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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 I OF II

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RECORD ON APPEAL
VOLUME I 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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December 3, 2014
Columbia, South Carolina

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 **ORDER PARTIALLY GRANTING DEFENDANT TWIN RIVERS RESORT, LLC'S MOTION FOR SUMMARY JUDGMENT**

This matter is before me on Defendant Twin Rivers Resort, LLC's ("Twin Rivers") motion for summary judgment pursuant to SCRCP 56. Twin Rivers claims that there is no issue of material fact and that Plaintiff Certus Bank, N.A.'s ("Certus") three causes of action for equitable lien, reformation and ratification fail as a matter of law. Having reviewed the parties' briefs and heard the arguments of counsel, I deny Twin Rivers' motion as to Certus's causes of action for equitable lien and reformation, but grant the motion as to Certus's cause of action for ratification.

The equitable doctrine of ratification provides that "[a] defect in a mortgage may be cured by the subsequent act of the mortgagor in ratifying it and acknowledging its validity". 59 CJS § 160. Courts have applied the doctrine in a variety of settings finding that subsequent acts of its mortgager ratified technical defects such as lack of capacity and lack of authenticity. Id. (See, e.g. *Scottish-American Mortgage Co. v. Deas*, 35 S.C. 42, 14 S.E. 486 (1892). I find and conclude that the doctrine has no application here. It is undisputed that the original borrower and mortgagor, Defendant Kenneth E. Bennett, was not the record owner of the mortgaged property at the time Bennett executed the note and mortgage involved herein. This defect in the original mortgage is more than a "technical" defect and I find and conclude that the doctrine of

ratification has no application given this undisputed fact. Neither the law nor the facts give rise to a cause of action for ratification against Twin Rivers Resort, LLC.

For the reasons set forth, I grant the motion as to Certus's third cause of action for ratification but deny the motion as to the causes of action for equitable lien and reformation.

IT IS SO ORDERED.

The Honorable Charles B. Simmons, Jr.
Special Referee Laurens County

Greenville, South Carolina
April 14, 2014

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

ORDER

This matter is before me on Plaintiff's Motion to Alter or Amend the Grant of Partial Summary Judgment in favor of Twin Rivers Resorts, LLC, Rule 59(e), SCRCP. Plaintiff's motion is hereby denied. This Order does not end this case.

IT IS SO ORDERED.

The Honorable Charles B. Simmons, Jr.
Special Referee Laurens County

Greenville, South Carolina
May 8, 2014

STATE OF SOUTH CAROLINA COUNTY OF LAURENS	IN THE COURT OF COMMON PLEAS 2011-CP-30-583
Certus Bank, N.A., Plaintiff vs. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC Defendants.	**COMPLAINT**

LYNN W. LANCASTER
2011 JUN 16 A 10:31
LAURENS COUNTY
CLERK OF COURT

The Plaintiff, herein, complaining of the above named Defendants, would respectfully show unto the Court as follows:

1. That the Plaintiff, Certus Bank, N.A., ("Certus") is a duly organized, validly existing South Carolina corporation that conduct business in Laurens County, South Carolina.

2. On information and belief, Defendant Kenneth E. Bennett ("Debtor") is a citizen and resident the State of Illinois and did enter into a contract to be performed all or in part in the State of South Carolina, County of Laurens regarding property in Laurens County, South Carolina.

3. On information and belief, Defendant Bennett of Greenwood, LLC ("Bennett of Greenwood") is a South Carolina limited liability company that conducts business in Laurens County, South Carolina.

4. Defendant Twin Rivers Resort, LLC ("Twin Rivers") is a South Carolina limited liability company that conducts business in Laurens County and is the

current owner of record of the property at issue in this matter, which is located in Laurens County.

5. Venue is proper before this court.

6. On or about November 1, 2007, Debtor executed and delivered a promissory note (the "Note") in the original principal amount of $497,450.00, to CommunitySouth Bank and Trust ("CommunitySouth") evidencing the indebtedness of Debtor to Borrower, the terms and conditions of the Note being incorporated herein by reference.

7. Debtor thereafter executed and delivered to CommunitySouth certain renewals and modifications of the Note evidenced by (i) a renewal note dated April 1, 2009, and (ii) a second renewal note dated September 29, 2010 (each a "Renewal Note" and collectively the "Renewal Notes", which are included in and are part of the "Note"), the terms and conditions of which are incorporated herein by reference.

8. Also on November 1, 2007, and as required by CommunitySouth under the terms of its loan to Debtor, Debtor executed and delivered to CommunitySouth that certain Real Estate Mortgage (the "Mortgage") in the original amount of $497,450.00 as collateral security for the indebtedness evidenced by the Note, which Mortgage was recorded December 10, 2007, in the Laurens County Clerk of Court's Office in Book M 1727 at Page1, a copy of said Mortgage being attached hereto as Exhibit A and incorporated herein by reference.

9. The legal description of the properties contained in the Mortgage includes tracts of land with improvements thereon containing 1.43 acres ("Parcel 1") and 2.22 acres ("Parcel 2"), more or less, respectively, which is more particularly

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described on Exhibit B attached hereto and incorporated herein by reference.

10. The Mortgage contains language by which Debtor warrants to CommunitySouth that Debtor is lawfully seized of the properties described in the Mortgage and has the right to mortgage the property to CommunitySouth. Further, the Note and Renewal Notes contain language reciting that the Note is to be secured by the Mortgage. Such documentation evidences the express intent of Debtor to mortgage the properties to CommunitySouth.

11. Also on November 1, 2007, and as required by CommunitySouth under the terms of its loan to Debtor, Debtor executed and delivered to CommunitySouth that certain Assignment of Leases and Rents (the "Assignment of Leases") as additional collateral for the indebtedness evidenced by the Note, which Assignment of Leases was recorded December 10, 2007, in the Laurens County Clerk of Court's Office in Book M 1727 at Page17, the terms and conditions of which are incorporated herein by reference. The Assignment of Leases also contains language by which Debtor warrants to CommunitySouth that Debtor is lawfully seized of the properties described in the Assignment of Leases (Parcel 1 and Parcel 2) and has the right to assign the leases and rents derived from said properties to CommunitySouth.

12. Certus Bank, N.A. ("Certus") is the current owner and holder of the Note and Mortgage pursuant to that certain Purchase and Assumption Agreement – Whole Bank dated as of January 21, 2011, between the Federal Deposit Insurance Corporation ("FDIC"), as Receiver, and Certus, which agreement provides that Certus acquired from the FDIC certain assets of CommunitySouth, including but not limited to the Note and Mortgage.

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13. During certain negotiations with Debtor for an additional renewal of the loan evidenced by the Note, Certus became aware that Debtor was not and had never been the owner of Parcel 1 and Parcel 2. On the date the Mortgage and Assignment of Leases were executed and delivered by Debtor, Certus is informed and believes that the properties described in the Mortgage were owned by JKR Development, LLC ("JKR") as set forth in a deed from Crescent Lake, LLC, dated January 31, 2006, and recorded February 1, 2006, in the Laurens County Clerk of Court's Office in Book D 768 at Page 312.

14. Certus further expected to receive and Debtor intended to give, as part of the properties described in the Mortgage, a mortgage on certain property contiguous or adjacent to Parcel 1 and Parcel 2 containing 0.027 acres, more or less, ("Parcel 3"), which is more particularly described on Exhibit C attached hereto and incorporated herein by reference, but which parcel was inadvertently omitted from the legal description contained in the Mortgage and Assignment of Leases.

15. Certus is informed and believes that Parcel 3, which was omitted from the Mortgage and Assignment of Leases, was also owned at that time by JKR as set forth in a deed from David D. Dillard dated July 31, 2007, and recorded August 6, 2007, in the Laurens County Clerk of Court's Office in Book D 844 at Page 149.

16. Certus is informed and believes that Debtor was a member and a manager of JKR on the date that the Note, Mortgage and Assignment of Leases were executed and delivered by Debtor.

17. Certus is informed and believes that Parcel 1, Parcel 2 and Parcel 3 were transferred by JKR to Bennett of Greenwood by deed dated February 22, 2008, and

recorded February 28, 2008, in the Laurens County Clerk of Court's Office in Book D 873 at Page 258 (the "Bennett of Greenwood Deed").

18. That in conjunction with the Bennett of Greenwood Deed, the parties to the transfer acknowledged that the property being transferred was subject to debt.

19. Certus is informed and believes that Parcel 1, Parcel 2 and Parcel 3 are currently owned by Twin Rivers, with Twin Rivers having acquired said parcels by deed from Bennett of Greenwood dated September 14, 2010, and recorded December 14, 2010, in the Laurens County Clerk of Court's Office in Book D 1002 at Page 171 (the "Twin Rivers Deed").

20. Certus is informed and believes that Debtor is the sole member and manager of Twin Rivers and has exclusive control over Parcel 1, Parcel 2 and Parcel 3 (collectively the "Subject Property") by virtue of the conveyance of the property to Twin Rivers pursuant to the Twin Rivers Deed. Certus is further informed and believes that Debtor is the sole member of Bennett of Greenwood and had, during the period of time in which Bennett of Greenwood owned the Subject Property, exclusive control over such properties.

FOR A FIRST CAUSE OF ACTION
(Equitable Lien)

21. Each and every allegation contained in this Complaint is incorporated herein as if set forth verbatim.

22. That the Debtor borrowed $497,450.00 from CommunitySouth expecting and intending to give a mortgage on the Subject Property to CommunitySouth.

23. The Debtor received the benefit of the money loaned by CommunitySouth.

24. That the Subject Property is now owned by Twin Rivers, which upon

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information and belief is a single-member limited liability company owned by the Debtor.

25. That prior to the Subject Property being owned by Twin Rivers, it was owned by Bennett of Greenwood, which upon information and belief is also a single member limited liability company owned by the Debtor.

26. That the parties intended, expressly and impliedly, that the Subject Property would serve as security for the payment of the Debtor's obligation.

27. That the Debtor has at all times represented and warranted that he was lawfully seized of the properties described in the Mortgage and had the right and/or authority to mortgage the Subject Property.

28. That the aforesaid established an equitable lien in favor of the Plaintiff upon the Defendants' interest in the Subject Property.

29. Plaintiff is informed and believes that it is entitled to the imposition of an equitable lien against the Subject Property in the original principal amount of the Note and Mortgage, which is superior to any and all other liens.

FOR A SECOND CAUSE OF ACTION
(Mortgage Modification/Reformation Nunc Pro Tunc)

30. Each and every allegation contained in this Complaint is incorporated herein as if set forth verbatim.

31. When Debtor went into default on his obligation under the Note and Mortgage, the Plaintiff begin to pursue enforcement of the Note and Mortgage and discovered that the Subject Property was not owned by the Debtor in his individual name, but at the time of the closing was owned by JKR, an entity in which the Debtor was a principal. JKR subsequently conveyed the property to Bennett of Greenwood,

an entity in which the Debtor is the sole principal. The property was further conveyed to Twin Rivers, which is another entity in which the Debtor is the sole principal.

32. At all relevant times, CommunitySouth intended and contractually agreed to receive a mortgage lien on all of the Subject Property (including Parcel 3) as collateral security for the $497,450.00 loan to the Debtor.

33. Debtor and his wholly owned business entities (Twin Rivers and Bennett of Greenwood) obtained the benefit of the use of the proceeds of the loan and ownership of the Subject Property free of a record lien in favor of the Plaintiff.

34. That the Mortgage should be reformed to reflect the intent of the parties to include Parcel 3 and to reflect that the Mortgage represents a valid lien on the Subject Property in the hand of Twin Rivers, the Debtor's single-member limited liability company.

35. That the Plaintiff is entitled to an order adjudicating that the Plaintiff has an equitable mortgage lien nunc pro tunc from the date of recording of the Mortgage on the Subject Property.

FOR A THIRD CAUSE OF ACTION
(Mortgage Ratification)

36. Each and every allegation contained in this Complaint is incorporated herein as if set forth verbatim.

37. That although the Subject Property was not in the Debtor's individual name at the time of the execution of the Mortgage, all Defendants had full knowledge of the situation and intended to confirm the Mortgage.

38. The actions by the Defendants that ratified the Mortgage include, but are not

limited to, the following:

a. JKR transferred the Subject Property to Bennett of Greenwood, and entity for which the Debtor is the sole principal, acknowledging that the property being transferred was subject to debt.

b. That while the Subject Property was titled in the name of Bennett of Greenwood, the Debtor, the sole member of Bennett of Greenwood, executed and delivered to CommunitySouth a Renewal Note dated April 1, 2009 for the purpose of refinancing commercial property and acknowledged that the debt was secured by the Mortgage on the Subject Property.

c. That within two weeks after the Debtor, as the sole member of Bennett of Greenwood, executed a deed to transfer the Subject Property to Twin Rivers, another business entity wholly owned by the Debtor; the Debtor on September 29, 2010, executed another Renewal Note, again acknowledging that the debt was secured by the Mortgage.

39. That the Defendants accepted the benefits of the mortgage loan, made payments thereon, sought renewals and extensions of the obligations, and with full knowledge of the status of the title to the Subject Property, acknowledged that the renewed obligations were secured by the Mortgage.

40. That the Plaintiff is entitled to adjudication that the Defendants have ratified the Mortgage and that the Plaintiff be declared to have a first priority mortgage lien on the Subject Property as of the date of the original recording of the Mortgage.

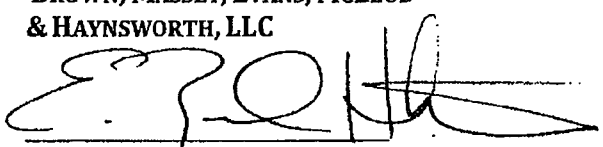
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WHEREFORE, Plaintiff prays for judgment as follows:

1. The that Plaintiff be declared to have equitable lien/mortgage against the Subject Property in the original principal amount of the Note and Mortgage, which is superior to any and all other liens;
2. That the Mortgage should be reformed to reflect the intent of the parties to include Parcel 3 and to reflect that the Mortgage represents a valid lien on the Subject Property in the hand of the current owner of record;
3. That the Plaintiff shall have an equitable mortgage lien *nunc pro tunc* from the date of recording of the Mortgage on the Subject Property;
4. That the Defendants have ratified the Mortgage, and that the Plaintiff is declared to have a first priority mortgage lien on the Subject Property as of the date of the original recording of the Mortgage;
5. For such other and further relief as the Court deems just and proper.

Respectfully submitted this 15 day of June, 2011.

BROWN, MASSEY, EVANS, MCLEOD & HAYNSWORTH, LLC



E. Zachary Horton (S.C. Bar # 68436)
P.O. Box 2464
Greenville, SC 29602
(864) 271-7424
Fax: (864) 242-6469
Attorneys for Plaintiff

EXHIBIT "A"

2 Lots

2007014680
MORTGAGE
RECORDING FEES $15.00
PRESENTED & RECORDED:
12-10-2007 11:12 AM
LYNN W. LANCASTER
LAURENS COUNTY, SC
BY: ROSALYN JOHNSON CLERK
BK: M 1727
PG: 1 - 9

LYNN W. LANCASTER

2011 JUN 16 A 10:31

This document was prepared by (name, address, phone):
CommunitySouth Bank and Trust
6602 Calhoun Memorial Hwy
Easley, SC 29640
(864) 306-2640

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

LAURENS COUNTY
CLERK OF COURT

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.

KB

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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 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 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 acts 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 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 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 748 at Page 312.

EXHIBIT "B"

LYNN W. LANCASTER

2011 JUN 16 A 10:31

PARCEL ONE:

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 requested of Greenwood National Bank by N. Wayne Reynolds, Sr., RLS, dated October 21, 1993, record 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.

LAURENS COUNTY
CLERK OF COURT

PARCEL TWO:

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.

EXHIBIT "C"

LYNN W. LANCASTER
2011 JUN 16 A 10:31
LAURENS COUNTY
CLERK OF COURT

PARCEL THREE:

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.

STATE OF SOUTH CAROLINA)
LYNN W. LANCASTER
COUNTY OF LAURENS) IN THE COURT OF COMMON PLEAS
2011 AUG 22 P 3:37 Case No. 2011-CP-30-583

Certus Bank, N.A.,)
LAURENS COUNTY
Plaintiff, CLERK OF COURT ANSWER
vs. of
TWIN RIVERS RESORT, LLC
Kenneth E. Bennett, Twin Rivers Resort, LLC, and Bennett of Greenwood, LLC,
Defendants.

The Defendant Twin Rivers Resort, LLC, would respectfully show the Court as follows:

1. All allegations of the Complaint not specifically admitted here are denied.

2. Paragraphs 1, 2, 3, 4, & 5 are admitted.

3. As to Paragraphs 6 through 40, inclusive, this Defendant admits so much thereof as alleges that certain documents were recorded in the public records of Laurens County but denies the effectiveness or validity thereof; specifically denies that Kenneth E. Bennett is a member of or has an interest in Twin Rivers Resort, LLC; and lacks information as to the remaining allegations and therefore denies same.

WHEREFORE, having fully Answered, this Defendant prays that the Complaint be dismissed with prejudice.

Cox & Ferguson
Attorneys for Twin Rivers Resort, LLC

Aug 22, 2011

W. Reid Cox, Jr.
SC Bar # 1443
PO Box 286; Laurens, SC 29360
(864) 984-2126

COPY

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 **DEFENDANT TWIN RIVERS RESORT, LLC'S MOTION FOR SUMMARY JUDGMENT**

PLEASE TAKE NOTICE that the undersigned attorneys for Defendant Twin Rivers Resort, LLC ("TRR") will move, pursuant to Rule 56, SCRCP, for an order granting summary judgment as to Plaintiff's Complaint against it on the following grounds:

(1.) As to the first cause of action for "Equitable Lien" (Complaint ¶ 21), this cause of action fails as a matter of law because the elements required for an equitable lien have not been established and Plaintiff has adequate remedies as a matter of law, including a claim under the title insurance policy issued in connection to the transaction which is the subject of this action **Exhibit "1"** . See, *Chase Home Finance, LLC v. Risher*, 405 S.C 202, 746 S.E.2d 471 (S.C.App. 2013) ["An equitable lien or charge is neither an estate or property in the thing itself, nor a right to recover the thing, but is simply a right of a special nature over the thing, which constitutes a charge upon the thing so that the very thing itself may be proceeded against in equity for payment of a claim." *Carolina Attractions, Inc. v. Courtney*, 287 S.C. 140, 145, 337 S.E.2d 244, 247 (Ct.App.1985)." 'For an equitable lien to arise, there must be a debt, specific

property to which the debt attaches, and an expressed or implied intent that the property serve as security for payment of the debt.']; *Regions Bank v. Wingard Properties, Inc.*, 394 S.C. 241, 250, 715 S.E.2d 348, 353 (Ct.App.2011) (quoting *First Federal Sav. and Loan Ass'n of South Carolina v. Finn*, 300 S.C. 228, 231, 387 S.E.2d 253, 254 (1989)). Furthermore, "equity is generally only available when a party is without an adequate remedy at law." *Nutt Corp. v. Howell Road, LLC*, 396 S.C. 323, 328, 721 S.E.2d 447, 449 (Ct.App. 2011); *First Federal Sav. and Loan Ass'n of South Carolina v. Finn*, 300 S.C. 228, 387 S.E.2d 258 (S.C. 1989); *Nutt Corp. v. Howell Road, LLC*, 396 S.C. 323, 721 S.E.2d 447 (Ct.App. 2011) ["When one who has a clear method of fully determining his rights at law voluntarily adopts improper procedure [721 S.E.2d 451] or pursues proper procedure negligently or mistakenly, without any inducement from one having adversary interests, it is no function of equity to relieve him from the result of his erroneously conducted lawsuit." For these reasons, we find an adequate remedy at law was [396 S.C. 330] available, and therefore, the trial court erred in granting the Nutt Corporation an equitable lien on the Property.] *Wachovia Bank, N.A. v. Coffey*, 404 S.C. 421, 746 S.E. 2d 35 (S.C. 2013).

(2.) As to the second cause of action for mortgage reformation (Complaint ¶ 30). This cause of action fails as a matter of law because the requirements for the equitable remedy of reformation have not been established. E.g., *Crosby v. Protective Life Ins. Co.*, 293 S.C. 203, 206, 359 S.E.2d 298, 300 (Ct.App. 1987). [A contract may be reformed on the ground of mistake when the mistake is mutual and consists in the omission or insertion of some material element affecting the subject matter or the terms and stipulations of the contract, inconsistent

with those of the parole agreement which necessarily preceded it. *Id.* A mistake is mutual where both parties intended a certain thing and by mistake in the drafting did not obtain what was intended. *Sims v. Tyler*, 276 S.C. 640, 281 S.E.2d 229 (1981). Before equity will reform a contract, the existence of a mutual mistake must be shown by clear and convincing evidence. *Id.* See also *George v. Empire Fire & Marine Ins. Co.*, 344 S.C. 582, 545 S.E.2d 500 (2001)]..

(3.) As to the third cause of action for mortgage ratification (Complaint ¶ 36). There is no material issue of fact and Defendant TRR is entitled to judgment as a matter of law because there are no acts or conduct evidencing TRR's intent to ratify the mortgage of its property to secure Kenneth E. Bennett's debt to Plaintiff. *50 CJS Mortgages §190.* [To ratify a mortgage procured by fraud, there must be an unequivocal act of confirmation made with full knowledge of the facts, and where one acts in ignorance of the true facts, ordinarily no ratification results. Where the coercive influence still exists, an attempted ratification of a mortgage procured by duress is ineffective.]; *Scottish American Mortgage Co. v. Deas*, 35 S.C.42, 14 S.E. 486 (1892) [It is clear, therefore, that, although Mrs. Deas may not have previously given her husband any express authority to sign her name to the application for the loan, he had her implied authority to manage all of her business, and, after he had signed her name to the written application for the loan, she expressly ratified and confirmed his act by executing, in her own person, the papers required in pursuance of the application for the loan.] *Restatement of Agency 2d §§ 82, 83* [Under the Restatement of Agency 2d, ratification is the affirmance by a person of a prior act that did not bind him or her which may occur either by a manifestation of an election to treat the act as authorized or by conduct justifiable only if there were such an election].

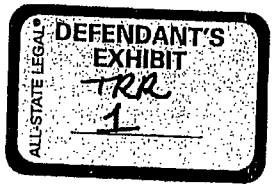
Based on the foregoing authorities the pleadings and discovery to date, Defendant TRR would show that no genuine issue of material fact exists and it is entitled to summary judgment as a matter of law.

Respectfully submitted,

COVINGTON, PATRICK, HAGINS,
STERN & LEWIS, P.A.

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Greenville, South Carolina
February 24, 2014



Roe Cassidy
Coates & Price PA

D. SEAN FAULKNER
DIRECT DIAL: 864-349-2605
E-MAIL: SFAULKNER@ROECASSIDY.COM

FEBRUARY 18, 2011

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Commonwealth Land Title Insurance Company
Attention: Consumer Affairs Department
P.O. Box 27567
Richmond, Virginia 23216-7567

RE: Loan Policy 507-1008497 issued to CommunitySouth Bank and Trust on property located in Laurens County, South Carolina ("Title Policy")
RCCP File No. 0885.0215

Dear Sir or Madam:

We are counsel to CertusBank, N.A., successor in interest to certain assets of CommunitySouth Bank and Trust (the "Bank"), your insured under the above mentioned Title Policy. This letter is being written to you on behalf of the Bank to provide you with written notice of a loss incurred by the Bank and covered by the Title Policy.

As background, this firm was originally retained by the Bank to handle a possible loan modification involving a promissory note which is secured by the insured mortgage lien. The promissory note which is the subject of this letter was executed by Kenneth E. Bennett ("Borrower") on or about November 1, 2007, in the amount of Four Hundred Ninety Seven Thousand Four Hundred Fifty and 00/100 Dollars ($497,450.00). Simultaneously therewith, Borrower executed a first mortgage lien in favor of the Bank in the same amount which mortgage was recorded on December 10, 2007, in the Clerk of Court's Office for Lauren's County, South Carolina, in Mortgage Book 1727, at Page 1 (the "Mortgage"). The loan was closed by attorney James S. Belk, 1202 N. Main Street, Anderson, South Carolina 29621, who also wrote the Title Policy in favor of the Bank insuring the mortgage lien.

The Mortgage and the Title Policy show title to the land being vested in the name of Kenneth E. Bennett at the time the mortgage was recorded. Our review of the chain of title for the land indicates that title was vested in the name of JKR Development, LLC at the time the mortgage was recorded. Our title review also shows that Borrower has never held title to the property. Title to the land is currently vested in Twin Rivers Resort, LLC.

Enclosed is the Proof of Loss or Damage Affidavit as required under paragraph 5 of the Conditions and Stipulations clause of the Title Policy. Demand is hereby made that the Title Company tender payment of $497,450.00 to the Bank.

Laurens County
Eighth Judicial Circuit
Public Index



Laurens County Home Page South Carolina Judicial Department Home Page SC.GOV Home Page

Switch View

CapitalBank VS Bennett Of Greenwood, Llc

Case Number:	2011CP3000088	Court Agency:	Common Pleas	Filed Date:	01/27/2011
Case Type:	Common Pleas	Case Sub Type:	Foreclosure 420	File Type:	Non-Jury
Status:	Judgment	Assigned Judge:	Clerk Of Court C P, G S, And Family Court		
Disposition:	Default Uncontested	Disposition Date:	03/29/2012	Disposition Judge:	Special Referee G S And C P
Original Source Doc:		Original Case #:			
Judgment Number:	2011CP3000088	Court Roster:			

Case Parties Judgments Tax Map Information Associated Cases Actions Financials

For:	Capitalbank	Against:	Bennett Of Greenwood, Llc	Judg. Amount:	$50,289.30	Judgment Date:	07/19/2012
Description:	Judgment/Deficiency	Disposition:		Disp. Date:		Date Entered/Last Changed	03/30/2012 - - 07/20/2012
Notes:	None						

Judgment Details			
Claims Code	Detail Desc.	Detail Amount	Detail Date
None			

For:	Capitalbank	Against:	Bennett, Kenneth E.	Judg. Amount:	$50,289.30	Judgment Date:	07/19/2012
Description:	Judgment/Deficiency	Disposition:		Disp. Date:		Date Entered/Last Changed	03/30/2012 - - 07/20/2012
Notes:	None						

Judgment Details			
Claims Code	Detail Desc.	Detail Amount	Detail Date
None			

CaseWeb 6.1
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UPSTATE SOUTH CAROLINA
6602 CALHOUN MEMORIAL DR
EASLEY SC 29640

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

Loan Payoff Statement

Loan Payoff for:	Loan Number:	8001376
KENNETH E BENNETT	Date Quoted:	Jul 31, 2013
3923 E STATE ST	Payoff Good To:	Jul 31, 2013
ROCKFORD IL 61108-2003	Method:	6/0

Collateral: Multiple

Principal:	$497,450.00
Interest To Jul 31, 2013:	$85,893.03
Late Charges:	$1,425.90
Legal Fees paid by CertusBank to date	$3,564.00
Appraisal fee	$1,000.00
Net Amount Due:	**$589,332.93**

Additional Information

One Day's Interest:	$82.91

COMMERCIAL REAL ESTATE FIXED
8001376

CERTUSBANK NA

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Printed by: Amy Staggs

Reporting Institution: 55

Collateral Addenda 1

Description:	FREM-TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO	Collateral Code:	[1309] Other/Construction
		Responsibility Code:	[109] Wade King
Address:	TWIN RIVERS & 1879 DILLARD RDS WATERLOO SC 29384	Miscellaneous Code:	[0]
		Location Code:	
Status Change Date:		Owner Occupied Code:	[0]
Collateral Status:		Property Type Code:	[0]
Collateral Identification:	TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO	Loan Reason Code:	[0]
Collateral Value:	$537,000.00	UCC Original File Date:	
Lien Amount 1:	$0.00	UCC File Number:	
Lien Amount 2:	$0.00	Security Agreement Date:	Nov 01, 2007
Lien Amount 3:	$0.00	Maximum Credit Percent:	0.0000%
Ineligible Amount:	$0.00	Collateral Ceiling:	$0.00
Purchase Price:	$0.00	Date Last Reviewed:	Nov 18, 2007
Net Appraised Value:	$537,000.00	COLLATERAL ADDRESS:	TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO
Date Last Appraised:	Mar 10, 2011	CALLTERAL CITY:	
Number of Units:		COLLATERAL ZIP:	29384
Underwriting Ratio 1:	.0	CENSUS TRACT:	980,200
Underwriting Ratio 2:	.0	COUNTY CODE:	59
Disposal Cost Percent:	0.0000%	MSA CODE:	24,860
Market Pricing Code:	[0]	COUNTY NAME:	LAURENS
		TAX MAP #1:	2790301002
		Tax Map #1 Year Paid:	2012c
		TAX MAP #2:	3090000040
		TAX MAP #3:	3090000028
		TAX MAP #2 YEAR PAID:	2012C
		TAX MAP #3 YEAR PAID:	2012C
		APPRAISER:	KEITH BATSON
		COLLATERAL STATE:	SC
		LIEN POSITION:	1
		AMT TAXES PAID:	$5,909.23
		DATE FORECLOSURE PROCEDURE STARTS:	Feb 15, 2011
		ATTY NAME FIELD:	Sean Faulkner
		LITIGATION BEGUN:	yes

Collateral Addenda 2

Description:	FREM 130 SQUIRREL DRIVE WATERLOO	Collateral Code:	[2001] Mobile Homes Land Attached
		Responsibility Code:	[109] Wade King
Address:	130 SQUIRREL DRIVE WATERLOO SC 29384	Miscellaneous Code:	[0]
		Location Code:	
Status Change Date:		Owner Occupied Code:	[0]
Collateral Status:		Property Type Code:	[0]
Collateral Identification:	FREM 130 SQUIRREL DRIVE WATERLOO	Loan Reason Code:	[0]
Collateral Value:	$45,000.00	UCC Original File Date:	

COMMERCIAL REAL ESTATE FIXED
8001376

CERTUSBANK NA

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Printed by: Amy Staggs

Reporting Institution: 55

Note 8001376 - KENNETH E BENNETT

	Relationship	Date of Birth	Phone Number	Tax Identification
KENNETH E BENNETT	Owner/Signer	*** **, ****	**********	SSN ***-**-****

3923 E STATE ST
ROCKFORD IL 61108-2003

Additional Relationships
Tax Name: KENNETH E BENNETT
See Mailing Information

Account Classification

Portfolio:	200	Responsibility Code:	[109] Wade King
Line:	200	Purpose Code:	[140] SCRD BY OTH NON FARM,NON RES
Product:	[70401] COMMERCIAL REAL ESTATE FIXED	Employee Officer Director:	[0]
Accounting Branch:	[515] CERTUSBANK CSBT COMMERCIAL	Collateral:	Multiple

Mailing Label

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

Loan To Date

Date	Description	Transaction Amount	Principal	Interest	Principal Balance
Nov 01, 2007	Original Rate	Interest Rate:	8.1800%		
Nov 01, 2007	FUND LOAN	$497,450.00	$497,450.00		$497,450.00
Dec 24, 2007	Automatic Late Charge	$243.01			$497,450.00
Jan 09, 2008	Interest Payment	$4,860.36		$4,860.36	$497,450.00
Jan 24, 2008	Automatic Late Charge	$175.19			$497,450.00
Feb 01, 2008	TO WAIVE LATE CHARGE	$418.20			$497,450.00
Feb 07, 2008	Interest Payment	$7,007.96		$7,007.96	$497,450.00
Mar 10, 2008	Payment - Extra To Principal	$3,277.91	$0.00	$3,277.91	$497,450.00
Apr 14, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
May 19, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$3,390.95	$497,450.00
Jun 19, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
Jul 22, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$3,390.95	$497,450.00
Aug 21, 2008	Interest Payment	$3,503.97		$3,503.97	$497,450.00
Sep 22, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
Oct 23, 2008	Payment - Extra To Principal	$3,390.96	$0.00	$3,390.96	$497,450.00
Nov 17, 2008	Payment - Extra To Principal	$3,503.98	$0.00	$3,503.98	$497,450.00
Dec 16, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$3,390.95	$497,450.00
Jan 15, 2009	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
Feb 24, 2009	Automatic Late Charge	$175.19			$497,450.00
Feb 25, 2009	Payment - Extra To Principal	$3,503.99	$0.00	$3,503.99	$497,450.00
Mar 23, 2009	Payment - Extra To Principal	$3,164.87	$0.00	$3,164.87	$497,450.00
Apr 01, 2009	Rate Change	Interest Rate:	6.0000%		

COMMERCIAL REAL ESTATE FIXED
8001376

CERTUSBANK NA

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Printed by: Amy Staggs

Reporting Institution: 55

Note 8001376 - KENNETH E BENNETT

	Relationship	Date of Birth	Phone Number	Tax Identification
KENNETH E BENNETT	Owner/Signer	*** **, ****	**********	SSN ***-**-****

3923 E STATE ST
ROCKFORD IL 61108-2003

Additional Relationships
Tax Name: KENNETH E BENNETT
See Mailing Information

Account Classification

Portfolio:	200	Responsibility Code:	[109] Wade King
Line:	200	Purpose Code:	[140] SCRD BY OTH NON FARM,NON RES
Product:	[70401] COMMERCIAL REAL ESTATE FIXED	Employee Officer Director:	[0]
Accounting Branch:	[515] CERTUSBANK CSBT COMMERCIAL	Collateral:	Multiple

Mailing Label

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

Book Balance

Date	Description	Transaction Amount	Principal	Non-Accrual Interest Paid	Non-Accrual Late Charges Paid	Book Balance
Nov 01, 2007	FUND LOAN	$497,450.00				$497,450.00
Mar 10, 2008	Payment - Extra To Principal	$3,277.91	$0.00	$0.00	$0.00	$497,450.00
Apr 14, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
May 19, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$0.00	$0.00	$497,450.00
Jun 19, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
Jul 22, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$0.00	$0.00	$497,450.00
Sep 22, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
Oct 23, 2008	Payment - Extra To Principal	$3,390.96	$0.00	$0.00	$0.00	$497,450.00
Nov 17, 2008	Payment - Extra To Principal	$3,503.98	$0.00	$0.00	$0.00	$497,450.00
Dec 16, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$0.00	$0.00	$497,450.00
Jan 15, 2009	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
Feb 25, 2009	Payment - Extra To Principal	$3,503.99	$0.00	$0.00	$0.00	$497,450.00
Mar 23, 2009	Payment - Extra To Principal	$3,164.87	$0.00	$0.00	$0.00	$497,450.00
Jun 30,	Payment - Extra To Principal	$5,140.32	$0.00	$0.00	$0.00	$497,450.00

CB-00011

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 6602 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:

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.

