attorneys' fees and other charges validly made pursuant to this Mortgage and does not apply to advances (or interest accrued on such advances) made under the terms of this Mortgage to protect Lender's security and to perform any of the covenants contained in this Mortgage. Interest under the Note will be deferred, accrued or capitalized; however, Mortgagee shall not be required to defer, accrue or capitalize any interest except as provided in the Note. Future advances are contemplated and, along with other future obligations, are secured by this Mortgage even though all or part may not yet be advanced. Nothing in this Mortgage, however, shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment would need to be agreed to in a separate writing.

4. **SECURED DEBT DEFINED.** The term "Secured Debt" includes, but is not limited to, the following:
   A. The promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all extensions, renewals, modifications or substitutions (Evidence of Debt) *(e.g., borrower's name, note amount, interest rate, maturity date)*:

      KENNETH E BENNETT
      $497,450.00
      8.18%
      MATURITY DATE 11/01/2007
      LOAN NUMBER 8001378

   B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Mortgage whether or not this Mortgage is specifically referred to in the evidence of debt.
   C. All obligations Mortgagor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.
   D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Mortgage, plus interest at the highest rate in effect, from time to time, as provided in the Evidence of Debt.
   E. Mortgagor's performance under the terms of any instrument evidencing a debt by Mortgagor to Lender and any Mortgage securing, guarantying, or otherwise relating to the debt.

   If more than one person signs this Mortgage as Mortgagor, each Mortgagor agrees that this Mortgage will secure all future advances and future obligations described above that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. This Mortgage will not secure any other debt if Lender fails, with respect to such other debt, to make any required disclosure about this Mortgage or if Lender fails to give any required notice of the right of rescission.

5. **PAYMENTS.** Mortgagor agrees to make all payments on the Secured Debt when due and in accordance with the terms of the Evidence of Debt or this Mortgage.

6. **WARRANTY OF TITLE.** Mortgagor covenants that Mortgagor is lawfully seized of the estate conveyed by this Mortgage and has the right to grant, bargain, convey, sell, and mortgage the Property and warrants that the Property is unencumbered, except for encumbrances of record.

7. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Mortgage. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses which Mortgagor may have against parties who supply labor or materials to improve or maintain the Property.

8. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property and that may have priority over this Mortgage, Mortgagor agrees:
   A. To make all payments when due and to perform or comply with all covenants.
   B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
   C. Not to make or permit any modification or extension of, and not to request or accept any future advances under any note or agreement secured by, the other mortgage, deed of trust or security agreement unless Lender consents in writing.

9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of any lien, encumbrance, transfer, or sale, or contract for any of these on the Property. However, if the Property includes Mortgagor's residence, this section shall be subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. For the purposes of this section, the term "Property" also includes any interest in all or any part of the Property. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Mortgage is released.

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10. TRANSFER OF AN INTEREST IN THE MORTGAGOR. If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if (1) a beneficial interest in Mortgagor is sold or transferred; (2) there is a change in either the identity or number of members of a partnership or similar entity; or (3) there is a change in ownership of more than 26 percent of the voting stock of a corporation or similar entity. However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Mortgage.

11. ENTITY WARRANTIES AND REPRESENTATIONS. If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Mortgagor makes to Lender the following warranties and representations which shall be continuing as long as the Secured Debt remains outstanding:

A. Mortgagor is an entity which is duly organized and validly existing in the Mortgagor's state of incorporation (or organization). Mortgagor is in good standing in all states in which Mortgagor transacts business. Mortgagor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagor operates.

B. The execution, delivery and performance of this Mortgage by Mortgagor and the obligation evidenced by the Evidence of Debt are within the power of Mortgagor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.

C. Other than disclosed in writing Mortgagor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

12. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will give Lender prompt notice of any loss or damage to the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor will not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restriction limiting or defining the uses which may be made of the Property or any part of the Property, without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor or any other owner made under law or regulation regarding use, ownership and occupancy of the Property. Mortgagor will comply with all legal requirements and restrictions, whether public or private, with respect to the use of the Property. Mortgagor also agrees that the nature of the occupancy and use will not change without Lender's prior written consent.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Mortgage. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent. Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

13. AUTHORITY TO PERFORM. If Mortgagor fails to perform any of Mortgagor's duties under this Mortgage, or any other mortgage, deed of trust, security agreement or other lien document that has priority over this Mortgage, Lender may, without notice, perform the duties or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may do whatever is necessary to protect Lender's security interest in the Property. This may include completing the construction.

Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Mortgage. Any amounts paid by Lender for insuring, preserving or otherwise protecting the Property and Lender's security interest will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect from time to time according to the terms of the Evidence of Debt.

14. ASSIGNMENT OF LEASES AND RENTS. Mortgagor assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including but not limited to, any extensions, renewals, modifications or replacements (Leases).

B. Rents, issues and profits, including but not limited to, security deposits, minimum rents, percentage rents, additional rents, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property (Rents).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive

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any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment.

As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance.

Mortgagor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so require) without Lender's consent. Mortgagor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional torts. Otherwise, Mortgagor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

15. CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

16. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Any party obligated on the Secured Debt fails to make payment when due;
B. A breach of any term or covenant in this Mortgage, any prior mortgage or any construction loan agreement, security agreement or any other document evidencing, guarantying, securing or otherwise relating to the Secured Debt;
C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;
D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Mortgagor or any person or entity obligated on the Secured Debt;
E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;
F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or
G. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

17. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Mortgage in a manner provided by law if this Mortgagor is in default.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Evidence of Debt, other evidences of debt, this Mortgage and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

18. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Mortgage. Mortgagor will also pay on demand all of Lender's expenses incurred in collecting, insuring, preserving or protecting the Property or in any inventories, audits, inspections or other examination by Lender in respect to the Property. Mortgagor agrees to pay all costs and expenses incurred by Lender in enforcing or protecting Lender's rights and remedies under this Mortgage, including, but not limited to, attorneys' fees, court costs, and other legal expenses. Once the Secured Debt is fully and finally paid, Lender agrees to release this Mortgage and Mortgagor agrees to pay for any recordation costs. All such amounts are due on demand and will bear interest from the time of the advance at the highest rate in effect, from time to time, as provided in the Evidence of Debt and as permitted by law.

19. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has

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characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law. Mortgagor represents, warrants and agrees that, except as previously disclosed and acknowledged in writing:

A. No Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Mortgagor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.

F. There are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Mortgage and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Mortgage without prejudice to any of Lender's rights under this Mortgage.

L. Notwithstanding any of the language contained in this Mortgage to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Mortgage regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

20. CONDEMNATION. Mortgagor will give Lender prompt notice of any action, real or threatened, by private or public entities to purchase or take any or all of the Property, including any easements, through condemnation, eminent domain, or any other means. Mortgagor further agrees to notify Lender of any proceedings instituted for the establishment of any sewer, water, conservation, ditch, drainage, or other district relating to or binding upon the Property or any part of it. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims and to collect and receive all sums resulting from the action or claim. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Mortgage. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

21. INSURANCE. Mortgagor agrees to maintain insurance as follows:

A. Mortgagor shall keep the Property insured against loss by fire, theft and other hazards and risks reasonably associated with the Property due to its type and location. Other hazards and risks may include, for example, coverage against loss due to floods or flooding. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding three sentences can change during the term of the Secured Debt. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Mortgage.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "lender loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

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Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the Secured Debt, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Secured Debt whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of scheduled payments or change the amount of the payments. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

B. Mortgagor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.

C. Mortgagor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

22. **NO ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

23. **FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem necessary. Mortgagor warrants that all financial statements and information Mortgagor provides to Lender are, or will be, accurate, correct, and complete. Mortgagor agrees to sign, deliver, and file as Lender may reasonably request any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Mortgage and Lender's lien status on the Property. If Mortgagor fails to do so, Lender may sign, deliver, and file such documents or certificates in Mortgagor's name and Mortgagor hereby irrevocably appoints Lender or Lender's agent as attorney in fact to do the things necessary to comply with this section.

24. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Mortgage are joint and individual. If Mortgagor signs this Mortgage but does not sign the Evidence of Debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. Mortgagor agrees that Lender and any party to this Mortgage may extend, modify or make any change in the terms of this Mortgage or the Evidence of Debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Mortgage. The duties and benefits of this Mortgage shall bind and benefit the successors and assigns of Mortgagor and Lender.

If this Mortgage secures a guaranty between Lender and Mortgagor and does not directly secure the obligation which is guaranteed, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation including, but not limited to, anti-deficiency or one-action laws.

25. **APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Mortgage is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Mortgage is complete and fully integrated. This Mortgage may not be amended or modified by oral agreement. Any section or clause in this Mortgage, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section or clause of this Mortgage cannot be enforced according to its terms, that section or clause will be severed and will not affect the enforceability of the remainder of this Mortgage. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Mortgage are for convenience only and are not to be used to interpret or define the terms of this Mortgage. Time is of the essence in this Mortgage.

26. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Mortgage, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

27. **WAIVER OF HOMESTEAD.** Except to the extent prohibited by law, Mortgagor waives all homestead exemption rights relating to the Property.

28. **U.C.C. PROVISIONS.** If checked, the following are applicable to, but do not limit, this Mortgage:

- ☐ **Construction Loan.** This Mortgage secures an obligation incurred for the construction of an improvement on the Property.
- ☐ **Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.
- ☐ **Crops; Timber; Minerals; Rents, Issues and Profits.** Mortgagor grants to Lender a security interest in all crops, timber, and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

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☐ **Personal Property.** Mortgagor grants to Lender a security interest in all personal property located on or connected with the Property. This security interest includes all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgagor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property. The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

☐ **Filing As Financing Statement.** Mortgagor agrees and acknowledges that this Mortgage also suffices as a financing statement and as such, may be filed of record as a financing statement for purposes of Article 9 of the Uniform Commercial Code. A carbon, photographic, image or other reproduction of this Mortgage is sufficient as a financing statement.

29. OTHER TERMS. If checked, the following are applicable to this Mortgage:

☐ **Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Mortgage will remain in effect until released.

☒ **Waiver of Appraisal Rights.** The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may, within 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.

☒ **Separate Assignment.** The Mortgagor has executed or will execute a separate assignment of leases and rents. If the separate assignment of leases and rents is properly executed and recorded, then the separate assignment will supersede this Security Instrument's "Assignment of Leases and Rents" section.

☐ **Additional Terms.**

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Mortgage and in any attachments. Mortgagor also acknowledges receipt of a copy of this Mortgage on the date stated above on Page 1.

☐ Actual authority was granted to the parties signing below by resolution signed and dated _____.

Entity Name: _____

_____ (Seal)
(Signature) KENNETH E. BENNETT (Date)

_____ (Seal)
(Signature) (Date)

Signed, Sealed and delivered in the presence of:

_____
(Witness)

_____
(Witness)

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors, signatures and acknowledgments.

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PROBATE:

STATE OF South Carolina, COUNTY OF Anderson) ss.

Personally appeared before me the undersigned witness who, being duly sworn, deposed and said that (s)he saw the Mortgagor (and each Mortgagor if more than one) sign, seal and deliver the foregoing Mortgage and that (s)he, together with the other witness whose name appears as a witness, witnessed the execution thereof.

Sworn to and subscribed before me this 1st day of November 2007.

Notary Public for South Carolina

My commission expires: 10-18-14

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EXHIBIT A – LEGAL DESCRIPTION

ALL that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-244 at Page 3; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

ALSO: ALL that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, recorded in the Office of the Clerk of Court for Laurens County in Plat Book 62 at Page 940; reference is hereby made to said plat for a more detailed metes and bounds description thereof. According to said plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the centerline of Road 8-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

This being the same property conveyed to the Mortgagors herein by deed of Crescent Lake, LLC, of even date, to be recorded herewith in Deed Book 768 at Page 312.

BUSINESS PURPOSE STATEMENT

Borrower's Name & Address	Lender's Name & Address
KENNETH E. BENNETT 6004 HIGHWAY 24 TOWNVILLE, SC 29689	CommunitySouth Bank and Trust 6602 Calhoun Memorial Hwy Easley, SC 29640

I, KENNETH E. BENNETT as (or on behalf of) Borrower, state as follows:

1. The proceeds of the loan or other extension of credit, evidenced by A NOTE IN THE AMOUNT OF $497,450.00 *(identify document)*, will be used in the following type of business: REAL ESTATE INVESTMENTS.

2. The proceeds of the loan and/or other extensions of credit will be used primarily for agricultural, commercial, investment, or business purposes, the exact nature which is as follows: REFINANCE COMMERCIAL PROPERTY.

3. The proceeds of the loan shall not be used for or applied to the purchase of or maintenance of real estate occupied by Borrower as Borrower's residence without Lender's prior written consent.

4. Borrower is exercising and will continue to exercise actual control over the managerial decisions of the business concerning the use of funds and/or credit to be derived from the loan agreements between the Lender and the business.

5. The loan is not secured by an assignment of wages, salaries or compensation for the services of Borrower nor by the household furniture or other goods of Borrower used for personal, family or household purposes.

6. All statements made herein are true, correct and accurate.

NOTICE

ANY PERSON KNOWINGLY MAKING A FALSE STATEMENT ON ANY APPLICATION FOR A LOAN MAY BE SUBJECT TO A FINE AND IMPRISONMENT UNDER THE PROVISIONS OF 18 U.S.C.A. SECTIONS 1014 & 1344 AND APPLICABLE STATE LAW.

Dated: 11/1/07 Signed: K. E. Bennett

KENNETH E. BENNETT

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Tom

11-29-07

Jeri Coy will E Mail warranty title, it is done. on Cunningham.

We still have 3 loans on JKR at Capital Bank.

			Payment
55 Coolwater	9106509	75,041.21	514.35
105 Caraway	9108512	162,578.89	1,114.34
423 Neptune	9108521	129,497.49	887.60
	Due 12-3-07		2516.29
Fox Benoit Georgetown	9116684	290,703.59	1931.96
3) Farm Tracts A, B, C.			1485.07

Do not have due date or amount due at Community South on Twin Peaks note?

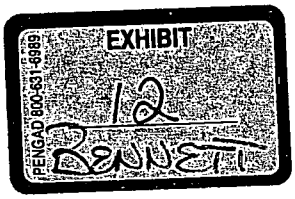
Do need payment amount, and a participation on Jim Henderschot loan on Twin Peaks

Balance of Fox Benoit loans 11-29-07 $121,353.98

Sure was a pool!

Thanks

Vicki



STATE OF SOUTH CAROLINA
COUNTY OF LAURENS

AFFIDAVIT

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

1. I have read the information on the back of this affidavit and I understand such information.

2. The property being transferred located at Waterloo, bearing Laurens County Tax Map Number 309-00-00-040, 211-00-00-043, 277-00-00-108, 309-01-04-10, 309-01-04-014, 309-01-04-013, 308-00-00-008, 279-03-01-002 and 309-00-00-028, was transferred by JKR Development, LLC to Bennett of Greenwood, LLC on February 22, 2008

3. Check one of the following: The deed is

(a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.

(b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.

(c) exempt from the deed recording fee because (See Information section of affidavit):

(If exempt, please skip items 4-7, and go to item 8 of this affidavit.)