Expere ©2001 Bankers Systems, Inc., St. Cloud, MN Form ASMT-RENT-SC 2/27/2002

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.

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

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 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.

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.

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

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

Government Charges

DATE

Dollars

AMOUNT

November 2, 2007

$ *****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. SF4001-1 LITHO USA 5751705 CS75011125

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5598

H1381Z0010000 G07SF000640

CB-00023

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 Dillard 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

AMOUNT

November 2, 2007

$ *****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 Dillard 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 800-810-0696 H138HZ0010000 G07SF000940

CB-00025

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

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

CommunitySouth BANK & TRUST
67-811/632

9270

NUMBER

BENNETT,KENNETH(REFI

Settlement Agents Fees

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

DATE

AMOUNT

November 2, 2007

$ *****667.00

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

MP

Details on back. Security Features Included.

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 SF4601-1 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5096 H138HZ0010000 G075F000840

CB-00027

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

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

CommunitySouth BANK & TRUST

67-811/532

9272

NUMBER

BENNETT,KENNETH(REFI

--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

Fee

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

⑈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. 6F4001-1 PRINTED IN U.S.A. 6F3L2GR CK7S031123

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5500

H138HZ0010000 G07SF000640

CB-00029

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

Details on back. Security Features Included

SAFEGUARD SECURITY

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 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-5696 H138HZ0010000 G07SF000640

CB-00031

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

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

CommunitySouth BANK & TRUST
67-811/532

9276
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

Security Features Included. Details on back.

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 SF4001-1 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-810-6536 H138HZ0010000 G07SF000840

CB-00033

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

Dollars

AMOUNT

December 6, 2007

$ *****55.00

PAY TO THE ORDER OF Laurens County Register of Deeds

Details on back. Security Features Included.

SAFEGUARD SECURITY

MP

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⑈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 800-810-8696 H123L60010000 G07SF0000540

SAFEGUARD. MADE IN USA

CB-00035

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
2006C5700 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 ~~287~~ at Page ~~592~~ 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. Bragg
Baety O. Gross, Jr.

Paul C. Pennington (SEAL)
PAUL C. PENNINGTON

Ethel N. Pennington (SEAL)
ETHEL N. PENNINGTON

2006C5700
FILED, RECORDED, INDEXED
06/21/2006 01:27P
Bk:00787 Ps:00311.
RecFee:10.00 St Fee:V1.00
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: 10-9-13

Mandy D. Bragg

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

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

CB-00037

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

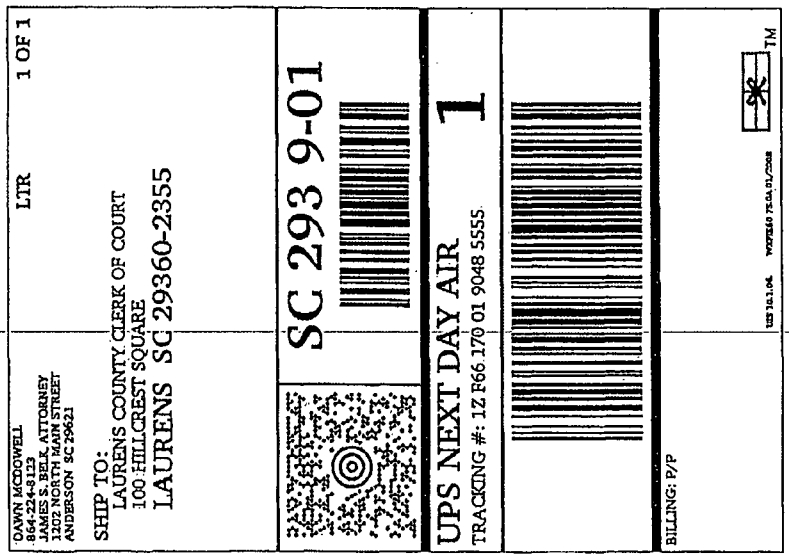
"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/2011

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



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

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

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

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 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

COMMONWEALTH LAND TITLE INSURANCE CORPORATION SEAL 1925 RICHMOND, VA

By: _____
President

Attest: _____
Secretary

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

ORIGINAL

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 **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the following document(s) were served on All Counsel of Record by depositing a true and correct copy of the same in the U.S. mail, with proper postage affixed thereto, on the 24th of **February, 2014**, addressed as follows:

Document(s): **DEFENDANT'S TWIN RIVERS RESORT, LLC'S MOTION FOR SUMMARY JUDGMENT**

Addressee:

E. Zachary Horton, Esq.
Brown, Massey, Evans, McLeod & Haynsworth, LLC
P.O. Box 2464
Greenville, SC 29602

W. Reid Cox, Jr., Esq.
Cox & Ferguson
P.O. Box 286
Laurens, SC 29360

Katy M. Berdugo, Paralegal
COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A.
211 Pettigru Street
P.O. Box 2343 (29602)
Greenville, SC 29601
(864) 240-4200

COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A.

17922

2/21/2014 Laurens County Clerk of Court

Check No. 17922

Invoice Date	Invoice No.	Description	Matter ID	Amount
2/21/2014		F/F: Motion for SJ / Certus v TRR	13-2861-001	25.00

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

Covington, Patrick, Hagins, Stern & Lewis, P.A.
ATTORNEYS AT LAW
OPERATING ACCOUNT
P.O. BOX 2343, 211 PETTIGRU STREET
GREENVILLE, SC 29602

17922

Southern FIRST GREENVILLE, SC

NUMBER

67-801/532

PAY: Twenty-Five & No/100 Dollars

DATE 2/21/2014

AMOUNT 25.00

TO THE ORDER OF Laurens County Clerk of Court

COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A.

SAFEGUARD SECURE

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

⑈017922⑈ ⑆053208011⑆ 005668⑈

4-314

STATE OF SOUTH CAROLINA COUNTY OF LAURENS Certus Bank, 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 **DEFENDANT TWIN RIVERS RESORT, LLC'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT**

I. INTRODUCTION

Defendant Twin Rivers Resort, LLC ("Twin Rivers") respectfully submits this memorandum in support of its Motion For Summary Judgment pursuant to SCRCP 56. As demonstrated below, the material facts of this case are not in dispute. More importantly, there are no record facts which satisfy the elements required to prove Plaintiff Certus Bank N.A.'s ("Certus") three causes of action against Twin Rivers for an equitable lien, mortgage reformation and ratification. Accordingly, Twin Rivers is entitled to summary judgment as a matter of law.

Simply put, this is a case where Certus' predecessor in interest, CommunitySouth Bank and Trust ("CommunitySouth"), loaned money to a borrower, Defendant Kenneth E. Bennett, pursuant to a promissory note and mortgage, but the borrower did not hold and never held title to the mortgaged property. Importantly, that mortgage was insured by a title policy with Commonwealth Land Title Insurance Company ("Commonwealth"), written by the closing attorney, James S. Belk. Although Certus has made a formal demand under that policy, it has not pursued that claim otherwise. Moreover, Certus has also obtained a default judgment against Kenneth E. Bennett. Despite its less than diligent efforts in pursuing its available legal remedies,

Certus comes to this court seeking equitable relief. As established below, it has no legal basis for the claims against Twin Rivers.

II. UNDISPUTED FACTS

1. On November 1, 2007, Kenneth E. Bennett borrowed $497,450 from CommunitySouth pursuant to a Promissory Note (the "Loan") (Plaintiff's Responses to Defendant Twin Rivers' First Requests for Admission No. 2–**Exhibit "A"**).

2. Kenneth E. Bennett received the Loan proceeds (Plaintiff's Responses to Defendant Twin Rivers' First Requests for Admission No. 10–**Exhibit "B"**).

3. In connection with the Loan, neither Certus nor its predecessor CommunitySouth advanced any funds to Richard C. "Rick" Bennett, the borrower Kenneth E. Bennett's brother or Twin Rivers Resort, LLC a limited liability company whose managing member is Richard C. Bennett.

4. At the time of the Loan closing On November 1, 2007, Kenneth E. Bennett also executed first mortgages ("Mortgage") in favor of CommunitySouth as security for the Loan. (Plaintiff's Responses to Defendant Twin Rivers' First Requests for Admission No. 3–**Exhibit "A"**).

5. The Mortgage was recorded on December 10, 2007 in Mortgage Book 1727 at Page 1-9. The property secured by that Mortgage was located at Twin River Road and 1879 Dillard Road, Waterloo, Laurens County and was shown by Exhibit "A" to the Mortgage:

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 bound 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.

6. On November 1, 2007, Kenneth Bennett also executed a mortgage bearing the Loan describing property at 130 Squirrel Drive, Waterloo, shown on Exhibit "A" as follows:

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 my 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 n 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

7. The Loan to Kenneth E. Bennett was closed by Attorney James S. Belk, who also wrote a title policy with Commonwealth Land Title Insurance Company in favor of CommunitySouth insuring the Mortgage (CB00043-51–**Exhibit "C"**).

8. Kenneth E. Bennett never held title to the property he mortgaged. At closing and at the time the property was mortgaged, title to the property was vested in JKR Development, LLC ("JKR"). (Defendant Twin Rivers' Second Requests for Admission Plaintiff's–**Exhibit "D"**, Responses to Defendant Twin Rivers' Second Requests for Admissions No(s). 1 and 2–**Exhibit "E"**; CB00609-00676–**Exhibit "F"**).

9. In or around February 22, 2008, JKR transferred the property to Twin Rivers Resort which now holds title to the property (CB00639-00646–**Exhibit "G"**).

10. In early 2010, Kenneth E. Bennett sought Richard C. Bennett's assistance with his financial obligations to CommunitySouth. Richard C. Bennett made payments to CommunitySouth to bring Kenneth E. Bennett's loans current.

11. Richard C. Bennett signed a commitment letter to CommunitySouth but an agreement was never finalized because CommunitySouth insisted on a cross-default provision.

12. In or around October, 2010, Kenneth E. Bennett defaulted on the Loan.

13. On December 31, 2009, CommunitySouth charged off $111,050 of the Loan, leaving a balance of $386,400 as the book value of the Loan (Certus 30(b)(6) Dep. 3-20-14, p. 17–**Exhibit "H"**).

14. On January 21, 2011, CommunitySouth was closed by the South Carolina State Board of Financial Institutions and The Federal Deposit Insurance Corporation ("FDIC") was named Receiver. On that same date, Certus succeeded CommunitySouth pursuant to a Purchase and Assumption Agreement with the FDIC (Certus 30(b)(6) Dep. 3-20-14, Δ's Ex. 3–**Exhibit "I"**).

15. On February 18, 2011, Certus made a written claim against Commonwealth on the insured mortgage. (Defendant Twin Rivers' Second Requests for Admission Plaintiff's–**Exhibit "D"**, Responses to Defendant Twin Rivers' Second Requests for Admissions No(s). 1 and 2–**Exhibit "E"**; CB00609-00676–**Exhibit "F"**).

16. Certus has not sued Commonwealth on the title policy.

17. On September 29, 2011, Certus sued Kenneth E. Bennett and obtained a default judgment against him for $510,400.15 (Certus 30(b)(6) Dep. 3-20-14, p. 8–**Exhibit "H"**; Plaintiff's Responses to Defendant Twin Rivers' Second Requests for Admission No. 3–**Exhibit "E"**).

18. An appraisal of the property provided to CommunitySouth and dated October 4, 2007 prepared by Integra Realty Resources identified JKR as the owner of record (Defendant Twin Rivers' Second Requests for Admission No. 4–**Exhibit "D"**; Plaintiff's Responses to Defendant Twin Rivers' Second Requests for Admission No. 4–**Exhibit "E"**).

19. The Settlement Statement for the Loan shows that no funds from the Loan were paid to Richard C. Bennett or to JKR or Twin Rivers. (Defendant Twin Rivers' Second Requests for Admissions to Plaintiff Ex. 3–**Exhibit "D"**).

20. Certus charged off the Loan in December, 2012 after determining that it "never received a mortgage on the properties securing the loan". (Defendant Twin Rivers' Second Requests for Admissions to Plaintiff–**Exhibit "D"**; Plaintiff's Responses to Defendant Twin Rivers' Second Requests for Admission–**Exhibit "E"**).

21. Certus acquired the Loan at its book value or $386,400. Certus has been reimbursed 69 percent of the loan or approximately $266,616.00 by the FDIC under its Loss Sharing Agreement with the FDIC making Certus's actual loss to be no more than $119,784.00. (Certus 30(b)(6) Dep. p. 17–**Exhibit "H"**).

22. On January 16, 2011, Certus commenced the present suit.

III. ARGUMENT AND AUTHORITIES

A. THERE IS NO BASIS FOR AN EQUITABLE LIEN.

In its First Cause of Action, Certus claims that it should be declared to have an equitable lien on the property of Twin Rivers. For the reasons set forth, there is no legal basis in the record to support this claim. There are **no** South Carolina cases finding an equitable lien where the purported mortgagor was a stranger to the underlying loan and mortgage. More importantly, Certus's claim for an equitable lien cannot stand in light established case law including the Supreme Court of South Carolina's decision in *Wachovia v. Coffey*, 404 S.C. 21, 746 S.E.2d 35 (2013).

In *Coffey,* husband purported to mortgage the family home which was titled in his wife's name as security for a promissory note. *Id.* Like the record owner of the mortgaged property in this case, JKR, the wife did not participate in the loan transaction. *Id.* Moreover, Wachovia did

not perform a title search to determine ownership of the mortgaged property and closed the transaction without a lawyer. *Id.* Husband used the loan proceeds to purchase a boat and put the boat in the name of a partnership and made regular payments on the note until he died and thereafter, the wife made payments after his death. *Id.* After wife sold the boat and made no further payments, Wachovia filed a complaint in 2008 naming the wife and Bank of America as the only defendants. Wachovia sought to foreclose on the mortgage signed by the husband and also included causes of action for equitable lien, restitution, ratification, and *quasi* contract.

In upholding summary judgment in favor of the wife, the South Carolina Supreme Court stated that that "South Carolina courts should not stretch equitable principles to unfairly place fault on parties who did not contribute to the underlying transaction". 404 S.C. 421, 426, 746 S.E.2d 35, 39. The Court refused to allow the doctrine to apply to the wife as a stranger to the loan transaction.

Coffey is on all fours with the present action. Like the wife in *Coffey*, Defendant Twin Rivers was a stranger to the loan transaction. To allow an equitable lien to Certus here would be directly contrary to the Supreme Court's holding and would most certainly impermissibly "stretch equitable principles to unfairly place fault to parties who did not contribute to the underlying transaction". *Id.*

In *Chase Home Finance v. Risher*, 405 S.C. 202, 746 S.E.2d 471 (Ct. App. 2013), The Court of Appeals refused to impose an equitable lien on wife's interest in property where the wife did not sign the note and mortgage at issue. It is important to note that the court denied the bank's equitable lien claim even though the wife admitted that she was aware of the loan, that she benefitted from it and her husband could not have purchased the residence without the loan. In the present matter, there is no such testimony by Twin Rivers or Richard C. Bennett, thus

making Certus's claim even less meritorious than the bank's rejected equitable lien claim in *Risher*. 405 S.C. 202, 206, 746 S.E.2d 471, 475.

Nutt Corporation v. Howell Road, LLC, 396 S.C. 323, 721 S.E.2d 447 (Ct. App. 2011) demonstrates how Certus's failure to pursue available remedies at law is fatal to its equitable lien claim as well as its other equitable causes of action. In that case, the court reversed the trial court refusing to impose an equitable lien because there was an adequate remedy of law. The court stated:

> An 'adequate' remedy at law is one which is as certain, practical, complete and efficient to attain the ends of justice and its administration as the remedy in equity." *Milliken & Co. v. Morin*, 386 S.C. 1, 8, 685 S.E.2d 828, 832 (Ct.App.2009) (internal quotations omitted).[3] *See Stewart v. Seigle*, 274 P.2d 395, 397–98 (Okl.1954) (finding no basis existed to exercise the equitable power of the court where the plaintiff failed to exercise his statutory remedy within the time prescribed by the statute of limitations); *U.S. v. Cent. Livestock Corp.*, 616 F.Supp. 629, 633 (D.Kan.1985) (holding equity will not intervene if it appears the absence of a remedy at law is due to the plaintiff's failure to pursue that remedy); *Witmer v. Exxon Corp.*, 260 Pa.Super. 537, 394 A.2d 1276, 1286 (1978) (holding it is not proper to seek equitable relief where no pursuit has been made of available contractual remedies because equity aids the vigilant and not those who slumber on their rights); *McKittrick v. Bates*, 47 R.I. 240, 132 A. 610, 612 (1926) ("When one who has a clear method of fully determining his rights at law voluntarily adopts improper procedure, ****451** or pursues proper procedure negligently or mistakenly, without any inducement from one having adversary interests, it is no function of equity to relieve him from the result of his erroneously conducted lawsuit."). For these reasons, we find an adequate remedy at law was ***330** available, and therefore, the trial court erred in granting the Nutt Corporation an equitable lien on the Property.

396 S.C. 323, 325, 721 S.E.2d 447, 449.

In the present matter, the evidence shows that Certus has failed to exercise its legal remedies. It is undisputed that the mortgaged property was the subject of an insured title policy. Although demand has been made, there has apparently been no action on that title policy.

Moreover, like Wachovia in the *Coffey* matter a title examination would have shown that the property was not owned by Kenneth E. Bennett. The clear legal malpractice by the closing attorney is established by Certus's demand letter to Commonwealth in which its attorney stated:

> The Mortgage and the Title Policy show title vested in the name of Kenneth E. Bennett at the time the mortgage was recorded. Our review of the chain of title for the land indicates that title to the land was vested in the name of JKR Development, LLC at the time the mortgage was recorded. Our title review also shows that Borrower has never held title to the property. Title to the land is currently vested in Twin Rivers Resort, LLC.

(Defendant Twin River's Second Requests for Admission to Plaintiff No. 1, Ex. 1–**Exhibit "D"**).

South Carolina courts have been clear in stating that for an equitable lien to arise, there must be a debt, specific property to which the debt attaches, and an implied intent that the property serve as security for the debt. *Regions Bank v. Wingard Properties, Inc.*, 394 S.C. 241, 715 S.E.2d 348 (Ct. App. 2011). Thus, in *Regions Bank v. Wingard Properties*, the court upheld the priority of an equitable lien over a recorded mortgage where a purchaser entered into a residential home purchase contract and wrote a check for $276,700 as a down payment prior to the recording of Regions Bank's mortgage.

In conclusion, Twin Rivers is entitled to summary judgment because there is no evidence to support any element required for an equitable lien. Certus is not entitled to this or any other form of equitable relief because it has failed to pursue its legal remedies. Finally, no case in South Carolina has found an equitable lien, where, as here, the record owner was a stranger to the underlying transaction.

B. THERE IS NO BASIS FOR PLAINTIFF'S CLAIM TO REFORMATION.

In its Second Cause of Action, Certus claims that it is entitled to mortgage reformation. Again, the elements necessary for such relief are not present and likewise, Certus's failure to pursue legal remedies bars it from equitable relief. South Carolina courts have held that a

contract may be reformed on the ground of mistake when the mistake is mutual and consists in the omission or insertion of some material element effecting the subject matter or the terms and stipulations of the contract inconsistent with those of the parole agreement which necessarily preceded it. *C. Ed Crosby v. Protective Life Insurance Company*, 293 S.C. 203, 359 S.E.2d 298 (Ct. App. 1987). In this case, there can be no reformation based on mutual mistake because the owner of the property at the time of the mortgage, JKR was not a party to the transaction. Moreover, before equity will reform a contract, the existence of a mutual mistake must be shown by clear and convincing evidence. As the court stated in *Crosby*:

> A contract may be reformed on the ground of mistake when the mistake is mutual and consists in the omission or insertion of some material element affecting the subject matter or the terms and stipulations of the contract, inconsistent with those of the parol agreement which necessarily preceded it. *Id.* A mistake is mutual where both parties intended a certain thing and by mistake in the drafting did not obtain what was intended. *Sims v. Tyler,* 276 S.C. 640, 281 S.E.2d 229 (1981). Before equity will reform a contract, the existence of a mutual mistake must be shown by clear and convincing evidence. *Id.* Court noted that unilateral mistake could be basis for reformation , but " A court of equity may reform a contract where the mistake is not mutual but unilateral and has been induced by the fraud, deceit, misrepresentation, concealment or imposition in any form of the party opposed in interest to the reformation without negligence on the part of the party claiming the right, or where the mistake is accompanied by very strong and extraordinary circumstances showing imbecility or something which would make it a great wrong to enforce the agreement. *Shaw v. Aetna Casualty and Surety Insurance Co.,* 274 S.C. 281, 262 S.E.2d 903 (1980).

293 S.C. 203, 206, 359 S.E.2d 298, 301.

While a court of equity may reform a contract based on unilateral mistake where the mistake has been induced by the fraud and deceit misrepresentation, in the present action, there are no such allegations here. Accordingly, Twin Rivers is entitled to summary judgment.

C. THERE HAS BEEN NO RATIFICATION OF THE MORTGAGE.

In its Third Cause of Action, Certus alleges that Defendant Twin Rivers "ratified" the November 2007 mortgage. According to the complaint, Certus alleges that "all Defendants had full knowledge of the situation and intended to confirm the mortgage". (Complaint ¶ 37). Certus goes on to allege, "That the Defendants accepted the benefits of the mortgage loan, sought renewals and extensions of the obligations, and with full knowledge of the status of the title to the Subject Property, acknowledges that the renewed obligations were secured by the Mortgage. *Id* 39. Besides the complete absence of proof, these allegations even if proved are insufficient to show that Twin Rivers "ratified" the Mortgage. The equitable doctrine of ratification allows technical in mortgages and other instruments to be cured by the subsequent acts of the mortgagor. There is no authority which allows the doctrine to create a non-existent mortgage by a stranger to the underlying obligation.

As one authority explains , "[a] defect in a mortgage may be cured by the subsequent act of the mortgagor in ratifying it and acknowledging its validity". 59 C.J.S. §160. Courts have applied the doctrine in a variety of settings, such as subsequent acts ratifying a lack of authority in signing an instrument, lack of capacity and forgery. *Id.* Research has revealed no authority where the doctrine has been applied to allow the substitution of the party with actual title to the property.

Following Kenneth E. Bennett's default, Richard C. Bennett, his brother beginning in 2010 sought to assist his brother with his financial difficulties. In fact, he brought the Loan current and offered to provide CommunitySouth with additional collateral but in fact no agreement was ever formalized as Richard C. Bennett testified in his deposition. (Richard Bennett Dep. 11-7-12, pp. 27-28–**Exhibit "J"**).

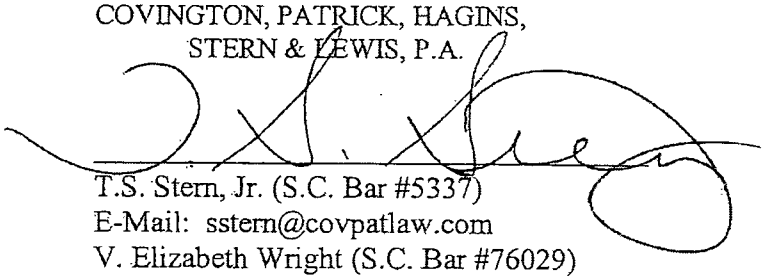
The doctrine of ratification has no application here and Certus's failure to pursue its legal remedies bars this claim.

IV. CONCLUSION

For the foregoing reasons, Defendant Twin Rivers is entitled to Summary Judgment.

Respectfully submitted,

COVINGTON, PATRICK, HAGINS,
STERN & LEWIS, P.A.



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864.242.9000

Greenville, South Carolina
April 3, 2014

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 **DEFENDANT'S TWIN RIVERS RESORT, LLC FIRST REQUESTS FOR ADMISSIONS TO PLAINTIFF**



TO: PLAINTIFF AND THEIR COUNSEL OF RECORD:

Pursuant to Rule 36, South Carolina Rules of Civil Procedure, you are hereby directed to admit the truth of the following statements or opinions of fact or of the application of law to fact:

1. Admit that on November 1, 2007 neither Richard C. Bennett nor Twin Rivers Resort, LLC was indebted to CommunitySouth Bank and Trust.

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).

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.

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)**.

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)**.

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.

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.

8. Admit that neither Richard C. Bennett nor Twin Rivers Resort, LLC executed mortgages to CommunitySouth Bank and Trust or to Certus Bank.

9. Admit that there is no signed mortgage granted by Twin Rivers Resort, LLC to Community South Bank.

10. Admit that CommunitySouth Bank and Trust paid loan proceeds described in **Exhibit "A"** to Kenneth E. Bennett.

11. Admit that Richard C. Bennett was not a member of Bennett of Greenwood, LLC.

12. Admit that neither CommunitySouth Bank and Trust nor Certus Bank advanced any funds to Richard C. Bennett or Twin Rivers Resort, LLC for the purchase of the Real Property described on in **Exhibit "B"**.

COVINGTON, PATRICK, HAGINS,
STERN & LEWIS, P.A.

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Greenville, South Carolina
May 29, 2013

KENNETH E. BENNETT 6004 HIGHWAY 24 TOWNVILLE, SC 29689 BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	CommunitySouth Bank and Trust 6502 Calhoun Memorial Hwy Easley, SC 29640 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Loan Number 8001376 Date 11-01-2007 Maturity Date 05-03-2009 Loan Amount $ 497,450.00 Renewal Of Officer # 001

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 11-01-2007. 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 11-01-2007 at the rate of 8.180% per year until 05-03-2009.

☐ 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: ORIGINATION FEE $500.00, APPRAISAL FEE $600.00, APPRAISAL FEE $1,400.00 AND FLOOD FEE $14.00.

PAYMENTS: I agree to pay this note as follows:

17 monthly interest payments ranging from $3164.89 to $4860.36 beginning 12-14-2007 and 1 payment of $499,597.60 on 05-03-2009.

ADDITIONAL TERMS:

EXHIBIT
18
Bennett

☒ 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.

Signature for Lender

Certus/Bennett 0000012

DEFINITIONS: As used on page 1, "☒" means ... 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 su... 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:
	$		$	$	%	$	
	$		$	$	%	$	

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. ☐ H.O. ☐ Other (Describe) _____
   Insurable Value: Deductible:
   Automobile Coverage. ☐ 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.

RTA-EXHIBIT "B"

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"

The property is located in LAURENS (County) at 130 SQUIRREL DRIVE (Address), WATERLOO (City), South Carolina 29684 (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.

B-1050

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

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 for 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 86C1376

   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 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 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

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 "mortgagee 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").

☐ 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.

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

Cathy Slaton
Notary Public for South Carolina

My commission expires: 10-18-14

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

This document was prepared by (name, address, phone number):
CommunitySouth Bank and Trust 6602 Calhoun Memorial Hwy Easley, SC 29640
(864) 306-2540

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
6034 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:

SEE ATTACHED "EXHIBIT A"

The Property is located in LAURENS County at TWIN RIVERS ROAD AND 1879 DILLARD ROAD, WATERLOO, SC 29384 (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 $ 497,460.00. 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 these 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.

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 this Assignment 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 those 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.

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.

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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.

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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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

QS01-9

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

This document was prepared by (name, address, phone):
CommunitySouth Bank and Trust
6502 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
6904 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 130 SQUIRREL DRIVE (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.

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 **CERTIFICATE OF SERVICE**

I, Katy M. Berdugo, a paralegal of Covington, Patrick, Hagins, Stern & Lewis, P.A. do hereby certify that a copy of **DEFENDANT'S TWIN RIVERS RESORT, LLC FIRST REQUESTS FOR ADMISSIONS TO PLAINTIFF** was served on **May 29, 2013** upon the parties in interest shown below as follows:

VIA HAND-DELIVERY
E. Zachary Horton, Esq.
Brown, Massey, Evans, McLeod & Haynsworth, LLC
106 Williams Street
P.O. Box 2464 (29602)
Greenville, SC 29601

VIA FIRST-CLASS U.S. MAIL
W. Reid Cox, Jr., Esq.
Cox & Ferguson
P.O. Box 286
Laurens, SC 29360

Katy M. Berdugo

Katy M. Berdugo, Paralegal
COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A.
211 Pettigru Street
P.O. Box 2343 (29602)
Greenville, SC 29601
(864) 240-4200

Greenville, South Carolina
May 29, 2013

DEFENDANT'S EXHIBIT
B
ALL-STATE LEGAL®

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.

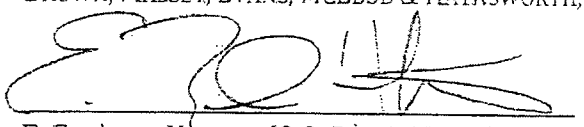
Response: Plaintiff objects to the request as being overly broad and not limited to any time frame. Subject to that objection, Plaintiff denies the request as stated. Plaintiff has

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 Certus Bank, N.A., Plaintiff vs. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC Defendants.	IN THE COURT OF COMMON PLEAS 2011-CP-30-00583 CERTIFICATE OF SERVICE

I, Teresa S. Porter, legal assistant to E. Zachary Horton, do hereby certify that a copy of the **PLAINTIFFS RESPONSES TO FIRST REQUESTS FOR ADMISSIONS BY DEFENDANT TWIN RIVERS RESORT, LLC**, was served on June 26, 2013, upon the parties shown below:

By U.S. Mail
T. S. Stern, Jr., Esq.
Covington, Patrick, Hagins
Stern & Lewis, P.A.
P.O. Box 2343
Greenville, SC 29602

BY U.S. MAIL
W. Reid Cox, Jr. Esq.
Cox & Ferguson
P.O. Box 286
Laurens, SC 29360

Teresa S. Porter

Teresa S. Porter, Legal Assistant
Brown, Massey, Evans, McLeod
& Haynsworth, LLC
P.O. Box 2464
Greenville, SC 29602

Greenville, SC
June 26, 2013

RECEIVED
JUL 29 2013

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: James S. Bell
Authorized Officer or Agent

Commonwealth Land Title Insurance Company

By: Theodore L. Chandler, Jr.
President

SEAL

Attest:
Secretary

Blank Endorsement Loan Policy

ORIGINAL

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

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

STATE OF SOUTH CAROLINA
COUNTY OF LAURENS

Certus Bank, N.A.,

Plaintiff(s),

v.

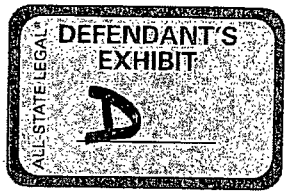
Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC,

Defendant(s).

IN THE COURT OF COMMON PLEAS

CASE NO. 2011-CP-30-00583

DEFENDANT'S TWIN RIVERS RESORT, LLC SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF



TO: PLAINTIFF AND THEIR COUNSEL OF RECORD:

Pursuant to Rule 36, South Carolina Rules of Civil Procedure, you are hereby directed to admit the truth of the following statements or opinions of fact or of the application of law to fact:

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.

2. Admit that the statements of fact made in **Exhibit 1** are truthful and accurate.

3. Admit that Plaintiff Certus Bank, N.A. has obtained a default judgment for $510,400.15 from Kenneth E. Bennett.

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.

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.

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.

7. Admit that **Exhibit 3** truthfully shows a Summary of Borrowers Transaction and settlement charges.

8. Admit that **Exhibit 3**, Line 1102 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.

10. Admit that **Exhibit 5** (CB-00434 thru 00439) 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.

COVINGTON, PATRICK, HAGINS,
STERN & LEWIS, P.A.

T.S. Stern, Jr. (S.C. Bar #5337)
E-Mail: sstern@covpatlaw.com
V. Elizabeth Wright (S.C. Bar #76029)
E-Mail: bwright@covpatlaw.com
211 Pettigru Street
P.O. Box 2343 (29602)
Greenville, SC 29601
864.242.9000

Greenville, South Carolina
October 23, 2013

SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF

EXHIBIT 1

Roe Cassidy
Coates & Price PA

D. SEAN FAULKNER
DIRECT DIAL: 864-349-2605
E-MAIL: SFAULKNER@ROECASSIDY.COM

FEBRUARY 18, 2011

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Commonwealth Land Title Insurance Company
Attention: Consumer Affairs Department
P.O. Box 27567
Richmond, Virginia 23216-7567

RE: Loan Policy 507-1008497 issued to CommunitySouth Bank and Trust on property located in Laurens County, South Carolina ("Title Policy")
RCCP File No. 0885.0215

Dear Sir or Madam:

We are counsel to CertusBank, N.A., successor in interest to certain assets of CommunitySouth Bank and Trust (the "Bank"), your insured under the above mentioned Title Policy. This letter is being written to you on behalf of the Bank to provide you with written notice of a loss incurred by the Bank and covered by the Title Policy.

As background, this firm was originally retained by the Bank to handle a possible loan modification involving a promissory note which is secured by the insured mortgage lien. The promissory note which is the subject of this letter was executed by Kenneth E. Bennett ("Borrower") on or about November 1, 2007, in the amount of Four Hundred Ninety Seven Thousand Four Hundred Fifty and 00/100 Dollars ($497,450.00). Simultaneously therewith, Borrower executed a first mortgage lien in favor of the Bank in the same amount which mortgage was recorded on December 10, 2007, in the Clerk of Court's Office for Lauren's County, South Carolina, in Mortgage Book 1727, at Page 1 (the "Mortgage"). The loan was closed by attorney James S. Belk, 1202 N. Main Street, Anderson, South Carolina 29621, who also wrote the Title Policy in favor of the Bank insuring the mortgage lien.