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of affidavit):

(a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of $1,600,000.00

(b) The fee is computed on the fair market value of the realty which is $.

(c) The fee is computed on the fair market value of the realty as established for property tax purposes which is $

5. Check Yes XXX or No to the following. A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is $1,300,000.00 .

6. The deed recording fee is computed as follows.

(a)	Please insert the amount listed in item 4 above here:	1,600,000.00
(b)	Please insert the amount listed in item 5 above here: (if no amount is listed, place zero here.)	1,300,000.00
(c)	Subtract Line 6(b) from Line 6(a) and place result here:	300,000.00

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: $ 1,110.00

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction

as: Grantee

9. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Kenneth E. Bennett, Manager

SWORN to before me this 22nd day of February, 20 09.

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

Notary Public for Livingston Co.
My Commission Expires: 5/19/11

INFORMATION

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

Exempted from the fee are deeds:

(1) transferring realty in which the value of the realty, as defined in Code Section 12-24-3(i), is equal to or less than one hundred dollars;
(2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
(3) that are otherwise exempted under the laws and Constitutions of this State or of the United States;
(4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
(5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are exchanged in order to effect the partition;
(6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
(7) that constitute a contract for the sale of timber to be cut;
(8) transferring realty to a corporation, a partnership, or a trust as a stockholder, partner, or trust beneficiary of the entity or so as to become a stockholder, partner, or trust beneficiary of the entity as long as no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, except for transfers from one family trust to another family trust without consideration, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner or trust beneficiary of the entity is subject to the fee, even if the realty is transferred to another corporation, a partnership, or trust;
(9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, as long as no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which the beneficiaries are all members of the same family. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any of them and the grantor's and grantor's spouse's heirs under a statute of descent and distribution. A "family partnership" or "family trust" also includes charitable entities, other family partnerships and family trusts of the grantor, and charitable remainder and charitable lead trusts, if all of the beneficiaries are charitable entities or members of the grantor's family. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);
(10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;
(11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership;
(12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, as long as no consideration is paid or is to be paid under the corrective or quitclaim deed;
(13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed executed pursuant to foreclosure proceedings;
(14) transferring realty from an agent to the agent's principal in which the realty was purchased with funds of the principal, provided that a notarized document is also filed with the deed that establishes the fact that the agent and principal relationship existed at the time of the original purchase as well as for the purpose of purchasing the realty;
(15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electric utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a) and which is formed to operate or to take functional control of electric transmission assets in the Federal Power Act.

3-21-08

Jen

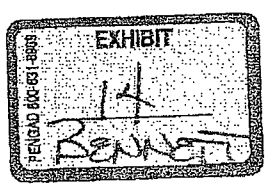
Also mailing the Trust Draft for Tax Filing

Copy from 1500 on the 2nd of each month,
and Donald mail that.

Social Sec due on 4th Trust A 468.97
Trust B 479.97
Trust C 516.13
due 1485.07

Copies of 5 Capital Lake tax filings due 4-3-08

Rent of Diamond 337.43
Shermeta money 325.75



5608

Ken

Do not have the new mortgage on Twin River (Community Loan #).

Ins, Taxes & Capital Benefit is current paid for May 08-

Thanks



HP OfficeJet 5600 series 5610 Personal Printer/Fax/Copier/Scanner

Log for
Rick Bennett
384-677-4139
May 08 2008 1:26p

Last Transaction

Date	Time	Type	Identification	Duration	Pages	Result
May 08	01:25p	Fax Sent	18154342388	0:29	1	OK

ACORD EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 08/11/2008

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER
PHONE (A/C, No, Ext): (864)224-7444
e Peoples Agency
) Box 5136
derson, SC 29623

COMPANY
Cincinnati Insurance Co.
P. O. Box 145496
Cincinnati, OH 45214-5496

DE: 39-054 SUB CODE:
ENCY STOMER ID #: 00007164

INSURED
Ken E Bennett
Bennett of Greenwood, LLC
33 Twin Rivers Road
Waterloo, SC 29384

LOAN NUMBER

POLICY NUMBER: CAP5126935

EFFECTIVE DATE: 06/15/2007
EXPIRATION DATE: 06/15/2010
CONTINUED UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION
Loc 00004 Bldg 00001 6 acres, Lake Greenwood Waterloo, SC 29384

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Apartment Building - 4 units, RC, Special (Including theft) - Detail	100,000	1000
Building, RC, Special (Including theft) - Detail	40,000	1000
Building, RC, Special (Including theft) - Detail	80,000	1000

REMARKS (Including Special Conditions)
Transferred from JKR Development 08/05/2008

EXHIBIT 5 BENNETT PENGAD 800-631-6989

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS
Community South Bank
6602 Calhoun Memorial Hwy
Easley, SC 29640

X MORTGAGEE
LOSS PAYEE
ADDITIONAL INSURED

LOAN #

AUTHORIZED REPRESENTATIVE
Cynthia J. Dodgens
Cindy Dodgens, CISR/CTD

ACORD 27 (3/93) ©ACORD CORPORATION 1993

836

KENNETH E. BENNETT 3923 E STATE STREET ROCKFORD, IL 61108-2003 BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	CommunitySouth Bank and Trust 6602 Calhoun Memorial Hwy Easley, SC 29640 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Port # 200 Loan Number 8001376 Date 04-01-2009 Maturity Date 04-01-2010 Loan Amount $ 497,450.00 Renewal Of MODIFICATION Officer # JAY DAVIS

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of four hundred ninety seven thousand four hundred fifty and no/100 Dollars $ 497,450.00

☒ Single Advance: I will receive all of this principal sum on _____. No additional advances are contemplated under this note.

☐ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of $_____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____

☐ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.

☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 04-01-2009 at the rate of 6.000% per year until 04-16-2009.

☒ Variable Rate: This rate may then change as stated below.

☒ Index Rate: The future rate will be 1.550 percent above the following index rate: the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate

☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

☒ Frequency and Timing: The rate on this note may change as often as every day beginning 04-16-2009.

A change in the interest rate will take effect On the same day.

☒ Limitations: During the term of this loan, the applicable annual interest rate will not be more than 18.000 % or less than 6.000%. The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☒ The amount of each scheduled payment will change. ☒ The amount of the final payment will change.

☐ _____.

ACCRUAL METHOD: Interest will be calculated on a Actual/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ LATE CHARGE: If a payment is not made within 10 days after it is due, I agree to pay a late charge of 5.000% of the late amount.

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____.

PAYMENTS: I agree to pay this note as follows:

11 monthly interest payments ranging from $2321.43 to $2570.16 beginning 05-01-2009 and 1 payment of $500,020.16 on 04-01-2010. This is a variable rate loan and the payment amounts may change. The final payment may also change.

ADDITIONAL TERMS:

☒ SECURITY: This note is separately secured by (describe separate document by type and date): MORTGAGE DATED 11/01/2007 RECORDED IN ANDERSON COUNTY .BOOK PAGE Book M1764 Page 63; Mortgage Dated 11-1-2007 Recorded in Anderson County Book M1727 Page 10

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is REFINANCE COMMERCIAL PROPERTY

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

Certus/Bennett 0000010

Auto-Owners Insurance
Life Home Car Business

TAILORED PROTECTION POLICY APPLICATION

POLICY INFORMATION

Date: 11/6/2009 | ☐ Proposal ☒ Issue ☒ Bound ☐ Rewrite of:

Agency Code: 15006900 | Policy Effective Date: ~~11/6/09~~ 11/6/09 to 11-6-09 | Policy Term: ☒ Annual ☐ 3-Year (fidelity only)

Agency/Address: Taylor Insurance Agency, PO Box 1646, Clinton SC 29325

Company: ☒ 01 - Auto-Owners ☐ 03 - Home-Owners ☐ 04 - Owners ☐ 05 - Property-Owners ☐ 08 - Southern-Owners

BILLING INFORMATION

Add to Current billing Account? ☐ Yes ☒ No If yes, billing account number:

Payment Plan: ☐ Escrow Direct Bill ☐ Now ☐ At Renewal | ☐ Agency Bill ☐ Full Pay ☐ Three Pay | ☐ Semi-Annual ☐ Quarterly ☐ Monthly | ☐ EZ Semi-Annual EFT ☐ EZ Quarterly EFT ☒ EZ Monthly EFT

Initial Payment: $ 363.50

Copy of Bill to Agency? ☐ Yes ☒ No

Mail Insured's copy of policy to Agency? ☐ New Bus. ☐ Renewal

Method of Payment: ☒ Check ☐ Cash ☐ Agency EFT (Sweep)

Alternate Billing Name and Address: Bennett of Greenwood, 33 Twin Rivers Rd, Waterloo, SC 29384

APPLICATION INCLUDES THE FOLLOWING COVERAGE PARTS

☒ Property ☒ General Liability ☐ Crime ☐ Inland Marine ☐ Other (please describe):

APPLICANT INFORMATION

Applicant: Bennett of Greenwood	Mailing Address: 33 Twin Rivers rd, waterloo SC 29384
Entity: Limited Liability Corporation	Email:
Website:	
Description of Business Operations: rental Property	
Year business started: 1999 (New Venture: ☐ Yes ☒ No If yes, please provide description of owner's experience.)	

Inspection Contact	Audit Contact
Name: Rick Bennett	Name: Rick Bennett
Address:	Address: 33 Twin Rivers Rd, Waterloo SC 29384
Email:	Email:
Phone: (864)554-6498	Phone: (864)554-6498
Fax	Fax
	Accounting Firm:

PREMISES INFORMATION

Loc	Bldg	Program	Location Address	Class Description	% Occupied	Within City Limits	Occupied By
1	1	39 - Special	33 Twin Rivers rd, waterloo SC 29384			No	
1	2	39 - Special	33 Twin Rivers rd, waterloo SC 29384			No	
2	1	39 - Special	212 Cunningham Slough rd, waterloo SC 29384				
3	1	39 - Special	105 Coursey Dr, waterloo SC 29384				
4		39 - Special	127 squirrel dr, waterloo SC 29384				
5		39 - Special	vacant lot, waterloo SC 29384 Neptune Dr. Smyrna Hill Rd			No	

PREMIUM MODIFICATION

Cumulative Multi-Policy Discount (Provide policy numbers of other Auto-Owners policies, including Life & Disability.)

Policy Type	Policy Number	Policy Type	Policy Number

COMPANY USE ONLY — Agency Proposal: ☐ Yes ☐ No | Photo Reimbursement: ☐ Yes ___ # of Photos ☐ No | ☐ Policy Auditable ☐ Policy Non-Auditable | Underwritten by: _____ (Initials) Date: _____

Special Rating Plan: % Group e and Number:

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES	Y	N	EXPLAIN ALL "YES" RESPONSES	Y	N
1. Is the applicant a subsidiary of another entity, or does the applicant have any subsidiaries, or is the applicant involved in any joint ventures?		X	8. Any past losses or claims relating to sexual abuse or molestation allegations, discrimination or negligent hiring?		X
2. Is a formal safety program in operation?		X	9. During the last ten years, has the applicant been convicted of any degree of the crime of arson?		X
3. Any exposure to flammables, explosives or chemicals?		X	10. Has the applicant filed bankruptcy within the last ten years?		X
4. Is this new business to the agency?			11. Any policy coverage declined, cancelled or non-renewed during the prior 3 years? (Not valid in Missouri)		X
5. Any uncorrected fire code violations?		X	Nonpayment? / Underwriting Reasons?		
6. Is the applicant involved, or does the applicant have ownership interest, in any other business operations, or does the applicant have locations not indicated on the application?		X	12. Does the owner have coverage with an Auto-Owners Group program for a related business with this being only a new location of the same type of operation?		
7. Is any prior carrier a non-standard company?					

REMARKS

PRIOR CARRIER INFORMATION

COMMERCIAL GENERAL LIABILITY

Carrier	Cincinatti				
Policy Number					
Policy Type (Please Check One)	☐ Claims Made ☒ Occurrence	☐ Claims Made ☐ Occurrence	☐ Claims Made ☐ Occurrence	☐ Claims Made ☐ Occurrence	☐ Claims Made ☐ Occurrence
Policy Term					
Each Occurrence					

PROPERTY

Carrier	Cincinatti				
Policy Number					
Policy Type					
Policy Term					

INLAND MARINE

Carrier					
Policy Number					
Policy Term					

CRIME

Carrier					
Policy Number					
Policy Type					
Limit					

Prior carriers annual total expiring premium (includes: Property, General Liability, Inland Marine and Crime): $0 - $2,500

LOSS HISTORY

CHECK HERE IF NONE ☒ | LOSS HISTORY ATTACHED ☐ | HAVE YOU DISCUSSED LOSSES WITH YOUR AGENT? Y/N

ENTER ALL CLAIMS (REGARDLESS OF FAULT) FOR THE PRIOR 5 YEARS

Date of Loss	Line	Description of Occurrence/Claim	Amount Paid	Amount Reserved	Open/Closed

What action has the applicant taken to prevent the type of losses listed above from recurring?

APPLICANT'S STATEMENT: I declare the facts stated in this application to be true to the best of my knowledge and request the Company to issue this insurance and any renewals thereof in reliance thereon. I further understand that: Any person who knowingly and with the intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact thereto, commits a fraudulent act, which is a crime and subjects the person to criminal and civil penalties.

ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE 11/06/09

PRODUCER
Taylor Insurance Agency
P.O. Box 1546
Clinton, SC 29325
(864)938-0055

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: Auto - Owners

INSURED
Bennett of Greenwood
33 Twin Rivers Rd
Waterloo, SC 29384

COMPANY B:

COMPANY C:

COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	☑ PROPERTY CAUSES OF LOSS ☐ BASIC ☐ BROAD ☐ SPECIAL ☐ EARTHQUAKE ☐ FLOOD ☐ ☐	16006900	11/06/09	11/06/10	☑ BUILDING ☐ PERSONAL PROPERTY ☐ BUSINESS INCOME ☐ EXTRA EXPENSE ☐ BLANKET BUILDING ☐ BLANKET PERS PROP ☐ BLANKET BLDG & PP ☐ ☐	$ 80,000 $ $ $ $ $ $ $ $
	☐ INLAND MARINE TYPE OF POLICY CAUSES OF LOSS ☐ NAMED PERILS ☐ OTHER				☐ ☐ ☐ ☐ ☐ ☐	$ $ $ $ $ $
	☐ CRIME TYPE OF POLICY				☐ ☐ ☐	$ $ $
	☐ BOILER & MACHINERY				☐ ☐	$ $
	☐ OTHER				☐	$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
33 Twin Rivers Rd Waterloo, SC 29384

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

Community South
6650 Calhoun Memorial Hwy
Easley ,SC 29621

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 24 (1/95) © ACORD CORPORATION 1995

ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE 11/06/09

PRODUCER
Taylor Insurance Agency
P.O. Box 1648
Clinton, SC 29325
(864)938-0055

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COMPANY A: Auto - Owners

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INSURED
Bennett of Greenwood
33 Twin Rivers Rd
Waterloo, SC 29384

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	☐ INLAND MARINE TYPE OF POLICY CAUSES OF LOSS ☐ NAMED PERILS ☐ OTHER					$ $ $ $ $ $
	☐ CRIME TYPE OF POLICY					$ $ $
	☐ BOILER & MACHINERY					$ $
	☐ OTHER					$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
33 Twin Rivers Rd Waterloo, SC 29384

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

Community South
6650 Calhoun Memorial Hwy
Easley ,SC 29621

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AUTHORIZED REPRESENTATIVE

ACORD 24 (1/95)

© ACORD CORPORATION 1995

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DATE 11/06/09

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COMPANY A: Auto - Owners

INSURED
Bennett of Greenwood
33 Twin Rivers Rd
Waterloo, SC 29384

COMPANY B:

COMPANY C:

COMPANY D:

COVERAGES

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	☐ INLAND MARINE TYPE OF POLICY CAUSES OF LOSS ☐ NAMED PERILS ☐ OTHER					$ $ $ $ $ $
	☐ CRIME TYPE OF POLICY					$ $ $
	☐ BOILER & MACHINERY					$ $
	☐ OTHER					$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
33 Twin Rivers Rd Waterloo, SC 29384
House

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

Community South
6650 Calhoun Memorial Hwy
Easley, SC 29621

CANCELLATION

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AUTHORIZED REPRESENTATIVE

ACORD 24 (1/95)

© ACORD CORPORATION 1995

JPMorgan

Personal Financial Statement

(Confidential)

IMPORTANT: Read these directions and check appropriate selection before completing this Statement

☐ I am applying for individual credit or to act as individual guarantor for the indebtedness of another party and am relying on my own income or assets and not the income or assets of another party as the basis for repayment of the credit requested. Complete only sections 1 and 3 and all applicable schedules.

☐ We are applying for joint credit or to act as joint guarantors for the indebtedness of another party. Complete sections 1, 2 and 3, and all applicable schedules, providing information in Section 2 about the joint applicant or joint guarantor.

☐ I am applying for individual credit and will be relying on income from alimony, child support, or separate maintenance or on the income or assets of another individual as the basis for repayment of the credit requested. Complete all sections and applicable schedules, providing information in Section 2 about the individual upon whose alimony, support or maintenance payments, income or assets you are relying.

We intend to apply for joint credit or to act as joint guarantors for the indebtedness of another party:

X Individual (Section 1) X Other Party (Section 2)

SECTION 1 - INDIVIDUAL INFORMATION (Type or Print)		SECTION 2 - OTHER PARTY INFORMATION (Type or Print)
Name	Kenneth E. Bennett	Name
Residence address	[redacted]	Residence address
City, State & Zip	[redacted]	City, State & Zip
Position or occupation	Statesman	Position or occupation
Business name	Independent Life & Health Agency Unltd., Inc.	Business name
Business address	[redacted]	Business address
City, State & Zip	[redacted]	City, State & Zip
Res. Phone	( ) [redacted]	Res. Phone ( ) Bus. Phone ( )

SECTION 3 - STATEMENT OF FINANCIAL CONDITION AS OF: January 1, 2019

ASSETS (Do not include assets of doubtful value)	In Dollars (Omit Cents)	LIABILITIES	In Dollars (Omit Cents)
Cash on hand and in banks	$ 25,000	Notes payable to banks - secured - see Schedule F	$ 800,000
U.S. Gov't & Marketable Securities - see Schedule A	47,072	Notes payable to banks - unsecured - see Schedule F	-
Non-Marketable Securities - see Schedule B	50,000		
Securities held by broker in margin accounts	-	Boat-Fountain	165,000
Restricted or control stocks	-	Amounts payable to others - unsecured	-
Personal Residences	2,700,000	Amounts payable to others - unsecured	
		Unpaid income tax	-
Real estate owned - see Schedule D	32,775,013	Other unpaid taxes and interest	-
Loans Receivable	1,348,645	Real estate mortgages payable - see Schedules C and D	27,101,415
Automobiles and other personal property	356,500		
Cash value-life insurance - see Schedule E	80,786	Other Debts-Itemize Carolina First	98,429
Other assets - Itemize EQUITY TRUST IRA & OTHER IRA'	13,280	Community South Bank & Trust	95,000
SELF DIRECTED REAL ESTATE EQUITY TRUST	301,714	Carolina First	132,750
Have a Blast, $1758, JKR $110,159	-	Carolina First	200,000
Warehouse, $10,123 Chancellors, $7055	-		
Show Me the Money, Inc. $1,219,552	-	TOTAL LIABILITIES	$ 28,592,594
	-	NET WORTH	$ 9,115,416
TOTAL ASSETS	$ 37,708,010	TOTAL LIABILITIES AND NET WORTH	$ 37,708,010

SOURCES OF INCOME FOR YEAR ENDED:		PERSONAL INFORMATION
Salary, bonuses & commissions	$ -	Do you have a will? Yes, Steven D. Bennett — If so, name of executor.
Dividends	-	
Real estate income	450,000	Are you a partner or officer in any other venture? If so, describe.
Other income (Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation)	-	B&C Iowa Property, Inc., Country Estates MHP, Inc., Bennett Mfg Housing Sales, Inc., Executive Properties, LLC., Show Me the Money, Inc., R&K Resources, Inc.
	-	Warehouse, Unltd, LLC, Lyman Warehouse, LLC, JimKen, Inc., Chancellors, LLC
	-	Have a Blast, Inc., JKR Development, LLC, Tybee Growth, LLC
	-	Are any assets pledged other than as described on schedules? If so, describe.
TOTAL	$ 450,000	

CONTINGENT LIABILITIES	
Do you have any contingent liabilities? If so, describe. No	Income tax settled through (date)
	Are you a defendant in any suits or legal actions? No
As endorser, co-maker or guarantor?	Personal bank accounts carried at US Bank, JP Morgan Chase
On leases or contracts?	
Legal claims	
Other special debt	Have you ever been declared bankrupt? If so, describe. No
Amount of contested income tax liens	

Please do not leave any questions unanswered. Use "no" or "none" where necessary.

Revised 11/23/04

(Complete schedules and sign on Page 2)

KB

SCHEDULE A - U.S. GOVERNMENT & MARKETABLE SECURITIES

Number of shares or face value (bonds)	Description	In name of	Are these pledged?	Market value
1,000	Pzkin	Ken E. Bennett	No	$ 8,900
2,050	Foresight	Ken E. Bennett	No	20,172
17,577	Community South Bank & Trust	Ken E. Bennett	No	17,000

SCHEDULE B - NON-MARKETABLE SECURITIES

Number of shares	Description	In name of	Are these pledged?	Source of value	Value
	Independent Life & Health				$ 50,000

SCHEDULE C-PERSONAL RESIDENCES

Address & type of property	Title in name of	% of ownership	Date acquired	Cost	Market value	Monthly payment	Mortgage balance
Personal Residence	Ken E. Bennett	100.00%		$	$ 1,150,000	$	$ 1,102,000
Florida Home	Ken E. Bennett	100.00%			1,650,000		1,450,000

SCHEDULE D - REAL ESTATE OWNED

Address & type of property	Title in name of	Date acquired	Cost	Market value	Monthly payment	Mortgage balance
See attached Schedule D			$	$	$	

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

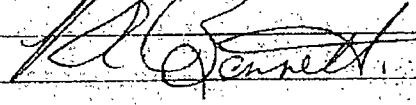
Name of insurance company	Owner of policy	Beneficiary	Face amount	Policy loans	Cash surrender value
See attached Schedule E			$	$	$

SCHEDULE F - BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name of lender	Credit in the name of	Secured or unsecured?	Original date	High credit	Current balance	Monthly payment
				$	$	$

(USE ADDITIONAL SCHEDULES IF NECESSARY)

The information contained in this statement is provided for the purpose of obtaining or maintaining credit with the JPMorgan affiliate to whom you have submitted this statement on behalf of the undersigned, or persons, firms, or corporations in whose behalf the undersigned may either severally, or jointly with others, execute a guaranty in favor of JPMorgan. Each undersigned understands that JPMorgan is relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that JPMorgan may consider this statement as continuing to be true and correct until a written notice of a change is given to JPMorgan by the undersigned. JPMorgan is authorized to make all inquiries it deems necessary, including the obtaining of a credit bureau report, to verify the accuracy of the statements made herein, and to determine my/our credit worthiness. You understand and agree that from time to time JPMorgan may receive information about you from third parties (including statements, confirmation or electronic access). JPMorgan may share the information it obtains through these inquiries and any credit bureau report with other JPMorgan affiliates. JPMorgan is authorized to answer questions about its credit experience with me/us.

Signature (Individual)  Signature (Other party)

S.S. No. Date of Birth S.S. No. Date of Birth

Date Signed 2-12-12 Date Signed

SCHEDULE D
REAL ESTATE MONTHLY INCOME/EXPENSES

Property Address	*Type*	*Mkt. Value/ Loan Amt.*	*Mortgage Company*	*Balance*	*Monthly Rental*	*Principal Interest/Mo*	*Monthly Taxes*	*Monthly Ins*	*Operating Exp/Mo.*	*Cash Flow/Mo*
S Corporations										
Have a Blast, Inc.										
Ken E. Bennett 100%										
Car Wash/Storage Units	Comml	$1,600,000	Capital Bank	$779,424	$16,000	($7,620)	(1,508)	(664)	(858)	$5,350
			Capital Bank							$0
Total		*$1,600,000*		*$829,424*	*16,000*	*($7,620)*	*($1,508)*	*($664)*	*-858*	$5,350
R&K Resources, Inc.										
Ken E. Bennett 100%										
Exit 2 (1.85) (11.83 Acres) Oconee Cty, SC	Acrg	$290,000	Grand South	250,000	0	0	(324)	(20)	(18)	(362)
Show Me The Money, Inc.										
Ken E. Bennett 100%										
Royal Oaks Subdivision	12 lots+spec	$350,000	Cornerstone	$201,000	For Resale	(695)	(316)	(17)	0	(1,018)
1510 N. Main St., Anderson	Bank bldg	$600,000	Comm South Bank	$518,929	3,660	(3,391)	net	net	net	269
5205 Hwy 187	dwelling	$115,000	BB&T	$67,838	725	(750)	(108)	0	0	(133)
9.929 Acres Hwy 24		$400,000	Seneca Nat Bank	$371,028	0	($2,723)	-254	$0	$0	($2,977)
5201 Hwy 187	Comml Bldg	$125,000	Comm South Bank	$97,144	1200	($750)	0	50	$0	$450
3.08 Acres	vacant land	$35,000	Carolina First	$51,507	For Sale	(5384)	(33)	0	0	($417)
Duplex/2 Lots	2family+2lots	$175,000	Seneca Nat Bk	$134,191	1,100	(1,232)	(234)	(61)	0	(427)
4035 Hwy 24 and 4124 Old Pelzer Rd	Storage Comml Bldg	425,000	Palmetto Bank	400,235	5,200	(3,936)	0	0	0	1,264
4105 Hwy 24	dwelling	100,000	Comm South Bank	88,509	960	(697)		0	0	263
3725 Hwy 24	dwelling	60,000	Comm South Bank	47,000	450	(348)		0	0	102
Pioneer Ln 50% SMITM/50% R.Bennett	Lake House	900,000	National Bank SC	555,054	0	(3,150)	(302)	0	0	(3,532)
Car Wash-Sandy Springs		295,000	Capital Bank	$246,127	2,443	(2,671)	(386)	(272)	(1,406)	(2,591)
3731 Hwy 24	dwelling	75,000	Communinty First	$35,799	950	(414)	(66)	(29)	0	341
4101 Clemson Blvd	empty lot	175,000	BB&T	$160,000	0	(2,503)	(321)	0	0	(2,824)

Property Address	Type	Mkt. Value/ Loan Mat.	Mortgage Company	Balance	Monthly Rental	Principal Interest/Mo.	Monthly Taxes	Monthly Ins.	Operating Exp/Mo.	Cash Flow/Mo
Caribbean III	Storage units	1,150,000	Wachovia	$1,089,000	14,400	(9,940)	(1,358)	(504)	(278)	2,320
3728/3881 Hwy 24	Dwell/Amoco	200,000	First Citizens	$160,673	750	(1,669)	(203)	0	0	(1,122)
			First Citizens		1,350	(290)	0	0	0	1,060
121 Commerce Blvd	Office bldg	250,000	Community First	$220,930	1,300	(2,030)	(55)	(88)	0	(873)
Caribbean Storage IV	Storage units	875,000	Wachovia	$612,444	8,915	(5,958)	(1,020)		(174)	1,764
			Wachovia	$100,000	0	(385)	0	0	0	(385)
2 acres next to 4114 hwy 24	vacant land	200,000	First Citizens	$97,500	0	(854)	0	0	0	(854)
4114 Hwy 24/Car Wash	car wash	240,000	Carolina First	$225,611	2,076	(2,247)	(170)	(188)	(568)	(1,095)
Car Wash-Murray Rd.	car wash	360,000	Community South	$342,326	2,387	(4,365)	(572)	(185)	(1,010)	(3,765)
Dorchester Home	mob home	35,000	Seneca Natl Bank	$34,975	716	(331)	0	0	0	385
Total		*$6,830,000*		*$5,861,011*	*48,483*	*(51,773)*	*(5,476)*	*(1,342)*	*(3,435)*	*-13545*

Property Address	Type	Mkt Value/ Loan Mkt	Mortgage Company	Balance	Monthly Rental	Principal Interest/PI	Monthly Taxes	Monthly Ins	Operating Expense	Cash
Executive Properties, LLC										
Ken E. Bennett 25%										
Rich Bennett 25%										
Jim Hendershot 25%										
Robert Parker 25%										
Commercial Office Bldg		$1,200,000	National Bank of SC	$846,554	11,970	($8,502)	(2,556)	(500)		$342
TOTAL		$1,200,000			11,970	($8,502)	(2,556)	(500)	0	$342
Ken Bennett's %		300,000		211,639						
JKR Development, LLC										
Ken E. Bennett 33%										
Jim Hendershot 33%										
Rich Bennett 33%										
321 Bowen Circle	3 cmrcl lots	$500,000	Capital Bank	$415,000	1,200	($1,250)	(202)	0	0	($312)
Liberty Pt Lots 3-9	7 lots	$300,000	Palmetto Bank	$194,374	For Resale	($3,310)	(100)	0	0	($3,410)
Liberty Hwy	Fed Ex Bldg	$450,000	Wachovia	$263,338	3,000	($1,668)	net	net	net	$142
Liberty Hwy	Vacant land	$100,000	Comm First Bank	$96,995	0	($583)	(619)	0	0	($1,188)
2750 NE 5th St., Florida	Dwelling	$570,000	Bank of America	$710,114	2,500	($6,330)	(931)	(267)		($4,048)
Lot 6 Pendleton	lot	$150,000	Community South	$119,115	0	($1,015)	(16)	0	0	($1,031)
McClain Pointe * 25% L.Haney 75% JKR	2 lots	$50,000	Peoples Bank	$100,000	For Resale	$0	0	0	0	$0
TOTAL		$2,220,000		$1,918,937	3,000	($15,146)	(1,024)	(267)	0	($9,857)
Ken Bennett's %		$740,033		$1,843,937						