The Mortgage and the Title Policy show title to the land being vested in the name of Kenneth E. Bennett at the time the mortgage was recorded. Our review of the chain of title for the land indicates that title was vested in the name of JKR Development, LLC at the time the mortgage was recorded. Our title review also shows that Borrower has never held title to the property. Title to the land is currently vested in Twin Rivers Resort, LLC.

Enclosed is the Proof of Loss or Damage Affidavit as required under paragraph 5 of the Conditions and Stipulations clause of the Title Policy. Demand is hereby made that the Title Company tender payment of $497,450.00 to the Bank.

We have included copies of all of the documents referenced in this claim. If you require any further information from the Bank, please contact me at the address and number provided in this letter. Moreover, if you believe that this claim is inadequate for purposes of making a claim under the Title Policy, please contact us promptly and identify any deficiency you may find in this claim so that we can correct it.

Yours very truly,

ROE CASSIDY COATES & PRICE, P.A.

D. Sean Faulkner

DSF/cmp

Enclosures

SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF

EXHIBIT 2

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property	Twin Rivers Marina Twin Rivers Road And 1879 Dillard Road Waterloo, Laurens County, South Carolina 29384
Property Tax Identification Number(s)	309-28 & 40 and 309-01-04-010
Owner of Record	JKR Development, LLC
Date of the Report	October 4, 2007
Effective Date of the Appraisal	September 18, 2007
Land Area	4.677 acres; 203,730 square feet
Zoning Designation	None
Floodplain Map Panel Number and Date	4501220250B; 12/15/90
Floodplain Designation	X - Not in flood area
Highest and Best Use	Continued mixed use
Property Rights Appraised	Leased fee estate
Estimated Exposure Time and Marketing Period	12 months; 12 months
Sales Comparison Approach	Not developed
Income Capitalization Approach	
Effective Gross Income	$83,400
Expenses	$24,530
Capitalization Rate	11.5%
Net Operating Income	$58,530
Market Value Conclusion by Income Capitalization Approach- Rounded	$512,000
Market Value Conclusion	$512,000

The preceding value conclusion is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

1. No tax returns, profit and loss statements, or other written income and expense information were provided to the appraisers other than the documents shown in this report. If any subsequent research or disclosure indicates any differing information than the income and expense information provided to us by the current owner, Rick Bennett, the opinion of value will be affected. We reserve the right to change the value opinion accordingly if other information becomes available.

INTEGRA Realty Resources
SOUTH CAROLINA
Local Expertise...Nationally

Paul Branch
378-0586
270-0773

October 4, 2007

Mr. Jay Davis
Community South Bank and Trust
1510 N. Main Street
Anderson, South Carolina 29621

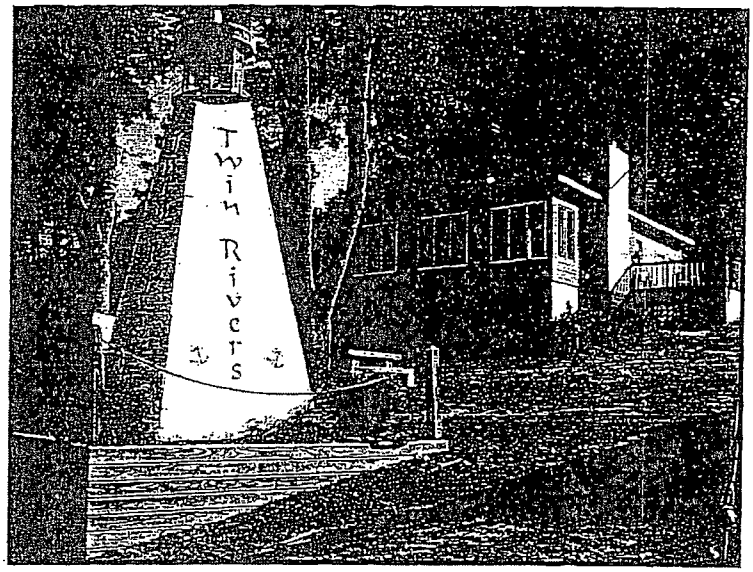
SUBJECT: Market Value Appraisal
Twin Rivers Marina
Twin Rivers Road and 1879 Dillard Road
Waterloo, Laurens County, South Carolina 29384
Integra Realty Resources – SC - File No. 110-2007-0380

Dear Mr. Davis:

Integra Realty Resources - South Carolina is pleased to transmit the summary report of a limited appraisal of the referenced property. The purpose of this appraisal is to develop an opinion of the market value of the leased fee estate of the property as of September 18, 2007, the effective date of the appraisal.

This report complies with the reporting requirements for a summary appraisal report set forth under Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice (USPAP)*. As such, it presents only summary discussions of the data, reasoning and analyses that are used in the appraisal process. Supporting documentation concerning the data, reasoning and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal as noted herein. The Cost Approach to value has been excluded due to its lack of applicability in this instance.

The subject property, known as the Twin Rivers Marina, includes a four unit efficiency motel with a total of 2,026 square feet; a rental home with a total of 2,057 square feet; a rental cabin of 612 square feet; 17 RV lots, and 24 boat slips with a gas pump. The subject site includes a total land area of 4.677 acres or 203,730 square feet, which is not zoned. In addition, the site includes a mobile home on 1.0 acres of land located at 1879 Dillard Road approximately ½ mile east of the marina. The real property defined in this report does not include any personal property. The property is owned by JKR Development, LLC.



Twin Rivers Marina
Waterloo, South Carolina

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed herein, it is our opinion that the market value of the leased fee estate of the property, as of September 18, 2007, is:

FIVE HUNDRED TWELVE THOUSAND DOLLARS
($512,000)

The preceding value conclusion is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

1. No tax returns, profit and loss statements, or other written income and expense information were provided to the appraisers other than shown in this report. If any subsequent research or disclosure indicates any differing information than the income and expense information provided to us by the current owner, Rick Bennett, the opinion of value will be affected. We reserve the right to change the value opinion accordingly if other information becomes available.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - SOUTH CAROLINA

A. Keith Batson, MAI
Associate Director
Certified General Real Estate Appraiser
South Carolina Certificate #CG 1627

Michael B. Dodds, MAI, CCIM
Managing Director
Certified General Real Estate Appraiser
SC Certificate #CG 543

GENERAL INFORMATION

IDENTIFICATION OF SUBJECT

The subject property, known as the Twin Rivers Marina, includes a four unit efficiency motel with a total of 2,026 square feet; a rental home with a total of 2,057 square feet; a rental cabin of 612 square feet; 17 RV lots, and 24 boat slips with a gas pump. The property also includes a single-wide mobile home on 1.0 acres of land located at 1879 Dillard Road. The main property is located at Twin Rivers Road, Waterloo, Laurens County, South Carolina. The subject site includes a total land area of 4.677 acres/203,730 square feet. It is further identified by the assessment office as 309-28 & 40 (marina) and 309-01-04-010 (mobile home).

CURRENT OWNERSHIP AND SALES HISTORY

According to public records, Deed Book 844, Page 149 and Deed Book 768, Page 312, the owner of record is JKR Development, LLC. Rick Bennett, a partner in the LLC, lives on the site and manages the property. The most recent deed was a quitclaim deed involving a shoreline collar which was excluded from the original sale. The property was purchased by JKR from Crescent Lake, LLC for $650,000 on January 31, 2006. Crescent Lake purchased the property in 1995 from David Dillard and Robert M. Guthrie. The property originally included a restaurant/bar and store, but the store improvements burned in 2007.

The mobile home and 1 acre of land were purchased by JKR in June 20, 2006 from Paul C. Pennington for $35,000 as recorded in Deed Book 787, Page 311 of the Laurens County records. This site includes a single-wide mobile home, which is leased.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years.

PURPOSE, PROPERTY RIGHTS AND EFFECTIVE DATE

The purpose of the appraisal is to develop an opinion of the market value of the leased fee interest in the property as of the effective date of the appraisal, September 18, 2007. "Market value" is defined in the addenda. Unless otherwise stated, all factors pertinent to a determination of value are considered as of this date.

INTENDED USE AND INTENDED USER

This appraisal report is prepared for Mr. Jay Davis, Senior Vice President Community South Bank and Trust, 1510 N. Main Street, Anderson, South Carolina, for use as possible collateral for a federally related loan transaction. It is not intended for any other use or user.

SCOPE OF APPRAISAL

To perform this assignment, we took the following steps to gather, confirm, and analyze relevant data:

APPRAISAL OF REAL PROPERTY

Twin Rivers Marina
Twin Rivers Road
And 1879 Dilliard Road
Waterloo, Laurens County, South Carolina 29384

PREPARED FOR:
Mr. Jay Davis
Community South Bank and Trust
1510 N. Main Street
Anderson, South Carolina 29621

INTEGRA Realty Resources
SOUTH CAROLINA

LOCAL EXPERTISE...NATIONALLY

EFFECTIVE DATE OF THE APPRAISAL:
September 18, 2007

REPORT FORMAT:
Summary

PREPARED BY:
Integra Realty Resources - South Carolina
File Number: 110-2007-0380

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APPRAISAL ASSOCIATES OF CLEMSON

40250

Summary Appraisal Report

Assignment Information

Property Identification:	Report Prepared By:	Report Prepared For (Client):
130 Squirrel Drive Waterloo, SC 29384 Laurens County	Deanna R. DeFoor Appraisal Associates of Clemson 115 West Windsor Street Westminster, SC 29693 T. 864-647-2490 Deanna@clemsonappraisers.com	Jay Davis, Senior Vice President CommunitySouth Bank and Trust 1510 North Main Street Anderson, SC 29621 T. 864-222-8444 Jdavis@csbat.com
Borrower: JKR Development, LLC		
Tax Map Number: 277-00-00-108		
Current Tax Assessment: $25,000		

Sale, Option, Listing and Offer History

Comments: The subject property is not currently under contract of sale to my knowledge. The current owner does have the property listed for sale on www.lakehouse.com for $109,900, which includes the 2BR/1BA mobile home. According to this website, the property was added August 29, 2007, and was last updated October 11, 2007. Also according to the website, this is a price reduction.

The property was purchased by JKR Development, LLC, from Jackie D. Hood, Ruth Louise Hood, Rickie E. Collins, and Pamela D. Collins, for stated consideration of $55,000, as of April 13, 2006. The transfer also included a 1973 Champion Mobile home, which remains on the site to date. The transfer is recorded in Deed Book 779, at page 155, records of Laurens County.

This is the identical property conveyed unto Jackie D. Hood, Ruth Louise Hood, Rickie E. Collins, and Pamela D. Collins from Scott C. Shirley, as recorded in Corrective Deed dated June 15, 1993, in Deed Book 291, at page 85, records of Laurens County.

Market Analysis

Comments: The subject property is located at the dead end of a gravel road known as Squirrel Drive. The location is within Waterloo, in Laurens County. The majority of nearby development is residential in nature, primarily single family, with construction being a mixture of stick built and modular houses. The subject is known as Lot 3 Virginia Meadows, and Lots 1 and 2 Virginia Meadows are utilized for single family residential purposes.

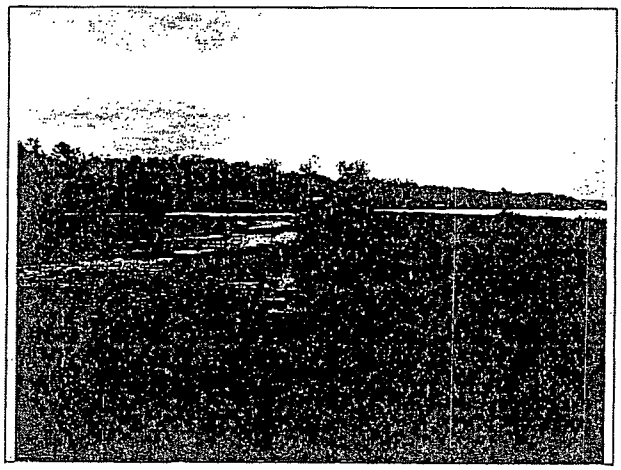
Squirrel Drive is accessed via Virginia Circle, which is accessed via Cedarhill Lane, which is accessed via Todd Quarter Road. Riverfork Road is located one mile south of the subject site, and is accessed via these access roads and US Highway 221, also known as Greenwood Highway. Riverfork Road provides access to Ware Shoals and US Highway 25 about 10 miles northwest of the subject property. Riverfork Road ends about 1.5 miles northeast of the subject site at US Highway 221. Greenwood Highway provides access to Laurens, about 12 miles north of the subject property. This highway also provides access to SC Highway 72 about 5 miles southeast of the subject where these two highways intersect. From that intersection, these highways proceed in a southwesterly direction to Greenwood, which is about 10 miles southwest of the subject site. Access to the subject site is considered to be average.

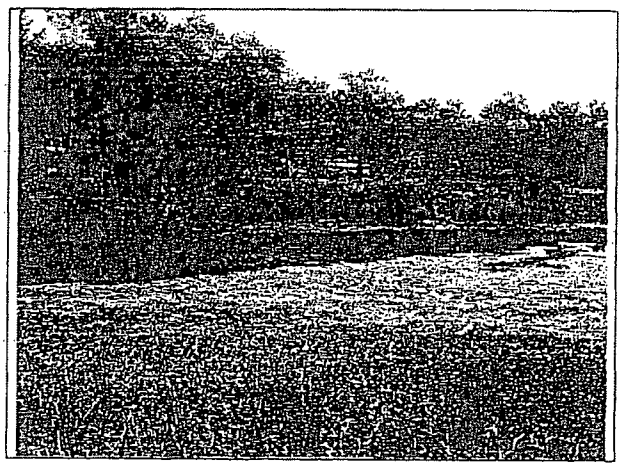
Property Description

Site Size	1.0 Acre	Property Type	Lakefront Lot
Lake Frontage	304' Total	Current Use	Mobile home on lot – no value per client
Water Quality	160' Cove, 144' Creek	Zoning	None
Access/Frontage	Dead End of Gravel Rd	Conformance to Zoning	No Zoning – residential permitted

Comments: The subject site measures 1.0 acre total, and has frontage along Lake Greenwood. There is a total of 304' frontage along the lake, but it appears that about 160' of this frontage is on Lake Greenwood, and about 144' is on Lick Creek. According to the property owner, during the full pond season (which runs from April 1st thru Labor Day) it is possible to turn a boat around in the water bordering the site to the north, which is considered to be the creek. As of the date of inspection, the water is down due to the timing outside of full pond season, and also due to the drought in recent months. There is a mobile home on the site, which is currently vacant, and the client has requested that no value be given to the mobile home. There is a well and septic tank in place on the site. Laurens County requires land area of 1.0 acre for installation of well and septic tank, and the subject site conforms to this requirement.

The topography of the subject site is gently rolling, with a gentle slope down to the lakefront. The shape is slightly irregular, similar to Lots 1 and 2 Virginia Meadows. Utilities available to the subject site include electricity, and there exists well water and septic tank on the site currently. The subject site is shown on Flood Hazard Management Map 450122 0250B, dated December 15, 1990, for Laurens County. Portions of the site along the waterfront may be within flood zone, but it would be necessary for a qualified individual to determine the exact location of the flood line. There do not appear to be any easements or encroachments on the subject site. Access to the site is provided by Squirrel Drive, which is a 30' easement for ingress and egress, with access being transferred via the deed of transfer.





SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF

EXHIBIT 3

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(REF)LAUR PFD\BENNETT,KENNETH(REF)

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 Dilliard 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		07.10089	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 $ 25.00;		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 addl'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.

SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF

EXHIBIT 4

LOAN POLICY OF TITLE INSURANCE

Issued by **Commonwealth Land Title Insurance Company**

POLICY NUMBER

507-1008497

LandAmerica Commonwealth

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

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Pennsylvania corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
   (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy, or
   (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

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

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Attest: _____ Secretary

By: _____ President

NOTICE IS HEREBY GIVEN THAT THIS POLICY IS SUBJECT TO ARBITRATION PURSUANT TO THE PROVISIONS OF CHAPTER 48 OF TITLE 15 (SEC. 15-48-10 ET SEQ.) OF THE SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or domain unless notice of the exercise thereof has been recorded in the public records at encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material); or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
   (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (i) to timely record the instrument of transfer, or
      (a) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A. The term "insured" also includes

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2(a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": 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. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

(a) After Acquisition of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage, (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

(c) Amount of Insurance. The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

(ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or

(iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required, provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of either of the options provided for in paragraphs (a)(i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

CB-00131

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.

CB-00132

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 agent of 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

CB-00135

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

By: _____
President

Attest: _____
Secretary

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

ORIGINAL

CB-00136

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.

11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest and costs of collection.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by the insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of the insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of the insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY.

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at: Consumer Affairs Department, P.O. Box 27567, Richmond, Virginia 23261-7567.

CB-00137

Form B 1191-22B

LOAN POLICY OF TITLE INSURANCE

American Land Title Association (10/17/92)

Issued by

Commonwealth Land Title Insurance Company

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

LandAmerica Commonwealth

LandAmerica Financial Group, Inc.
101 Gateway Centre Parkway
Richmond, Virginia 23235-5153
www.landam.com

THANK YOU.

Title insurance provides for the protection of your real estate investment. We suggest you keep this policy in a safe place where it can be readily available for future reference.

If you have questions about title insurance or the coverage provided by this policy, contact the office that issued this policy, or you may call or write:

Commonwealth Land Title Insurance Company
Consumer Affairs
P.O. Box 27567
Richmond, Virginia 23261-7567
telephone, toll free: 800 446-7086
web: www.landam.com

We thank you for choosing to do business with Commonwealth Land Title Insurance Company, and look forward to meeting your future title insurance needs.

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

LandAmerica Commonwealth

SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF

EXHIBIT 5

PROBLEM LOAN ACTION REPORT WORKSHEET

ACCOUNT OFFICER	John Natale	STATUS REVIEW DATE	12/31/12
ORIGINATING OFFICER	Jay Davis	SCAN TIN/SS#	339-44-8157 & 57-1080247
BORROWER	Show Me The Money, Inc (Kenneth Bennett)	CUSTOMER SINCE:	1/24/2005
ADDRESS	3923 E State Street, Rockford, IL 61108	CREDIT GRADE	7 NA BY: Credit Admin
NATURE OF BUSINESS	Real Estate holding company	TOTAL DEBT	$ 59,754.86 as of: 12/31/12
WHY GRADED?	Lack of cash flow from operating car washes; little to no guarantor cash flow support	CONSUMER/COMMECIAL	Commercial DATE GRADED: 08/31/10
COLLATERAL DEPENDANT?	Yes		

LOANS & STATUS UPDATE

BORROWER & (GUARANTORS) / ACCT #	ORIGINAL BALANCE	ORIGINATION DATE	MATURITY DATE	RATE & TERMS (i.e., Interest,Mos, P&I, I only)	PRINCIPAL BALANCES: CURRENT BOOK	PRINCIPAL BALANCES: TOTAL PRINCIPAL	COVERED Y/N	# DAYS PAST DUE	RECOMMENDED CLASSIFICATION: WATCH	OAEM	SUBSTA	DOUBT	PREVIOUS CHARGE-OFF	Interest Pa on Non-Acc
Show Me the Money, LLC														
	$ 100,000.00	11/01/07	08/20/13	Prior rate of 8.28%, P & I based on 20 Yr AM, 60 mos term, all P & I at mat. Renewed at 6.95%, pmt $840.85 mo *Int NA on 3/1/10* *Int Lost $344.86*	$ 59,754.86	$ 82,153.36	Y	0			X		$ 14,409.98	$ 7,6
Richard K. Bennett, 100% J&S				Deeded to HP Properties of SC, LLC on 3/29/10										
8001381														
Kenneth E. Bennett														
	$ 497,450.00	11/01/07	10/03/10	Rate 8.28%, IO for 12 mos, extended 2x. Matured. *Int NA on 3/1/10* *Int Lost $49,496.27*	$ -	$ 497,450.00	Y	912			X		$ 497,450.00	
Title Suit Action ongoing														
8001376														
Show Me The Money, LLC														
	$ 525,000.00	03/20/08	03/20/16	Rate 7.75%, P & I monthly based on 28.50 Yr MA, all P & I to balloon at mat. 3/20/16, 10 Yr term	$ -	$ 498,508.12	Y	0			X			
Kenneth E. Bennett, 100% J&S				Anderson Bank branch sale RR 7 Accrual										
8000490														
*Participation with Independence National Bank - 100% bought Ln#98000490														
				TOTAL	$ 59,754.86	$ 1,078,111.48	SPECIFIC RESERVE			$ -			$ 511,859.98	$ 7,6

13-00434

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COLLATERAL (Attach Collateral Analysis)

ACCT #	COLLATERAL DESCRIPTION	LIEN POSITION	COLLATERAL VALUATION					MARGINED LOAN VALUE	CURRENT LTV %	CROSS COLL. with ACCOUNT
			SOURCE	METHOD	DATE	VALUE AMT	MARGIN %			
8001381	5201 Hwy 187 Anderson, SC (Commercial Building) 2,275 sq ft office warehouse bldg, leased to David Dorr Masonry & Construction Services TMS #045-00-09-002	1st	Appraisal Associates of Clemson, Inc. - Deanna R. DeFoor, MAI	As-Is	08/21/12	$ 75,000	80.00%	$ 60,000	79.67%	
8001376	Twin Rivers Marina on Lake Greenwood, Greenwood SC *Value $0.00 1st Mtg not perfected	1st	[illegible]	As-Is	03/13/[illegible]	$ -	[illegible]%	$ -	[illegible]%	
	130 Squirrel Drive, Waterloo SC *Value $0.00 1st Mtg not perfected	1st -	[illegible]	[illegible]	01/08/10	$ -	[illegible]%	$ -	[illegible]%	
8000490	Certus Bank Branch 1510 North Main Street Anderson SC 29621, TMS #123-27-11-010, 0.60 acre site, building containing 3,158 sq ft, former BB&T branch.	1st	CAA Real Property Services - Tim Tucker and Wes Hasty		11/23/09	$ 465,000	80.00%	$ 372,000	107.21%	
						$ 75,000			1437.48%	

FINANCIAL INFORMATION

As of 9/30/11, financial information in file from early 2010 on Ken Bennett and unknown last date of financials for Rich Bennett. Majority of credits haven been foreclosed on and in Bank ORE.

As of 12/31/11 - The only performing credit to date is the CertusBank branch in Anderson on N. Main St that is 100% participated with Independence National Bank here in Greenville. To date no updated personal financial information on Ken Bennett or the borrowing entity, Show me the Money, Inc. Last known in file from 2008. Last PFS from 2/2010 on Bennett.

As of 3/31/12 - the only two remaining performing loans, Ln#8001381 on 5201 Highway 187, Anderson, SC a commercial building and Ln#8000490, the 100% participatin loan with Independence National Bank on the CertusBank branch site in Anderson, that Certus services the payment directly to INB. The commecial building is/was leased to David Dorr Masonry & Construction Services, LLC and the lease income generates

As of 6/30/12 - commercial building appraisal updated, some decline in value from $80m to $75m, no other pertinent information to report, otherwise the two loans continue to pay as agreed.

AS of 9/30/12 - No updated financials at this time.

As of 12/31/12 - New AM to meet with Borrower and family members to obtain updated financials in 1Q13

As of 3/31/13 - no new financials. Loan # 8001381 to be paid off via settlement in 2Q13.

BORROWER AND GUARANTORS (000)

NAME - SOURCE - DATE	Liability %	LIQUID ASSETS	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH			PERSONAL INCOME	CONTINGENT LIABILITIES	DEBT SERVICE COVERAGE
					AMOUNT	LESS CLOSE HELD ASSETS	CENTERED IN (DESCRIBE)			
Kenneth E. Bennett - PFS - 2/4/10	100%	$ 25.0	$ 37,708.0	$ 28,592.5	$ 9,115.4			$ 450.0		
Richard Bennett - unk										

CORRECTIVE ACTION PLAN (How will we eliminate as a criticized asset?)

THE FOLLOWING SUMMARIZES THE PLANNED ACTION AND EXPECTED RESULTS TO ELIMINATE THIS ASSET FROM CRITICIZED/CLASSIFIED STATUS. THE SPECIFIC ACTIONS TO BE TAKEN, COMPLETION DATES AND EXPECTED RESULTS ARE IDENTIFIED TO ACCOMPLISH THE PLAN.

ACTION PLAN DATE: 03/31/13 Overall Strategy: Retain Customer? Yes [ ] No [X]

PLAN A (Primary) SUMMARY

As of 9/30/11 - Primary action plan to date has been working through the legal process on the various commercial buildings via foreclosure and Mr. Bennett continues to pay on the commercial building on Hwy 187, Liberty Highway in Anderson by deed assignment to HP Properties of SC, LLC, Rich Bennett's wife, Heather. Loan is partially charged off and been on NA since March 2010.

As of 12/31/11 - Action plan update, continue on same path of asset management of ORE properties, explore legal action on the Twin Marina loan (#8001376) due to lack of perfection of mortgage, Note Suit under way, waiting on judgments. Certus Bank branch continues to pay as agreed due to Bank paying lease income. Need to clarify if Indepence Nat'l Bank collecting rent directly from CertusBank, Furman Co. HP Properties of SC, LLC will be maturing in July 2012.

As of 3/31/12 - Action plan is to continue to monitor with Bank counsel the ongoing title suit and claim with Chicago Title, that issues a James Balk lender's policy on the Twin Rivers Marina, whereas mortgage lien was never perfected in Greenwood County on the Marina and rv sites. Additionally bank was to have a 1st on a small mobile home and lot at 130 Squirrel Drive, Waterloo, Laurens County, SC. Both claims underway. Taxes paid on the other two Show Me the Money loans, the HP Properties of SC conveyed commercial building that SMTM paid on 3/12/12 and the Bank branch site, that the Bank paid as the Tenant.

As of 6/30/12 - Action plan update was to order new appraisal report on the SMTM Ln#8001381, in the name of HP Properties of SC, LLC , now value shows slight decline from $80,000 to $75,000, tenant of David Dorr Masonry on a month to month lease of $1,000. Estimated NOI of $79,050 with a cap rate of 10.00%, with updated and re-established value, no impairment charge and loan continues to pay as agreed, continue to monitor. As to the Twin Rivers marina loan, Bennett has contacted counsel in an effort to settle, Bank has to determine figure willing to start negotiations with.

As of 9/30/12 - Negotiations with Borrower on loan #8001376 continue. Suit against title company is in process. Continue to monitor payment on all other loans.

As of 12/31/12 - New AM to meet with Borrower in an attempt to kickstart negotiations with Borrower on loan #8001376. Suit against title company is in process. Charge off of the full amount process in 4Q12 given the determinatino that we are unsecured. Continue to monitor payment on all other loans.

As of 3/31/13 -Receive settlement proceeds on #8001381. Continue title suit on Ln #8001376. Monitor payments on loan #8000490.

PLAN B (Contingency) SUMMARY

As of 9/30/11 - Secondary action plan on remaining loan that is current, if begin to slow pay, if an event of default is triggered, then proceed with legal action as well. Participated loan with Independence National Bank is the CertusBank branch in Anderson, continues to pay as agreed, discuss how this loan continues once all other debt is worked through. Also appraisal report dated 11/23/09 show a value below loan amount, yet no charge off to date.

As of 12/31/11 - same as above, need to clarify A/V on the CertusBank branch site in Anderson and if any charge off is warranted or need updated appraisal to substaniate such.

As of 3/31/12 - Unsure of Bank's plans to stay in the branch building in Anderson, whether will renew lease again or allow through loan term in 2016. This loan continues to pay as we are tenant. Unsure how Independence National Bank will continue to treat loan on their end as 100% participant. The Kenneth Bennett loan #8001378 on the Twin Rivers Marina and Squirrel Drive mobile home are still in process of Title claim with Chicago title, await claim, or need to proceed with Note suit, though unlikely gain, since Bank already has suit on Bennett as well as other financial institutions.

As of 9/30/12 - No changes at this time

DATE/SPECIFIC ACTION TO BE TAKEN and EXPECTED RESULTS	COMPLETION DATE PLAN	DATE & STATUS
As of 9/30/11 - Bank has taken back into ORE two loans, a retail/office building in Easley and Caribbean Car Wash on N. Murray Ave in Anderson	Complete	9/30/10 - foreclosure has been completed on these two loans and collateral has been further impaired and now resides in ORE.
Any further events of default by Bennett will trigger legal process on remaining active loan.		
12/31/11 - Continue with Note Suit on the Twin Marina/Squirrel Dr loan, through a title policy claim via RCCP, Sean Faulkner, may move to NMRS since Sean now with them. Work through Asset disposition on two ORE properties and monitor two remaining paying loans, the Hwy 187 Liberty commercial bldg and the CertusBank branch site in Anderson	Ongoing	Note suit/title policy claim underway with counsel.

3/31/12 - Continue to monitor payments on the two remaining, performing loans, the Anderson County RE Taxes are showing PAID for 5201 Hwy 187, the leased commercial building, paid $1,378.50 on 3/12/12 Bank has paid the Anderson County RE Taxes for the Bank branch in Anderson on Main St. $11,274.49 paid on 4/17/12 Sean Faulkner, bank counsel continues with title suit on Kenneth Bennet loan on the Marina in Greenwood	06/30/12	Hope to have resolution on title suit and claim by end of 2nd quarter 2012.
6/30/12 - The title dispute claim had some traction with a deposition scheduled with Ken Bennett, that at last minute, he postponed due to family illness. Then would later offer a settlement on the note with a non-arm's length purchaser for the Marina, this was communicated through Attorney for Chicago Title to Bank counsel. Bank to consider what it would settle for on this loan if a written offer is made.	09/30/12	Waiting to have a written offer from the Bennett camp as to a potential purchase of the Marina and what Bank would be willing to short sell for if at all.
Monitor process on title claim	Ongoing	
Continue dialog with Borrower on settlement offer	1Q13	Settlement agmt reached on loan 80013811; 90% DPO to be received in 2Q13

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PRESENT STATUS SUMMARY

THE FOLLOWING IDENTIFIES THE STATUS OF THE ACTION PLANNED TO ELIMINATE THIS ASSET FROM CRITICIZED/CLASSIFIED STATUS. IN ADDITION TO THE STATUS OF SPECIFIC ACTIONS, DATES AND RESULTS, INDICATE ANY REQUIRED ADJUSTMENTS MADE TO THE ABOVE ACTION PLAN AND WHY. THIS CUMULATIVE STATUS WILL BE UPDATED PERIODICALLY FOR REVIEW WITH THE LOAN COMMITTEE.

09/30/11	Action plan results to date have been to continue to work through the foreclosure process on the properties that have been identified above, the remaining active loan for the commercial building on Hwy 187 in Anderson (Ln#8001381) appears to be paying as agreed.
12/31/11	Bank counsel is awaiting correspondence on the title claim with the Title policy insuror, Bank's exit plan on the Twin Marina loan is that though mortgage is not perfected, Title company wrote title that Bank was, submit claim under title policy and receive our payoff as attributed to the Twin Marina collateral. Look to resolve by 2nd quarter 2012.
03/31/12	The commercial building loan continues to pay as agreed, the RE Taxes are paid and insurance is current, the loan does not mature until August 2013, have now reached out to Heather Bennett on financials for this loan as well as other two under loan name to HP Properties of SC, LLC. The Bank leases the bank branch site in Anderson and continues to make the loan payments, which then go 100% to Independence National Bank, unsure of lease terms, the loan does not mature until March 2016. Status is to continue to monitor and watch for timely loan payments.
06/30/12	Sean Faulkner, counsel for the Bank communicated that Chicago Title attorney had communicated to him that Ken and Richard Bennett had wanted to offer a settlement on the Twin River Marina loan that the Bank does not have a perfected 1st mortgage lien interest in. Bank counsel would suggest to submit a written offer to the Bank of a potential non-3rd party purchaser on the Marina.
9/30/2012	Offer has not been received from Borrower on settlement. Other loans continue to pay as agreed. Claim against title company remains in process.
12/31/2012	Bank fully charged off loan# 8001378 in 4Q12 given the loans have been deemed unsecured because a title updated showed that the bank never received a mortgage on the properties.
	Borrower has gone silent on offer to settle on that loan. New AM to attempt to restart those discussions in 1Q13.
	All other loans are paying as agreed.
3/31/2013	90% DPO agmt reached with Rich Bennett on loan #8001381 to be paid by end of 2Q13.
	Title suit remains on going on the marina loan.
	Loan #8000490 continues to pay as agreed.

PROBLEM LOAN REVIEW NARRATIVE

THE FOLLOWING IS A CUMMULATIVE SUMMARY REGARDING THIS PROBLEM LOAN RELATIONSHIP. THE INFORMATION WILL BE UPDATED PERIODICALLY FOR REVIEW WITH THE LOAN COMMITTEE.

CURRENT DATE	PROVIDE A SUMMARY FOR EACH OF THE FOLLOWING ISSUES:
A.	**DESCRIBE NATURE AND CAUSE OF PROBLEM (Provide supporting information including CDI, Smart Numbers, Vacancy data, and other market analysis.):**
09/30/11	Bennetts were heavily involved in residential and commecial real estate development and speculation, when economy turned, they did not have the cash flow from outside sources to be able to satisfactorily service all contingent liabilities. Author is aware of other financial institutions where Borrowers had heavy debt, either had to foreclose on or give back to Banks. Believe several judgments pending or filed against both Ken and Rich.
12/31/11	Ken Bennett continues to pay on the Hwy 187 Commercial bldg and the CertusBank branch loan is self-funding. Other loans were assigned to HP Properties of SC, to Heather Bennett, Rich's wife. Bank has two loans in ORE, two car washes, Furman Co managing or overseeing management, look to dispose of by 1st or 2nd quarter 2012.
03/31/12	The loan problem to deal with presently is the lack of two perfected mortgages on the two pieces of collateral on Ln#8001378 in the name of Kenneth E. Bennett, whereas Bank discovered did not have 1st mortgages in Greenwood and Laurens County, though had a Title policy contrary to such that was prepared by James Belk. Bank counsel is now suing the Title company, Chicago title on a title claim and hope to be made whole on this exposure of $497,450.
06/30/12	The Chicago Title claim has been in arbitration and was scheduled to have a deposition by Ken Bennett, who post-poned his deposition hearing due to mother's illness back in Illinois. Bank counsel would further inform us that Bennett apparently made an offer to bring a non-3rd party purchaser to the table to buy the Twin Rivers Marina at a short sale price, as would not satisfy the loan balance, and Bank would need to release if agreed upon. Bank counsel strongly urged Bank to consider a final amount on this loan as a way to expedite a settlement without further legal costs and as the Title insurance would only pay the current appraisal value note the Note amount.
09/30/12	No new issues
12/31/12	Bank determined after title search that bank never received a mortgage on the properties securing the marina loan and thus charged off the entire balance in 4Q12.
03/31/13	No changes.