Property Address	Type	Mkt. Value/ Loan Amt	Mortgage Company	Balance	Monthly Rental	Financial Institution	Monthly Taxes	Monthly Ins.	Operating Expense	Cash	
Stono Watch, LLC											
Lowell Frazier 50%											
Jim Hendershot 16.66%	Charleston	$2,300,000	Community First	$2,300,000	0	($8,500)	(1,000)	0	0		($9,500)
Richard Bennett 16.66%											
Ken E. Bennett 16.66%											
Ken Bennett's %		*$383,180*		*$383,180*							
Chancellor's Park											
Richard Bennett 12.5%											
Ken E. Bennett 12.5%											
Jim Hendershot 37.5%											
Sammy Abercrombie 37.5%											
Chancellors Commons	Comm Bldg	1,200,000	Grandsouth	966,403	9,851	(7,339)	(1,411)	(159)	(355)		581
Chancellors Commons	Comm Bldg	1,200,000	Grandsouth	1,113,597	10,820	(8,956)	(1,753)	(159)	(521)		(673)
TOTAL		*2,400,000*		*2,080,000*	20,671	(16,295)	(3,164)	(318)	(876)		(92)
Ken Bennett's %		*300,000*		*260,000*							
Lyman Warehouse, LLC											
Richard Bennett 33.33%											
Ken Bennett 33.33%											
Jim Hendershot 33.33%											
Warehouse		1,650,000	Palmetto Bank	1,650,000	29,175	(14,327)	(2,716)	(2,592)	(8,323)		3,217
Ken Bennett's %		*544,500*		*544,500*							
Warehouse Unlimited, LLC											
Rich Bennett 33.33%											
Ken Bennett 33.33%											
Jim Hendershot 33.33%											
The Sprage Plant		4,500,000	Carolina First	3,155,621	49,782	(28,710)	(5,338)	(1,435)	(1,853)		14,446
1649 Pearman Dairy Rd.											
TOTAL		4,500,000		3,155,621	49,782	(28,710)	(5,338)	(1,435)	(1,853)		14,446
Ken Bennett's %		1,500,000		1,051,874							
Quint Way Condos, LLC											
Ken Bennett 50%											
Richard Bennett 50%											
139 Brady Drive	Condo Project	1,000,000	County Bank	960,000	0	(6,373)	0	0	0		(6,373)
11.93 Acres											
Ken Bennett's %		*500,000*		*480,000*							

12,995,125

SCHEDULE D
REAL ESTATE AND EXPENSES
(ALL PROPERTIES TITLED IN THE NAME OF KEN E. BENNETT UNLESS SO NOTED)

Property Address	Type	Mkt. Value/ Loan Mat.	Mortgage Company	Balance	Monthly Rental	Principal & Interest Mth	Monthly Taxes	Monthly Insurance	Operating Exp. Monthly	Monthly Cash Flow
Marshalltown Properties	MHP	$2,500,000	Maquoketa	$1,685,840.00	$0.00	($11,400.00)	($2,605.00)	($408.00)	$0.00	($14,413.00)
Marshalltown, IA	Acreage		State Bank		$229.00	$0.00	($71.00)	$0.00	$0.00	$158.00
			CIPCO	$150,000.00		($406.00)	$0.00	$0.00	$0.00	($406.00)
			CIPCO	$50,000.00		($135.00)	$0.00	$0.00	$0.00	($135.00)
Timber City	MHP	$325,000	Maquoketa	$184,521.00	$7,749.00	($3,000.00)	($826.00)	($340.00)	($1,765.00)	$1,818.00
Maquoketa, IA			State Bank							
Iowa S Corporations										
B & C Iowa Properties, Inc.*										
Holiday Terrace/Earlham	MHPS	$2,150,000	F&M Bank	$1,502,000.00	$23,973.00	($14,219.00)	($2,681.00)	($275.00)	($5,500.00)	$1,318.00
DeSoto, IA										
Walcott Estates	MHP	$ 2,300,000.00	US Bank	$1,481,773.00	$31,274.00	($11,424.00)	($4,653.00)	($400.00)	($12,050.00)	$2,547.00
Walcott, IA**										
JimKen, Inc. **										
Villa Village MHP	MHP	$1,550,000	Rockford B&T	$1,518,537.00	$13,177.00	($15,281.00)	($2,449.00)	($250.00)	($1,908.00)	($6,711.00)
Sugar Maple MHP	MHP	$150,000			$4,345.00	$0.00	($1,012.00)	($97.00)	($3,900.00)	($664.00)
Carroll MHP	MHP	$850,000	F&M Bank		$6,606.00	($606.00)	($752.00)	$0.00	($3,919.00)	$1,329.00
			Contract-Scalf		$0.00	($2,494.00)	$0.00	$0.00	$0.00	($2,494.00)
Country Estates, Inc.***	MHP	$650,000	Maquoketa	$381,023.00	$9,051.00	($4,170.00)	($1,176.00)	($169.00)	($910.00)	$2,626.00
Long Grove, IA			State Bank							
West Town	MHP	$290,000	Northwest	$185,162.00	$6,759.00	($4,408.00)	($833.00)	($132.00)	($807.00)	$579.00
Freeport, IL			Bank							
Country Manor	MHP	$295,000	Northwest	$199,243.00	$4,041.00	($820.00)	($461.00)	($217.00)	($1,028.00)	$1,515.00
Mt. Carroll, IL			Bank							
Barrett's	MHP	$275,000	Northwest	$141,500.00	$4,355.00	($3,368.50)	($1,035.00)	($223.00)	($885.00)	($956.50)
Rockford, IL			Bank							

SCHEDULE D
REAL ESTATE AND EXPENSES
(ALL PROPERTIES TITLED IN THE NAME OF KEN E. BENNETT UNLESS SO NOTED)

Property Address	Type	Mkt. Value/ Loan Mat.	Mortgage Company	Balance	Monthly Rental	Principal & Interest Mth	Monthly Taxes	Mthly Ins	Operating Exp Mthly	Monthly Cash Flow
1120 E. State St.	Retail Center	$209,000	Rkfd Bank &Trust	$200,000.00	$3,050.00	$0.00	($463.00)	($89.00)	$0.00	$2,498.00
(Subway/Cash Store)										
3921-25 E. State St.	Commercial	$1,650,000	USBank	$1,079,097.00	$21,474.00	($8,347.00)	($3,840.00)	($627.00)	($826.00)	$7,834.00
Rockford, IL	Bldg.									
Meadowview/Westwind	MHP	$750,000	First National	$672,972.00	$10,930.00	($8,477.00)	($1,137.00)	($284.00)	($949.00)	$83.00
Lancaster, WI			Bank							
Mini-Storage Bldg			of Platteville							
Lots in Florida, Cape Coral	18 LOTS	$90,000	Rkfd Bank &Trust	$110,000.00	$0.00	$0.00	($583.00)	($49.00)	($31.00)	($663.00)
Farm	74.3 acres	$150,000	Rkfd Bank & Trust	$110,000.00	$392.00	$0.00	($323.00)	$0.00	$0.00	$69.00
Mobile Homes	5 homes	$ 75,000.00	Maqoketa Bank	$50,000.00	For Resale	$0.00	$0.00	$0.00	$0.00	$0.00
Bahama Ocean Lot,	Empty Lot	$200,000	N/A	$150,000.00	$0.00	$0.00	($521.00)	$0.00	$0.00	$149,479.00
Tilloo Cay 3 1/2 acres										
8321 Poplar	single	110,000	Chase	$75,187.00	$500.00	($445.00)	($247.00)	($55.00)	$0.00	($247.00)
Loves Park, IL	dwelling									
5911 Whispering Way	single	$130,000	Northwest	$107,543.00	$300.00	($771.00)	($272.00)	$0.00	$0.00	($743.00)
Loves Park, IL	dwelling		Bank							
2830 Frederick Blvd, FL	condo	$360,000	American Home	$350,000.00	$0.00	($3,197.00)	($396.00)	$0.00	$0.00	($3,593.00)
Tybee Growth, LLC**										
Tybee Island, GA	19 Condo	$1,330,000	First Nat'l Bank	$1,334,587.00	$28,500.00	($9,563.00)	($3,166.00)	$0.00	($9,500.00)	$6,271.00
	Units									
Tybee Island, GA	18 Condo	$1,700,000	First Citizens	$1,630,400.00	$27,000.00	($13,956.00)	($3,000.00)	$0.00	($9,000.00)	$1,044.00
	Units									
16 Tybrissa St., Tybee Island	Comml Bldg	$165,000	First Nat'l Bank	$167,389.32		($1,298.00)	$0.00	$0.00	$0.00	($1,298.00)
101 19th St.	dwelling	$1,050,000	Wachovia	$900,000.00	$2,500.00	($3,787.00)	($1,200.00)	($843.00)	($620.00)	($3,950.00)
Tybee Island, GA			Wachovia			($884.00)				($884.00)

SCHEDULE D
REAL ESTATE AND EXPENSES
(ALL PROPERTIES TITLED IN THE NAME OF KEN E. BENNETT UNLESS SO NOTED)

Property Address	Type	Mkt. Value/ Loan Mat.	Mortgage Company	Loan Balance	Monthly Rental	Principal & Interest Mth.	Monthly Taxes	Mthly Ins	Operating Exp Mthly	Monthly Cash Flow
South Carolina										
27.47 Acres	Tract C	$120,000	JLC Contract	$91,534.00	$0.00	($516.00)	$0.00	$0.00	$0.00	($516.00)
Vacant Land	Tract A	$120,000	JLC Contract	$83,655.00	$0.00	($469.00)	$0.00	$0.00	$0.00	($469.00)
Vacant Land	Tract B	$120,000	JLC Contract	$89,185.00	$0.00	($500.00)	$0.00	$0.00	$0.00	($500.00)
Twin Rivers Resort		$550,000	Community South	$497,000.00	$0.00	($3,500.00)	($360.00)	$0.00	$0.00	($3,860.00)
3 Lake front lots		$280,000	Capital Bank	$237,055.00	$0.00	($1,112.00)	($109.00)	$0.00	$0.00	($1,221.00)
4 back lots		$40,000								
105 Corsey Dr.		$280,000	Capital Bank	$152,743.00	$0.00	($1,300.00)	($24.00)	$0.00	$0.00	($1,324.00)
1878 Dillard Rd.	Acreage	10,000			$0.00	$0.00	($20.00)	$0.00	$0.00	($20.00)
	Acreage				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Lot 3, Virginia Meadows		$76,000			$0.00	$0.00	($40.00)	$0.00	$0.00	($40.00)
212 Cunningham Slough Rd.	dwelling	$155,000	Capital Bank	$109,548.00	$0.00	($804.00)	$0.00	$0.00	$0.00	($804.00)
423 Neptune Dr.	2 lots	$160,000	Capital Bank	$121,958.00	$0.00	($718.00)	$0.00	$0.00	$0.00	($718.00)
TOTAL		$20,431,600		$16,385,850.00	$208,205.00	($131,375.50)	($34,436.00)	($4,458.00)	($53,398.00)	$132,538.50
*Ken Bennett 75% owner; M. Conley 25% own										
**Ken Bennett 100% owner										
***Ken Bennett 90% owner; J. Daehler 5% owner; D. Daehler 5% owner										

PERSONAL PROPERTY

1. 1977 450 SL Mercedez	$ 5,000
2. 1970 Mustang Mach I (Restored)	$ 12,000
3. 1998 Corvette Convertible	$ 13,500
4. 1997 45' Excalibur	$ 65,000
5. 2000 25' Challenger Boat	$ 10,000
6. 1998 Mercedez 500SL	$ 12,000
7. 2004 GMC Denali	$ 9,000
8. 2006 Mercedez CLS(55)AM6	$ 35,000
9. 2008 35' Fountain	$105,000
TOTAL	**$266,500**

(PROPERTY.DOC)

STATUS SHEET

FOR

[redacted]

December, 2009

INSURED	COMPANY	POLICY NUMBER	FACE AMOUNT	OWNER/BENE	EFFEC. DATE	TYPE	PREMIUM MODE	C.S.V.	PTD
KEN	TRANSAMERICA	[redacted]	[redacted]	[redacted]	04/28/99	15YRT	[redacted]	$0	4/28/10
KEN	SECURITY CT	[redacted]	[redacted]	[redacted]	11/24/99	15YRT	[redacted]	$0	5/24/10

Notes:
[redacted]

STATUS SHEET

FOR

[redacted]

December, 2009

INSURED	COMPANY	POLICY NUMBER	FACE AMOUNT	OWNER/BENE	EFFEC. DATE	TYPE	PREMIUM MODE	C.S.V.	PTD
[redacted]	[redacted]	[redacted]	[redacted]	TRUST # 2/ TRUST # 2	11/24/90	U/L	[redacted]	[redacted]	Current
[redacted]	[redacted]	[redacted]	[redacted]	TRUST # 2/ TRUST # 2	08/22/90	U/L	[redacted]	[redacted]	Current
[redacted]	[redacted]	[redacted]	[redacted]	TRUST # 2/ TRUST # 2	03/09/01	U/L	[redacted]	[redacted]	Current (Last premium paid 4/11/08)
[redacted]	[redacted]	[redacted]	[redacted]	TRUST # 2/ TRUST # 2	04/23/99	20YRT	[redacted]	[redacted]	04/23/10

Notes:

[redacted]

STATUS SHEET

FOR

[redacted]

December, 2009

INSURED	COMPANY	POLICY NUMBER	FACE AMOUNT	OWNER/BENE	EFFEC. DATE	TYPE	PREMIUM MODE	C.S.V.	PTD
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	09/12/07	15YRT	[redacted]	$0	3/12/10
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	05/24/99	15YRT	[redacted]	$0	5/24/10
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	04/26/95	U/L	[redacted]	$6,286.50 @	Current
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	04/11/00	10YRT	[redacted]	$0	4/11/10
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	12/28/99	10YRT	[redacted]	$0	12/28/09

Notes:

@ [redacted]

4 [redacted]

[redacted]

[redacted]

STATUS SHEET
FOR

[redacted]

December, 2009

COMPANY	POLICY NUMBER	INITIAL DEPOSIT	OWNER/BENE	EFFEC. DATE	TYPE	C.S.V.
[redacted]						
				4/08		
				4/06		

Notes:

[redacted]

STATUS SHEET

FOR

[redacted]

December, 2009

INSURED	COMPANY	POLICY NUMBER	DISABILITY AMOUNT	OWNER/ BENE	EFFEC. DATE	TYPE	PREMIUM MODE	RETURN OF PREMIUM	PTD
[redacted]	ILLINOIS MUTUAL	[redacted]	[redacted]	[redacted]	02/16/80	DISAB	[redacted]	[redacted]	02/16/10
[redacted]	ILLINOIS MUTUAL	[redacted]	[redacted]	[redacted]	01/01/80	DISAB	[redacted]		12/23/09
[redacted]	PROVIDENT LIFE	[redacted]	[redacted]	[redacted]	05/16/86	DISAB	[redacted]		11/16/08
[redacted]	PROVIDENT LIFE	[redacted]	[redacted]	[redacted]	05/16/86	BOE	[redacted]		05/16/10

Note:

* This is the current cash value of the surrender rider. Full value is payable at age 65 minus claims paid.

STATUS SHEET

FOR

[redacted]

December, 2009

INSURED	COMPANY	POLICY NUMBER	FACE AMOUNT	OWNER/BENE	EFFEC. DATE	TYPE	PREMIUM MODE	C.S.V.	PTD
[redacted]					02/04/83	WL	[redacted]	[redacted]	02/04/10
					12/11/95	UL			Current

					EFFEC. DATE	TYPE		C.S.V.	
[redacted]					5/15/06	IRA		[redacted]	

[redacted]

858

3-12-2010

David R. Swank

I.e.: Renewal of Twin Rivers Notes

Per our conversation 3-10-2010, if we can come to an agreement, I will bring the payments and taxes to current immediately. I would like to pay property taxes by 3-15-2010, as they go up again 3-16-2010. I will assume mortgage payment, and all payments will be on time. It would take very little improvement for Twin Rivers to have a positive cash flow with a new mortgage.

I appreciate your help in this matter and look forward to a positive response.

Enclosed cover to 16 inclusive: Twin Rivers P&L, Personal Financial, All Auto Parts Lease (obtained from AA Parts in Rockford via fax). I will have to drive to Waterloo where my records are, to send you the expired purchase agreement. You can see some of Manuel's investments, in the past 18 months, we have spent over $250,000 on this parcel, and it is now to 2010 city codes. Manuel has invested $100,000 beside rents. I'm in the driver's seat but he does not want to move anywhere.

If you have any questions or I may be of any assistance please call.

Thank you, sincerely,

Rick Bennett

Rick Bennett

864-554-6498

trresort@hotmail.com



STATE OF SOUTH CAROLINA COUNTY OF LAURENS	IN THE COURT OF COMMON PLEAS
Certus Bank, N.A., Plaintiff(s), v. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC, Defendant(s).	CASE NO. 2011-CP-30-00583 **AFFIDAVIT OF DAVID SWANK**

I, David Swank, being duly sworn, state as follows:

1. I currently work as a Commercial Portfolio Manager for CertusBank, N.A.

2. I worked for CommunitySouth Bank and Trust from October 2007 until December 2009 as a Commercial Lender, and from December 2009 until January 2011 as a Special Asset Manager.

3. In late 2009 or early 2010, as Special Asset Manager, I became involved in the extension, modification and/or refinance of the Loan #8001376 (the "Loan") to Kenneth Bennett because the loan was considered substandard credit and was not performing.

4. In November 2009 the attached appraisal was ordered on the property located at 33 Twin Rivers Road, Waterloo, SC 29384, the same property that is the subject to this action ("the Property"). The November 2009 Appraisal indicated a property value for the Property of $420,000.00. See November 20, 2009 Appraisal attached as Exhibit A.

5. This appraisal was ordered to determine the value of the banks collateral for the Loan in relation to the balance due under the Loan, and it was determined that the Loan was under collateralized at the time.

6. As part of my involvement, I negotiated with Kenneth Bennett and his brother, Richard C. Bennett ("Rick Bennett") to restructure and/or refinance the Loan.

7. During my negotiations with Kenneth Bennett and Rick Bennett, all parties operated under and acknowledged the belief that CSBT already had a mortgage on the Property.

8. As part of the negotiations, Rick Bennett offered to bring all property taxes on the Property current and to "assume the mortgage payment" on the Property. See March 12, 2010 correspondence from Rick Bennett to myself attached as Exhibit B.

9. Additionally, to cure the banks under collateralization problem, Rick Bennett (by and through his entity R.I.C.K.S. RCB Enterprises, Inc.) offered properties in Rockford, Illinois as additional collateral for the refinance of the Loan.

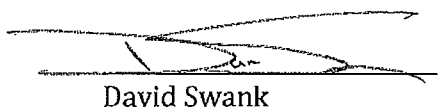
10. As a result of my negotiations with Kenneth Bennett and Rick Bennett, the Commitment Letter attached hereto as Exhibit C was offered to and accepted by Kenneth Bennett and Rick Bennett.

11. Throughout my negotiations on the restructuring of the Loan, I received numerous letters and notes from Rick Bennett, including Exhibit B and the following:

    a. Handwritten note dated 3-15-2010 with copies of tax notices and check to provide proof that the taxed on the Property had been paid. See Exhibit D.
    b. Handwritten note on 4-14-2010 providing proof of insurance on the Property effective November 9, 2009 until November 6, 2010, naming CSBT as the Certificate Holder and Mortgagee. See Exhibit E.

12. Loan documents dated 9/29/2010 for the modification of the Loan were prepared for Kenneth Bennett and Rick Bennett. The purpose of this modification was to add additional collateral to the existing CSBT loan (loan #8001376). These documents, which were signed by Rick Bennett, acknowledge that the loan is already intended to be separately secured by a previously recorded mortgage on the Property dated 11-1-2007. See Exhibit F.

13. Kenneth Bennett never signed the 9/29/2010 loan modification documents.



David Swank

Sworn to before me this 3rd of April 2014.

Patricia H. Moody (SEAL)
Notary Public for South Carolina
My commission expires: 1-7-2015

3-15-2010

Darrell Kusick

Copies of pd taxes all property on Twin Rivers Loop

1 Twin Rivers Commercial
1 Twin Rivers Tract "B"
1 #3 Virginia, 130 Lynnhill
1 2 lots on Dillard Rd
1 4 lots on Dillard Rd.

US Bank is making copies of the last 12 payments from All Auto to RB, S/B within 24 hours

Copies of lease purchase agreement, and agreement for deed.

Thanks

Rick Bennett

864-557-6498

trresort@hotmail.com

EXHIBIT
1
BENNETT

Certus/Bennett 0000214

862

CommunitySouth
BANK & TRUST

March 30, 2010

Kenneth E. Bennett and Richard C. Bennett

On behalf of CommunitySouth Bank and Trust I am pleased to offer you a loan commitment based upon the following terms and conditions and your acceptance thereof:

NAME OF BORROWER: Kenneth E Bennett

AMOUNT OF LOAN: an amount up to $497,450 (the interest must be made current by 03/31/2010)

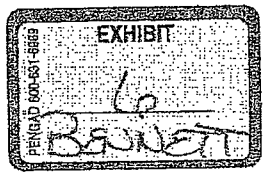
PURPOSE OF LOAN: Refinance loan 8001576 with the addition of collateral

INTEREST RATE: The interest rate on this loan will be 6 percent (%) fixed.

TERMS OF REPAYMENT: Payments on this loan will be calculated on a 15 year amortization, with a three year call. Payments will be due in equal, amortizing monthly payments, including principal and interest, with one final payment of all remaining principal and accrued interest. The payments would be re-amortized if a large payment of at least $100,000 is made.

LOAN DOCUMENTS: CommunitySouth Bank and Trust will require the following loan documents on forms approved by the bank: (1) Promissory Note, (2) A first mortgage/deed of trust, security agreement covering other collateral property as previously defined, (3) All other documents as may by required by CommunitySouth Bank and Trust when and as requested, must be made available.

PREPAYMENT: This loan may be prepaid at any time without penalty. All payments received in excess of the required amount will be credited to the outstanding principal balance of the loan.



CORPORATE RESOLUTION: A corporate resolution, authorizing this loan and designating those persons authorized to sign will be required at closing.

DESCRIPTION OF COLLATERAL: This loan will be secured by a first mortgage security interest in the real property located at Twin Rivers Rd and 1879 Dillard Rd, Waterloo, SC 29834 and a first mortgage/deed of trust for $200,000 on a property known as 2235 Kishwaukee St and 2310 Starr Street, Rockford, Ill 61104 (PIN # 11-35-325-010, 11-35-327-002)(property in the name of R.I.C.K.S RCB Enterprises, Inc or Richard C Bennett aka Rick Bennett)

ENVIRONMENTAL QUESTIONNAIRE: A copy of the previously obtained Phase I and II Environmental Survey, performed by a licensed engineer must be provided prior to closing. All cost of this survey is to be borne by the Borrower and must be paid before ordering.

APPRAISAL: A detailed appraisal of the property serving as collateral for this loan will be required. This appraisal is to be furnished by an appraiser acceptable to CommunitySouth Bank and Trust. All cost of such appraisal are to be borne by the borrower and must be collected before the appraisal can be ordered.

WAIVER OF APPRAISAL RIGHTS: In accordance with Section 29-3-680, South Carolina Code of Laws 1976, as amended. CommunitySouth Bank and Trust will require the Borrower and the Guarantors to waive their statutory appraisal rights and to sign a statement in the loan documents waiving such appraisal rights in compliance with the aforesaid statute.

TITLE INSURANCE: A title insurance binder must be provided prior to closing.

PROPERTY TAXES: All property taxes which are considered due and payable must be paid prior to closing.

TRANSFER OF PROPERTY: The mortgage will contain a provision that on sale or transfer of the mortgaged property, without CommunitySouth Bank and Trust prior written approval, the entire balance of the loan will be immediately become due and payable.

ASSIGNMENTS OF LEASES: A conditional assignment of Borrower's interest in all present and future leases of the Property will be required. Further, any leases of the Property entered into subsequent to loan closing will be subject to CommunitySouth Bank and Trust prior written approval, which approval will not be unreasonably withheld or delayed. (ILL property) RB RB

ASSIGNMENTS OF RENTS: As additional security for payment of the note, the Borrower hereby assigns to the Lender all of the rents and other payments for the occupancy or the use of the property or the improvements (collectively, the rents) but the Lender does not assume any liabilities of the Borrower with respect to the leases and other agreements for occupancy of any part of the property or the improvements (the leases).

GUARANTOR(S): Joint and several guarantees will be required from Kenneth E Bennett and Richard C Bennett.

LOAN AGREEMENT: A separate (term loan) agreement may be required at closing.

DEPOSIT ACCOUNT: As a condition of this loan, Borrower must maintain all normal deposits accounts with CommunitySouth Bank and Trust

HAZARD INSURANCE: Borrower must at all times maintain hazard insurance coverage on the collateral in an amount equal to or greater than the replacement cost of the buildings or appurtenances on the mortgage property, and issued by an insurance company satisfactory to the bank. A certificate of insurance must be furnished, showing CommunitySouth Bank and Trust interest as mortgagee, prior to closing. If the mortgaged property is located in a federally identified flood hazard area, flood hazard insurance coverage must also be provided. As soon as practical, following closing, and actual copy of the policy is to be delivered to CommunitySouth Bank and Trust.

FINANCIAL INFORMATION: We will require you to furnish us with complete financial statements, at least on a fiscal year end basis, as well as a complete personal financial statement and tax return, annually, from any and all personal guarantors. These statements, whether personal or company, must be signed, including title, unless they are audited on an unqualified basis.

LEGAL FEES: All legal and recording expenses incurred in connection with this loan shall be the responsibility of the Borrower.

COMMITMENT PERIOD: This commitment must be accepted within 1 days from the date of this letter and the loan must be closed no later than 30 days from the date of this letter or the terms and conditions of this commitment will become null and void.

COMMITMENT LETTER / LOAN AGREEMENT: In addition to the terms and conditions contained in any specific loan agreement or other loan documents, the terms and conditions of this loan, as described in the foregoing commitment letter, will survive the closing of the loan and will remain effective as long as any portion of this obligation remains outstanding.

TERMINATION OF COMMITMENT: The issuance of this commitment is based upon the accuracy of your representations, statements, loan application and all additional information, representations, exhibits and other matters submitted to CommunitySouth Bank and Trust for its consideration. CommunitySouth Bank and Trust may, at its sole discretion, declare their commitment to be canceled if there has been any misrepresentation, misstatement, omission or material error in anything submitted to CommunitySouth Bank and Trust or if prior to the initial disbursement, there shall have been any adverse change in the state of facts submitted to CommunitySouth Bank and Trust or the Borrower, or any guarantor has become insolvent, bankrupt or incapacitated.

BORROWER(S) WARRANTY: Borrower covenants by execution of the commitment letter that neither the Borrower, any Guarantors have been convicted of any federal, state, or local crime, nor have any such parties been the subject of any civil judgment or regulatory order for finding involving fraud, securities violations or other matters relating to financial responsibility or business integrity. None of such parties has ever been the subject of any bankruptcy, insolvency, receivership, assignment for the benefit of creditors or similar proceeding. The lender is authorized to take appropriate action to verify these matters.

OTHER: In the next 180 days, the borrower must liquidate the remaining collateral used for loan #1580762, #1580786, and #8001381 at a reasonable price (subject to bank approval). The borrower must bring all offers to David Swank and/or Allan Ducker and the bank will approve if the net proceeds are below the current outstanding loan balance. Failure to keep payments current for proposed loan will accelerate the foreclosure process on the remaining loans.

Please indicate your acceptance of this commitment by signing, dating, and returning the original, keeping a copy for your records.

Sincerely,

David R. Swank
Vice President

THE TERMS AND CONDITIONS OF THIS COMMITMENT LETTER, AS STATED ABOVE, ARE HEREBY ACCEPTED.

Borrower's Name:

By:

It's: OWNER

Guarantor's Name(s):

70-477-719
EZShield™ Check Fraud Protection

8813

ALL AUTO PARTS RECYCLING INC.
2310 STARR ST.
ROCKFORD, IL 61104
PH. 815-289-7352

3-30 2010

PAY TO THE ORDER OF Community South Bank $ ##923.49

Fourteen Thousand nine hundred twenty three 49/100 DOLLARS

USBANK
FIVE STAR SERVICE GUARANTEED
USBANK.COM

FOR #869137 [redacted]

Interest on Term Rollers Loan

Rick Barnett MP

BLUE PLUS 9C

EXHIBIT
18
DEPOSITION

868

4-14-10

2001376

Dear Derek

re: Twin Rivers Loan
Letter of 12 inclusive

Insurance coverage on Twin Rivers, 127 Iguassu and 130 Iguassu are one in the same. I called Scott Taylor from Taylor Bros to be sure the Dillard Lots are included, He said they sent proof of Insurance Back in 11-09 when I changed companies.

Thanks again

Rick Bennett
Bennett of Greenwood
Twin Rivers Landing
864-554-6498
FAX 864-677-4189
trresort@hotmail.com,

EXHIBIT
4
BENNETT

Certus/Bennett 0000032

869

KENNETH E. BENNETT 3921 E STATE STREET ROCKFORD, IL 61108-2803 BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	CommunitySouth Bank and Trust 6602 Calhoun Memorial Hwy Easley, SC 29640 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Part # 200 Loan Number 8001376 Date 04-23-2010 Maturity Date 07-23-2010 Loan Amount $ 497,450.00 Renewal Of EXTENSION FOR 90 DAYS Officer # JAY DAVIS

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of four hundred ninety seven thousand four hundred fifty and no/100 Dollars $ 497,450.00

☒ Single Advance: I will receive all of this principal sum on 04-23-2010. No additional advances are contemplated under this note.

☐ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of $ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____

☐ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.

☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 04-23-2010 at the rate of 6.000% per year until 04-24-2010.

☒ Variable Rate: This rate may then change as stated below:

☒ Index Rate: The future rate will be 1.550 percent above the following index rate: the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate.

☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

☒ Frequency and Timing: The rate on this note may change as often as every day beginning 04-24-2010.

A change in the interest rate will take effect On the same day.

☒ Limitations: During the term of this loan, the applicable annual interest rate will not be more than 18.000 % or less than 6.000%. The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☒ The amount of each scheduled payment will change. ☒ The amount of the final payment will change.

☐ _____.

ACCRUAL METHOD: Interest will be calculated on a Actual/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ LATE CHARGE: If a payment is not made within 10 days after it is due, I agree to pay a late charge of 5.000% of the late amount.

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____.

PAYMENTS: I agree to pay this note as follows:

2 monthly interest payments ranging from $2487.25 to $2570.16 beginning 05-23-2010 and 1 payment of $499,937.25 on 07-23-2010. This is a variable rate loan and the payment amounts may change. The final payment may also change.

ADDITIONAL TERMS:

☒ SECURITY: This note is separately secured by (describe separate document by type and date): MORTGAGE DATED 11/01/2007

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is REFINANCE COMMERCIAL PROPERTY.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE, INCLUDING THOSE ON PAGE 2. I have received a copy on today's date.

Certus/Bennett 0000007

DEFINITIONS: As used on page 1, "☒" means the terms that apply to this loan. "I," "me," or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of South Carolina will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

COMMISSIONS OR OTHER REMUNERATION: I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

(1) any deposit account balance I have with you;

(2) any money owed to me on an item presented to you or in your possession for collection or exchange; and

(3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

(1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).

(2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.

(3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.

(4) You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

(1) demand payment of amounts due (presentment);

(2) obtain official certification of nonpayment (protest); or

(3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us, will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

FINANCIAL INFORMATION: I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

WAIVER OF HEARING PRIOR TO IMMEDIATE POSSESSION: If this loan is for a business purpose I agree to waive the right to five days' notice and a prejudgment hearing prior to seizure of any personal property which may secure this loan.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	$		$	$	%	$	
	$		$	$	%	$	

023 05 01 00048

COMMUNITYSOUTH BANK AND TRUST
6602 CALHOUN MEMORIAL HIGHWAY
EASLEY SC 29640

PHONE:864-306-2540

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

LOAN: 8001376

AS OF: 06/02/10

PAST DUE NOTICE PAGE 1

LOAN TYPE:	COMMERCIAL R/E VAR	MATURITY DATE:	07/23/10
PRINCIPAL BALANCE:	497,450.00	ORIGINAL LOAN DATE:	11/01/07
CURRENT RATE:	6.0000	ORIGINAL LOAN AMOUNT:	497,450.00
INTEREST THRU 06/02/10:	911.99	LAST PAYMENT RECEIVED:	05/27/10
ONE DAY'S INTEREST:	82.90	LAST PAYMENT AMOUNT:	2,487.25
LATE CHARGE BALANCE:	1,550.26		

COLLATERAL/PROPERTY: TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO SC 29384

PAST DUE DATE:	05/23/10
AMOUNT PAST DUE:	2,487.25
LATE CHARGES:	1,550.26

JUN - 7 2010

TOTAL AMOUNT DUE: ********** * 4,037.51 * **********

HOMEOWNERSHIP COUNSELING IS AVAILABLE BY CALLING 1-800-569-4287.
WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

IF PAYMENT HAS BEEN MADE, KINDLY DISREGARD THIS NOTIFICATION
* PLEASE RETURN THIS PORTION WITH YOUR PAYMENT *

PAST DUE NOTICE

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

AMOUNT PAST DUE:	2,487.25
LATE CHARGES:	1,550.26
TOTAL AMOUNT DUE:	4,037.51

AMOUNT ENCLOSED: $_____

DATE PAYMENT WAS DUE: 05/23/10
LOAN TYPE: COMMERCIAL R/E VAR
LOAN NUMBER: 8001376
REGULAR PAYMENT T/C: 325

COMMUNITYSOUTH BANK AND TRUST
P.O. BOX 2848
EASLEY, SC 29641

EXHIBIT 160 Bennett

6-17-10

New Payment Entry to Community South Bank
on Tax Foreclosure # 8001376 @ $97,450.00

3-30-10 Appr. of # 8813 $14,923.49
agreed to remit Late fee of $1550.24 at meeting

4-27-10 T.R. of # 5311 1989.25
Cleared Bank 4-27-10

5-19-10 T.R. of # 5326 2487.24
Cleared Bank 5-27-10

Lorna
Can you call me when you get this message
to discuss the attached

Thanks
Kat Kelly
(850) 354-9003
brandon-kat@att.net

EXHIBIT
15
Bennett

KENNETH E. BENNETT 3923 E STATE STREET ROCKFORD, IL 61108-2003 BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	...mmunitySouth Bank and Trust 6502 Calhoun Memorial Highway Easley, SC 29640 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Part # 200 Loan Number 8001376 Date 08-20-2010 Maturity Date 10-03-2010 Loan Amount $ 497,450.00 Renewal Of EXTENSION #2 Officer # DAVID SWANK

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of four hundred ninety seven thousand four hundred fifty and no/100 Dollars $ 497,450.00

☒ Single Advance: I will receive all of this principal sum on _____. No additional advances are contemplated under this note.

☐ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of $ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____

☐ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.

☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 08-20-2010 at the rate of 5.000% per year until 10-03-2010.

☐ Variable Rate: This rate may then change as stated below.

☐ Index Rate: The future rate will be _____ the following index rate: _____

☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ Frequency and Timing: The rate on this note may change as often as _____. A change in the interest rate will take effect _____.

☐ Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %. The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

☐ _____.

ACCRUAL METHOD: Interest will be calculated on a Actual/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ LATE CHARGE: If a payment is not made within 10 days after it is due, I agree to pay a late charge of 5.000% of the late amount.

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____.

PAYMENTS: I agree to pay this note as follows:

1 payment of $501,087.97 on 10-03-2010.

ADDITIONAL TERMS:

EXHIBIT 16
Bennett

☒ SECURITY: This note is separately secured by (describe separate document by type and date): MORTGAGE DATED 11/01/2007 RECORDED IN LAURENS COUNTY 12-10-2007 BK M 1764 PG 63. ASSIGNMENT OF LEASE DATED 11-1-2007 RECORDED IN LAURENS COUNTY 12-10-2007 BK M 1727 PG 10

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is REFINANCE COMMERCIAL PROPERTY

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

DEFINITIONS: As used on page 1, "☒" ... ans the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of South Carolina will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

COMMISSIONS OR OTHER REMUNERATION: I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

(1) any deposit account balance I have with you;

(2) any money owed to me on an item presented to you or in your possession for collection or exchange; and

(3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies ... such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

(1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).

(2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.

(3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.

(4) You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

(1) demand payment of amounts due (presentment);

(2) obtain official certification of nonpayment (protest); or

(3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

FINANCIAL INFORMATION: I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

WAIVER OF HEARING PRIOR TO IMMEDIATE POSSESSION: If this loan is for a business purpose I agree to waive the right to five days' notice and a preseizure hearing prior to seizure of any personal property which may secure this loan.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	$		$	$	%	$	
	$		$	$	%	$	

TITLE TO REAL ESTATE (By Corporation)—Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S. C.
Misc./Bennett

PLEASE DO NOT PUBLISH IN NEWSPAPER

LAURENS CO ASSESSORS OFFICE
TMS:
279-00-00-001 PORTION
279-01-01-038

2010010772
DEED
RECORDING FEES $10.00
STATE TAX $0.00
COUNTY TAX $0.00
PRESENTED & RECORDED
12-17-2010 11:14 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: TERESA ATWOOD CLERK
BK: D 1002
PG: 171 - 175

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAUREN TNC)

KNOW ALL MEN BY THESE PRESENTS, that

Bennett of Greenwood, LLC

in consideration of One Dollar, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto

Twin Rivers Resort, LLC

Parcel 1: All that certain piece, parcel, or lot of land, with the improvements thereon, situate, lying and being in the State of South Carolina, County of Laurens, at Lake Greenwood, containing 0.027 acres, more or less, and being fully shown and delineated on a plat prepared for JKR DEVELOPMENT LLC by John E. Woods, RLS, dated May 23, 2007, recorded in Plat Book 67, page 759, in the Office of the Clerk of Court for Laurens County.

TMS: 309-00-00-028

Parcel 2: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 28, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-244 at Page 3; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

Also: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Dillard Road, containing 2.22 acres, more or less, and being more particularly shown on survey prepared at the request of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, recorded in the Office of Clerk of Court for Laurens County in Plat Book 62 at Page 940; reference is hereby made to said plat for a more detailed metes and bounds description thereof. According to said plat of survey, the within property is bounded on the north by property n/f of David Dillard; on the northeast by the centerline of Road 8-30-356; on the southeast by property n/f of David Dillard; on the southwest by n/f Cathryn Pearce estate lands; and on the northwest by the 440 foot contour line of Lake Greenwood.

TMS: 309-00-00-040

12/29/2010	1002	171	Lynn W Lancaster
DATE	BOOK	PAGE	AUDITOR
12/20/2010	1002	171	Lynn W Lancaster
DATE	BOOK	PAGE	AUDITOR

LAURENS CO ASSESSORS OFFICE
TMS:
309-00-00-028
309-00-00-040
309-01-04-013
309-01-04-014
277-00-00-108

Parcel 3: All those certain pieces, parcels or lots of land situate, lying and being in the County of Laurens, State of South Carolina, located in Edgewater Club Estate, being shown and designated as Lots 18, 19, 20, 21, 23, 24, 25, 26 and 27, on a plat for Edgewater Club Estates, dated September, 1960, prepared by Lewis C. Godsey and J.D. Calmes, Surveyors, recorded in the Office of the Clerk of Court for Laurens County in Plat Book 14 at Page 40; reference is hereby made to said plat for a more detailed metes and bounds description thereof. **Less and Except** a portion of lot 26 and Lot 27 conveyed by Deed Book 841, page 89.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

TMS: 309-01-04-013 and 309-01-04-014

Parcel 4: All that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, being shown and designated as Lot 3 of Virginia Meadows Subdivision, containing 1.00 acres, more or less, on a plat for Scott Shirley, dated May 5, 1993 , prepared by Newby-Proctor & Associates, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-36 at Page 7; reference is hereby made to said plat for a more detailed metes and bounds description thereof.

This is also includes a 1973 Champion Mobile Home, 60 x 12, Serial #043923447D.

Also conveyed herein is an easement for ingress and egress across Lot Nos. 1 and 2 of Virginia Meadows Subdivision as shown as shown on the aforementioned plat.

This conveyance is made subject to any restrictions, rights-of-way, or easements that may appear of record, on the recorded plat(s) or on the premises.

TMS: 277-00-00-108

The "Value" of the realty as defined in § 12-24-30, Code of Laws of South Carolina is $zero.

Grantee's(s') address: 53 TWIN RIVERS RD; WATERLOO SC 29384

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned unto the grantee, its successors and assigns, forever. And, the grantor does hereby bind itself and its successors to warrant and forever defend all and singular said premises unto the grantee and its successors against every person whomsoever lawfully claiming or to claim the same or any part thereof.

[redacted]

WITNESS the hand and seal of the corporation by its duly authorized officer(s) this 14th day of September, 20 10.

SIGNED, sealed and delivered in the presence of:

Witness #1

Witness #2 (Notary)

Bennett of Greenwood, LLC
(Corporate Seal)

By: Kenneth E. Bennett
Its: Member

----------ACKNOWLEDGEMENT----------

STATE OF ILLINOIS
COUNTY OF WINNEBAGO

I, LAURA A PRICE, a notary public do hereby certify that Kenneth E. Bennett personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the corporation

Witness my hand and official seal this the 14th day of September, 20 10.

Notary Public for Illinois (SEAL)
My commission expires: 5/19/11

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

STATE OF SOUTH CAROLINA)
COUNTY OF LAURENS)

AFFIDAVIT FOR EXEMPT TRANSFERS

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

1. I have read the information on the back of this affidavit and I understand such information.

2. The property being transferred is located at Lake Greenwood, bearing Laurens County Tax Map Numbers 309-00-00-028, 309-00-00-040, 309-01-01-013, 309-01-01-014 and 277-00-00-108 was transferred by Bennett of Greenwood, LLC to Twin Rivers Resort, LLC on ~~August~~ September 14, 2010.

3. The deed is exempt from the deed recording fee because (See Information section of affidavit): #1 - the value of the realty is zero.

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes or No

4. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor

5. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this 14th day of September 2010

(LS)
Notary Public for Illinois
My Commission Expires: 5/19/11

Kenneth E. Bennett
Responsible Person Connected with the Transaction

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

INFORMATION

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

Exempted from the fee are deeds:

(1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or

less than one hundred dollars;

(2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;

(3) that are otherwise exempted under the laws and Constitution of this State or of the United States;

(4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);

(5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;

(6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;

(7) that constitute a contract for the sale of timber to be cut;

(8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;

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

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

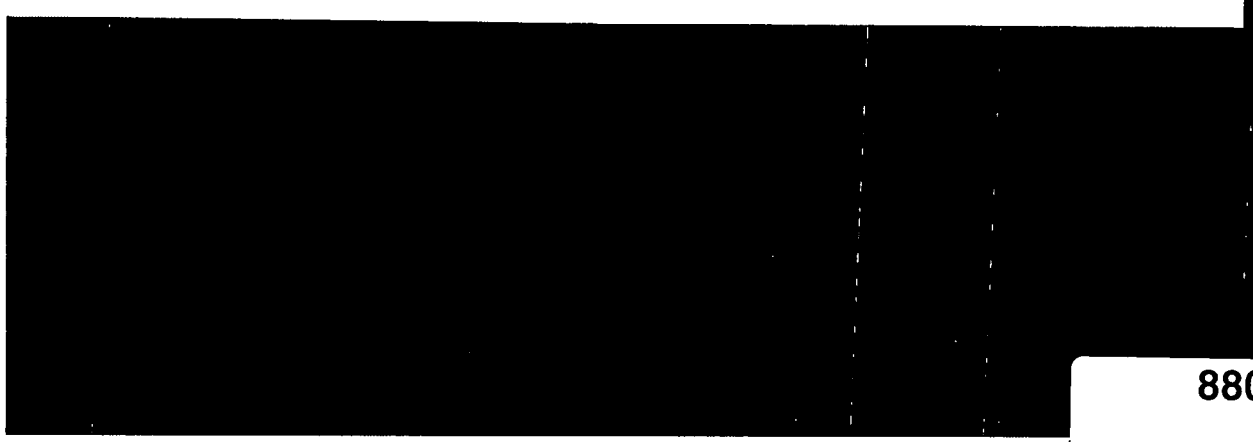
(11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,

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

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

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

(15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electrical utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act.



KENNETH E. BENNETT; RICHARD C. BENNETT 3923 E STATE ST ROCKFORD, IL 61108-2003 BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	CommunitySouth Bank and Trust 8602 Calhoun Memorial Highway Easley, SC 29640 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Port # 208 Loan Number 2001376 Date 08-28-2010 Maturity Date 08-28-2013 Loan Amount $ 467,450.00 Renewal Of MODIFICATION Officer # DAVID SWANK

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of four hundred sixty seven thousand four hundred fifty and no/100 Dollars $ 467,450.00

☒ Single Advance: I will receive all of this principal sum on _____. No additional advances are contemplated under this note.