B. SUMMARY OF CHANGES IN LOAN COMMITMENT OUTSTANDINGS SINCE LAST PROBLEM LOAN REPORT

09/30/11	Prior outstandings as of 6/30/11 were TCE of $979m, now as of 9/30/11 TCE is $972m, total charge offs to date on all Bennett related loans of $131.3m
12/31/11	The TCE as of 9/30/11 was $972m, now as of 12/31/11 is $458.9m, now charge offs of $685.6.
03/31/12	The 12/31/11 TCE was $458.9m, now as of 3/31/12, has been slightly reduced to $458.3m, this is reflective of the book values. The Legals are more since the participation is now factored in at exposure of $1,066,0423.
06/30/12	The 3/31/2012 TCE was $458.3m, now as of 6/30/12, has been slightly reduced to $457.2m, this is reflective of the book values. The Legals are more since the participation is now factored in at exposure of $1,066,008
09/30/12	Normal amortization on the performing loans.
12/31/12	Processed full charge off of loan #8001376 i/a/o $386,400 in 4Q12
	Normal amortization on the performing loans
03/31/13	No changes.

C. FINANCIAL SUMMARY OF BORROWER AND GUARANTORS (Include interest reserve):

09/30/11	No further financial information available on either borrowing entity or U/G's of Rich or Ken since last file review. Will need on Ken as he continues to service Ln#8001381.
12/31/11	Loan #8001381 is deed assigned to HP Properties of SC, LLC and is most likely being paid by Heather Bennett. Her other loans that were work outs on other Rich Bennett related loans will be maturing in July 2012, will need updated financial info prior to this event.
03/31/12	Have now requested updated financials from HP Properties, expect to have to ask for copy of this lease on the Show Me the Money small commercial office/warehouse building to David Dorr Masonry & Construction, if they still lease the space, assumably do. Will most likely not receive any financials from Ken or Rich Bennett on these loans due to ongoing financial issues.
06/30/12	Have received updated financials and are in process of collecting K-1 partnership statements on HP Properties of SC, LLC for Heather Bennett. Do not expect any updated financial information from either Ken or Rich Bennett as to Show me the Money, Inc. Have requested SMTM tax returns and financial statements in reference to the Bank branch loan and the commercial building loan.
09/30/12	No updated financials at this time.
12/31/12	No updated financials at this time.
03/31/13	No updated financials at this time.

D. COLLATERAL POSITION SUMMARY (Include information regarding adequacy of collateral):

09/30/11	Received updated appraisal on properties that are now in ORE, also on remaining commercial property that is still active and being paid as agreed to date. Continue to monitor loans and properties for any signs of distress.
12/31/11	May need to order an updated appraisal on the CertusBank branch in Anderson, loan #8000490, value from 2009 shows at 109% LTV, A/V $465m, against loan balance to Independence of $505.7
03/31/12	As to Ln#8001381 i/n/o Show me the Money, this is a commercial office/warehouse building, containing 2,275 total sq ft, 185 sq ft of office, 2,090 sq ft warehouse, on 0.88 acre tract with frontage on Hwy 187, Anderson. The building is leased to David Dorr Masonry & Construction Services, LLC. This site is just south of I-85 and northwest of Lake Hartwell and downtown Anderson. TMS#045-00-09-002 and conveyed to HP Properties of SC, LLC. Terms of the lease as per the Appraisal report last in file from 4/15/11, was $12,000 per year or $5.27 psf, this is a gross lease with Lessor paying taxes, insurance and responsible for Utilities. NOI determined based on market data, 7% vacancy ($840), then 3% management fee ($335), $0.10psf repairs/maintenance ($228), reserves $0.10 psf ($228) and Taxes & Insurance $2,382, total of $3,173 or 26% of gross income, for NOI of $7,987, employ a Cap Rate of 10%, gave value of $79,870, rounded up to $80,000.
06/30/12	As to Ln#8000490 i/n/o Show me the Money, this is a branch building on 0.60 acre site on corner of N. Main Street and E. Highland Ave in downtown Anderson, SC. The bank building contains 3,156 sq ft, with four offices, foyer, open CSR area, lobby, teller area and Vault. Also a drive up area with ATM. There is light parking on sides and back of building, no parking in front. Building built in 1974. Bank ordered updated appraisal report on just the commercial industrial building that still house the David Dorr Masonry and Construction, new value of $80,000 based on the income approach, determined $12,000 as gross income and then expenses of 22.5%, to an NOI of $7,905 with a cap rate of 10%. Therefore, both appraisal reports appear to be in line with market conditions.
09/30/12	No updated valuations for this period.
12/31/12	No updated valuations for this period.
03/31/13	No updated valuations for this period.

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 **CERTIFICATE OF SERVICE**

I, Katy M. Berdugo, a paralegal of Covington, Patrick, Hagins, Stern & Lewis, P.A. do hereby certify that a copy of **DEFENDANT'S TWIN RIVERS RESORT, LLC SECOND REQUESTS FOR ADMISSIONS TO PLAINTIFF** was served on **OCTOBER 23, 2013** upon the parties in interest shown below as follows:

VIA HAND-DELIVERY
E. Zachary Horton, Esq.
Brown, Massey, Evans, McLeod & Haynsworth, LLC
106 Williams Street
P.O. Box 2464 (29602)
Greenville, SC 29601

VIA FIRST-CLASS U.S. MAIL
W. Reid Cox, Jr., Esq.
Cox & Ferguson
P.O. Box 286
Laurens, SC 29360

Katy M. Berdugo

Katy M. Berdugo, Paralegal
COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A.
211 Pettigru Street
P.O. Box 2343 (29602)
Greenville, SC 29601
(864) 240-4200

Greenville, South Carolina

DEFENDANT'S EXHIBIT E
ALL-STATE LEGAL

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.

SCANNED

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

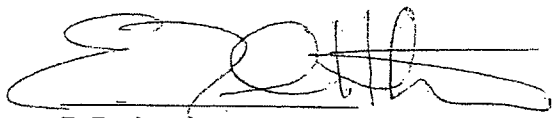
Greenville, South Carolina
December 5, 2013

STATE OF SOUTH CAROLINA COUNTY OF LAURENS Certus Bank, N.A., Plaintiff vs. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC Defendants.	IN THE COURT OF COMMON PLEAS 2011-CP-30-00583 **CERTIFICATE OF SERVICE**

I, E. Zachary Horton, do hereby certify that a copy of the PLAINTIFF'S RESPONSES TO SECOND REQUESTS FOR ADMISSIONS BY DEFENDANT TWIN RIVERS RESORT, LLC, were served on December 5, 2013, upon the parties shown below:

HAND DELIVERED
T. S. Stern, Jr., Esq.
Covington, Patrick, Hagins
Stern & Lewis, P.A.
211 Pettigru Street
Greenville, SC 29601

BY MAIL
W. Reid Cox, Jr. Esq.
Cox & Ferguson
P.O. Box 286
Laurens, SC 29360



E. Zachary Horton
Brown, Massey, Evans, McLeod
& Haynsworth, LLC
P.O. Box 2464
Greenville, SC 29602

Greenville, SC
December 5, 2013

Roe Cassidy Coates & Price PA

DEFENDANT'S EXHIBIT F ALL-STATE LEGAL

D. SEAN FAULKNER
DIRECT DIAL: 864•349•2605
E-MAIL: SFAULKNER@ROECASSIDY.COM

FEBRUARY 18, 2011

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Commonwealth Land Title Insurance Company
Attention: Consumer Affairs Department
P.O. Box 27567
Richmond, Virginia 23216-7567

RE: Loan Policy 507-1008497 issued to CommunitySouth Bank and Trust on property located in Laurens County, South Carolina ("Title Policy")
RCCP File No. 0885.0215

Dear Sir or Madam:

We are counsel to CertusBank, N.A., successor in interest to certain assets of CommunitySouth Bank and Trust (the "Bank"), your insured under the above mentioned Title Policy. This letter is being written to you on behalf of the Bank to provide you with written notice of a loss incurred by the Bank and covered by the Title Policy.

As background, this firm was originally retained by the Bank to handle a possible loan modification involving a promissory note which is secured by the insured mortgage lien. The promissory note which is the subject of this letter was executed by Kenneth E. Bennett ("Borrower") on or about November 1, 2007, in the amount of Four Hundred Ninety Seven Thousand Four Hundred Fifty and 00/100 Dollars ($497,450.00). Simultaneously therewith, Borrower executed a first mortgage lien in favor of the Bank in the same amount which mortgage was recorded on December 10, 2007, in the Clerk of Court's Office for Lauren's County, South Carolina, in Mortgage Book 1727, at Page 1 (the "Mortgage"). The loan was closed by attorney James S. Belk, 1202 N. Main Street, Anderson, South Carolina 29621, who also wrote the Title Policy in favor of the Bank insuring the mortgage lien.

The Mortgage and the Title Policy show title to the land being vested in the name of Kenneth E. Bennett at the time the mortgage was recorded. Our review of the chain of title for the land indicates that title was vested in the name of JKR Development, LLC at the time the mortgage was recorded. Our title review also shows that Borrower has never held title to the property. Title to the land is currently vested in Twin Rivers Resort, LLC.

Enclosed is the Proof of Loss or Damage Affidavit as required under paragraph 5 of the Conditions and Stipulations clause of the Title Policy. Demand is hereby made that the Title Company tender payment of $497,450.00 to the Bank.

We have included copies of all of the documents referenced in this claim. If you require any further information from the Bank, please contact me at the address and number provided in this letter. Moreover, if you believe that this claim is inadequate for purposes of making a claim under the Title Policy, please contact us promptly and identify any deficiency you may find in this claim so that we can correct it.

Yours very truly,

ROE CASSIDY COATES & PRICE, P.A.

D. Sean Faulkner

DSF/cmp

Enclosures

TITLE INSURANCE PROOF OF LOSS AFFIDAVIT

Name of Insured(s): CertusBank, N.A., successor in interest to certain assets of CommunitySouth Bank and Trust

Address of Insured(s): 6602 Calhoun Memorial Highway, Easley, SC 29642

1. Our interest in the Properties is as Mortgagee.

2. The policy number for the Loan Policy involved in this claim is as follows: 507-1008497

3. The name of issuing agency and the issuing agent is James S. Belk, 1202 N. Main Street, Anderson, South Carolina 29621.

4. A description of the problems we believe affects title to the property is as follows:

The insured Mortgage and the Title Policy show title to the land as being vested in the name of Kenneth E. Bennett at the time the mortgage was recorded on December 10, 2007. Our review of the chain of title for the land indicates that title was vested in the name of JKR Development, LLC on December 10, 2007. Our review of the chain of title also shows that Kenneth E. Bennett has never held title to the subject property. Title to the land is currently vested in Twin Rivers Resort, LLC. Kenneth E. Bennett is now in default of his obligations to the Insured under the mortgage note and the Insured does not have a valid mortgage lien upon which to foreclose. The principal, interest and late fees now due and owing under the mortgage note as of the date of this instrument is $ 510,400.15 , which exceeds the amount of insurance under the Title Policy.

5. The total amount insured under the policies listed above is $497,450.00. The amount of loss or damage which has been caused by the title problems is $497,450.00.

CERTUSBANK, N.A., SUCCESSOR IN INTEREST TO CERTAIN ASSETS OF COMMUNITYSOUTH BANK AND TRUST

By: _____

Title: OFFICER

STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

SWORN AND SUBSCRIBED before me, the undersigned authority, this 15th day of February, 2011.

_____
Notary Public

My commission expires: 12-18-18

KENNETH E. BENNETT 8004 HIGHWAY 24 TOWNVILLE, SC 29689 **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.	Loan Number 8001378 Date 11-01-2007 Maturity Date 05-03-2009 Loan Amount $ 497,450.00 Renewal Of Officer # 001

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 11-01-2007. 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 11-01-2007 at the rate of 8.180% per year until 05-03-2009.

☐ **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: ORIGINATION FEE $500.00, APPRAISAL FEE $800.00, APPRAISAL FEE $1,400.00 AND FLOOD FEE $14.00.

PAYMENTS: I agree to pay this note as follows:

17 monthly interest payments ranging from $3164.89 to $4860.36 beginning 12-14-2007 and 1 payment of $499,597.60 on 05-03-2009.

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.

Signature for Lender

Jay Davis, Senior Vice President

KENNETH E. BENNETT

DEFINITIONS: As used on page 1, "I," "me," "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 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
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	

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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 8602 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.

Signature for Lender

Jay Davis, Senior Vice President

KENNETH E. BENNETT

SOUTH CAROLINA - UNIVERSAL NOTE

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DEFINITIONS: As used on page 1, "☒" means ...e 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 a... 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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LOAN POLICY OF TITLE INSURANCE

Issued by **Commonwealth Land Title Insurance Company**

POLICY NUMBER

507-1008497

LandAmerica Commonwealth

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

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Pennsylvania corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
   (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
   (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

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

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Attest: _____ Secretary

By: _____ President

NOTICE IS HEREBY GIVEN THAT THIS POLICY IS SUBJECT TO ARBITRATION PURSUANT TO THE PROVISIONS OF CHAPTER 48 OF TITLE 15 (SEC. 15-48-10 ET SEQ.) OF THE SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or domain unless notice of the exercise thereof has been recorded in the public records at encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material); or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
   (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (i) to timely record the instrument of transfer; or
      (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A. The term "insured" also includes

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2(a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": 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. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

(a) After Acquisition of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

(c) Amount of Insurance. The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

(ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or

(iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of either of the options provided for in paragraphs a(i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

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.

12.23.2014

CB-00622

158

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 said 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 agent of 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

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

File No.: B-1050

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

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.

11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest and costs of collection.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by the insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of the insured mortgage as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of the insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the law of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY.

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at: Consumer Affairs Department, P.O. Box 27567 Richmond, Virginia 23261-7567.

CB-00628
164

Form B 1191-22B

LOAN POLICY OF TITLE INSURANCE

American Land Title Association (10/17/92)

Issued by

Commonwealth Land Title Insurance Company

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

LandAmerica Commonwealth

LandAmerica Financial Group, Inc.
101 Gateway Centre Parkway
Richmond, Virginia 23235-5153
www.landam.com

THANK YOU.

Title insurance provides for the protection of your real estate investment. We suggest you keep this policy in a safe place where it can be readily available for future reference.

If you have questions about title insurance or the coverage provided by this policy, contact the office that issued this policy, or you may call or write:

Commonwealth Land Title Insurance Company
Consumer Affairs
P.O. Box 27567
Richmond, Virginia 23261-7567
telephone, toll free: 800 446-7086
web: www.landam.com

We thank you for choosing to do business with Commonwealth Land Title Insurance Company, and look forward to meeting your future title insurance needs.

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

LandAmerica Commonwealth

12.23.2014

SUMMARY SHEET

County Lawrence
Attorney Lee Cassedy
Date 1/9/11 @ 9.00
Type Update Copy Costs $ 5.00 from pkg

Current Owner Jura Rivers Resort LLC

combined w/ 040

Block Book Number 309-00-00-028 Lot Number

Subdivision Section/Phase

~~Subdivision~~ Plat Book/Page A244/3 & 62/940 Lot Plat Book/Page

DERIVATION: By Deed/~~Estate~~ of Bennett & Greenwood LLC

Book 1002 Page 171 Date 14 Sept 10 Recording Date 17 Dec 10

2010
Taxes: District 55 D171 Mileage Value 575 00

Amount of Taxes$ 1613.49 Date Paid Due Deliquent none

Rollback$

MORTGAGES:

Kenneth E Bennett Book/Page 1727/1
$ 487450
TO Community South Bank + Trust Date 10 Dec 07
1727/10 Assn of Lessees

M to rel did not pay property Book/Page /
$
TO Date

UCCs or ADDITIONAL MORTGAGES:

Book/Page /
$
TO Date

Book/Page /
$
TO Date

PURCHASERS N/A

Judgments none

Lis Pendens none State Tax Liens none Federal Tax Liens none

Mechanics Liens/Attachments none Mental Health Liens none Probate —

If you would like for Barrett's Paralegal Services, Inc. to update And record for you, please return a copy of this form.

Updated @

TO ALL ATTORNEYS. THIS IS NOT A LEGAL OPINION.
Please review all notes. This is merely a summary sheet and all details of The title search may not be included. This information was gathered by a Search of the County records and Barrett's Paralegal Services, Inc. disclaims Any and all liability for errors and omissions in the public records or with the Computer system used.

Deeds
Mortgages
Federal Tax Liens
State Tax Liens
Judgments
Lis Pendens
UCCs
Probate

Laurens County



HOME FIND IT HERE CITIZEN SERVICES COUNTY GOVERNMENT

South Carolina

Online Tax Search, View, and Pay

BENNETT OF GREENWOOD LLC
33 TWIN RIVERS ROAD
WATERLOO , SC 293840000

Record Type: Property
Receipt No.: 003240-10-3
Tax Year: 2010

Status: Current
Base Amount: $1,013.49
Penalties & Cost: $0.00
Balance Due: $1,013.49

Payment Status: Unpaid
Paid Date:
Paid Amount: $0.00

Penalty Date	Amount Due
January 16	3%
Feburary 2	10%
March 17	15%

Map No.: 309-00-00-028
District: 55 D171
Assessed Value: 3,450
Fair Market Value: 57,500

Description: TRACT B

Add To Cart

View Payment Cart (0)

Update Mailing Address information

Search For Additional Records

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Could be paid if paid today
Check online to see.

CHAIN OF TITLE

Owners and Dates	Conveyances	Mortgages	Federal Tax Liens	Mechanic's Liens	State Tax Liens	Judgments	Divorce	Lis Pendens	Probate	Mental Health Liens
Bennett & Greenwood, LLC 3/08 →	1002/172	~~1736/196~~ Rosewood 1928/213	✓	✓	✓	✓		✓		
JKR Development LLC → 2/08 1/06	Cool Water Way ~~813/217~~ Douglas Ave ~~841/87~~ 873/208	1527/116 1539/260 50' ~~1539/267~~ Asst of Lease ~~1561/284~~ Lot 3 Set	✓	✓	✓	✓		✓		
Bennett, Kenneth E		1727/1 1764/63 Lot 3 ~~1604/3~~ Wildbridge 1727/10	✓	✓	✓	✓		✓		

CHAIN OF TITLE

Owners and Dates	Conveyances	Mortgages	Federal Tax Liens	Mechanic's Liens	State Tax Liens	Judgments	Divorce	Lis Pendens	Probate	Mental Health Liens
Twin Rivers Resort, LLC 12/10 ⇒	✓	✓	✓	✓	✓	✓		✓		
	1.43 Ac. A2443 2.22 Ac. 62/940 Lot 3 Virginia Meadows									
more applicable LP 10-432, Harbor Drive 10-439 10-440 10-	not subj. lots	—								

TITLE TO REAL ESTATE (By Corporation)—Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S.C.
Misc/Remote

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 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.

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

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: 33 TWW 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 my 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 willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this 14th day of September 20 10

(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.

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 from deed
Parcel 2 + 3 replaced

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 DATE | 873 BOOK | 258 PAGE | Sandy 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. Caimes, 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 941, 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 05.

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

Witness (1)

By: Kenneth E. Bennett

Witness (2) or notary

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, 2005.

Notary Public for WAUKEGAN CITY
My commission expires: 5/19/11

(SEAL)

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

JKB 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 S. 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: 10-2-2013

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

By: James Hendershot

Its: Manager

---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: June 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 willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

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 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 12-24-30, 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, siblings, 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.

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

55D171

TITLE TO REAL ESTATE

3923 East State Street
Rockford IL 61108

BK:00768 PG:00312
200601013 02/01/2006
TIME:01:06P
LAURENS COUNTY SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS)

KNOW ALL MEN BY THESE PRESENTS, that CRESCENT LAKE, LLC A Limited Liability Company chartered under the laws of the State of SC and having a principal place of business at Fountain Inn, State of SC, in consideration of SIX HUNDRED FIFTY THOUSAND & 00/100 ($650,000.00) 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:

LAURENS COUNTY'S OFFICE
309-00-00-040
TMS 309-00-00-028

JKR DEVELOPMENT, LLC

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.

This being the same property conveyed to the Grantors herein by deed of David Donald Dillard, recorded in Deed Book 450 at Page 110, on January 6, 1999.

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 Grantors herein by deed of Sammy G. Abercrombie recorded in Deed Book 455 at Page 262 on March 1, 1999.

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.

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 heirs, successors and assigns, forever. And, the grantor(s) do(es) hereby bind the grantor(s) and the grantor(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 against the grantor(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 31st day of January, 2006.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

Robert O. Gross, Jr.
Mandy B. Jones

CRESCENT LAKE, LLC

Sammy G. Abercrombie (SEAL)
SAMMY G. ABERCROMBIE

James M. Hendershot (SEAL)
JAMES M. HENDERSHOT

2-1-06 768 312

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

TITLE TO REAL ESTATE

BK:00768 PG:00313
200601013 02/01/2006

STATE OF SOUTH CAROLINA)
PROBATE
COUNTY OF GREENVILLE)

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 31ST day of January, 2006.

Baety O. Gross, Jr. (SEAL) Mandy B. Jones

NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 10-9-12

200601013
FILED, RECORDED, INDEXED
02/01/2006 01:06P
Bk:00768 Pg:00312
RecFee:10.00 St Fee:1690.00
CoFee:715.00 Pages:2
CLERK OF COURT, LAURENS COUNTY SC
Barbara Wasson, Clerk of Court

QUIT-CLAIM DEED—Prepared by W. Reid Cox, Jr., Attorney at Law, Laurens, S. C.

03-113 JKR Development, LLC

PLEASE DO NOT PUBLISH IN NEWSPAPER

LAURENS CO ASSESSORS OFFICE
TMS:
309-00-00-028

2007009461
DEED
RECORDING FEES $10.00
STATE TAX $0.00
COUNTY TAX $0.00
PRESENTED & RECORDED
08-06-2007 09:42 AM
LYNN W. LANCASTER
CLERK OF COURT
LAURENS COUNTY, SC
BY: TERESA ATWOOD CLERK
BK: D 844
PG: 149 - 152

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS)

WHEREAS the undersigned previously conveyed a parcel shown on Plat Book 62, Page 940 by deed recorded in Deed Book239, Page 284; and,

WHEREAS it was the intent to convey all the way down to the 440 foot contour line of Lake Greenwood; and,

WHEREAS it appears that a small portion of land was inadvertently omitted from the survey used for said conveyance;

KNOW ALL MEN BY THESE PRESENTS, that I/we

David D. Dillard,

in consideration of the premises and in further consideration of One Dollar, the receipt of which is hereby acknowledged, have remised, released and forever quit-claimed and by these presents do remise, release and forever quit-claim unto

JKR DEVELOPMENT, LLC

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 147, page 759, in the Office of the Clerk of Court for Laurens County.

This is a portion of the property inherited by the undersigned from the estates of his father and mother, John Ernest Dillard and Emma Lou Dillard whose records are found in Laurens County Probate Court file 729, package 17 and 878, page 5, respectively.

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, so that neither the grantor(s) nor his/her/their heirs, nor any other person or persons claiming under them, shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part or parcel thereof, forever.

WITNESS the grantor's(s') hand(s) and seal(s) this 31 day of July, 2007.

SIGNED, sealed and delivered in the presence of:

Brenda Cunningham
(Witness # 1 signs here)

David D. Dillard (SEAL)
David D. Dillard

Sarah B. Mullinax
(Witness # 2 signs here)

08/07/2007	844	149	Sally B Lancaster
DATE	BOOK	PAGE	AUDITOR

STATE OF SOUTH CAROLINA)
COUNTY OF LAURENS)

PROBATE

Personally appeared the undersigned witness and made oath that (s)he saw the within named DAVID D. DILLARD sign, seal and as his/her/their act and deed, deliver the within written instrument and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this 31 day of July, 2007

Sarah B Rhame (SEAL)
Notary Public for SC
My commission expires: 12/10/2009

Sarah B Rhame
Bernita Cunningham
(Witness # 1 signs again here)

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 Lake Greenwood, was transferred by David D. Dillard to JKR Development, LLC on July 31, 2007.

3. The deed is exempt from the deed recording fee because #12
(See Information section of affidavit.)

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: Attorney

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 2nd day of August 2007

(LS)
Notary Public for SC
My Commission Expires: 5/3/2017

W. Reid Cox, Jr.
Responsible Person Connected with the Transaction

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.

34SX

Book 67 Page 759
20070094GU
SMALL PLAT
RECORDING FEES 55.00
PRESENTED & RECORDED:
08-06-2007 09:42 AM
BK: P 67
PG: 759 - 759

SURVEY FOR
JKR DEVELOPMENT LLC
LAURENS COUNTY SOUTH CAROLINA
SCALE: 1" = 50'
DATE: MAY 23, 2007

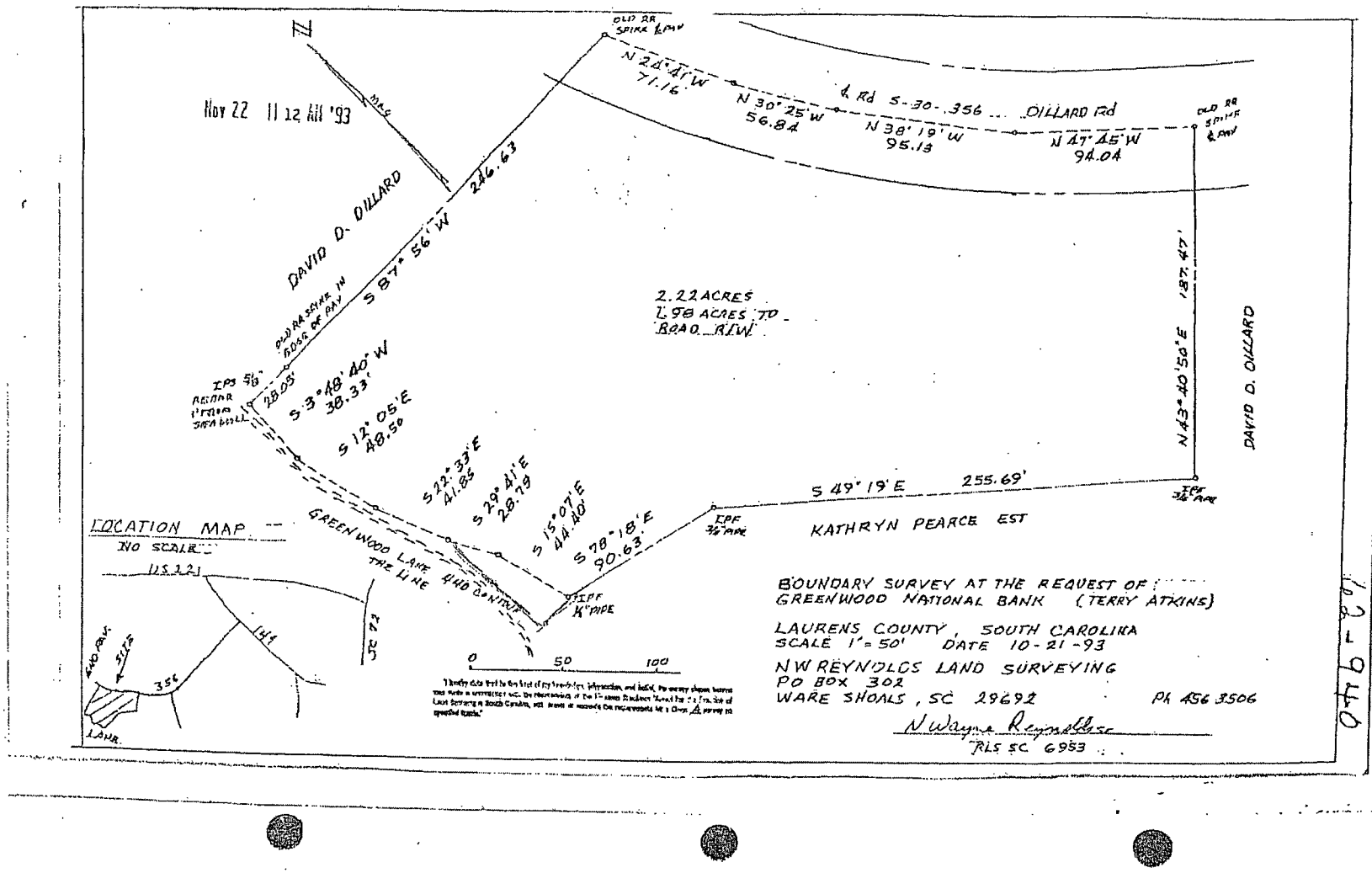
Adjoins Owner's Property
With Approved Road Frontage

Laurens County Dept. of Public Works
DIRECTORS OFFICE
6-18-07
APPROVED SIGNATURE

APPROVED BY:
E 911 OFFICE

I hereby State to the best of my Knowledge, information and belief, the survey shown hereon was made in accordance with the requirements of the Minimum Standards 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. Wilson, RLS No. 3380
378 Hillcrest Church Road
Fountain Inn, S.C. 29644
PH - 862-7263



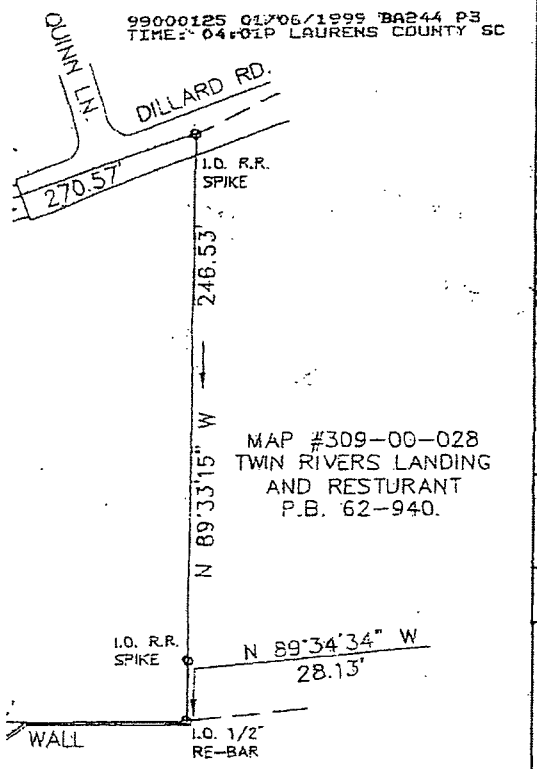
12.23.2014

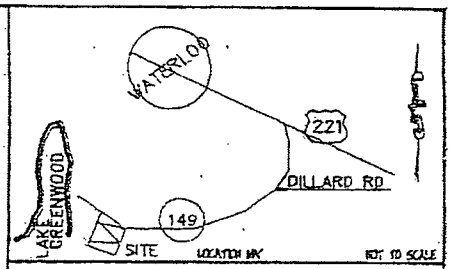
CB-00654

190

A 244/3

99000125 01/06/1999 BA244 P3
TIME: 04:01P LAURENS COUNTY SC





CERTIFICATION:
THIS IS TO CERTIFY TO CRESENT LAKE, L.L.C. THAT AN ACTUAL FIELD SURVEY WAS PERFORMED ON THIS PROPERTY UNDER MY SUPERVISION AND I DECLARE THAT:

1. THE FIELD SURVEY AND THIS PLAT REPRESENT A DEPENDENT RESURVEY OF THE SUBJECT PROPERTY; THAT THE INFORMATION SHOWN HEREON IS CORRECT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE AND BELIEF.
2. ALL RIGHTS-OF-WAYS, EASEMENTS AND ENCROACHMENTS, OBVIOUS AND APPARENT FROM FIELD OBSERVATION AT THE TIME OF THE SURVEY ARE AS SHOWN. C.L.WARD, P.L.S. DOES NOT WARRANT THE EXISTENCE OR NONEXISTENCE OF ANY OTHERS. THIS PROPERTY IS SUBJECT TO ANY RECORDED AND/OR UNRECORDED RIGHTS-OF-WAYS, EASEMENTS, AND RESTRICTIONS.
3. THE AREA OF THE SUBJECT PROPERTY WAS CALCULATED BY COMPUTER AND THIS SURVEY MEETS THE REQUIREMENTS OF A CLASS A SURVEY AS DEFINED BY THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN THE STATE OF SOUTH CAROLINA.

SEAL: SOUTH CAROLINA REGISTERED LAND SURVEYOR

SIGNATURE OF PROFESSIONAL SURVEYOR

DATE OF SIGNATURE

13857
SOUTH CAROLINA REGISTRATION NUMBER

THE FEDERAL EMERGENCY MANAGEMENT AGENCY, FLOOD INSURANCE RATE MAP FOR LAURENS COUNTY SHOWS THIS PROPERTY: ____ TO BE IN A FLOOD PLAIN AREA, ____ NOT TO BE IN A FLOOD PLAIN AREA, ____ LOCATION CANNOT BE DETERMINED. THIS PLAT DOES NOT CONSTITUTE OR WARRANT COMPLIANCE OR NON-COMPLIANCE WITH ANY ZONING OR BUILDING REGULATION, MUNICIPAL ORDINANCE OR SUBDIVISION REGULATION UNLESS SPECIFICALLY STATED ELSEWHERE ON THIS PLAT.