☐ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of $ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____

☐ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.

☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 08-28-2010 at the rate of 6.000% per year until 08-28-2013.

☐ Variable Rate: This rate may then change as stated below.

☐ Index Rate: The future rate will be _____ the following index rate: _____

☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ Frequency and Timing: The rate on this note may change as often as _____. A change in the interest rate will take effect _____.

☐ Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %. The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

☐ _____

ACCRUAL METHOD: Interest will be calculated on a Actual/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ LATE CHARGE: If a payment is not made within 10 days after it is due, I agree to pay a late charge of 5.000% of the late amount.

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____.

PAYMENTS: I agree to pay this note as follows:

35 monthly payments of $4,221.04 beginning 10-28-2010 and 1 balloon payment of $434,817.15 on 08-28-2013.

ADDITIONAL TERMS: I(WE) AGREE IF BORROWERS MAKE A PRINCIPAL REDUCTION OF AT LEAST $100,000.00 DURING THE LOAN PERIOD, THE BANK WILL ALLOW FOR THE NOTE TO BE RE-AMORTIZED. THE PRINCIPAL REDUCTION WOULD COME FROM THE POSSIBLE SALE OF THE ILLINOIS PROPERTY.

EXHIBIT 7 BENNETT

☒ SECURITY: This note is separately secured by: (describe separate document by type and date): MORTGAGE DATED 11-1-2007 RECORDED IN LAURENS COUNTY 12-10-2007 BK M1727 PG 1. MORTGAGE DATED 11-1-2007 RECORDED IN LAURENS COUNTY 4-30-2008 BK M1764 PG 53. MORTGAGE DATED 8-29-2010 CROSS COLLATERALIZATION DATED 8-29-2010

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is TO ADD ADDITIONAL COLLATERAL TO EXISTING CSB&T LOAN.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE INCLUDING THOSE ON PAGE 2. I have received a copy on today's date.

Signature for Lender

DAVID SWANK, OFFICER

KENNETH E. BENNETT

RICHARD C. BENNETT

DEFINITIONS: As used on page 1, "I," means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of South Carolina will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

COMMISSIONS OR OTHER REMUNERATION: I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

(1) any deposit account balance I have with you;

(2) any money owed to me on an item presented to you or in your possession for collection or exchange; and

(3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under the note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default:" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

(1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).

(2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.

(3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.

(4) You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

(1) demand payment of amounts due (presentment);

(2) obtain official certification of nonpayment (protest); or

(3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

FINANCIAL INFORMATION: I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

WAIVER OF HEARING PRIOR TO IMMEDIATE POSSESSION: If this loan is for a business purpose I agree to waive the right to five days' notice and a prereplevin hearing prior to seizure of any personal property which may secure this loan.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	

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Certus/Bennett 0000114

Case No. W1803337COM

TITLE UNDERWRITERS AGENCY
Agent for
Chicago Title Insurance Co

PERSONAL UNDERTAKING

WHEREAS, Title Underwriters Agency, hereinafter referred to as "the Company", is about to issue its title insurance policy or policies or commitments therefore, all hereafter referred to as "the Title Insurance Policy"; Number W1803337COM in respect to the land therein described and commonly known as: 2235 Kishwaukee Street, Rockford, Illinois
Permanent Tax Number: 215C 555B

WHEREAS, the Company is unwilling to issue such policies unless exception is made for the following matters (hereinafter referred to as "the Exception"):

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to August 10, 2010 but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage covered herein.

AND WHEREAS, the Company has been requested to issue the Title Insurance Policy, and may hereafter in the ordinary course of its business issue title insurance policy or policies or commitments therefore in the form or forms now or then commonly used by the Company in respect to the land or to some part or parts thereof, or interest therein, free and clear of all mention of the aforesaid exception to title.

NOW, THEREFORE, in consideration of the issuance of said title insurance policies as aforesaid and of the sum of One Dollar ($1.00) in hand paid to the undersigned by the company, the receipt whereof is hereby acknowledged, the undersigned, _____, does hereby for itself, its successors and assigns, covenant and agree with the company: 1) to fully protect, defend and save harmless the Company from and against the above mentioned rights and liens, and each and every one of them; 2) to fully protect defend and save harmless the Company from any and all loss, costs, damages, attorney's and solicitor's fees and expenses of every kind and nature which it may suffer, expend or incur under or by reason or in consequence of said title insurance policies, on account of, in consequence of or growing out of the above mentioned rights and liens, or of any of them, or on account of the assertion or enforcement or attempted assertion or enforcement thereof, or of any right existing or hereafter arising, or which at any time be claimed to exist under or by reason, or in consequence of or growing out of the said rights and liens, or of any of them; 3) as against the assertion or attempted assertion of any such rights and liens to defend at its own costs and charges in behalf of and for the protection of the company and of the parties insured, or who may be insured, against loss by it under said title insurance policies (but without prejudice to the right of the Company to defend if it so elects) any and every suit, action or proceeding in which any such rights and liens may be asserted or attempted to be asserted, established or enforced in, to, upon, against or in respect to said real estate, or any part thereof, or interest therein; 4) that each and every provision hereof shall extend to and be in force concerning any and every other title insurance policy or policies which the Company may at any time or times hereafter issue insuring against loss by reason of the "Exceptions to Title" noted above with respect to the real estate hereinbefore described, or any part or parts thereof, or interest therein.

IN WITNESS WHEREOF, said David Swank has caused these presents to be signed this 29 day of September, 20 10.

By: Richard C Bennett

Title Underwriters Agency

STATEMENT REQUIRED FOR THE ISSUANCE OF ALTA OWNERS AND LOAN POLICIES

Commitment No. W1803370DM Loan No. Date:

To the best knowledge and belief of the undersigned, the following is hereby certified with respect to the land described in the above commitment.

1. That, except as noted at the end of this paragraph, within the last six (6) months, (a) no labor, service or materials have been furnished to improve the land, or to rehabilitate, repair, refurbish, or remodel the building(s) situated on the land; (b) nor have any goods, chattels, machinery, apparatus or equipment been attached to the building(s) thereon, as fixtures; (c) nor have any contracts been let for the furnishing of labor, service, materials, machinery, apparatus or equipment which are to be completed subsequent to the date hereof; (d) nor have any notices of lien been received, except the following, if any:

2. There are no revolving credit mortgages, line of credit mortgages, home equity loan mortgages, or other voluntary liens or mortgages affecting title, other than those shown on Schedule B of the Commitment, except the following, if any;

3. That all management fees, if any, are fully paid, except the following:

4. That there are no unrecorded security agreements, leases, financing statements, chattel mortgages or conditional sales agreements in respect to any appliances, equipment or chattels that have or are to become attached to the land or any improvements thereon as fixtures, except the following if any:

5. That there are no unrecorded contracts or options to purchase the land, except the following, if any:

6. That there are no unrecorded leases, easements, or other servitudes to which the land or building, or portions thereof, are subject, except the following, if any:

7. That, in the event the undersigned is a mortgagor in a mortgage to be insured under a loan policy to be issued pursuant to the above commitment, the mortgage and the principal obligations it secures are good and valid and free from all defenses; that any person purchasing the mortgage and obligations it secures, or otherwise acquiring any interest therein, may do so in reliance upon the truth of the matters herein recited; and that this certification is made for the purpose of better enabling the holder or holders, from time to time, of the above mortgage and obligations to sell, pledge or otherwise dispose of the same freely at any time, and to insure the purchasers or pledgees thereof against any defenses thereto by the mortgagor or the mortgagor's heirs, personal representative or assigns.

8. The following applies if checked:

☐ That I/we am/are the purchaser(s) or mortgagor(s) of land improved with a residential dwelling not exceeding four units, and no current survey or mortgagee's inspection report has been furnished to or is available to me/us.

The undersigned makes the above statement for the purpose of inducing Chicago Title Insurance Co to issue its owners or loan policy pursuant to the above commitment.

Seller or Owner

Purchaser

R.E.C.K.S. RCB Enterprises,

Inc., an a Corporation

Richard C. Bennett

LENDER'S DISBURSEMENT STATEMENT

The undersigned hereby certifies that the proceeds of the loan secured by the mortgage to be insured under the loan policy to be issued pursuant to the above commitment was fully disbursed to or on the order of the mortgagor on . You are hereby authorized to date down the above commitment to cover the date of said disbursement.

9/25/18

Dated

Signature

F.5738 ALTA 10/04 DGG

Form —

MISCELLANEOUS TRANSACTION CREDIT

ACCOUNT NAME Ken Bennett

DATE 9/30/10

PREPARED BY D. Swank

MISCELLANEOUS TRANSACTIONS CREDIT

APP	TC	DESCRIPTION	APP	TC	DESCRIPTION
DDA	008	FORCE RE-OPEN DEPOSIT	CCD	X15	MISCELLANEOUS CREDIT
DDA	009	REGULAR DEPOSIT	GL	400	GL CREDIT
DDA	015	MISCELLANEOUS CREDIT	LAS	325	REGULAR PAYMENT
DDA	017	TELEPHONE TRANSFER	LAS	327	PRINCIPAL ONLY PAYMENT
DDL	031	REGULAR PAYMENT	LAS	329	INTEREST ONLY PAYMENT
SAV	108	FORCE RE-OPEN DEPOSIT	LAS	333	LATE CHARGE PAYMENT
SAV	109	REGULAR DEPOSIT	SDB	540	REGULAR PAYMENT
SAV	115	MISCELLANEOUS CREDIT	SDB	542	LATE CHARGE PAYMENT
SAV	117	TELEPHONE TRANSFER	SDB	546	CLOSING CREDIT
CCD	209	REGULAR DEPOSIT			

AMOUNT

331625

TRAN CODE

330

ACCOUNT NUMBER

[redacted]

⑆5400⑈2000⑆

TWIN RIVERS RESORT LLC
33 TWIN RIVERS RD
WATERLOO, SC 29384-4834

1030
67-811/532

9-29-2010
DATE

PAY TO THE ORDER OF Community South Bank & Trust $ 3316.25

Three thousand three hundred sixteen and 25/100 DOLLARS

Free Checking

CommunitySouth BANK & TRUST
www.communitysouthbankandtrust.com

FOR Loan # 8001376

[redacted]

Rick Bennett

EXHIBIT 9 BENNETT

PENGAD 800-631-6989

Certus/Bennett 0000168

OMB NO. 2502-0265

A.	B. TYPE OF LOAN:	
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	1. ☐ FHA 2. ☐ FmHA 3. ☒ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS.	
SETTLEMENT STATEMENT	6. FILE NUMBER: B-1050	7. LOAN NUMBER: 8001376
	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 (BENNETT,KENNETH(REFILAUR.PFD/BENNETT,KENNETH(REFI

D. NAME AND ADDRESS OF BORROWER:	E. NAME AND ADDRESS OF SELLER:	F. NAME AND ADDRESS OF LENDER:
Kenneth E. Bennett 6004 Highway 24 Townville, SC 29689		Community South Bank & Trust 1510 North Main Street Anderson, SC 29621

G. PROPERTY LOCATION:	H. SETTLEMENT AGENT: 57-0696435	I. SETTLEMENT DATE:
Twin Rivers and Dillard Road WaterLoo, SC 29684 Laurens County, South Carolina	James S. Belk PLACE OF SETTLEMENT 1202 N. Main Street Anderson, SC 29621	November 1, 2007

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		**400. GROSS AMOUNT DUE TO SELLER:**	
101. Contract Sales Price		401. Contract Sales Price	
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	403,591.50	403.	
104. to Community South Bank & Trust/7000437	60,230.03	404.	
105. to Community South Bank & Trust/7000627	50,738.03	405.	
Adjustments For Items Paid By Seller in advance		*Adjustments For Items Paid By Seller in advance*	
106. City/Town Taxes to		406. City/Town Taxes to	
107. County Taxes to		407. County Taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	514,559.56	*420. GROSS AMOUNT DUE TO SELLER*	
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		**500. REDUCTIONS IN AMOUNT DUE TO SELLER:**	
201. Deposit or earnest money		501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)	497,450.00	502. Settlement Charges to Seller (Line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first Mortgage	
205.		505. Payoff of second Mortgage	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller		*Adjustments For Items Unpaid By Seller*	
210. City/Town Taxes to		510. City/Town Taxes to	
211. County Taxes to		511. County Taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER	497,450.00	*520. TOTAL REDUCTION AMOUNT DUE SELLER*	
300. CASH AT SETTLEMENT FROM/TO BORROWER:		**600. CASH AT SETTLEMENT TO/FROM SELLER:**	
301. Gross Amount Due From Borrower (Line 120)	514,559.56	601. Gross Amount Due To Seller (Line 420)	
302. Less Amount Paid By/For Borrower (Line 220)	(497,450.00)	602. Less Reductions Due Seller (Line 520)	( )
303. CASH (X FROM) (TO) BORROWER	17,109.56	*603. CASH (TO) (FROM) SELLER*	0.00

L. SETTLEMENT CHARGES

			PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price $ @ %				
Division of Commission (line 700) as Follows:				
701. $ to				
702. $ to				
703. Commission Paid at Settlement				
704. to				
800. ITEMS PAYABLE IN CONNECTION WITH LOAN				
801. Loan Origination Fee 0.1005 %	to Community South Bank & Trust		500.00	
802. Loan Discount %	to			
803. Appraisal Fee	to Appraisal Associates of Clemson	0710089	600.00	
804. Credit Report	to			
805. Lender's Inspection Fee	to			
806. Mortgage Ins. App. Fee	to			
807. Fee	to Integra Dodds Advisors	110-2007-0380	1,400.00	
808. Flood Certification Fee	to Community South Bank & Trust		14.00	
809. Tax Service Fee				
810. Underwriting Fee				
811. Processing Fee				
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE				
901. Interest From 11/01/07 to 12/01/07 @ $ /day (30 days %)				
902. Mortgage Insurance Premium for months to				
903. Hazard Insurance Premium for 1.0 years to				
904.				
905.				
1000. RESERVES DEPOSITED WITH LENDER				
1001. Hazard Insurance	months @ $ per month			
1002. Mortgage Insurance	months @ $ per month			
1003. City/Town Taxes	months @ $ per month			
1004. County Taxes	months @ $ per month			
1005. Assessments	months @ $ per month			
1006.	months @ $ per month			
1007.	months @ $ per month			
1008.	months @ $ per month			
1100. TITLE CHARGES				
1101. MORTGAGE SATISFACTION FEE	to James S. Belk		92.00	
1102. Abstract or Title Search (X 3)	to Abstracting Associates		577.50	
1103. Package Prep Fee	to James S. Belk		125.00	
1104. Title Insurance Binder	to James S. Belk		95.00	
1105. Document Preparation	to			
1106. Notary Fees	to			
1107. Attorney's Fees	to James S. Belk		450.00	
(includes above item numbers:)				
1108. Title Insurance	to Commonwealth Land Title Insurance Company		971.50	
(includes above item numbers:)				
1109. Lender's Coverage	$ 497,450.00	971.50		
1110. Owner's Coverage	$			
1111.				
1112.				
1113.				
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES				
1201. Recording Fees: Deed $	; Mortgage $ 26.00;	Releases $	25.00	
1202. City/County Tax/Stamps: Deed	; Mortgage			
1203. State Tax/Stamps: Revenue Stamps	; Mortgage			
1204. Recording Sat Fee	to Laurens County Register of Deeds		30.00	
1205.				
1300. ADDITIONAL SETTLEMENT CHARGES				
1301. Survey	to			
1302. Pest Inspection	to			
1303.				
1304. Copies, Processing, Wire & UPS	to		72.50	
1305. See addit'l disb. exhibit	to		398,639.00	
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)			403,591.50	

Certified to be a true copy.