REFERENCE PLAT(S) NO. _____

NOTE:
THERE IS A _____ DRAINAGE AND UTILITY EASEMENT ON EACH SIDE OF ALL SIDE AND REAR LOT LINES UNLESS OTHERWISE NOTED.

PROPERTY SURVEY FOR

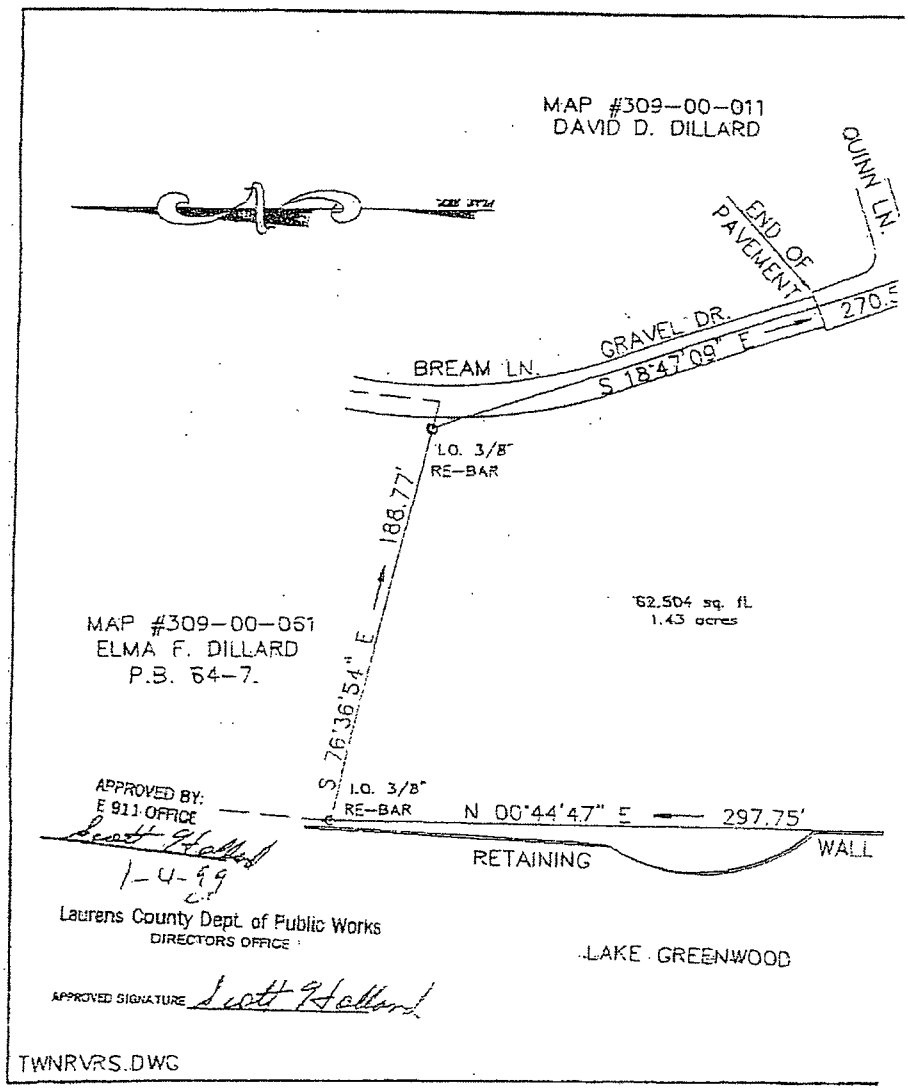
CRESCENT LAKE, L.L.C.

LAURENS COUNTY, SOUTH CAROLINA

DATE OF SURVEY	TAX MAP NUMBER
12/28/98	PART OF 309-00-011

C. L. WARD, P.L.S.
P.O. BOX 386
FOUNTAIN INN, S.C. 29644
(803) 862-3375

RECORDS CORPORATION

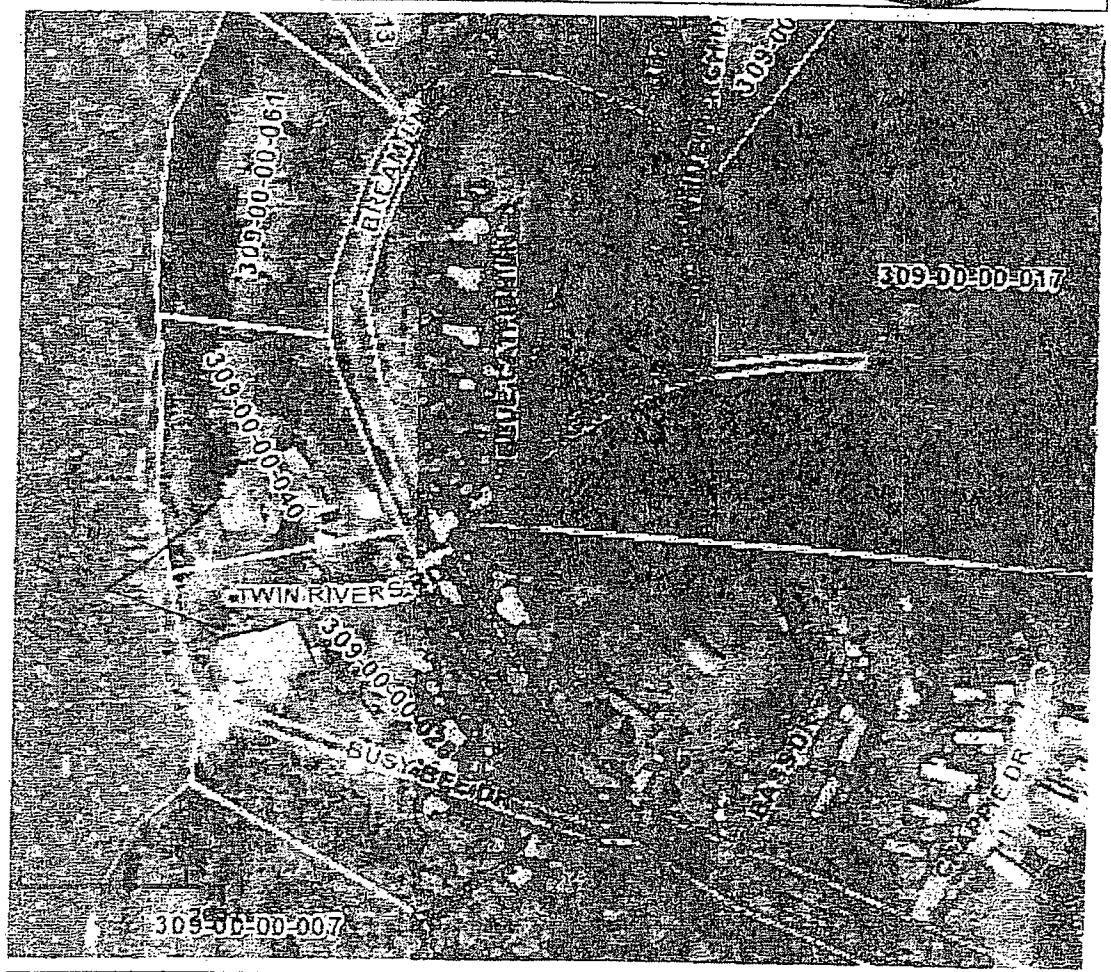


BUSINESS RECOI

Laurens County GIS

Notes (up to 200 characters)

COUNTY OF LAURENS
SINCE 1785
STATE OF SOUTH CAROLINA



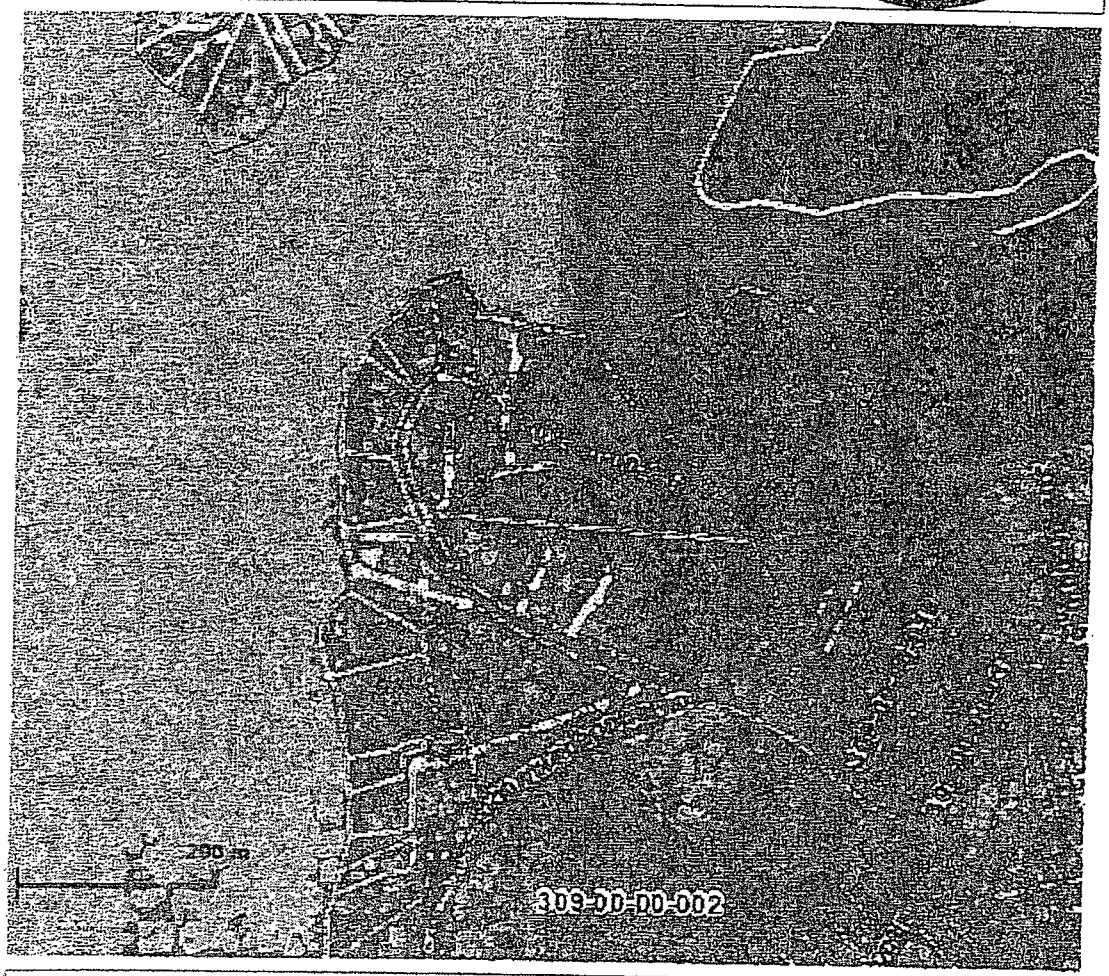
THIS MAP IS PREPARED FOR THE INVENTORY OF REAL PROPERTY FOUND WITHIN THIS JURISDICTION, AND IS COMPILED FROM RECORDED DEEDS, PLATS, AND OTHER PUBLIC RECORDS AND DATA. USERS OF THIS MAP ARE HEREBY NOTIFIED THAT THE AFORMENTIONED PUBLIC PRIMARY INFORMATION SOURCES SHOULD BE CONSULTED FOR VERIFICATION OF THE INFORMATION CONTAINED ON THIS MAP. THE COUNTY AND MAPPING COMPANY ASSUME NO RESPONSIBILITY FOR THE INFORMATION CONTAINED ON THIS MAP.

*** THIS MAP IS NOT TO BE USED AS A PLAT ***

Laurens County GIS

Notes (up to 200 characters)

COUNTY OF LAURENS
SINCE 1785
STATE OF SOUTH CAROLINA



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*** THIS MAP IS NOT TO BE USED AS A PLAT ***

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
9004 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 1679 GILLARD 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.

12.23.2014

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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 $ 487,450.00 . 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
      $487,450.00
      8.18%
      MATURITY DATE 11/01/2007
      LOAN NUMBER 8001376

   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 .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 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.

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

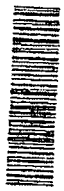
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EXHIBIT A – LEGAL DESCRIPTION

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 764 at Page 312.



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 8602 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
8602 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:

SEE ATTACHED "EXHIBIT A"

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 29384 (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.

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.

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.

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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.

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

ATTORNEY
LAWYER'S TITLE INSURANCE CORP.

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
1202 NORTH MAIN STREET
ANDERSON, SC 29621

B-1050

EXHIBIT A – LEGAL DESCRIPTION

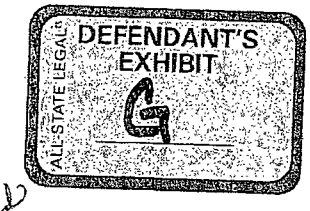
ALL that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being in the County of Laurens, State of South Carolina, located on Bream Lane, being shown and designated as 1.43 acres, more or less, bordering Lake Greenwood, on a plat for Crescent Lake, LLC, dated December 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.

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

Parcel 2 x 3 replatted

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 TMC)

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 58, 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 DATE | 873 BOOK | 258 PAGE | Lacy 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 5; 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 0.67 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 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 Barbor 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 25

SIGNED, sealed and delivered in the presence of:

JKR Development, LLC

Witness (1)

By: Kenneth E. Bennett

Witness (2) or notary

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, 2025.

Notary Public for [illegible]
My commission expires: 5/19/[illegible]

"OFFICIAL SEAL"
LAURA A. PRICE
Notary Public, State of Illinois
My Commission Expires 05/19/20[illegible]

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.

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

Witness/Notary Public

ACKNOWLEDGEMENT

STATE OF SOUTH CAROLINA
COUNTY OF Spartanburg

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

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 willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Kenneth E. Bennett, Manager

SWORN to before me this 21st day of February, 20 03

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

Notary Public for Jersey County

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 the existing 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 791a) and which is formed to operate or to take functional control of electric transmission assets in the Federal Power Act.

STATE OF SOUTH CAROLINA
COUNTY OF LAURENS

IN THE COURT OF COMMON PLEAS OF THE THIRTEENTH JUDICIAL CIRCUIT

CERTUS BANK, N.A.,

Plaintiff,

vs.

KENNETH E. BENNETT, TWIN RIVERS RESORT, LLC and BENNETT OF GREENWOOD, LLC.,

Defendants

CIVIL ACTION NO. 2011-CP-30-00583



30(b)(6) DEPOSITION OF CERTUS BANK
GIVEN BY: WADE VINCENT KING

DATE TAKEN: March 20, 2014

TIME BEGAN: 10:02 a.m.

TIME ENDED: 10:47 a.m.

LOCATION: Brown, Massey, Evans, McLeod & Haynsworth, LLC
106 Williams Street
Greenville, South Carolina

REPORTED BY: Eileen Thompson, CCR
EveryWord, Inc.
P.O. Box 1459
Columbia, South Carolina 29202
803-212-0012

Q. That is a Bates number that I think our firm put on it. And the first one is in reference to a CapitalBank versus Bennett of Greenwood. That's not the subject action. Do you know why that's included in there?

A. No.

Q. Okay. And if we could look at the next page, which is CB4, the next attachment, this document indicates that a default judgment has been obtained against Kenneth Bennett by CertusBank. Is that your understanding?

A. Yes.

Q. Okay. And is that default judgment for the full amount of the loan I believe for the $497,500, something in that area, do you know?

A. Judgment amount is $510,000.

Q. Okay. $510,000.

A. $497,00, plus other amounts owed.

Q. Okay. And do you know what efforts, if any, have you been made to attempt to collect that default judgment against Mr. Bennett?

A. I do not.

Q. Okay. The next page, CB5, that appears to be a payoff statement, is that correct?

A. Yes.

balance, the $497,450, or perhaps 69 percent of the $386,400.

Q. 69 percent. Okay. Help me with those numbers then. Where is the $386.000?

A. CB08.

Q. Okay. "Amount last charged off, December 28, 2012." Is it fair to say it's either the $497,450 --

A. Or the $386,400.

Q. Okay. Whatever the math is on that, that's the amount that it has been reimbursed?

A. Correct. To help explain the difference perhaps, the 69 percent would have been what the book balance was to CertusBank. And because it appears on this, you know, from the print-out that $111,000 was charged off in 2009.

Q. The $111.050?

A. Correct.

Q. Okay.

A. Whether that was an allowance shown by the failed bank or whether it was a true chargeoff.

Q. Well, let me ask you this. Are you familiar with the document under which CertusBank, N.A. acquired the assets and some liabilities of CommunitySouth Bank?

STATE OF SOUTH CAROLINA
COUNTY OF LAURENS

IN THE COURT OF COMMON PLEAS OF THE THIRTEENTH JUDICIAL CIRCUIT

CERTUS BANK, N.A.,

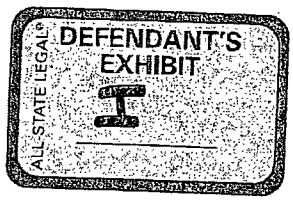
Plaintiff,

vs.

KENNETH E. BENNETT, TWIN RIVERS RESORT, LLC and BENNETT OF GREENWOOD, LLC.,

Defendants

CIVIL ACTION NO. 2011-CP-30-00583



30(b)(6) DEPOSITION OF CERTUS BANK
GIVEN BY: WADE VINCENT KING

DATE TAKEN: March 20, 2014

TIME BEGAN: 10:02 a.m.

TIME ENDED: 10:47 a.m.

LOCATION: Brown, Massey, Evans, McLeod & Haynsworth, LLC
106 Williams Street
Greenville, South Carolina

REPORTED BY: Eileen Thompson, CCR
EveryWord, Inc.
P.O. Box 1459
Columbia, South Carolina 29202
803-212-0012

APPEARANCES:

BROWN, MASSEY, EVANS, MCLEOD & HAYNSWORTH, LLC
BY: E. ZACHARY HORTON, ESQUIRE
106 Williams Street
Post Office Box 2464 (29602)
Greenville, South Carolina 29601
864-271-7424
zhorton@bmemhlaw.com
Representing the Plaintiff

COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A
BY: T. S. STERN, JR., ESQUIRE
211 Pettigru Street
P.O. Box 2343
Greenville, South Carolina 29602
864-242-9000
sstern@covpatlaw.com
Representing the Defendant, Twin Rivers Resort, LLC

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PURCHASE AND ASSUMPTION AGREEMENT

WHOLE BANK

ALL DEPOSITS

AMONG

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

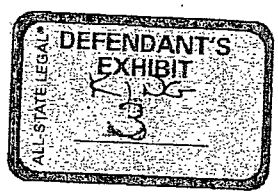
FEDERAL DEPOSIT INSURANCE CORPORATION

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

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF LAURENS)

Certus Bank, N.A.,)
)
Plaintiff)
)
-vs-) C.A. No. 2011-CP-30-00583
)
Kenneth E. Bennett, Twin)
Rivers Resort, LLC and)
Bennett of Greenwood, LLC,)
)
Defendants.)



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

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 --

STATE OF SOUTH CAROLINA COUNTY OF LAURENS	IN THE COURT OF COMMON PLEAS
Certus Bank, N.A., Plaintiff vs. Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC Defendants.	2011-CP-30-00583 **PLAINTIFF'S MEMORANDUM IN OPPOSITION TO TWIN RIVERS RESORT, LLC'S MOTION FOR SUMMARY JUDGEMENT**

STATEMENT OF FACTS

1. On or about January 31, 2006, JKR Development, LLC, (hereinafter "JKR") acquired the property that is the subject of this action (hereinafter "Twin Rivers Property") from Crescent Lake, LLC by deed recorded on February 1, 2006 in the Laurens County Register of Deed in Book 768, Page 312.

2. JKR financed the purchase of the property by obtaining a purchase money loan from CommunitySouth Bank and Trust (hereinafter "CSBT") in the principal amount of $520,000.00, and said loan was secured by a mortgage on the Twin River Property that was recorded on February 1, 2006, in the Laurens County Register of Deeds in Mortgage Book 1527 at Page 216.

3. That the Defendant Kenneth E. Bennett was one of three equal members in JKR, along with Richard K. Bennett (Kenneth Bennett's nephew) and James Hendershot. (K. Bennett Dep. 7:8-15) The condensed transcript of Kenneth Bennett's Deposition is attached as Exhibit 26.

4. That Richard C. Bennett is the brother of Kenneth Bennett, and the sole member of Twin River Resort, LLC (a defendant in this action). (R. Bennett Dep. 7:19–8:9) The condensed transcript of Richard C. Bennett's Deposition is attached as Exhibit 27.

5. That the mortgage from JKR to CSBT was signed by Richard Bennett as Power of Attorney for Kenneth Bennett pursuant to a Special Power of Attorney given by Kenneth Bennett to Richard Bennett dated January 30, 2006 and recorded February 1, 2006, in the Laurens County Register of Deeds in Book 768 at Page 310.

6. That JKR operated Twin River Resort on the Twin Rivers Property and Richard C. Bennett managed the property for JKR. (K. Bennett Dep. 8:15-9:2) Richard C. Bennett testified that he was not a member of JKR, but that he was hired to run the resort and that he came down here as an "owner of a percentage of the Twin Rivers Resort asset of JKR." (R. Bennett Dep. 11:11-13)

7. That on or about July 20, 2007, the members of JKR entered into an agreement whereby Ken Bennett would purchase the Twin Rivers assets, including the Twin Rivers Property from JKR. Pursuant to that agreement, Ken Bennett agreed to (See Exhibit 1 – Letter from Ken Bennett - attached):

    a. "take over all payments on the properties less interest through 5/1/07 which JKR shall pay"

    b. "take over the line of credit ($50,000.00 at Community South)..."

    c. **"take over all payments on the 1st mortgage for Twin Rivers ($405,000+/-)"**

8. That Richard C. Bennett was involved and/or a part of the negotiations of Ken Bennett's purchase of the Twin Rivers Property from JKR, and he was aware of the mortgage by JKR to CSBT. (R. Bennett Dep. 14:8-22)

9. On or about September 12, 2007, Bennett of Greenwood, LLC (hereinafter "BOG"), a single member LLC /disregarded entity owned by Ken Bennett, was established by filings with the South Carolina Secretary of State.

10. That on or about November 1, 2007, Ken Bennett executed documents to close on a loan from CSBT in the principal amount of $497,450.00 and as loan number 8001376 (hereinafter the "Bennett Loan"). (See Exhibits 2, 3, 4, and 22).

11. That the proceeds from the Bennett Loan were used to pay off the obligations he has agreed to "take over" as part of his purchase of the Twin Rivers Property from JKR. (See Settlement Statement attached as Exhibit 2 and Affidavit of James S. Belk attached as Exhibit 23).

12. That at the closing of the Bennett Loan on November 1, 2007, Ken Bennett executed and delivered a Real Estate Mortgage in the principal amount of $497,450.00 to CSBT intended to secure the Bennett Loan, which allowed Ken Bennett to complete the purchase of the Twin Rivers Property from JKR (hereinafter "Bennett Mortgage"). Said mortgage was recorded on December 12, 2007, in the Laurens County Register of Deeds in Mortgage Book 1727 at Page 1. See Bennett Mortgage attached as Exhibit 3.

13. That in conjunction with the closing, Ken Bennett also signed an Assignment of Leases and Rents related to the Twin Rivers Property to provided additional security for the Bennett Loan. Said Assignment of Leases and Rents was recorded on December 10, 2007, in the Laurens County Register of Deeds in Mortgage Book 1727 at Page 10.

14. That in the Bennett Mortgage, Ken Bennett represented and warranted that he was the lawful owner of the Twin Rivers Property and had the right to grant the mortgage to CSBT. See Paragraph 6 of Bennett Mortgage (Exhibit 3).

15. Additionally, in connection with the Bennett Closing, Ken Bennett was required to and did provide proof of a hazard insurance policy listing CSBT's name and address as "mortgagee". See November 1, 2007 Closing Instructions Letter to James Belk and Agreement to Provide Insurance attached collectively as Exhibit 4. See also K. Bennett Dep. 23:23-24:8.

16. Ken Bennett also executed a Business Purpose Statement affirming that the loan proceeds were being used to "refinance commercial property." See Exhibit 22.

17. That on the date of the Bennett Closing, Ken Bennett in fact did not have a recorded legal title to the Twin Rivers Property. That on November 1, 2007, recorded legal title to the Twin Rivers Property was still with JKR.

18. That on February 22, 2008, Ken Bennett, acting as Manager for JKR, executed a deed transferring title of the Twin Rivers Property to BOG, Ken Bennett's single-member LLC. Said deed was recorded on February 28, 2008, in the Laurens County Register of Deeds in Book 873 at Page 258 (hereinafter the "BOG Deed"). See BOG Deed attached as Exhibit 5.

19. The BOG Deed indicates that the properties described therein, including the Twin Rivers Property, were being sold to Bennett of Greenwood, LLC. (See Exhibit 5)

20. That the recording Affidavit attached to the BOG Deed, which is signed by Kenneth Bennett as Manager, confirms that the total consideration for the properties, including the Twin Rivers Property, was $1,600,000, but that the property was being transferred subject to $1,300,000 in liens or encumbrances. (See Exhibit 5)

21. That Ken Bennett testified that the CSBT mortgages and debt on the Twin Rivers Property were part of the $1,300,000 debt being assumed by Ken Bennett/BOG in the transfer from JKR. (K. Bennett Dep. 17:24-18:3)

22. That although Richard C. Bennett was not a member of BOG, he continued to manage the Twin Rivers Property for BOG and was involved in the management of the financing and debts on the property. (K. Bennett Dep. 30:16-21) Although maintaining that he was not a member of BOG, Richard C. Bennett testified that he "was a percentage" of BOG. (R. Bennett Dep. 19:14 - 20:3)

23. On November 29, 2007, shortly after the closing on the Bennett Loan, Richard C. Bennett inquired with his brother Ken about the "due dates, or amount due at Community South on the twin rivers note?" See 11-29-07 Correspondence attached as Exhibit 6.

24. Again on March 31, 2008 and May 6, 2008, Richard C. Bennett acknowledges the CSBT's claimed encumbrance by inquiring with his brother Ken about the "main mortgage on Twin Rivers (CommunitySouth)!" See 3-31-08 & 5-6-08 Correspondence attached collectively as Exhibit 7.

25. On or about August 11, 2008, Ken Bennett/BOG provided an Evidence of Property Insurance on the Twin Rivers Property listing CSBT as the "Mortgagee". See 8/11/2008 Evidence of Property Insurance attached as Exhibit 8. See R. Bennett Dep. 34:11-35:1.

26. On or about November 6, 2009, Richard C. Bennett, signing as "agent" for BOG, applied for new insurance with the Turner Insurance Agency and obtained property insurance on the Twin Rivers Property, specifically designating Community South as the "Certificate Holder" of the policy. CSBT is also listed as having a "Loss Payable" interest on the Property and as "Mortgagee" on the policy. See Taylor Insurance Agency Documents attached collectively as Exhibit 9. (R. Bennett Dep. 29:20 - 31:6; 31:25-32:8)

27. On or about April 1, 2009, Ken Bennett signed a modification of the Bennett Loan (Loan# 8001376). This modification extended the maturity of the obligation until April 1, 2010. The loan modification indicates that the obligation is secured by a mortgage dated November 1, 2007. See 04-01-2009 Modification attached as Exhibit 10.

28. On Schedule D of a Personal Financial Statement submitted by Kenneth Bennett representing his financial condition as of January 1, 2010, Kenneth Bennett lists "Twin Rivers Resort" as an asset valued at $550,000.00 and further lists "Community South" as the "Mortgage Company" with a loan balance of $497,000.00. Further, the schedules provided by Kenneth Bennett specifically state that "All Properties Titled in the Name of Ken E. Bennett Unless So Noted." There is no notation indicating any ownership other than 100% in the name of Kenneth Bennett. See Personal Financial Statement attached as Exhibit 25.

29. On March 12, 2010, Richard C. Bennett communicated to David Swank of CSBT indicating that "if we can come to an agreement...I will **assume the mortgage payment**" on the "Twin Rivers Notes." See 3-12-2010 Correspondence attached as Exhibit 11. See also R. Bennett Dep. 43:6-18. See Affidavit of David Swank attached as Exhibit 24.

30. On March 15, 2010, Richard C. Bennett provided proof to David Swank of CSBT that all taxes on the Twin Rivers Property have been paid. See 3-15-2010 Correspondence attached as Exhibit 12. See also Exhibit 24.

31. On or about March 30, 2010, Kenneth Bennett and Richard C. Bennett received and accepted a Loan Commitment from CSBT for the purpose of refinancing the Bennett Loan. Per the Commitment, the new loan was to be secured by a first mortgage on the Twin Rivers Property, and in addition, some properties of Richard C. Bennett (or an entity owned by Richard C. Bennett) were to be added as collateral to secure the loan obligation. Ken Bennett signed the Commitment Letter representing himself as the "Owner" of the property. See 3-30-2010 Commitment Letter attached as Exhibit 13.

32. On March 30, 2010, Richard C. Bennett wrote a check to CSBT in the amount of $14,923.49 for the "interest on Twin Rivers Loan #8001376". See Check #8813 attached as Exhibit 14.

33. On April 14, 2010, Richard C. Bennett provided David Swank with proof of insurance coverage on the Twin Rivers Property. Said proof of insurance listed CSBT as the Mortgagee. (See Exhibits 9 and 24)

34. On April 23, 2010, Ken Bennett executed a 90-day extension of Loan #8001376 which acknowledged that the loan was separately secured by a "Mortgage Dated 11/01/2007". See 4/23/2010 Loan Extension attached as Exhibit 15.

35. In June 2010, Richard C. Bennett made handwritten notes on a "Past Due Notice" for the Bennett Loan (#8001376) that he has in his possession. The Past Due Notice lists the "Twin Rivers Rd" property as the collateral for the Loan. See 06/02/2010 Past Due Notice attached as Exhibit 16. See also R. Bennett Dep. 56:21-57:1 and 58:18-60-16.

36. On June 17, 2010, Richard C. Bennett provides a hand written "New Payment history to Community South Bank on Twin Rivers Loan #8001376 $497,450" listing the payments that he has made on that loan. See 6/17/2010 Correspondence attached as Exhibit 17.

37. On or about July 13, 2010, Defendant Twin Rivers Resort, LLC was formed. Twin Rivers Resort, LLC is a single member LLC owned by Richard C. Bennett. See R. Bennett Dep. 7:19-25.

38. On or about August 20, 2010, Ken Bennett executed a second extension of the Bennett Loan, extending the maturity of the loan until October 3, 2010. See Extension #2 attached as Exhibit 18.

39. On or about September 14, 2010, Ken Bennett, as the sole member of BOG, in consideration of "One Dollar" executed a deed purporting to convey property, including the Twin Rivers Property, to his brother's single-member LLC, Twin Rivers Resort, LLC (hereinafter "TRR Deed"). The TRR Deed was not recorded until December 17, 2010. See TRR Deed attached as Exhibit 19.

40. In connection with the TRR Deed, Ken Bennett signed an Affidavit of Exempt Transfers claiming that the transfer of the property was exempt from recording fees because the value of property being transferred was equal to or less than $100. (See Exhibit 19).

41. On or about September 29, 2010, Richard C. Bennett personally executed documents, including a note, as a "modification" of the Bennett Loan #80010376. The documents signed by Richard C. Bennett indicate that the note is separately secured by a "MORTAGE DATED 11-1-2007 RECORDED IN LAURENS COUNTY 12-10-2007 BK M1727 PG 1" – the Bennett Mortgage. See 9-29-2010 Modification attached as Exhibit 20. See R. Bennett Dep. 38:8-24. See also Exhibit 24.

42. On 9/29/2010 Richard C. Bennett also made a payment to CSBT on the Bennett Loan #8001376. See Exhibit 21.

43. In connection with the 9/29/2010 Modification, Richard C. Bennett executed several mortgages on various properties under his control in Illinois that were intended to be the additional collateral in the modification of the Bennett Loan. See Exhibit 24.

STANDARD OF REVIEW

Summary judgment is appropriate when the pleadings, depositions, affidavits, and discovery on file show there is no genuine issue of material fact such that the moving party must prevail as a matter of law. *Turner v. Milliman,* 392 S.C. 116, 122, 708 S.E.2d 766, 769 (2011). *see also* Rule 56(c), SCRCP. To determine whether any triable issues of fact exist, the reviewing court must consider the evidence and all reasonable inferences in the light most favorable to the non-moving party. *McLaughlin v. Williams,* 379 S.C. 451, 455-56, 665 S.E.2d 667, 670 (Ct.App.2008). To withstand a motion for summary judgment in cases applying the preponderance of the evidence burden of proof, the non-moving party is only required to submit a mere scintilla of evidence. *Hancock v. Mid-South Mgmt. Co., Inc.,* 381 S.C. 326, 330, 673 S.E.2d 801, 803 (2009) and H&H of

Johnston, LLC v. Old Republic Nat. Title Ins. Co., 405 S.C. 469, 476, 748 S.E.2d 72, 75 (Ct. App. 2013)("[H&H] stated ... [by] affidavit that H & H had an agreement with Bufkin regarding the three coverage exceptions.")

The party seeking summary judgment has the burden of clearly establishing the absence of a genuine issue of material fact. *Miller v. Blumenthal Mills, Inc.*, 365 S.C. 204, 220, 616 S.E.2d 722, 730 (Ct.App. 2005). Once the party moving for summary judgment meets the initial burden of showing an absence of evidentiary support for the opponent's case, ... the nonmoving party must come forward with specific facts showing there is a genuine issue for trial. *Id.* Summary judgment is not appropriate where further inquiry into the facts of the case is desirable to clarify the application of the law. *Vermeer Carolina's Inc. v. Wool/Chuck Chipper Corp.*, 336 S.C. 53, 59, 518 S.E.2d 301, 305 (Ct. App. 1999).

ARGUMENT

A. EQUITABLE LIEN

i. Elements for Equitable Lien

Under South Carolina case law, for an equitable lien to arise, there must be a debt, specific property to which the debt attaches, and an expressed or implied intent that the property serve as security for payment of the debt.'" *Regions Bank v. Wingard Props., Inc.*, 394 S.C. 241, 250, 715 S.E.2d 348, 353 (Ct.App.2011) (quoting *First Fed. Sav. & Loan Ass'n of S.C. v. Finn*, 300 S.C. 228, 231, 387 S.E.2d 253, 254 (1989)).

Based on the facts as set forth above, there is evidence to support the establishment of each of these elements:

1. **A Debt** - there was clearly a debt in this matter as evidenced by the loan documents signed by Kenneth Bennett in connection with obtaining the Bennett Loan, a loan which paid and satisfied the mortgage which secured the payment of the purchase money financing.

2. **A Specific Property to which the debt attaches** - As set forth in the Statement of Facts, the debt to Kenneth Bennett was created in connection with his purchasing the Twin River Property from JKR. The funds from the Bennett closing were applied to retire the liens placed on the Twin Rivers Property by JKR, and that same property was to serve as security for Kenneth Bennett's obligations under the Bennett Loan, which provided the purchase funds for the Twin Rivers Property. The Bennett Mortgage that was signed in connection with the loan specifically lists the Twin Rivers Property as the security for the obligation.

3. **An Express or Implied Intent that the property serve as security for payment of the debt** – The affidavit of the closing attorney, James S. Belk, says based on his knowledge of the transaction, it was his intent, the intent of his client Kenneth Bennett, the intent of JKR and the intent of CSBT to obtain a first lien on the Twin Rivers Property to secure payment of the Bennett Loan. See *Belk Affidavit* attached as Exhibit 23. Additionally, the affidavit of David Swank, the CSBT Special Asset Manager involved in the negotiations to restructure and/or refinance the Bennett Loan says during all of his conversations and negotiations with Kenneth Bennett and Richard C. Bennett, all parties acknowledged and were operating under the belief that CSBT already had a mortgage on the Twin Rivers Property. See *Swank Affidavit* attached as Exhibit 24. The express and implied intent of the parties that the Twin Rivers Property serve as security from the Bennett Loan obligations is further established by, including but not limited to, the following: the Bennett Mortgage duly executed by Kenneth Bennett specifically identifying the Twin Rivers Property; the BOG Deed and attached affidavit specifically states that the property is being transferred to Kenneth Bennett's single-member LLC subject to the debt; the actions by Kenneth Bennett and Richard C. Bennett in providing proof of the payment of taxes on the Twin Rivers Property and providing proof of insurance coverage on the property that specifically list CSBT as a mortgagee and certificate holder; the signing and providing of a Personal Financial Statement indicating that Kenneth Bennett was the owner of the Twin Rivers Property subject to a mortgage in the name of CSBT; the signing of extensions and modifications of the Bennett Loan obligations acknowledging that the obligations are intended to be separately secured by a previously recorded mortgage, the Bennett Mortgage; and the numerous correspondence between the parties acknowledging the obligation and the debt and "mortgage" to CSBT.

The facts set forth above, which are all supported by evidence and testimony from discovery, clearly provide significantly more than the required scintilla of evidence of each the elements required for an equitable lien; therefore, summary judgment should be denied.

ii. Twin Rivers Resort, LLC is not a Bona Fide Purchaser for Value Without Notice

A purchaser may assert a plea in equity of a bona fide purchaser for value, without notice of defect in his title, by showing (1) he has actually paid in full the purchase money (giving security for the payment is not sufficient, nor is past indebtedness a sufficient consideration); (2) he purchased and acquired the legal title, or the best right to it; and (3) he purchased bona fide, *i.e.*, in good faith and with integrity of dealing, without notice of a lien or defect. The bona fide purchaser must show all three conditions--actual payment, acquiring of legal title, and bona fide purchase--occurred

before he had notice of a title defect or other adverse claim, lien, or interest in the property. *S.C. Tax Commn. v. Belk,* 266 S.C. 539, 543, 225 S.E.2d 177, 179 (1976); *Jones v. Eichholz,* 212 S.C. 411, 422, 48 S.E.2d 21, 25-26 (1948); *Kirton v. Howard,* 137 S.C. 11, 36, 134 S.E. 859, 868 (1926); *Black v. Childs,* 14 S.C. 312, 318, 1880. There are two basic forms of notice by which a purchaser may be charged with knowledge of the rights of another in real property: actual notice and constructive/inquiry notice. *Belk,* 266 S.C. at 544-43, 225 S.E.2d at 179; *Jones,* 212 S.C. at 422, 48 S.E.2d at 25-26; *Epps v. McCallum Realty Co.,* 139 S.C. 481, 498-99, 138 S.E. 297, 302 (1927).

There is ample evidence in the record that Twin Rivers Resort, LLC, fails to prove that was a bona fide purchaser for value without notice of the lien claimed by CSBT on the Twin Rivers Property. First, the deed conveying the property to TRR states that the only consideration paid for the property was only "One Dollar". The lack of consideration is confirmed by the sworn Affidavit for Exempt Transfers of Kenneth Bennett attached to the deed which states that the transfer is exempt from recording fees because "value", which is defined by the Affidavit as "the consideration paid or to be paid in money or money's worth for the realty", of the property is less than $100. See Exhibit 19.

Further, there is ample evidence set forth in the Statement of Facts that Richard C. Bennett, the sole member of TRR, LLC, had actual notice of the lien claimed by CSBT. The evidence and testimony shows that Richard Bennett, prior to receiving the deed to the Twin Rivers Property, was actively involved in the management of the Twin Rivers Property, was familiar with the debts related to the Property, as "agent" for BOG, procured insurance on the Twin Rivers Property listing CSBT as the mortgagee (See Exhibits 8 and 9), had numerous communications with Kenneth Bennett acknowledging and inquiring about the "main mortgage on Twin Rivers (Community South)!" (See Exhibit 7) or the "amount due at Community South on twin rivers note" (See Exhibit 6); and had numerous communications with CSBT about the obligation and even proposing to "assume the mortgage payment." (See Exhibit 11). At a minimum, this knowledge put Richard C. Bennett on inquiry notice of CSBT's claim to an mortgage encumbering the property.

iii. Adequate Remedy at Law

Generally, equitable relief is available only where there is no adequate remedy at law. *Santee Cooper Resort, Inc. v. S.C. Pub. Serv. Comm'n,* 298 S.C. 179, 185, 379 S.E.2d 119, 123 (1989). An 'adequate' remedy at law is one which is as certain, practical, complete and efficient to attain the ends of justice and its administration as the remedy in equity. *Id.*

The agreement with Kenneth Bennett related to the Bennett Loan including Kenneth Bennett's agreement to provide the Twin Rivers Property as security, over and above his own ability to pay, for the payment of his obligations. Kenneth Bennett acknowledged that agreement and intention by signing the Bennett Mortgage and various other closing documents confirming that the Twin Rivers Property was to serve as collateral/security for the Bennett Loan and the modifications and extensions thereof. (See Exhibit 2, 3, 4, and 21). The Plaintiff does not have an adequate remedy at law to obtain that bargained for security that is certain, practical, complete and efficient to attain the ends of justice and its administration, as required by South Carolina law.

TRR seems to argue that an equitable lien cannot be issued in this case because there was another adequate remedy at law, with that remedy being the Plaintiff recovering under claim against a title insurance policy. The issue of whether recovery under a title insurance policy is an adequate remedy at law has not been addressed in South Carolina (this fact alone should be sufficient to get past the summary judgment on the matter), but it has explicitly decided in other jurisdictions. In the California case, *Katsivalis v. Serrano Reconveyance Co.*, in which a Widow asserted that the court committed error in awarding an equitable lien since the lender had an adequate remedy at law, and that remedy was the right of indemnification from the title company. *Katsivalis v. Serrano Reconveyance Co.*, 70 Cal. App. 3d 200 (1977). The Court found that the argument must fail on two grounds: (1) "In the first place the existence of a legal remedy against one of several obligors cannot relieve another obligor of his equitable responsibility. (See *Barr v. Roderick* (N.D. Cal. 1925)11 F.2d 984, 986); and (2) the title company, if called upon to indemnify the lender is entitled to be subrogated to all of its rights against the borrower. *Id.* *See also, Hicks v. Londre*, 107 P3d 1009 (Co. App. 2004)(finding that a claim against the title insurance company was not an adequate remedy at law because the legal remedy must lie against the opposing parties and not against third parties), citing *Dudley v. Keller*, 33 Colo. App. 320m 521 P.2d 175 (1974).

More recently, in the Michigan Court of Appeals case of *Countrywide Home Loans, Inc. v. People's Choice Home Loan, Inc.*, 2011 WL 6118597 (Mich.App.), the court rejected the argument that a lawsuit to enforce a title insurance policy was an adequate remedy at law. The court found that any relief available under a title insurance policy would be based on contract, that it would not be an action at law on the underlying mortgage-loan transaction. *Id.* at 8 .

Recovery under a title insurance policy, if available, is a collateral source, and is not an adequate remedy at law to be considered in determining the remedies that are available in seeking to collect from the Defendants in accordance with the parties' intent that the obligations of Kenneth Bennett be secured by the Twin Rivers Property which he as purchasing from JKR. It is not certain,

practical, complete and efficient to attain the ends of justice by suing Kenneth Bennett on an unsecured note to obtain a judgment against him because he misrepresented that he owned the Twin River Property individually. Rather the remedy is in equity, where a lien can be placed on the property as originally intended by the parties, and the Plaintiff may seek recovery of the funds advanced to Kenneth Bennett which allowed him to purchase the property (and retire previous liens) from a foreclosure of that lien. To deny the Plaintiffs the opportunity to seek an equitable lien on the property as the parties bargained for would allow the Defendants to retain the property lien-free, thus giving them a large windfall.

B. MORTGAGE REFORMATION

A contract may be reformed on the ground of mistake when the mistake is mutual and consists in the omission or insertion of some material element affecting the subject matter or the terms and stipulations of the contract, inconsistent with those of the parol agreement which necessarily preceded it. *George v. Empire Fire & Marine Ins. Co.*, 344 S.C. 582, 590, 545 S.E.2d 500, 504 (2001) (quoting *Crosby v. Protective Life Ins. Co.*, 293 S.C. 203, 206, 359 S.E.2d 298, 300 (Ct.App.1987)). A mistake is mutual where both parties intended a certain thing and by mistake in the drafting did not obtain what was intended. *Id.* (quoting *Crosby*, 293 S.C. at 206, 359 S.E.2d at 300). Reformation is the remedy by which writings are rectified to conform to the actual agreement of the parties. *Crosby*, 293 S.C. at 206, 359 S.E.2d at 300 (quoting *Crewe v. Blackmon*, 289 S.C. 229, 234, 345 S.E.2d 754, 757 (Ct.App.1986)).

The Affidavits of CSBT Special Asset Manager David Swank (Exhibit 24) and closing counsel for Kenneth Bennett, James S. Belk, (Exhibit 23) provide clear evidence that the it was all parties' intention in the November 1, 2007 closing that CSBT have a first priority mortgage lien on the Twin Rivers Property. The Statement of Facts provide numerous examples of additional evidence that the parties clearly intended that the Twin Rivers Property was to be mortgaged to CSBT to secure the Bennett Loan, that was obtained to allow Kenneth Bennett to purchase said property and retire the prior liens of JKR on said property. The mutual mistake at the time of the contract (note/mortgage) was that, although Kenneth Bennett had an agreement in place with JKR to acquire the property, the property had in fact not yet been transferred into his name. Rather, the property was later transferred into Kenneth Bennett's control via a transfer from JKR to Kenneth Bennett single-member LLC, Bennett of Greenwood, LLC, rather than into his individual name. Kenneth Bennett's own testimony acknowledges the property was being transferred from JKR

subject to encumbrances. The actions of BOG in continuing to interact in all relevant matters with CSBT as if the bank had a valid lien on the Twin Rivers Property, including providing proof of insurance on the property naming CSBT as mortgagee and providing proof of payment of taxes on the property provide further proof of the parties' original intention.

C. MORTGAGE RATIFICATION

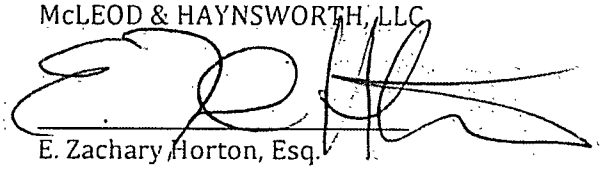
Twin River Resort claims that it is entitled to summary judgment on the Plaintiff's claim for Mortgage Ratification because there are no acts or conduct evidencing TRR's intent to ratify the mortgage of the Twin Rivers Property to secure Kenneth Bennett's debt to the Plaintiff. The Plaintiff contends that the Statement of Facts provide ample evidence that BOG ratified the mortgage executed by it sole member before the transfer to TRR as evidenced by BOG's (by and through both Kenneth Bennett and Richard C. Bennett) conduct in continuing to pay the Bennett Loan obligation; providing insurance on the property naming CSBT as mortgagee and loss payee, and providing proof that taxes on the Twin Rivers Property had been paid. BOG, which as a single member LLC, is for many purposes under the law a "disregarded entity" (*See eg.* S.C. Code Section 12-2-25(B)), accepted the Twin Rivers Property with knowledge that it had been purchased with the proceeds of the Bennett Loan and with knowledge that Kenneth Bennett, it's sole member, intended for the property to serve a collateral for that loan. BOG continued to interact in all relevant matters with CSBT as if the bank had a valid lien on the Twin Rivers Property. This conduct is sufficient to ratify the mortgage signed by its single member in his own name.

As cited by the Defendant's Motion, under the Restatement of Agency 2d, ratification is the affirmance by a person of a prior act that did not bind him or her which may occur either by manifestation of an election to treat the act as authorized or by conduct justifiable only if there were such an election. As laid out in the Statement of Facts, BOG manifested its intention to ratify the mortgage signed by its sole member and own by continuing to act in all relevant matters in a manner consistent with the intention that CSBT hold a mortgage on the Twin Rivers Property.

CONCLUSION

Based on the foregoing, the Defendant's Motion for Summary Judgment should be denied in its entirety.

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Counsel for Plaintiff

Dated: April 4, 2014
Greenville, SC

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF LAURENS	)	FOR THE EIGHTH JUDICIAL CIRCUIT
CertusBank, N.A.,	)	Case No. 2011-CP-30-00583
Plaintiff,	)	
v.	)	NOTICE OF MOTION AND MOTION PURSUANT TO SCRCP, RULE 59(e) TO ALTER OR AMEND THE GRANT OF PARTIAL SUMMARY JUDGMENT IN FAVOR OF TWIN RIVERS RESORTS, LLC
Kenneth E. Bennett, Twin Rivers Resorts, LLC and Bennett of Greenwood, LLC,	)	
Defendants.	)	

JOHN W. LANCASTER
2014 APR 30 P 1:51
LAURENS COUNTY
CLERK OF COURT

TO: W. Reid Cox, Jr., Esq., counsel for defendants Kenneth E. Bennett and Bennett of Greenwood, LLC, and T.S. Stern, Jr., Esq., counsel for Twin Rivers Resorts, LLC, and the defendants:

YOU WILL PLEASE TAKE NOTICE ten (10) days after the service, or as soon as counsel may be heard, plaintiff, CertusBank, N.A. (Certus), will move this Honorable Court for an order altering or amending the order granting defendant, Twin Rivers Resorts, LLC, partial summary judgment regarding Certus' ratification cause of action.

Written notice of the entry of the order granting partial summary judgment was received by the undersigned on April 16, 2014.

A. **Introduction**.

Citing an 1892 case and one section of Corpus Juris Secundum (CJS), the order granting partial summary judgment concludes ratification does not apply to the circumstances of this case. *See* April 14, 2014 Order at 1. Certus respectfully submits this conclusion overlooks the law of ratification and numerous genuine issues of material facts set out in its submissions in opposition to the motion for summary judgment.

B. Law of Ratification.

Certus respectfully submits the law of ratification is much broader than the Court concluded. As argued in its submission in opposition to summary judgment, ratification of an unauthorized act can occur either by a manifestation of an election to treat the unauthorized act as authorized or by conduct justifiable only if there is an election to treat the unauthorized act as authorized. Certus' Memorandum in Opposition to Defendant's Motion for Summary Judgment (Certus Memo.) at 11.

Similarly, an affirmance of an unauthorized act may be inferred from failing to repudiate the act. Restatement of the Law *Agency* § 94.

The case referred to by the April 14, 2014 order, *Scottish-American Mort. Co. v. Deas,* 35 S.C. 42, 14 S.E. 486 (1892) supports Certus's ratification cause of action. The issue in *Deas* was whether a mortgage entered into by a woman was enforceable given the legal incapacities under which women suffered in the late 19th century. The question was whether a debt secured by a mortgage was attributable to the borrower's separate estate and enforceable or whether it was attributable to the separate estate of her husband, in which case it might not be. Because a large portion of the funds from the loan in question satisfied a prior mortgage, the court considered whether the prior debt was the debt of the husband or the wife. The court concluded, "if ... Allen Deas [Husband] never rented this land from his wife, but, on the contrary, managed it for her, it would seem that the [funds borrowed] to 'run the place' would constitute the debt of the wife, *contracted, as to her separate estate, through her manager or agent, her husband, - for which she would be liable." Id.* at 42, 14 S.E., 482. (Emphasis added). *See also McNeely v. Walters,* 211 N.C. 112, 114, 189 S.E. 114,

114 (1937) (Conceding that the note and deed of trust were executed ... without authority, ... Plaintiff was fully aware of all the facts surrounding the transaction ... when he accepted from the defendants further indulgence and forbearance.....) and *Carr v. McColgan,* 100 Md. 462, 60 A. 606, 608 (1905) ("The line of conduct subsequently pursued by the mortgage in accepting the benefit of the mortgage loan, and paying an installment of interest on it, and asking and receiving indulgence on another instrument, and attending the mortgage sale and suggesting the method which was adopted of offering the several parcels ... all without suggesting any defect in the mortgage ....").

C. Facts overlooked supporting ratification.

Certus respectfully submits the record is replete with evidence of ratification.

The first ratification was by JKR Development, LLC of the mortgage signed by Kenneth E. Bennett on November 1, 2007. Examples of evidence of this ratification cited Certus Memo. include, paragraphs **2** (November 1, 2007 loan transaction was a refinance of purchase money loan transaction); **3** (Kenneth E. Bennett was a member of JKR Development, LLC); **7** (the July 20, 2007 agreement in which Kenneth E. Bennett was to purchase the property encumbered by the purchase money mortgage); **11** (proceeds from the November 1, 2007 loan were used to pay certain obligations Kenneth E. Bennett agreed to take on in his July 20, 2007 agreement); **13** (an assignment of leases and rents on the property was signed in conjunction with the November 1, 2007 closing); **14** (Kenneth E. Bennett represented and warranted he was the owner of the property encumbered by the purchase money mortgage refinanced on November 1, 2007); **15** (Kenneth E. Bennett provided proof of insurance at the November 1, 2007 closing showing Certus' predecessor-

in-interest as the "mortgagee"); and **16** (Kenneth E. Bennett signed a "Business Purpose Statement" at the November 1, 2007 closing affirming the loan proceeds were being used to "refinance commercial property").

The November 1, 2007 mortgage was further ratified by Bennett of Greenwood, LLC (BOG), when BOG obtained title to the property on February 22, 2008. Examples of evidence of this ratification in Certus' Memo include paragraphs **20** and **21** (the affidavit attached to the BOG deed shows the property encumbered by $1,300,000.00 in debt which would include the debt sought to be secured by the November 1, 2007 mortgage); **23** (Richard C. Bennett, who managed the property, inquired of Kenneth E. Bennett the due dates and amount due on the November 7, 2007 note and mortgage); **24** (Richard C. Bennett inquired of Kenneth E. Bennett about the "main mortgage" on the property, referring to the November 7, 2007 mortgage); **25** (Kenneth E. Bennett provided proof of insurance listing Certus' predecessor-in-interest as "mortgagee"); and **26** (in an insurance application, BOG listed Certus' predecessor-in-interest as a "loss payee" and "mortgagee").

Finally, examples of evidence of ratification of the November 7, 2007 mortgage by Twin Rivers Resorts, LLC, include paragraphs **22, 23** and **24** (for the reasons set forth above given Richard C. Bennett is the sole member of the Twin Rivers Resorts, LLC); **29** (Richard C. Bennett says "if we can come to an agreement, I will assume" the November 1, 2007 mortgage payments); **30** (Richard C. Bennett told Certus' predecessor-in-interest all real property taxes on the property had been paid); **32** and **42** (payments were made on the November 1, 2007 debt by entities owned or controlled by Richard C. Bennett; paragraph 42 cites to exhibit 21 to the Certus Memo which is a copy of a check drawn on a Twin Rivers

Resort, LLC account to make a payment on the November 1, 2007 debt, the date of this check being just a few days prior to Twin Rivers Resort, LLC acquiring title to the property); **33** (Richard C. Bennett provided Certus' predecessor-in-interest listing the predecessor-in-interest as "mortgagee"); and **35** and **36** (hand-written notes by Richard C. Bennett acknowledging the debt secured by the November 1, 2007 mortgage).

The foregoing is not a complete recitation of the evidence in this record demonstrating ratification, but it illustrates the numerous genuine issues of material fact precluding the grant of summary judgment on Certus' ratification cause of action.

D. Conclusion.

Certus respectfully submits the Court's April 14, 2014 order overlooks the law of ratification and the evidence supporting the ratification cause of action outlined above and submitted in opposition to the motion. Certus requests the April 14, 2014 order be altered or amended to deny partial summary judgment on its ratification cause of action.

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FILED IN MY LAURENS COUNTY
2014 APR 30 P 1:54
LAURENS COUNTY
CLERK OF COURT

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Columbia, South Carolina
April 28, 2014

CERTIFICATE OF MAILING

I HEREBY CERTIFY I have mailed a copy of the above and foregoing to counsel of record in said proceedings to their office addresses with sufficient postage attached.

Counsel for Defendants, Kenneth E. Bennett
And Bennett of Greenwood, LLC:

W. Reid Cox, Jr., Esq. (SCBAR#1443)
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Counsel for Defendant, Twin Rivers Resort, LLC:

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COVINGTON PATRICKE HAGINS STERN & LEWIS, P.A.
PO Box 2343
Greenville SC 29602

Columbia, S.C. this 28th day of April, 2014.

Cynthia Smith

G:\1000\1026.024\Pleadings\Motion to Alter or Amend

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

IN THE COURT OF COMMON PLEAS
2011-CP-30-00583

Certus Bank, N.A.,

Plaintiff,

vs.

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

Defendants.

TRANSCRIPT OF TESTIMONY

April 8, 2014
Greenville, South Carolina

B E F O R E:

HONORABLE CHARLES B. SIMMONS, JR., MASTER IN EQUITY

A P P E A R A N C E S:

Louis H. Lang, Esquire
E. Zachary Horton, Esquire
Attorney for the Plaintiff

T.S. Stern, Jr., Esquire
Attorney for the Defendant
Twin Rivers Resort, LLC

Wanda E. Fudge, CCR
Court Reporter

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(Whereupon, the hearing commenced at 10:55 a.m.)

BY THE COURT: For the record, this is Certus Bank versus Bennett and others, 2011-CP-30-00583. The case was actually, by consent, referred to me as a Special Referee, and as an accommodation to the attorneys, the present motion, which is Defendant Twin Rivers Resort, LLC's Motion for Summary Judgment, is being argued in Greenville.

Now, Gentlemen, what I want to do is go through what I understand the facts to be, and then I have a series of questions I want to ask the very fine lawyers here.

So, as far as the factual history -- and please track along to make sure that I understand as well as the record being clear. And I will note that both attorneys have submitted well-prepared and well-reasoned Memoranda as well as numerous exhibits to the Memoranda, both in support of and in opposition to Twin Rivers' Motion for Summary Judgment.

But now as far as the facts, January 31, 2006, JKR, which is an LLC, gets the property from Crescent and at that time CommunitySouth loans $520,000 to purchase the property. CommunitySouth at that time takes back a mortgage on the property, and the note and the mortgage are signed by JKR.

The key players in what we're dealing with is Ken Bennett, Richard K. Bennett and James Hendershot, and all three are three equal members of JKR and those are the only members of JKR. Ken Bennett and Richard C. Bennett are brothers, but Richard C. is

not a member of JKR.

All right. We all in agreement thus far?

MR. STERN: Yes, sir.

MR. HORTON: Yes, sir.

BY THE COURT: Okay. JKR then operates Twin River (sic) Resort on this property and Rick C. is hired to run the resort.

Then July 20, 2007 Ken enters into an agreement to buy the Twin River assets from JKR. This was to specifically include the debt represented by the first mortgage to CommunitySouth, and Rick C. is aware of the mortgage but never signs the mortgage or the note. And then later that year, in October of 2007, there is an appraisal done for CommunitySouth Bank that clearly shows that JKR owns the Twin Rivers property.

Everybody in agreement so far? (no response) All right. I'll take that as a yes from both sides.

MR. STERN: Yes.

MR. HORTON: Yes, Your Honor.

BY THE COURT: On November 1, 2007 Ken borrows $497,450 from CommunitySouth, signs a note and a mortgage. Part of the money allows Ken to complete the purchase of the Twin River assets from JKR. Also, as part of the transaction, Ken assigns, leases and rents to CommunitySouth as additional security, Ken executes the mortgage on the Twin River property as well as apparently some other real property. The problem is Ken doesn't own the Twin Rivers property. It's still owned by JKR.

Everybody still in agreement on that?

MR. STERN: (Nods in the affirmative)

MR. HORTON: Correct, Your Honor.

BY THE COURT: All right. Now, I do have -- let me take a little detour and ask a couple questions.

Did any of the money from the November 1, 2007 loan go to purchase what we now call the Twin Rivers property?

MR. HORTON: Your Honor, the money from the November 1, 2007 loan went to retire the liens for the prior mortgages which were---

BY THE COURT: But it was not in any sense a purchase money mortgage. So, that's not an issue, correct? Is that correct?

MR. LANG: I don't mean to butt in, Judge, but it went to satisfy a purchase money mortgage.

BY THE COURT: But it was not a purchase money---

MR. LANG: Not the same thing---

BY THE COURT: It was---

MR. LANG: No.

BY THE COURT: Was it a refinance in total or was it a refinance in part and is that even legally significant to the issues that we have here?

MR. HORTON: Your Honor, I'm not sure that it's legally significant. I think in part it's a refinance, but part of it is purchase money from the standpoint of it is allowing Kenneth Bennett, in whatever form, to purchase that property out of JKR.

BY THE COURT: Okay. Mr. Stern, do you agree with---

MR. STERN: Well, I don't agree that it's a purchase money mortgage.

BY THE COURT: Okay. All right. Now, here's where I'm a little bit confused. The Plaintiff's Brief at page 3, paragraph 18, says that on February 22, 2008 Ken, as an agent of JKR, conveys the Twin River property to what we're designating as B.O.G., BOG, which was a single member LLC owned exclusively by Ken. The Affidavit of Consideration with that shows a value of $1.6 million and a debt of $1.3 million which includes the CommunitySouth debt.

However, the Twin Rivers Brief at page 4, on paragraph 9 says that on February 22, 2008 JKR transferred the property to Twin Rivers Resort, LLC.

MR. STERN: That's a mistake, Your Honor.

BY THE COURT: Okay.

MR. STERN: That's a mistake. In February it was JKR transferring the property to B.O.G.

BY THE COURT: Okay. All right. And then -- so, it goes from JKR, who is the sole owner of title at the time of the November 1, 2007 loan, to BOG, Ken's single-member LLC, with the Affidavit of Consideration showing the value and the debt and then in September -- on September 14, 2010 BOG conveys the Twin Rivers property for $1 to Twin Rivers Resort, LLC, which is an LLC owned exclusively by his brother Richard C., and the Affidavit of

Consideration with that shows the true value and consideration was only $1.

And then as we progress some, Richard C. signs some certain documents, at least some insurance documents, as an agent of BOG and then in March of 2010 Richard C. is negotiating with CommunitySouth to assume the mortgage; however, no agreement is ever reached and nothing beyond a general Letter of Intent is signed. Then in October of 2010 Ken defaults on the November 1st, 2007 loan, and then to add even more interest to this already convoluted story, at some point CommunitySouth is taken over by federal regulators and Certus Bank, the current Plaintiff, ends up with this loan.

So, generally, factually, is what I've just gone through accurate? Mr. Stern?

MR. Horton: We would say yes, Your Honor.

BY THE COURT: Okay.

MR. STERN: Your Honor, it is with the caveat that the -- with the true consideration reflected in the affidavit of $1 doesn't accurately reflect what was actually paid by Twin Rivers for the acquisition of the property which is kind of reflected in the agreement that you referred to earlier.

BY THE COURT: I understand. But the Affidavit of Consideration that's filed in the ROD Office for Laurens County says $1, correct?

MR. STERN: I accept that as true. Yes, sir.

BY THE COURT: Okay. All right. Now, let me move into some of the questions.

Mr. Horton, let me ask you this. How are the facts here different from Wachovia v. Coffey where the husband purportedly mortgages the family's home which turns out to be titled in the wife's name, goes out and, I think, buys a rather fancy boat. Later, as I recall, he dies. Wachovia says, "We have this mortgage." It goes all of the way up and the appellate courts say, "The property was titled in the wife's name, Wachovia. Sorry, you knew that. It was of public record. You can't now come to court and ask us to correct this." How are the facts here different than the facts in Wachovia?

MR. HORTON: Your Honor, I think the facts are different in a lot of ways, the first being that in Wachovia v. Coffey the wife's interest preceded any of the transactions we're talking about.

In this case, at the time JKR's interest preceded the transaction we're talking about but JKR, pursuant to their agreement they had reached with Kenneth Bennett, transferred that, indicating how they were transferring it subject to mortgage and debt on the property.

So, I think there's -- one of the key differences is that the wife's interest existed at the time of the transaction. We're trying to impose an equitable lien on the property on interest that came in after the transaction with the transfer to

Bennett of Greenwood, a single member LLC of Kenneth Bennett, who signed the mortgage in that case.

BY THE COURT: So, but here isn't it two steps removed because you have a situation where at the time Ken borrows the money in 2007, the property's owned by JKR and everybody knows that. It's of public record. The appraisal shows it.

MR. HORTON: Right.

BY THE COURT: So, Ken has no ownership interest in the property but for being a member of JKR, and then Ken later transfers -- then JKR later transfers it to BOG, BOG later transfers it to Twin Rivers Resort, LLC. So, isn't what Certus is asking to do today actually taking two steps and say, "Not only was the transfer to BOG subject to this but now the transfer, yet again, to Twin Rivers should be subject to it"?

MR. HORTON: Your Honor, I think the equitable lien -- we would argue that the equitable lien would have been placed on during the period of time -- well, if not from the beginning with JKR because of their documents acknowledging that it was being transferred subject to debt -- the equitable lien would have come in during the over 2½ years that this property was owned and operated by Bennett of Greenwood, a single member LLC.

BY THE COURT: And that's BOG?

MR. HORTON: BOG. Twin Rivers Resort comes in -- Your Honor, we would argue that they are not, one -- Richard Bennett, who is the single member of that, was well involved up to the JKR

level through Bennett of Greenwood by the numerous documents here and the interactions but that they are not a purchaser for value without knowledge at that point, that there was a lien that would have been established on the property prior to their receiving it.

BY THE COURT: So, the argument of Certus is that Richard C., while he doesn't have any ownership interest -- didn't have any ownership interest in JKR or BOG -- he knew about it, he was aware of it, and he shouldn't now be allowed to be protected by the law?

MR. HORTON: He was not a bona fide purchaser for value without knowledge. He had knowledge and the value is, obviously, in question because of the public documents filed.

BY THE COURT: All right. Then how is this different from the Risher case where the wife knew about the loan, where she benefitted from the loan and the husband couldn't have purchased the residence without the loan but yet the Court of Appeals there denied an equitable lien?

MR. HORTON: Your Honor, I'm going to let my co-counsel who was involved in that case answer that question.

BY THE COURT: All right, Mr. Lang.

MR. LANG: May it please the Court, Louis Lang for Certus.

Judge, going back to the first question, when you went through your facts you indicated that Richard C. Bennett was not a member of JKR which is correct; however, in the record that's

before you, there's -- in fact, his testimony -- that he had some sort of equity interest in JKR. I'm not sure what that means and there's really no piece of paper to indicate that, but that's what he said he had. He was not a member in the LLC, but he had an equity interest in JKR. I just point that out for Your Honor's consideration.

In terms of the Risher case, Your Honor, I think this case was radically different from that. Number one, this is a commercial transaction. Risher was purely a consumer residential real estate transaction.

Number two, while Ms. Risher did benefit from the purchase money transaction, in this circumstance what happened was we, being Certus Bank or the predecessor in interest, paid off a purchase money mortgage which we held as well and that's different from Risher in that Risher was a purchase transaction -- purchase money transaction. We paid off an existing purchase money mortgage which encumbered the entire property, and I think that's a significant difference.

Secondly, Your Honor, again going back to Ms. Risher, while the testimony at trial -- and Risher went off on a trial; it did not go up on summary judgment -- the testimony at trial was Ms. Risher really didn't know anything about the transaction. All she wanted and all she testified to when we took her deposition was she wanted the house. She didn't know how she got it. She didn't care how she got it. That was all what her husband was

supposed to be doing and that's what he did.

In this circumstance, though, we have Richard C. Bennett and Ken Bennett intimately involved in the JKR acquisition of the property to begin with and the encumbrance of that property by way of a purchase money mortgage which was held by CommunitySouth, and then the refinance of that purchase money mortgage in 2007, and ultimately then the conveyance to BOG, and then the conveyance to Twin Rivers.

So, again, this is a far more complex factual situation than it was in Risher and again there's -- I think the evidence before you is replete with indications that everybody knew what was going on and everybody understood or thought that there was a mortgage on the property all of the way back from JKR through BOG and then to the conveyance to Twin Rivers. I think that's a significant difference, Your Honor.

BY THE COURT: And you noted Risher, obviously, was a residential case but here we're dealing -- it's a commercial case.