ADDITIONAL DISBURSEMENTS EXHIBIT

Borrower: Kenneth E. Bennett
Lender: Community South Bank & Trust
Settlement Agent: James S. Belk
(864)224-8123
Place of Settlement: 1202 N. Main Street
Anderson, SC 29621
Settlement Date: November 1, 2007
Property Location: Twin Rivers and Dilliard Road
WaterLoo, SC 29684
Laurens County, South Carolina

PAYEE/DESCRIPTION	NOTE/REF NO	BORROWER	SELLER
Laurens County Treasurer		4,665.12	
CommunitySouth Bank and Trust 8000425	81.60	393,973.88	
Total Additional Disbursements shown on Line 1305		**$ 398,639.00**	**$ 0.00**

(BENNETT,KENNETH(REFILAUR.PFD/BENNETT,KENNETH(REFI

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Borrower:	Kenneth E. Bennett
Lender:	Community South Bank & Trust
Settlement Agent:	James S. Belk (864)224-8123
Place of Settlement:	1202 N. Main Street Anderson, SC 29621
Settlement Date:	November 1, 2007
Property Location:	Twin Rivers and Dilliard Road WaterLoo, SC 29684 Laurens 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.

Kenneth E. Bennett

BY: _____

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.

_____

James S. Belk
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.

3-12-2010

David R. Swank

I.e.: Renewal of Twin Rivers Notes

Per our conversation 3-10-2010, if we can come to an agreement, I will bring the payments and taxes to current immediately. I would like to pay property taxes by 3-15-2010, as they go up again 3-16-2010. I will assume mortgage payment, and all payments will be on time. It would take very little improvement for Twin Rivers to have a positive cash flow with a new mortgage.

I appreciate your help in this matter and look forward to a positive response.

Enclosed cover to 16 inclusive: Twin Rivers P&L, Personal Financial, All Auto Parts Lease (obtained from AA Parts in Rockford via fax). I will have to drive to Waterloo where my records are, to send you the expired purchase agreement. You can see some of Manuel's investments, in the past 18 months, we have spent over $250,000 on this parcel, and it is now to 2010 city codes. Manuel has invested $100,000 beside rents. I'm in the driver's seat but he does not want to move anywhere.

If you have any questions or I may be of any assistance please call.

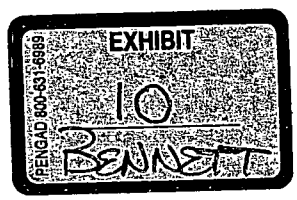
Thank you, sincerely,

Rick Bennett

Rick Bennett

864-554-6498

trresort@hotmail.com



3-15-2010

Daniel Swank

Copies of pd titles all property on Twin Rivers loans

1 Twin Rivers Commercial
1 Twin Rivers Boat "B"
1 #3 Virginia, 130 Squissil
1 2 lots on Dillard Rd
1 4 lots on Dillard Rd

US Bank is making copies of the last 12 payments from All Auto to RCB, 5/13 within 24 hours

Copies of lease purchase agreement, and agreement for deed.

Thanks

Rick Bennett

864-554-6498

trresort@hotmail.com

EXHIBIT 11 BENNETT

PENGAD 800-631-6989

Certus/Bennett 0000214

891

Jen 11-29-07

Need Copy with Exhibit warranty title, at close of Commitments.

We still have 3 Loans on JKR at Capital East.

			Payments
55 Columbus	9108509	75,041.21	514.35
105 Causey	9108512	162,578.89	1,114.34
423 Neptune	9108521	129,447.44	887.60
			2516.29
Live 12-3-07			
Fox Brook Bayfront	9114684	290,703.32	1931.96
3) Spec Trucks A, B, C.			1485.07

Do not have due date or amount due at Community South on Turn Indian note ?

Need payment amount, and Commitments on Sun Lieutenant Loan or Sun Lines

Balance of Fox Bay Mtge 11-28-07 $131,353.48

Have a nice day!

Linda

Jen

EXHIBIT 12 BRANDT PENGAD 800-631-6989

11-29-07

Pens

Line shop gun shop gas tank

Have Mitsubishi Eclipse Spyder well maintained, 2nd owner, 2 keys, title (1995 model), but not have enough for down 1st payment.

Chrysler 2.2 Convertible Turbo, 2nd owner, miles 57,765, 2k after 60,000 down, have RLS plastic mount. Asked Budget $20,000, agreed $18,000 by phone 08 Nov, Mon, like Linda Romo Beach) Let know Dec 1st by Chrysler.

Wal-Mart pay $1,689 Debit Card 7.15 mpg.
Chevy Cruze 1LT 13,401 miles
11-29-07 Total Receipts Checked $2,310.41
Cash Back Total Rounds 400.00
$300 Issued Check Number 5205
Cash Difference Over/Short/Equal -0-
Ending Cash on Hand 6,737.60

Thank You

KEEP THIS SIDE FOR YOUR RECORDS

LAURENS COUNTY S.C.

PROPERTY TAX NOTICE TAX YEAR 2009

PROPERTY NUMBER 003237-09-3	PROPERTY VALUATION	TAX LEVY	PROPERTY TAX
LAURENS COUNTY	11820	297.6	3,517.63
CITY/TOWN OF			

TAX MAP NUMBER 309-00-00-040*	SCHOOL DISTRICT Waterloo		
DISTRICT 55 D171	% RATE 1	FAIR MARKET APPRAISAL 65,000	TAXABLE ASSESSMENT 3,900
TAXING PURPOSES PERSONAL EXEMPTION	NUMBER 3	GROSS ASSESSMENT 132,000	NET ASSESSMENT 7,920
HOMESTEAD EXEMPTION		TAXABLE VALUE 197,000	TOTAL ASSESSED VALUE 11,820

	COUNTY	CITY	TOTAL
PROPERTY TAX	3,517.63		3,517.63
LESS EXEMPTION			
LESS SCHOOL TAX CREDIT			
LESS LOCAL OPTION SALES TAX	211.78		211.78
PLUS LANDFILL CITY PW FEE	360.00		360.00
FIRST AMOUNT DUE	3,665.85		PAY THIS AMOUNT 3,665.85

PAY THIS AMOUNT BY: 01/15/2010 ⟹

REAL ESTATE	PERSONAL PROPERTY	MOTOR VEHICLE	FEES	SPECIAL
2298.98	754.12	11.82	230.49	.00

PENALTY	INTEREST	COST	TOTAL
11.82	82.74	33.10	70.92 23.64

IF EXEMPTION IS NOT SHOWN ON PROPERTY C @6% 197000

REAL ESTATE Commerical

(338-2) LA Ck # 8808 $4032.44

3-15-2010

RB

BENNETT OF GREENWOOD LLC

33 TWIN RIVERS ROAD
WATERLOO SC 29384

TAX BILLS FOR REAL PROPERTY ARE ISSUED TO THE OWNER OF RECORD AS OF DECEMBER 31, 2008. IF YOU HAVE TRANSFERRED OWNERSHIP OF THIS PROPERTY, THE NEW OWNER MAY CURRENTLY BE LIABLE FOR THIS CHARGE DEPENDING OF THE AGREEMENTS THAT WERE MADE BETWEEN THE BUYER AND SELLER AT THE TIME OF SALE. LAURENS COUNTY DOES NOT PRORATE OR DIVIDE TAXES ON REAL PROPERTY. THIS CHARGE BECOMES A LIEN ON THE PROPERTY UNTIL THE PAYMENT IS MADE.

IT SHALL BE UNLAWFUL FOR ANY PERSON TO USE THE TREASURER'S RECEIPT TO OBTAIN MOTOR VEHICLE LICENSE PLATES UNLESS ALL MUNICIPAL PERSONAL PROPERTY TAXES DUE IN THE COUNTY OF HIS RESIDENCE ON ANY VEHICLE NOW OR PREVIOUSLY OWNED BY THE APPLICANT HAVE BEEN PAID. ANY PERSON WHO KNOWINGLY VIOLATES THE PROVISIONS OF THIS SECTION SHALL BE DEEMED GUILTY OF A MISDEMEANOR AND UPON CONVICTION, SHALL BE FINED NOT MORE THAN TWO HUNDRED DOLLARS, EACH DAY SHALL CONSTITUTE A SEPARATE OFFENSE.

RETURN THIS SIDE WITH PAYMENT TO

CYNTHIA M. BUR
COUNTY TREASURI
P.O. BOX 1049
LAURENS, S.C. 293

003237-09-3
BENNETT OF GREENWOOD LLC

TAX YEAR 2009	TAX MAP NUMBER 309-00-00-040*
PRIOR YEAR AMOUNT	3,619.17
PROPERTY DESCRIPTION	(338-2) LA
ASSESSED VALUE (TAXABLE)	197,000
PROPERTY TAX AMOUNT (COUNTY)	3,517.63
PROPERTY TAX AMOUNT (CITY)	
LESS EXEMPTION (COUNTY)	
LESS EXEMPTION (CITY)	
LESS SCHOOL TAX CREDIT	
LESS SALES TAX CREDIT (COUNTY)	211.78
LESS SALES TAX CREDIT (CITY)	
PLUS LANDFILL FEE	360.00 CITY PW FEE
PAY THIS AMOUNT	3,665.8
BY: 01/15/2010	PAY THIS AMOUNT

IF YOUR MORTGAGE CO. IS RESPONSIB FOR PAYING YOUR TAXES. PLEASE SE A COPY OF THIS NOTICE TO YOUR MORTGAGE CO. IMMEDIATELY. THANK

PENALTY AMOUNTS DUE AFTER JANUARY 15, 2010

TAX + 5% DUE AFTER JANUARY 15, 2010	3,775.83
TAX + 10% DUE AFTER FEBRUARY 1, 2010	4,032.44
TAX +15% + $20.00 COST DUE AFTER MARCH 16, 2010	4,235.73

FOR CHANGE OF ADDRESS

NAME _____

ADDRESS _____

CITY / STATE _____ ZIP _____

70-477-719 8808

ALL AUTO PARTS RECYCLING INC.
2310 STARR ST.
ROCKFORD, IL 61104
PH. 815-289-7352

3-15-10

PAY TO THE ORDER OF Laurens County Treasurer $ 4032.44

Four Thousand thirty two and 44/100 DOLLARS

FROM

USBANK
FIVE STAR SERVICE GUARANTEED
USBANK.COM Twin Rivers Commercial

FOR 309-00-00-040 [redacted]

CYNTHIA M. BURKE
TREASURER, LAURENS COUNTY
P.O. BOX 1049
LAURENS, S.C. 29360-1049

KEEP THIS SIDE FOR YOUR RECORDS

LAURENS COUNTY S.C.

PROPERTY TAX NOTICE TAX YEAR 2009

RECEIPT NUMBER 003236-09-3	PROPERTY VALUATION	TAX LEVY	PROPERTY TAX
LAURENS COUNTY	3450	297.6	1,026.72
CITY/TOWN OF			

TAX MAP # 309-00-00-028 CITY Waterloo

PROPERTY CLASS	BUILDING	LAND VALUATION	TOTAL ASSESSMENT
55 D171	1	57,500	3,450

		TOTAL MARKET VALUE	TOTAL ASSESSED VALUE
		57,600	3,460

	COUNTY	CITY	TOTAL
PROPERTY TAX	1,026.72		1,026.72
LESS EXEMPTION			
LESS SCHOOL TAX CREDIT			
LESS LOCAL OPTION SALES TAX	61.81		61.81
PLUS LANDFILL / CITY PU FEE			
NET AMOUNT DUE	964.91		PAY THIS AMOUNT
PAY THIS AMOUNT BY: 01/15/2010			964.91

DESCRIPTION OF PROPERTY	PROPERTY VALUE	ASSESSMENT RATIO	TAX	SPECIAL
671.02	220.11	3.45	67.28	.00
3.45	24.15	9.66	20.70	6.90

DESCRIPTION OF REAL OR PERSONAL PROPERTY C @66% $7500

REAL ESTATE Commerical
TRACT B

Payment ck # 8809 $1061.40
pd 3-15-10
RB

NAME AND MAILING ADDRESS

BENNETT OF GREENWOOD LLC
33 TWIN RIVERS ROAD
WATERLOO SC 29384

RETURN THIS SIDE WITH PAYMENT TO:

CYNTHIA M. BURKE
COUNTY TREASURER
P.O. BOX 1049
LAURENS, S.C. 29360

003236-09-3
BENNETT OF GREENWOOD LLC

TAX YEAR 2009	TAX MAP NUMBER 309-00-00-028
PRIOR YEAR AMOUNT	951.28
PROPERTY DESCRIPTION	TRACT B
APPRAISED VALUE (TAXABLE)	57,500
PROPERTY TAX AMOUNT (COUNTY)	1,026.72
PROPERTY TAX AMOUNT (CITY)	
LESS EXEMPTION (COUNTY)	
LESS EXEMPTION (CITY)	
LESS SCHOOL TAX CREDIT	
LESS SALES TAX CREDIT (COUNTY)	61.81
LESS SALES TAX CREDIT (CITY)	
PLUS LANDFILL FEE	CITY PU FEE
PAY THIS AMOUNT BY: 01/15/2010	964.91

PAY THIS AMOUNT

IF YOUR MORTGAGE CO. IS RESPONSIBLE FOR PAYING YOUR TAXES. PLEASE SEND A COPY OF THIS NOTICE TO YOUR MORTGAGE CO. IMMEDIATELY. THANKS

PENALTY AMOUNTS DUE AFTER JANUARY 15, 2010	
TAX + 3% DUE AFTER JANUARY 16, 2010	993.86
TAX + 10% DUE AFTER FEBRUARY 1, 2010	1,061.40
TAX +15% + $20.00 COST DUE AFTER MARCH 16, 2010	1,129.65

FOR CHANGE OF ADDRESS:

NAME _____

ADDRESS _____

CITY / STATE _____ ZIP _____

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ALL AUTO PARTS RECYCLING INC
2310 STARK ST.
ROCKFORD, IL 61104
PH. 815-289-7352

70-477-719 8809

3-15 2010

PAY TO THE ORDER OF Laurens County Treasurer $1061.40

One thousand sixty one & 40/100 DOLLARS

USBANK
FIVE STAR SERVICE GUARANTEED
USBANK.COM

FOR 309-00-00-028 Twin Rivers Tract "B"

[redacted]

Rick Bennett

CYNTHIA M. BURKE
TREASURER, LAURENS COUNTY
P.O. BOX 1049
LAURENS, S.C. 29360-1049