MR. LANG: Yes, sir.

BY THE COURT: You've got experienced parties on both sides. Why shouldn't the standard be even higher then before you allow someone to kind of back door in through equity?

MR. LANG: Well, I'm not sure we're back dooring in through equity, Judge, but the mistake was made -- and there's no question there was a mistake being made -- by Jim Belk who was

the agent for JKR for Ken Bennett and -- I can't really connect ours with Richard C. Bennett---

BY THE COURT: He is the closing attorney?

MR. LANG: He is the closing attorney, Your Honor, and he did not represent the bank at that closing. Now, of course, he had duties to the bank which he failed to discharge---

BY THE COURT: All right. Did the bank have their separate lawyer?

MR. LANG: There's no evidence of the bank having a separate lawyer.

BY THE COURT: Then isn't it in that murky area of exactly who does a lawyer represent at closing?

MR. LANG: That is murky, Your Honor. No question about that. But there's no question that Jim Belk represented the borrower in that transaction whereby the JKR purchase money mortgage was paid off by way of the mortgage that was signed by Mr. Bennett and not, unfortunately, signed by JKR.

That's where equity comes in, Your Honor, because everybody knew -- and I don't think -- of course, I have some disagreement with the Court of Appeals in Risher as well as a number of cases that have come down recently -- but I don't think that the court has to set aside its common sense in looking at this to know that everybody knew what was intended by the parties to the refinance transaction in 2007. Mr. Belk in his affidavit as well as David Swank in his affidavit says, "We intended to get a mortgage

encumbering this property because we were paying off a purchase money mortgage which encumbered the entire property." And that's where, I think, equity comes in and that's what, I think, distinguishes this case from the Risher case because the only, you know -- the closing attorney in that case didn't remember anything about anything. Ms. Risher, of course, she rolled in and all she did was want the property so she could raise her children there.

BY THE COURT: All right. Mr. Stern--

MR. STERN: Yes, sir.

BY THE COURT: --Coffey and Risher, how do they apply here?

MR. STERN: They are controlling of the disposition of this case, Your Honor, I believe. I can't help but note the language that the Court used, the Supreme Court, in Coffey. "Equity should not be used to validate husband's decision to mortgage the property in which he held no interest and the Petitioner, that is the bank's, choice to simply take husband at his word and then attempt to charge wife with responsibility for that blunder." They went on to say, "South Carolina courts should not stretch equitable principles to unfairly place fault on parties who do not contribute to the underlying transaction."

There is no -- if anything, Your Honor, this case is stronger. In both Coffey and Risher, the party against whom this was charged was -- derives no benefit. They acknowledged it in both cases, in both -- in Ms. Coffey's case and the residence in

the Risher case. Here they've acknowledged that not one penny of these proceeds wound up with Twin Rivers. There's no benefit conferred by this, Your Honor.

So, I think it's on all fours with this case with the Court of Appeals and the Supreme Court both saying, "A court of equity doesn't exist to fix the bank's mistakes." Your Honor, that's how -- I think it's controlling and also, I think, on the issue of ratification. That was an issue that is one of the three claims that they have brought to this Court.

BY THE COURT: We're going to get to ratification in a minute.

MR. STERN: I just wanted to mention, Your Honor, that in Coffey that was an issue as well and the wife made payments, made payments after the husband's death and in that case they said, you know, "That's still not enough. We're not going to let equity go in and fix the bank's mistake," in that case. So, Your Honor, I think both cases are controlling as to the disposition---

BY THE COURT: All right. In Risher was there evidence, Mr. Stern, that the wife was aware on the front end of what was going on?

MR. STERN: I just -- Your Honor, let me get to it because I know I made a note about that.

BY THE COURT: Because Mr. Lang argues that that is a significant factual difference.

MR. STERN: Well, let me turn to it because I made notes on that, and I couldn't help but notice Mr. Lang's intimate familiarity with that case.

MR. LANG: My unfortunate intimate---

MR. STERN: But what they pointed out there was -- excuse me, Your Honor. It will just take a second. We recognize that Cassandra admitted in deposition, she had said he could not have purchased the house without the loan from Midland Mortgage. She was aware of the loan. She benefitted from the transaction. And then they said, "Nevertheless, these admissions do not warrant a finding that the Rishers and Midland Mortgage intended that Midland Mortgage or any successor could recover against Cassandra's interest in the property for any part of the debt that Sidney's share could not satisfy in the event of default."

So, Your Honor, I think that was what was before the Court there and, if anything, that's a stronger situation and stronger evidence of knowledge than we have here.

BY THE COURT: Well, wasn't there a benefit, Mr. Stern, to Twin Rivers Resort, LLC in that the property that they were conveyed -- I'm looking for the date. I'm sorry.

MR. HORTON: Your Honor, the deed was in September 2010, recorded December 2010.

BY THE COURT: Okay. All right. So, the property they get in September 2010 has either very little debt or no debt because the 2007 loan paid down the debt. Why is that not a benefit that

precludes granting of summary judgment---

MR. STERN: Because I think the deposition testimony of Mr. Bennett -- we put some excerpts in to support our position. They put the entire deposition in as part of it, but it makes clear in that that -- well, the exhibit showed that Richard C. Bennett was owed $120,000 in money that he had put into that payment of unsecured debt plus he paid -- he had been involved in working on that project since 2005. So, he put in -- and the appraisal showed -- he put in as much as the property was worth. So, I don't know that if Your Honor is suggesting somehow there's some windfall to Richard C. Bennett, Twin Rivers, from that, no, there was not because of the deal that he previously made earlier.

BY THE COURT: I'm not suggesting that, but Mr. Horton is. Let me ask you one other question, Mr. Stern, or maybe just one other question.

MR. STERN: Yes, sir.

BY THE COURT: The language used by the courts in -- it's either Risher or Coffey, it may have been both -- talks about that the courts won't impose liability on a stranger to the transaction.

MR. STERN: Yes, sir.

BY THE COURT: How can you say that Richard C. is a stranger to this transaction of October -- November 2007 with the note and mortgage?

MR. STERN: Because, Your Honor, first off, he was not a

member of JKR. Okay.

BY THE COURT: What do you do with the language where he says he had an equity or -- I forget the exact phrase.

MR. STERN: Very simply---

MR. HORTON: A percentage interest, Your Honor.

MR. STERN: Well, if you look at it -- and I would ask you to look beyond what was said in the quotation -- but if you look at what he said in the rest of that quote that they put in there, he made clear that his interest was in a profit that was to be made on that property, not in the property itself but from that standpoint, he was indeed a stranger. He did not -- he had knowledge of it at some point in time, but Ken Bennett's obligation was to satisfy that, take care of the debts. That's part of the agreement that we both cited in there. I hope that answers the question.

BY THE COURT: All right. Now, what -- Mr. Stern, I'm sorry, I've got maybe two other questions before I let you sit down.

MR. STERN: Yes, sir.

BY THE COURT: What is the impact -- again, we're here on your Motion for Summary Judgment -- what is the impact of the affidavit of the closing attorney Mr. Belk as well as Mr. Swank, the banker, who clearly state that it was their belief that there was going to be a first loan on the real property involved that would be securing this loan, the 2007 loan?

MR. STERN: Your Honor, again, it only underscores the fact

that they -- it was a mistake. Mr. Swank -- first off, Your Honor, I have -- they're required to offer evidence that's admissible in court. Assuming what the contents of the affidavit -- of course, the affidavit itself is not admissible but the contents of it have to be true and just saying this was everybody, to the transaction's, intent I don't think is proper, but I don't think it changes the result any based on the two cases that clearly say, "Courts of equity don't exist to fix banks mistakes."

Of course, that may have been the intent but the real key is: Do they satisfy the elements of an equitable lien? And they can't satisfy it. I don't think that evidence goes to anything that would establish, number one, a debt between Twin Rivers and Certus or its predecessor CommunitySouth. That's what they've got to show, a specific agreement that that property would be encumbered and, again, there's no evidence that Twin Rivers agreed that that mortgage would encumber their property. There's no evidence of that.

So, saying that this was the intent doesn't, I don't think, add anything to the transaction anymore than I'm sure that the lawyer who closed -- or the bank in Coffey which closed the transaction should have done, we know, didn't intend for that to encumber the property of the wife in that case or in the case of Risher to encumber the wife's interest in the property. Your Honor, I don't know that that adds anything to it.

BY THE COURT: Does Twin Rivers, LLC have to occupy the position of a bona fide purchaser for value without notice in order to avoid any liability?

MR. STERN: No, sir, Your Honor. I don't know where that comes from because we're talking about our Motion for Summary Judgment challenging whether or not they have proved their case either as an equitable lien, mortgage reformation or ratification. We're challenging that.

So, I don't know where the issue of bona fide purchaser -- it's just like they interjected this thing about -- from the Tax Code about a single member LLC being a disregarded entity and making a big deal of that when, in fact, the statute itself says for taxation purposes only a single member LLC and an individual that owns that are treated one and the same for tax purposes. That's all. It's just interjecting something in there that doesn't go to satisfy any of the elements required for those three causes of action.

BY THE COURT: All right, Mr. Horton.

MR. HORTON: Your Honor, if I may, I absolutely think the fact that Richard Bennett is a bona fide purchaser for value without knowledge is absolutely relevant because, as I stated before, the argument would be that the equitable lien appeared on this property before he ever even got it. We're 2½ years down the road, almost 3 years down the road from the -- over 3 years down the road from the transaction before the deed to Twin Rivers

Resort has ever even filed.

I don't think -- to get to your point about being strangers to the transaction -- I don't think you can call any of these people strangers to the transaction. One of the primary differences from Coffey in this case is that the husband never owned an interest in the piece of property, didn't start with one, never ended with one.

When this thing started, Kenneth Bennett had an interest to start with through JKR. He had an interest by virtue of his agreement to purchase it, and he actually ultimately ends up with complete control of the property that he agreed to encumber. From that point on, the transactions and interactions of the parties are all on their face -- look at this, they are all operating under the assumption that there is a mortgage on this property. There's talk of a mortgage. There's identifying of the bank as the mortgagee. Richard Bennett is involved with JKR. He's involved with Bennett of Greenwood, and then he's involved again. Nobody to this is a stranger to this transaction.

So, I don't -- and as far as the reference to the disregarding entity, I do think that it is important that Kenneth Bennett signed in his own name and he is the sole owner of the LLC that receives the property. So, anything that he does, that LLC has knowledge -- effective knowledge and notice of it.

BY THE COURT: All right. Mr. Stern, what do you do with the Affidavit of True Consideration when JKR conveys the property to

BOG and the Affidavit of True Consideration shows a debt of $1.3 million? Is that not enough to, at least, give some kind of notice to Twin Rivers, LLC that, "You know, we need to see what's going on with this"?

MR. STERN: Your Honor, what they're trying -- and it's really puzzling -- what they're trying to do is use equity to create a mortgage where one does not exist, and perhaps the best proof of that is their own conduct and because of that going to Richard C. Bennett, Twin Rivers, to say, "We would like you to sign a mortgage on that piece of property."

Your Honor, I think it's important to take a look at it from a different direction, of when the courts have said, "That meets an element for an equitable mortgage." If you look at the cases where that exists, they're fairly narrow. The case where a developer enters into a construction loan and promises a first mortgage to the construction lender on that, the construction lender knows that he's out there selling property, a homeowner gets property -- puts down money for a mortgage. In those cases, they've said, "Wait a minute. We're going to allow an equitable mortgage there to this person to have an equitable mortgage and to give it priority over the recorded mortgage because of what happened there."

There's nothing like that here. There's no -- nothing -- no analogous situation to someone who comes in there, pays money for an interest in property and that's what they've said, "We're

going to allow an equitable mortgage when we have those" -- and the elements are met. It's just not the case here. There's just no case that has stretched this notion of an equitable mortgage, ratification, and reformation which doesn't apply at all, by the way, Your Honor.

BY THE COURT: Let me change gears with all three of you for a moment. Let's talk about the title insurance.

Mr. Stern, your client is arguing that, "Hey, there's this pot of gold over here. Go get it and leave us alone because there's a legal remedy available to you and you have to go do that before you can try to come in with an equitable remedy." Is that a fair oversimplification?

MR. STERN: No, sir. That's 100 percent accurate as to that component of our argument with respect to their failure to prove -- again, their burden -- prove you have an inadequate remedy at law. I did read the case -- they say what Mr. Horton and Mr. Lang say they say, that title insurance, at least in California or wherever the case was decided, didn't represent inadequacy remedy because those parties weren't before the court.

I think this is a little bit different but, Your Honor, I've got to point out something else. They brought a judgment; they brought a claim on the note against Mr. Kenneth Bennett. They have a judgment for that. Although I complained about it because I never saw it before because it wasn't produced in discovery, they put his personal financial statement in evidence, in the

record before the court -- it's in one of their exhibits -- and the personal financial statement as of 2012 shows Mr. Kenneth Bennett with a net worth of over $9 million. So, even on that standpoint -- but I do understand the point -- the title insurance issue, I do understand it. We just think that the parties who are responsible for the error ought to pay for it.

BY THE COURT: Do you have any authority -- I'm not aware of any in South Carolina -- but any authority anywhere that says you have to proceed against the title insurance policy first before pursuing any equitable remedies?

MR. STERN: No, sir.

BY THE COURT: It's just one of those, it sounds right. That's what it ought to be.

MR. STERN: Well, more importantly than that, in a different situation there would be some kind of equitable subrogation or something like that that would apply in that instance. I don't know other than to say I've searched the records. I can't find a case. I did find a case where Commonwealth has already sued Mr. Belk for the same thing on an unrelated transaction but, again, I can't help but think that what the court said in both cases is -- not so much that but we're just -- courts of equity are not here to fix bank mistakes.

BY THE COURT: All right. Mr. Horton or Mr. Lang, what's wrong with -- it's a pretty straightforward argument. You know, the parties got title insurance. Title insurance company, they

ought to pony up, pay the money and then if they do pay anything, they would have subrogation rights.

MR. LANG: Here's the response, Your Honor. Your Honor is correct as Mr. Stern very candidly said, there is no authority for that proposition anywhere in the country that I can find.

In addition, Your Honor, I would invite the Court's attention to the title policy itself which is Exhibit D. It's kind of hard to read, but the provisions of the title policy clearly give the title company the option to prosecute just this kind of lawsuit. And in that regard, Your Honor, it's in the conditions and stipulations section of paragraph 4 which says, "The company shall have the right at its own cost to institute and prosecute any action or proceeding which in its opinion may be necessary and desirable to establish the lien as insured."

And then there's another provision, paragraph 8, again in the conditions and stipulations, it talks about limitations and liability which says that, "If the company establishes the title for the lien as insured, then there is no loss." It has done what it is supposed to do.

So, what Mr. Stern is suggesting the Court do is redact that portion of the title policy itself involving a contract between a party which is not before the Court and say, "Okay, insured, you have to go to the title company first." And the title company is just going to say, "Well, I have the option under this policy to do precisely what I'm doing here."

And there's no authority for that in South Carolina or the state -- in the United States and the only case that's somewhat on point is where it talks about it is First Federal Savings Bank of Brunswick v. Stewart Title which is now 20 years old at 451 S.E.2d 916 in which the Court of Appeals talks about the options of a title company when presented with a claim that there's a title defect on the property. The Court of Appeals clearly says in that circumstance the title company can go and fix it and if it fixes it, then there is no title defect. It's done what it had to do, what it's responsible for doing, under its title policy. It can fix; it can pay; it can do any number of things but those options are in the contract and the Court really doesn't have the power to alter that contract, particularly when Commonwealth isn't before the court.

BY THE COURT: So, the Court can't alter a contract unless there's some equitable theory where somebody dropped the ball along the way?

MR. LANG: Well, we're not talking about that, Judge. We're talking about---

BY THE COURT: I know. I just said that.

MR. LANG: Well, I think that's an important distinction, Judge. I mean, what counsel is suggesting---

BY THE COURT: I know. That's a nonissue.

MR. LANG: All right. Thank you.

BY THE COURT: Yes, sir, Mr. Stern.

MR. STERN: Well, Your Honor, I just don't see it. How can you not be before the court and at the same time enforcing a contractual right that you say you have? I don't quite get that. Maybe Mr. Lang can explain it to me so I can get it.

BY THE COURT: Well, let me move on to the reformation. All right. Who's going to argue reformation?

MR. HORTON: I will, Your Honor.

BY THE COURT: All right. And I want to make sure I understand. Certus is asking that the note and mortgage be reformed to bind now Twin Rivers Resort, LLC?

MR. HORTON: Again, Your Honor, the reformation would be more so in the name of reforming the mortgage to where Ken Bennett actually -- he signed the mortgage in his individual name -- to when he gained complete control, that the mortgage be reformed to comply with his -- the mortgage be reformed in the name of Bennett of Greenwood at that point. Again, they want to go to Twin Rivers Resort not being a purchaser for value without notice from Bennett of Greenwood.

BY THE COURT: All right. So, is the reformation then sought to be reformed as of November 1, 2007 or some date after that? That's what I'm a little bit confused on because I don't---

MR. HORTON: Well, Your Honor, I would think -- at the time the mortgage -- I mean, I---

BY THE COURT: Help me out.

MR. HORTON: Wherever the argument is the best to be

reformed, Your Honor. But at the time the mortgage was closed, November 1, 2007, Ken Bennett through his interested entities, through his interest in JKR at least had a one-third interest in the property. Then, Your Honor, through an agreement he had with JKR evidenced by his letter to them, he had an agreement to buy the whole thing and assume the mortgage. So, I think the reformation -- I mean, at that point, when he signed, he's -- that the mortgage be reformed to whatever interest he has or controls. At the time, it was just a third because it was through Bennett of Greenwood, but ultimately that ended up into his name, in his complete control under Bennett of Greenwood or BOG. That didn't answer your question.

BY THE COURT: Well, it did but typically with a reformation you say, "Okay, court, here is the date we wanted reformed and here's why." This was missing, this was a mistake, whatever it was, and here's the date we're pointing to. But it seems like in this case we're saying, "Let's kind of throw a broad net and whatever swims into it during that time of reformation, we're going to"---

MR. HORTON: Your Honor, I think the reformation happened -- the best place, the most logical point is when that property gets transferred to Bennett of Greenwood. He signed in his individual capacity that he had 100 percent ownership and control. When that property got into Bennett of Greenwood, that's when he had ownership and control of the property, Bennett of Greenwood being

his sole single member LLC interest. So, I think that is the most appropriate date for the reformation of the mortgage at that point, that it would conform---

BY THE COURT: All right. And so the reformation then would say, whenever it attaches, even though BOG later conveys it to Twin Rivers Resort, then Twin Rivers Resort took it subject to a mortgage that the court is now declaring should have existed?

MR. HORTON: Correct, Your Honor, because they had notice of the intent, obviously. I mean, the owner/manager of Twin Rivers Resort signed -- I mean, not Twin Rivers Resort, Your Honor. I'm sorry -- Bennett of Greenwood signed the mortgage in his own name representing he owned it. You'll notice that the personal financial statement that he -- in 2010, he doesn't -- he represents -- even on that statement he ignores Bennett of Greenwood and that personal financial statement doesn't even list it as an asset, listing Twin Rivers Resort as his own -- owning it himself. I think Twin Rivers Resort is on notice, if anything, obviously, that Ken Bennett should be aware of. So, it would be at that point the mortgage would be reformed to be in the name of Ken of -- Bennett of Greenwood who is effectively the alter ego of Kenneth Bennett.

BY THE COURT: All right. Mr. Stern, what's wrong with that?

MR. STERN: What's wrong with it is you have to go back to November 2007 to reform it. You have to -- you can't just pick some point after that. If you do, then the elements of

reformation would have to apply to Twin Rivers. But if you're going to go back and try to say, "Let's fix the original one in November 2007," that's what you have to reform as well as the next one but ultimately they can't make the elements out as against Twin Rivers on that, but JKR also is not a party to the case. So, I don't know -- and they're the -- at least the party that should have been -- the borrower or the mortgagor, one.

BY THE COURT: Mr. Lang?

MR. LANG: Just very briefly, Your Honor. I think an alternative date is -- ordinarily, reformation, as I understand, goes back to the date of the mistake, mutual mistake, which would have to be that November of 2007 event where everybody intended that the mortgage would encumber the property.

BY THE COURT: But one of the everybodys would necessarily be JKR?

MR. LANG: Correct.

BY THE COURT: And JKR's a nonparty?

MR. LANG: JKR is not---

BY THE COURT: So, how can I reform finding a mutual mistake when a critical party to that reformation is not a party to this lawsuit?

MR. LANG: My response, Your Honor, is this. JKR has conveyed the property to -- it no longer has an interest in the property -- it conveyed it to Bennett of Greenwood, BOG is what we're---

BY THE COURT: But see -- and that kind of goes back -- I guess what I was troubled a little bit with Mr. Horton because typically reformation, it goes back to the date of execution. It just says, "There was a mistake. Something was omitted, something was put in that shouldn't have been put in. So, let's go back and correct what everybody knew." But the owner as of November 1, 2011 was JKR. So, how can the Court now reform something where the owner of the property is not in the lawsuit?

MR. LANG: Well, Your Honor, I understand that being somewhat difficult conceptually. But, again, JKR has conveyed its interest out. So, why are they necessary to even be here? You know, we're not affecting any interest that they might have in the property. We're affecting the interest that Twin Rivers has or might have in the property. It would be like the same thing as joining a superior lienholder in a mortgage foreclosure. There's no need to do that because you're not doing anything to that superior lienholder. In this circumstance, we're not doing anything to JKR's interest because they don't have any interest any longer.

MR. HORTON: Your Honor, if I may add one point, that JKR has acknowledged in public record that it was transferring its interest subject to the mortgage, subject to encumbrances to Bennett of Greenwood.

BY THE COURT: And again I know I asked you this just a minute ago, Mr. Stern, but isn't that at least some indicia that

the deed and the Affidavit of Consideration is showing $1.3 million in debt?

MR. STERN: Your Honor, I don't know that that -- I mean, how that moves the ball forward on the issue of reformation, I don't understand that. They do, as the Court pointed out, have to go back to November 2007. Again -- also it's a clear and convincing evidence standard for that, for reformation. So, I don't think that they can do that without having the party who is the owner in the case but even then they have to show as between Twin Rivers and whoever this is determined to be -- and only then -- if it's reformed back, then do we get to the issue of whether it was a bona fide purchaser or not? It's not raised in the pleadings either.

BY THE COURT: All right. Mr. Horton, my last series of questions. Ratification, how can Twin Rivers, LLC, who got the property in September 2010 and they're twice removed from the original obligor Ken, have ratified a note and a mortgage executed in November of 2007 some few years before Twin Rivers, LLC was ever even formed?

MR. HORTON: Your Honor, again, I would go back -- I would say that the ratification occurred at the level of Bennett of Greenwood -- that Bennett of Greenwood ratified the act of its owner and single member in operating and communicating with the bank as if there was a mortgage. Again, the interest Twin Rivers Resort got was not a bona fide purchase for value without

knowledge, that they were aware of the claimed lien at the time they took possession. So, whether they took any action -- although, I do think there's plenty of action on behalf of Richard C. Bennett to acknowledge the mortgage and his interactions on behalf of -- whether it be JKR, Bennett of Greenwood or his brother -- in communicating with the bank and acknowledging the existence of its mortgage. I mean, he, himself -- his own testimony is that he applied for new insurance in 2009 with the Turner---

BY THE COURT: But is acknowledging something the same as ratifying something? Because the Court then has to say, "Okay, Twin Rivers, you weren't in existence at the time all of this happened but now the Court is saying that you are -- that you have ratified it, you have accepted anew the liability that CommunitySouth asked you to sign but you never did. So, now we're asking the Court to do something that the parties themselves could never get done." I'm troubled by that.

MR. HORTON: My understanding -- Your Honor, the idea that Twin Rivers Resort has somehow ratified this mortgage is more strained, but I do think that the argument that Bennett of Greenwood ratified this mortgage and that Twin Rivers Resort was aware of that is not strained. I think there's plenty of evidence to that.

BY THE COURT: All right, Mr. Stern.

MR. STERN: Your Honor, again, if you look at the

circumstances where the court has said, "We're going to allow ratification here," it's in a very narrow -- to cure technical defects that exists between one party to an instrument and another party to an instrument like where a deed is executed by a minor that is per se invalid but the minor after he reaches adulthood basically says, you know, "I acknowledge that." Those are the narrow instances.

It hasn't been, again, used in any instance to create a mortgage is what they're arguing here. So -- and plus, Your Honor, again, if you look at the Coffey case, there were acts that presumably could have been acts of ratification when the wife paid funds on it. Mr. Bennett has admitted, "Yeah, I did pay some of these obligations that" -- "I brought it current as a favor but ultimately that was to lead to a final agreement. We never got to a final agreement."

So, it's ironic that what you have is the bank's conduct showing there's no valid mortgage, Mr. Richard Bennett coming to the aid to assist, to help, on it. They're not reaching an agreement and then having that very conduct be used to show the existence of a mortgage, and I just don't think that's -- it's supported by any case law that we have.

BY THE COURT: All right. Anything else?

MR. LANG: Just very briefly, if I could, Your Honor. I think the evidence again is for -- again, we're here on summary judgment. We're not here trying the case. I think that's an

important distinction. You know, I would invite the Court's attention to Exhibit No. 9 attached to our Memorandum which is a note from Richard Bennett to David Swank providing insurance information which shows the bank, CommunitySouth, as being the mortgagee and the certificate holder. In fact, identified three times in that package of documents is the certificate holder as CommunitySouth and identified as the mortgagee. There's Exhibit 11 which is a letter from Rick Bennett to David Swank dated March 10, 2010 saying, "I will bring the payments and taxes current," referring to the property; again, referring to a debt owed to CommunitySouth. And I can go through -- Exhibit 12, 13, 14, 17 and 21 all support the idea of both ratification and reformation as well as equitable lien and the only -- and then I'm done with that.

The only other thing I would invite the Court's attention to the other case is the case of H&H v. -- of Johnson v. Old Republic Title Insurance Company, 748 S.E.2d 72. In that case, Judge, the assertion was by the Plaintiff that a title insurance agent who was a lawyer had entered into some sort of oral agreement to issue a title policy absent -- without certain exceptions, and the Circuit Court granted summary judgment. The Court of Appeals reversed.

And this is the evidence that the Court of Appeals utilized to reverse in saying there was a genuine issue of material fact. It says, and I quote, "Although Stanley Herlong" -- which was the

H&H 30(b)(6) component -- "asserted at his deposition he did not discuss the terms and conditions of the title insurance policy," -- which before this case came out I thought was an essential element of moral contract -- he went on to say in his affidavit that "H&H had an agreement with Bufkin," who was the lawyer, "regarding the three coverage exceptions." That was it. There was an affidavit that had a conclusionary statement that said, "I had a deal" and that was sufficient for our Court of Appeals, 2 to 1, to reverse a Circuit Court grant of summary judgment.

It's a very slight standard even if it's clear and convincing evidence. Equitable lien is a preponderance of the evidence. And again, Your Honor, I would suggest that based upon this record that Mr. Horton has been responsible for putting together, there's more than enough -- more than a scintilla of evidence to get by the summary judgment today.

BY THE COURT: All right. Gentlemen, here's what I'm going to do. Good issues and good lawyers, and I appreciate that. I'm going to grant the Motion for Summary Judgment on ratification. I just, under the facts and the law as I understand it to be, I just don't think the facts here meet that.

In light of the standard that I'm required to apply, I feel like -- as much as I would like getting rid of this case as much as y'all would like to get rid of this case, I think I have to deny the Motion for Summary Judgment on reformation.

Admittedly, I think you're close to being where you need to

be on that, Mr. Stern, but I think I've got to deny it, and also deny it on the equitable lien.

Mr. Stern, if you would do an Order on the ratification issue.

Then, gentlemen -- anything else we need to discuss on the record at this point?

MR. HORTON: Not that I'm aware of, Your Honor.

MR. STERN: No, sir.

BY THE COURT: Okay. Let's go off the record.

(An off-the-record conference was held)

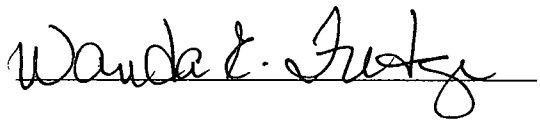
(Whereupon, the hearing concluded at 11:55 a.m.)

-----END OF REQUESTED TRANSCRIPT OF RECORD-----

The undersigned, Wanda E. Fudge, Court Reporter, Office of Master in Equity for Greenville County, South Carolina do hereby certify that the foregoing is a true, accurate and complete Transcript of Record of all of the proceedings had and evidence introduced in the hearing of the captioned case, relative to appeal, before The Honorable Charles B. Simmons, Jr., as Master in Equity for Greenville County, South Carolina on the 8th of April 2014.

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

July 3, 2014



Wanda E. Fudge, CCR

Certified Court Reporter

STATE OF SOUTH CAROLINA	)	IN THE COURT OF
	)	
COUNTY OF LAURENS	)	COMMON PLEAS
	)	
Certus Bank, N.A.,	)	
	)	
Plaintiff,	)	
	)	
-vs-	)	NO. 2011-CP-30-00583
	)	
Kenneth E. Bennett, Twin Rivers Resort, LLC and Bennett of Greenwood, LLC,	)	VIDEOCONFERENCE DEPOSITION OF KENNETH E. BENNETT
Defendants.	)	

The videoconference deposition of Mr. Kenneth E. Bennett, called as a witness by the plaintiff in the above-entitled action, taken before Therese A. Wasilewski, Certified Shorthand Reporter and Registered Professional Reporter, at the offices of EIGERlab, 605 Fulton Avenue, Rockford, Illinois, on February 14, 2013, at 10:30 a.m.

Job No. CS1600041

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I N D E X

EXAMINATION OF: KENNETH E. BENNETT

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(Witness sworn.)

MR. HORTON: Mr. Bennett, my name is Zach Horton and I'm the attorney for CertusBank in this matter; and obviously you know we're here to take your deposition today in conjunction with that matter. Initially I'll go over sort of a few -- we call them ground rules or whatever.

Have you been over reading and signing with him?

MR. COX: No.

MR. HORTON: I'm going to ask questions and you're going to give answers. The court reporter there is going to take down my questions and your answers verbatim and produce a transcript.

When she is done with that, you have the right, if you so choose, to review her transcript and make sure that she has taken down everything accurately and make corrections to her transcript if you believe she has not taken down something accurately.

It would not be an opportunity to change an answer. For instance, if you said the light was green, it would not be an opportunity to go back and say, well, actually, no, I want to say the light was red. It's basically just saying you misheard this name wrong or this is misspelled and you have the opportunity to read and then sign the deposition.

The alternative to that is you can waive that right and trust her that she will take down everything accurately. So I guess we need to know whether you want to read and sign or waive that right.

THE WITNESS: Can you produce one for me?

MR. COX: Ken, you can waive it.

THE WITNESS: Okay. We'll waive it.

MR. COX: Signature will be waived.

MR. HORTON: All right. I'm going to ask questions. If you don't -- if I'm not speaking loud enough, please just ask me to speak up and I'll try to speak loudly. My wife, she thinks I talk like I'm talking through a megaphone when I'm on the phone.

If you don't understand a question, please just ask me to repeat it. If you give an answer, I'm going to assume you understood the question. Is that fair?

THE WITNESS: Yes. But I have a question, though, before we start for a clarification.

MR. COX: Go ahead.

THE WITNESS: I want to know who actually hired you and who is paying you. Is it CertusBank, is it the title company or is it the E&O carrier for the attorney?

MR. HORTON: I'm not sure. I am in this action representing CertusBank. As far as who engaged and who

pays, to be honest with you, that would be the deal between CertusBank and anybody they have an insurance agreement with. I do not represent David Belk, I'll tell you that much.

THE WITNESS: James Belk.

MR. HORTON: Or Jim Belk, whatever his name is, the closing attorney, I do not represent.

THE WITNESS: Okay. So you can't represent, I would assume, both the title company and CertusBank.

MR. HORTON: I'm on record representing CertusBank.

THE WITNESS: All right. I just needed to clarify that. Thank you.

KENNETH E. BENNETT,

having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. HORTON:

Q. Okay. Mr. Bennett, will you give your full name for the record.

A. Kenneth E. Bennett, B-e-n-n-e-t-t.

Q. And Mr. Bennett, where do you currently live?

A. Rockford, Illinois. Actually, Machesney Park. I'm sorry. I think it's the same, Machesney Park.

Q. And how long have you lived there in Rockford, Illinois?

A. Most all my life.

Q. Okay. I'll sort of cut right to the chase. And since we're not doing this in front of a jury, I don't have to ask you a bunch of questions about who your relatives are.

You were involved in an outfit called JKR Development. Can you tell me who all was involved in that business?

A. There were three partners: James Hendershot, Richard Bennett and myself.

Q. And what was -- there was a Richard Bennett. What relationship is that Richard Bennett to you?

A. He's my nephew.

Q. That's your nephew. Okay. And what does he go by? I know you've got a brother who is also a Richard Bennett. The Richard Bennett of JKR, does he go by Rick, Richard?

A. JKR goes by Rich, R-i-c-h. The other gentleman goes -- my brother goes by Rick, R-i-c-k.

Q. Okay. Thank you. So if I refer to Rick, I'll be speaking about your brother, who was not a business partner in JKR. When was JKR formed?

A. Let me clarify that. He had a partnership in effect with JKR but he is not a member of JKR.

Q. Okay. And what was his partnership with JKR?

A. We gave him an equity position in Twin Rivers.

Q. And is Twin Rivers -- just for clarification, Twin Rivers is the property on Lake Greenwood that is the subject of this lawsuit?

A. That is correct.

Q. And what was his equity interest in that?

A. Before he purchased the balance it was 25 percent.

Q. To get that, what did he pay for that equity interest? How did he come about getting that equity interest to start with?

A. We had an agreement with Rick that if he came to -- moved his lifestyle and took over the Twin Rivers Resort that we would give him somewhere between 6 and 10 percent the first year and then 6 percent each year after until such time that he owned 25 percent if he would manage the property.

Q. Okay. And he, in fact, did do that. And when did he move down and begin to manage the property?

A. He moved down in early 2006.

Q. And so he managed the property from that point

forward?

A. Yes.

Q. And does he still manage the property today?

A. Well, he owns the property now.

Q. During his management of the property, how involved would you say Rick was in JKR's business dealings related to that property?

A. Could you define "business dealings."

Q. I guess I'm saying as far as any financing on that property, obtaining insurance on that property, things of that nature.

A. When JKR owned it, he didn't obtain the insurance and he didn't do any financing and he really wasn't privy to the debts and loans, other than we had him pay bills.

Q. Now, were the debts and loans part of the bills that he was in charge of paying?

A. Yeah. He paid some of them.

Q. And whose money was he using to pay these debts and loans? Was he loaning money to the outfit or was this JKR's money?

A. Well, there was a point in time when he put money of his own in and was to be reimbursed. Most of it was paid by JKR.

Q. Now, this equity interest that he had and these

loans, is there any documentation that was ever done to sort of memorialize this arrangement?

A. There's a handwritten letter in the beginning, which I have a copy of. Also, when I purchased Rich and Jim their percentages out, they each only represented 25 percent. They still own 33 percent of JKR. But the purchase document from each of them showed that they each paid 25 -- I bought 25 percent from each of them.

Q. You bought 25 percent of Twin Rivers from them?

A. Yes.

Q. Is that what you're saying?

A. We're talking about -- I assume we're talking about the property that you have called the lawsuit on, correct?

Q. Right.

A. We're not talking about any other JKR properties. I don't think it's relevant, is it?

Q. Well, at this point I can't promise you I won't ask about any other JKR properties, but that's the one I'm here to ask questions about today.

I'm saying the three of them -- you each owned JKR a third, a third, a third. But what you're telling me is that the Twin Rivers property was actually 25 percent for each of the three of you and then 25 percent for your

brother Rick. Did I state that accurately?

A. That is correct.

MR. HORTON: Court Reporter, can you give him what's been marked as Exhibit No. 1?

(Bennett Exhibit No. 1 tendered.)

BY MR. HORTON:

Q. Mr. Bennett, can you identify that document?

A. Yes.

Q. And can you tell me what that is?

A. This was a summary of the purchase agreement for myself purchasing the assets of Twin Rivers Resort and the land from the other two partners individually of JKR.

Q. And why was JKR splitting up?

A. The two partners were ready to sell it and alleviate the management and I chose to take it over and keep Rick involved.

Q. Okay. So you said that this is a summary of the agreement that you had. Was there ever any other formal agreement done?

A. I'll have to check my files. There's a track record of all the payments, of course.

Q. All right. And so is it your testimony that this document represents what y'all had finally agreed upon or was this a proposal by you to them or was this something

that resulted of a meeting of the minds, so to speak?

A. This is pretty much exactly how the thing went down, but you can see there are a few questions in there.

Q. All right.

A. And so that was the process to get it done. It's pretty much a general -- the deal went down pretty much in that order.

Q. Okay. So your testimony would be that this is an accurate reflection of how the deal actually ended up happening?

A. Yes.

Q. Can you tell me -- it says that "I am purchasing all assets of Twin Rivers Resort and JKR interests in Lake Greenwood." Can you tell me exactly what properties you were getting out of this deal?

A. I was purchasing any of the property that JKR owned in Lake Greenwood area.

Q. And that was to include the property that has operated as what is now Twin Rivers Resort?

A. That is correct.

Q. You will notice there toward the middle it says, "Ken takes over all payments on the properties less interest." What payments were there on these properties? What does it mean by "all payments" there? I mean, what

payments are we talking about?

A. JKR had had a mortgage on the property and we had another note -- there were a couple combined notes -- and any debts on the land that was included in that deal.

Q. Okay. Now, were those -- the debts that are listed there, it says "All payments" and it lists $50,000 credit line with CommunitySouth, according to the note, and then a first mortgage for Twin Rivers of 405,000, plus or minus.

Were there other debts being taken over?

A. I can't remember at this time.

Q. The two CommunitySouth -- well, the first mortgage there that is listed at 405,000, plus or minus, was that a mortgage held by CommunitySouth?

A. Yes. That mortgage was paid off.

Q. At the bottom there it says, "All of the above is as my notes show." Do you still have those notes?

A. I would have to research.

Q. If you've got them, can you produce them to your attorney and have them produced to me?

A. Yes.

Q. Thanks.

So over and above the payments and the debts that you were assuming, it says here that you were going to pay

$200,000 for the remaining equity.

So was there -- I guess for the value of this deal, you valued the value of these properties to be $200,000 in excess of what the liens were?

A. Yes.

Q. And did you ultimately pay that $200,000 to -- it looks like it says a hundred thousand to Rich and a hundred to Jim.

A. Yes.

Q. Who is Mike Smith?

A. He's my CPA in Illinois.

Q. And what was his involvement?

A. At the time he was handling JKR's federal income tax returns.

Q. And does he work with -- does he work by himself or does he work with a company?

A. A large firm.

Q. And what firm is that?

A. It's called Wipfli. I think it's W-i-p-f-l-i.

Q. W-i-p-f-l-i?

A. Yes.

Q. And is that in -- it's in Illinois. Where is that in Illinois?

A. His office is in Rockford.

Q. At the time was JKR your only business relationships with Jim or Rich Bennett?

A. No.

Q. Did you have any business dealings other than the equity interest in Twin Rivers with Rick other than this?

A. Yes.

Q. And what were those?

A. We had purchased some properties, same thing, with an equity position for Rick and I would take the mortgages. And I don't know which dates we purchased those, so I don't know if they came after this or a couple before this; but they would all be recorded.

MR. HORTON: All right. Can you give him Exhibit No. 2.

(Bennett Exhibit No. 2 tendered.)

MR. BY HORTON:

Q. Can you identify that document?

A. Yes.

Q. And can you tell me what it is?

A. It's a transfer of land from JKR to Bennett of Greenwood.

Q. What is Bennett of Greenwood?

A. Bennett of Greenwood is an LLC in South Carolina, a real estate holding company.

Q. And when was it formed?

A. I don't know the exact date.

Q. According to the Secretary of State of South Carolina, it was formed September 12th of 2007. Does that sound about right?

A. It's possible.

Q. This appears to list various pieces of property that are being transferred, Exhibit No. 2 does, from JKR to Bennett of Greenwood. I think there are seven parcels listed.

To the best of your ability, can you go through and tell me what each parcel is and which parcels comprise what is Twin Rivers Resort?

A. You know, I'd have to go back and pull the legals of each property to tell. There were three parcels of Twin Rivers and two adjacent to each other and the third one was a sliver adjacent to that.

Q. Parcel 2 looks like a .027-acre sliver. Does that look like it could be the sliver you're referring to?

A. It does.

Q. And then Parcel 3 looks like two adjacent pieces of 1.43 acres and 2.22 acres. Would those be the other two that you're . . .

A. It would look like that would be, yes.

Q. All right.

A. Are they on Dillard Road? Again, I would have to pull the deeds up to be sure.

Q. But the properties that do comprise Twin Rivers Resort are included in this deed. You do know that; is that correct?

A. Yes.

Q. And this deed is signed by you and -- it's signed by all three members of JKR; is that correct?

A. Yes.

Q. Now, there's an affidavit which is signed by you which is attached to the last couple of pages of that deed, and that affidavit lists the consideration paid in money or money's worth as $1.6 million.

Was that the value that you placed on these properties?

A. I would say yes. It was soon to be determined that that was a big mistake. There were no appraisals.

Q. Did you say there were no appraisals?

A. None.

Q. Okay. Then it says there were basically debts assumed of $1.3 million; is that accurate?

A. Yes.

Q. Of the $1.3 million, were the CommunitySouth

mortgages and debt to CommunitySouth part of that debt that was being assumed?

A. Yes.

Q. Okay. And according to Exhibit 1, there was only about 450, plus or minus, of that debt. Where is the other roughly 900,000 or so of debt coming from? Do you know what debts those were?

A. Well, they would be the various notes and mortgages on the other land that was transferred, and I guess I would have to assume that this is accurate. I can't guarantee that it's accurate at this point.

Q. There on the last page then is your signature as manager of JKR; is that correct?

A. Yes.

Q. And here it says -- so the net result is $300,000. Can you explain why there is -- your agreement was to pay an extra $200,000, but here you've got the net being $300,000?

A. I own 25 percent, also.

Q. Right. Okay. So 100,000 of that was your own share.

A. Yeah.

Q. Do you recall off the top of your head what other debts there were on the other properties, what banks may

have held liens or that you may have had debt on that you were assuming?

A. It could be a lot of banks. Capital Bank had some of it. I'd have to check the debts on each property.

I'm going to be allowed to keep these exhibits, correct?

Q. They will be attached to the deposition, that is correct.

A. Okay.

MR. COX: You will get a copy of them with the deposition.

THE WITNESS: All right. That's fine. Thank you.

MR. HORTON: Hand him what's been marked as Exhibit No. 18.

(Bennett Exhibit No. 18 tendered.)

THE WITNESS: Do you have a question?

BY MR. HORTON:

Q. Mr. Bennett, can you identify those documents?

A. Okay. Yes.

Q. And what are those documents?

A. It looks like a loan document from CommunitySouth to myself.

Q. Okay. The loan amount on there is 497,450 and

it's dated November the 1st, 2007. Can you tell me what the purpose of these loan documents was?

A. Yeah. This is to invest in commercial property and then I think the bank paid off JKR's note.

Q. And you say to invest in commercial property.

A. Yes.

Q. Are you talking about the Twin Rivers property?

A. I'd have to go back and break it apart, you know, what part was to Twin Rivers and what part was to other properties and if we took any money out. I don't know for sure.

Q. All right. But was this line of 497,450, were the proceeds of this loan used to satisfy the JKR notes that were referred to in Exhibit 1?

A. I would say yes.

Q. Effectively was this a refinance of the JKR debt?

A. No. This is not a refinance because it was a new loan, so it couldn't possibly be.

Q. Would the purpose of this be for you to pay off the JKR loans so that you could assume them yourself and they would be in your name?

A. The purpose was to invest in real estate and I might have used the proceeds to pay off all the JKR loan.

Q. You'll notice down there at the bottom it says

the purpose is to refinance commercial property. So are you saying that's an inaccurate description?

A. Yeah, it's impossible. How can you refinance something that is a different owner? So it's a new loan.

Q. You were also a member of JKR; is that correct?

A. Not when I signed this document.

Q. There at the bottom on the left it says "Security" and it says "Mortgage dated 11/1/2007."

A. Yeah.

Q. So this new obligation was to be secured by a mortgage?

A. It's difficult to answer that. CommunitySouth had a tendency to move properties all over the place with these loans and they had a great history of things being either personally guaranteed or the property they said was going to be changed to a different property.

So, first of all, I could say I couldn't possibly have done it because I didn't own it. So I'd say it's pretty unclear what their intent was.

Q. But that is your signature at the bottom; is that correct?

A. That is correct.

Q. Is it your testimony that you do not know -- you do not know if it was CommunitySouth's intent to have any

security for this $500,000 loan?

A. I don't know what their intent was, but they couldn't possibly have done it this way.

MR. HORTON: Could you hand him what's been marked as Exhibit 17, please.

(Bennett Exhibit No. 17 tendered.)

BY MR. HORTON:

Q. If you will hold that 17 there for a second, I want to go back to 18 real quick for one other question. The last page of 18 looks like it's called "Agreement to Provide Insurance."

And your signature at the bottom -- is that your signature at the bottom of that document?

A. Yes.

Q. Okay. And would you agree that this is an agreement by you to provide insurance on property --

A. Yes.

Q. -- to secure CommunitySouth Bank?

A. Excuse me. Hold that answer. Would you -- I'm sorry I interrupted you. Could I hear the whole question again?

Q. It says here that this is an agreement to provide insurance. You signed off on an agreement to provide the insurance and the property description there is Twin Rivers

Road and 1878 Dillard Road.

Are those properties what we would call the Twin Rivers Resort properties?

A. Yes.

Q. Okay. So in conjunction with this loan, you were agreeing to provide insurance to secure CommunitySouth, to secure those properties for CommunitySouth; is that correct?

A. Well, you have to understand something. I own an insurance agency. And knowing full well, I guess, as I look at this, you know, they had no rights to the properties, so it really didn't matter.

If the insurance company issues a check, the check would be disbursed once it was proven who owned the property and who had the risk. So it really doesn't matter.

We're not talking liability here, we're only talking property. So, yeah, I guess you could say that's what it says. And an insurance company cannot insure a non-insurable risk even if someone put the name down.

Q. I'm not sure I follow you.

A. I guess it's okay. It's not important.

Q. I guess my main point is you agreed in conjunction with obtaining this loan to provide insurance

with CommunitySouth listed as a secured party on a property that is the Twin Rivers Resort.

A. Yes.

Q. Is that correct?

A. Yes.

Q. Did you, in fact, provide that insurance for CommunitySouth?

A. Yes.

Q. If we could look at Exhibit No. 17 now, can you identify Exhibit 17, please.

A. This is a real estate mortgage from Kenneth E. Bennett as mortgagor and lender to CommunitySouth Bank.

Q. And the document is initialed on each page and signed at the end. Is that your signature?

A. That's correct. However --

Q. And Exhibit A --

A. This really is probably invalid. There was no witness there to vouch for my signature. That must have been signed by somebody at a later time that never saw the signature done.

Q. Did you, in fact, sign this document?

A. It looks like I did, yes. It looks like my signature.

Q. And Exhibit A is a property description. In

looking at those, do those properties appear to be at least some or all of the properties that comprise Twin Rivers Resort?

A. No.

Q. They do not? Well, what properties are those?

A. Those are two parts of Twin Rivers Resort.

Q. So I'd say all or at least most of it. Is this Twin Rivers Resort minus the sliver?

A. Yes.

Q. Okay. So this is a bulk of Twin Rivers, but it is missing the sliver; is that correct?

A. Yes.

Q. And this document is a real estate mortgage on that property where you signed to show CommunitySouth as the lender and the mortgagee; is that correct?

A. Yes.

Q. By that document you were purporting to give CommunitySouth a mortgage on at least those two parcels of Twin Rivers Resort; is that correct?

A. I basically signed the documents they put forth. That's what I usually do at a closing. But, obviously, it couldn't happen because I didn't own the property; so, I mean, I don't know how you want me to answer that.

Q. On Page 2 there's No. 6 that says -- and is it

your testimony that you just did not read the document you signed?

A. Yes.

Q. Is that a customary practice of yours not to read documents you sign in business transactions?

A. Customary practice on mortgages is I get the mortgage, get the loan. When I personally guarantee I know that the collateral will move around, go from none to some to different properties.

I make sure there's a title commitment, title policies in force the day of the loan to cover any errors that could be made, and I make sure I work with a real estate lawyer. So I don't read these documents, no.

Q. In the breakup or your buy-out of JKR, was there ever a plan for you to own these properties individually?

A. I don't intend to have any properties in South Carolina owned individually.

Q. Why was Bennett of Greenwood formed?

A. To own properties in the Greenwood area segregated from other properties.

Q. Was it formed specifically to hold the Twin Rivers Resort properties?

A. No. It held lots of properties.

Q. Based on your dealings -- and it sounds like

you've got multiple dealings involving loans on investor properties. In your experience is it customary for a bank to give a loan the size of $500,000 without taking any sort of collateral?

A. Yes.

Q. On what instances have you been given loans with a bank that took no collateral, loans of, let's say, $400,000 or more with the bank having no collateral?

A. I would recall that there were several times in my real estate dealings that I merely sent personal notes and picked up large sums of money.

Q. Can you name some of those specifically, please?

A. I cannot at this time. I'd have to research.

Q. Can you get that information to your attorney so it could be produced to me?

A. If my attorney deems that you have a right to see my other history, I would.

Q. You knew that CommunitySouth intended to have a mortgage to secure this November 2007 loan, did you not?

A. Understand that CommunitySouth vacillated consistently on collateral. CommunitySouth always had me sign a personal guarantee. And if they really intended for this to be collateral, I think they would have done it properly; so I don't really think they intended for it to.

Q. So you think that they presented you with a mortgage to sign not intending to have a mortgage on the property described therein?

A. I don't know. They're the bank. They're the lawyers. They've got all the expertise in this. Like I said, I signed the notes, I buy title insurance, I use a reputable attorney.

Q. So you're saying you have no expertise in real estate investments and real estate transactions?

A. No.

Q. In that mortgage there's a warranty of title where the signer says that he is lawfully seized of the estate conveyed in the mortgage.

You realize that you signed asserting to the bank that you actually owned the property in that mortgage?

A. No, I didn't realize that.

Q. Bennett of Greenwood, what other people are involved in Bennett of Greenwood?

A. I'm the sole member and my brother Rick acted as agent.

Q. So your brother Rick was an agent for Bennett of Greenwood. As agent what were his responsibilities?

A. Well, I had to have an agent that lived in South Carolina for a mailing address. So his responsibilities

were minimal and I'd ask him to do things as necessary.

Q. Did Twin Rivers Resort operate under Bennett of Greenwood?

A. Yes.

Q. And was your brother still the manager of that property at the time?

A. Yes.

Q. Did he still maintain his 25 percent equity interest at that time?

A. Yes.

Q. Okay. Again I may have asked this question and I apologize for it, but was there any documentation showing his 25 percent interest?

A. The documents I mentioned earlier show it, the 25 percent equity, yes.

Q. So there is a document showing he had a 25 percent equity interest in the Twin Rivers property?

A. I think the letter that I mentioned to you explains it. My brother and I didn't have to have fancy contracts. The fact that Jim and Rich, as partners of JKR, being 33 percent partners of everything in JKR, realized they only owned 25 percent each, as I did. The two together will validate the fact that my brother owned 25 percent equity.

Q. But there was nothing of record publicly anywhere that he owned a 25 percent interest?

A. I don't know. I don't know.

MR. HORTON: Will you hand him what's been marked as Exhibit 12.

(Bennett Exhibit No. 12 tendered.)

BY MR. HORTON:

Q. Who are the mortgage -- these appear to be two handwritten notes purportedly to you from Rick. Can you recognize these?

A. Yes.

Q. Are these notes from your brother, Rick Bennett?

A. Yes.

Q. The first one there, can you tell me what that note is about? What is he trying to tell you?

A. (Peruses document.) Basically he's trying to sum up what debt he thought I had on various properties that were into Bennett of Greenwood, it looks like.

Q. Okay. So he was involved enough in Bennett of Greenwood to have knowledge of what debts there were?

A. He would be privy to balances of debts.

Q. There towards the middle it says, "I do not have due dates or amount due at CommunitySouth on Twin Rivers note."

Is he speaking of the $497,000 note that we previously reviewed?

A. I don't even know. I think that was just terminology. I don't know what he was speaking of.

Q. Did you have any other loan with CommunitySouth that would be related to the Twin Rivers property?

A. I believe not.

Q. So at the time the only obligations you had to CommunitySouth -- I mean, you only had one at that time; is that correct?

A. That's not correct.

Q. What other obligations at the time did you have to CommunitySouth?

A. There were other notes, other properties.

Q. Were those properties in Bennett of Greenwood?

A. No.

Q. Would your brother Rick have had any reason to ask you about those other notes? Did he have any dealings with those other properties, I guess is what I am asking.

A. You know, he helped work some of them. So I don't know.

Q. But is it fair to say that your brother believed that there was a note due to CommunitySouth related to the Twin Rivers property?

A. What was your question?

Q. Is it fair to say that based on this note that your brother believed that there was an amount due to CommunitySouth related to the Twin Rivers property?

A. Well, I don't know exactly what he was saying in that. I can't say that. I don't know what he was thinking.

Q. And this is dated -- he mentions at the top you had three loans in JKR at Capital Bank -- still had three loans in JKR at Capital Bank. This is dated November 29th of 2007.

On November 29th of 2007 was JKR still operating, functioning?

A. Yes. JKR kept functioning. We never dissolved JKR until recently.

Q. When did JKR dissolve?

A. As of this minute it is not dissolved. We're discussing dissolving it December 31st, 2012 (sic).

Q. The second note there appears to be related to some other properties: Riverfork, Cunningham. At the bottom it says -- it references that a $500 deposit check went to Bennett of Greenwood to cover advertising and costs of sale.

Was your brother loaning money to Bennett of

Greenwood or what is he talking about there?

A. I'm trying to find it Where is this at?

Q. The third line from the bottom of the note that starts with "$500 deposit."

A. (Peruses document.) Yeah, he's talking about the sale of one particular property here owned by Bennett of Greenwood.

Q. Okay. So Rick was involved in a lot of notes about other properties. He was involved and knowledgeable about the properties in Bennett of Greenwood and the amounts due on them, was he not?

A. What was the end there?

Q. This note here and the one prior mentioned several debts and he mentioned several properties. Your brother was aware and he had a working knowledge of what properties that Bennett of Greenwood owned; is that correct?

A. Yes.

Q. And was he, in fact, serving as some sort of agent or liaison for you in dealing with all of these properties? I mean, why is he communicating all of this information to you?

A. Because I would just instruct him what I needed paid. Money was tight, the economy was going to hell and

so, you know, we'd have to talk about what we paid and how. That was just up to me. He had no decisions on any of that.

Q. But, for instance, like in the middle there it says "Closing on 212 Cunningham." Was that a Bennett of Greenwood property?

A. Yes.

Q. He gives a lot of information about how much has to be down and a budget, proposed profits, when it should be ready. Where is he getting all this information?

A. From me. I gave him an equity position in each of those properties through Bennett of Greenwood.

Q. I guess my question is, if he's getting this information from you, why is he writing you a note telling you the same information?

A. It just looks like confirmation.

Q. Is it your testimony that he was merely nothing more than a registered agent for Bennett of Greenwood and that's all he did?

A. He managed Twin Rivers and he made sure that the maintenance and so on, the mowing, the signs, for-sale signs and electrical bills and so on were paid for the other properties.

Q. So he was doing more for Bennett of Greenwood

than just merely being a local address to be a registered agent; is that correct?

A. Yes.

MR. HORTON: Give him what's been marked as Exhibit 13, please.

(Bennett Exhibit No. 13 tendered.)

BY MR. HORTON:

Q. Do you recognize this? It appears to be another note from Rick to you?

A. Yes.

Q. In the very first line it says, "I do not have the main mortgage on Twin Rivers (CommunitySouth)." What is he referring to?

A. It looks to me like he doesn't know much about it. I don't know. I'd have to ask him.

Q. Okay. In the prior note he also asks you about amounts due at CommunitySouth on Twin Rivers; is that correct? I mean, is it fair to say that he obviously believes there's an amount due to CommunitySouth related to the Twin Rivers property?

A. Not necessarily. Maybe I can help you with this. Our properties -- I don't know if you've ever ventured into this business or not, but we would name properties by a street name or by a date bought and we'd refer to them and

that had nothing to do with anything except a property.

Rick doesn't know if there would be a mortgage or not, who had the mortgage. He knows that I move loans around all the time. There's no way he would even know.

So if you think he is saying something factual, he didn't know. He never saw these notes. He was not involved in the notes. He was not involved in the loans or the banking. He had no clue what mortgage was what.

My secretary today will name a property by -- you know, if she filed them in our P&L's Riverfork, she would know what Riverfork is in general. That's all she would know. That's all Rick would know.

So I don't know which question you're asking, but I can tell you this: He had never seen a mortgage or a loan and he had no clue -- all he knew was that I had loans and he knew I moved them around. I've always done that.

Q. So he was aware that you had loans?

A. Yeah.

Q. Okay. And when he refers to Twin Rivers, is there anything else he could be referring to other than the Twin Rivers Resort property? Did you have any other properties that you called Twin Rivers?

A. Twin Rivers is Twin Rivers. That's fine. Yes.

Q. So he's referring to the Twin Rivers Resort

property there?

A. I would say yes, but he doesn't know where the loan is or how much it is or . . .

Q. Aside from whether he knows what he's talking about, when he refers to Twin Rivers, there's nothing else he could be referring to but the Twin Rivers Resort property?

A. I can't say that for sure, because sometimes when he referred to Twin Rivers it was kind of a conglomeration of all the properties that JKR, you know, released when I bought the whole project. You showed me earlier there were several properties. And so I don't know what he meant on that particular note.

Q. In any of these notes where he keeps asking about the notes due on the Twin Rivers property, did you ever respond to him?

A. I would say we spoke regularly on the phone.

MR. HORTON: Hand him what's been marked as Exhibit 14, please.

(Bennett Exhibit No. 14 tendered.)

BY MR. HORTON:

Q. Who was in charge of paying the CommunitySouth obligation? Who was making those payments?

A. Sometimes I would have them paid out of the

Bennett of Greenwood money. Sometimes I'd pay them personally. Sometimes I'd pay them out of other corporations, you know, wherever I had the money at the time. It was tight.

Q. Do you have evidence of those payments? If you say you paid them out of other corporations, what other corporations would you have made payments from?

A. It could have been Show Me The Money. It could have been Have A Blast. It could have been R&K Investments. It could have been JKR. It could have been -- I mean, there's several LLC's that's involved and we move money around to try to keep the debt covered.

Q. Did Rick himself ever make payments to Community-South on this obligation?

A. He was instructed to make them out of Bennett of Greenwood occasionally, yes.

Q. Did he ever make any payments from his own personal assets or assets of other businesses belonging to him?

A. Yes. He loaned us money occasionally. He loaned me money. We had a running debt.

Q. So is it your testimony that he would only make payments on these notes when instructed to do so?

A. I'd say as instructed, yes.

Q. Did he have any direct communication with the bank regarding this note and the obligation?

A. No. I don't know. I'd say no, but you'd have to ask him.

Q. On Exhibit 14 again, just to clarify, can you identify what's been marked as Exhibit 14?

A. What do you want me to -- I mean, it's a letter from my brother to me.

Q. March 31st of '08?

A. Yes.

Q. And, again, is that him asking you for the main bill for Twin Rivers?

A. I don't see that in here, no.

Q. The very first line, "I do not have the main bill for Twin Rivers."

A. That doesn't sound like a question to me.

Q. Was that a statement to you saying that he doesn't have the main bill for Twin Rivers?

A. Oh, yeah.

Q. It says here, "I paid Jim $1500 on the first of each month." When he says "I paid Jim," is he saying that he individually pays him or is he paying him on behalf of somebody else?

A. That would be on behalf of myself or Bennett of

Greenwood.

Q. So he had check-writing authority for Bennett of Greenwood?

A. Yes.

Q. And he had access to Bennett of Greenwood bank accounts, obviously?

A. Well, we had a couple separate accounts; so I'd have to look back at how they were structured.

Q. A couple. So where were these accounts, the couple accounts?

A. I believe they were -- I'd have to check. I believe they were at -- I might have had one at Capital Bank and one at CommunitySouth.

MR. HORTON: Hand him what's been marked as Exhibit 16, please.

(Bennett Exhibit No. 16 tendered.)

BY MR. HORTON:

Q. Exhibit 16 is a compilation of three different loan documents. Can you review and identify them for me, please.

A. Well, the first three pages appear to be Exhibit 18; is that correct?

Q. No, unless what you've got there is different from mine. The first two pages appear to be what's called

Extension No. 2 dated August the 20th of 2010. Yeah. If you look at the bottom, there's a Bates number.

What's the Bates number at the very bottom of the first page?

MR. COX: The bottom right corner.

BY MR. HORTON:

Q. It's the bottom right corner. Is it number 5?

A. Oh, the 0005. Okay. I see. So this really is not the same as 18. Maybe it was a refinance or something?

MR. COX: You should be looking at five pages, 5 through 10 -- or six pages.

MR. HORTON: 5 to 11, actually.

MR. COX: 5 through 11.

THE WITNESS: I've got 5, 6, 7, 8, 10 and 11.

MR. HORTON: Is he missing a page?

MR. COX: We all are.

MR. HORTON: Okay. 5, 6, 7, 8, 10 and 11. Yeah, that's fine.

BY MR. HORTON:

Q. It appears to be three separate different loan documents. Can you identify the three? And if you want to start by date, actually, the earliest in time would be Pages 10 and 11.

First of all, they all appear to be modifications

or extensions related to Loan No. 8001376. Is it accurate to say that these are loan extensions or modifications related to that original note that was I believe Exhibit No. 18?

A. Yeah.

Q. Can you tell me how these came about? I mean, the first one, which is on Page 10 and 11, is dated April the 1st of 2009 called a modification. What was the purpose of this modification?

A. This was -- it looks to be merely extensions of the original note.

Q. And the first being an extension of -- it's basically a year-long extension?

A. Okay. 4/1/09 to 4/1/2010. I guess that's an accurate assumption. The second one was 4/23 to 7/23. That's three months. And the third one was 8/20 to 10/3/2010.

Q. Can you tell me the purpose of these extensions, the short extensions? There are two short extensions at the end. Were you trying to refinance this obligation or what was --

A. We were negotiating a complete settlement with CommunitySouth Bank on all the debts that I had with them.

Q. And who all was involved in those negotiations

for complete settlement?

A. I think it might have started with Mr. Ducker and then it went to Mr. Swank and then it went to Wade King. The attorney for them was Sean Faulkner and Reid Cox was my attorney.

And my brother Rick was trying to buy Twin Rivers at that point -- well, not buy Twin Rivers. What he agreed to do -- I take that back. That's not true. I'm sorry. What he was trying to do was put a package together where all of this debt would be accumulated and settled.

Q. So what he was trying do, what "he" are you talking about? Rick?

A. No. This is what I was trying to do myself.

Q. Okay. And was Rick involved in that?

A. Yes.

Q. And in what way was Rick involved?

A. He was offering to put up his property in Twin Rivers and his property in Illinois for a note of $497,000 and a release of all the mortgages, liens, encumbrances and cross-collateralization. The bank should have taken that.

Q. When you say putting up his property in Twin Rivers, what property in Twin Rivers was he offering to put up?

A. He owned Twin Rivers Resort, the thing you're

talking about.

Q. At the time of the negotiations with the bank, he was the owner of Twin Rivers Resort?

A. You know, I don't know what date we moved that. I better take that back. I will say this: We went to the bank and told them that we were transferring deed to his -- from Bennett of Greenwood -- it was mine. I'm sorry. This is confusing. Let's me rekinder (sic) that statement. I'm trying to think this through here.

The bottom line is these people were non-professional. CommunitySouth was non-professional.

THE WITNESS: Can I ask a question off the record?

MR. HORTON: No, not right now.

MR. COX: Not right now.

THE WITNESS: Oh, okay.

MR. COX: Excuse me. Ken, it may help you -- all these dates are a while back. It may help if you would go and look down at Exhibit No. 3, which is a couple down. The court reporter has it. That may help you with your dates of when things took place.

THE WITNESS: So I can pull Exhibit 3 out?

MR. HORTON: Yes, you can pull Exhibit 3 out. That's fine.

MR. COX: Go ahead and look at it and it will help you with your dates.

THE WITNESS: Thank you. (Peruses document.) All right. Yeah, this is quite confusing. So this is -- what date do you show this as transferred, Reid? I guess can I ask that or not? I'm trying to figure it out here. Oh, I see. September of 2010.

MR. COX: The signature page is the 14th of September 2010.

THE WITNESS: Oh, yeah. Okay.

MR. COX: And on the front, the first page, the stamp from the courthouse is on December 17th, 2010.

THE WITNESS: Yeah.

A. So, yeah, I went ahead and sold Rick the property because we weren't getting anywhere with the debt and the bank spent 12 months of our lives not doing what they said, you know, so . . .

BY MR. HORTON:

Q. What did they say?

A. The bank had agreed that if we would give them a mortgage on Twin Rivers and if we gave them a mortgage on a property up in Illinois, they would transfer the $497,000 loan to Rick Bennett and they would release me of any cross-collateralization and all of the other loans I had at

that bank; and I believe there was a caveat in there that I'd end up with a note for 40 or 50 grand.

But they kept adding language. And we were reading contracts at this time, Zach, because they were obviously wrong. I mean, there's a reason you guys bought this bank for pennies on a dollar, folks. It's pretty clear that they didn't know what they were doing.

Q. Each of these renewals that are in Exhibit 16, each of them down in the bottom left-hand corner, do they all indicate that there is security in the way of mortgages for each of those?

A. You know, they're merely an extension of the original note; and they had one, two, three, four opportunities to make that correct and they never did.

Q. At any of those opportunities, would you have signed a correct mortgage to give them?

A. This is a hypothetical question. I can't answer it.

Q. Well, you said that they had three or four opportunities to correct it. I guess I'm trying to ask you, what do you mean?

A. I mean they knew they didn't have a legitimate mortgage. And they had three chances to say, hey, this isn't right, we've got to do something here. Never did.

They just said "Sign here" and we did.

Q. So are you saying that you knew that they -- you said they knew they didn't have a legitimate mortgage. Are you saying that the mortgage that they believed they had was bad, that they knew that?

A. They had a title policy that clearly stated it.

Q. I'm not -- they had a title policy that clearly stated what?

A. Who was the owner of that property. That's what they ordered. They didn't read it -- or didn't use it. That's your lawyer. I don't know why we're even talking, truthfully.

You've got a bank -- you've got a title company that put a title together and you've got a lawyer that has an E&O that created a document that didn't exist, couldn't exist, and then didn't file it, and you're talking to me. You know, that's how the law works. You buy a policy, you get a good lawyer; it's all done.

Q. Who signed the document?

A. James Belk.

Q. And you, in fact, signed the document, did you not?

A. Yeah.

Q. You signed the document asserting to the bank

that you owned and were giving a mortgage on Twin Rivers to CommunitySouth; is that correct?

A. As I told you, I didn't read that; so I don't really know exactly what that was saying.

Q. If you take a look at it, is that what it says? I think that's Exhibit 17, if you want to go back and look.

A. What page?

Q. The mortgage is a nine-page document, Exhibit 17.

A. Yeah. I think I explained earlier, you know, I signed these documents. I get the title work and I hire a good attorney. And, unfortunately, these documents weren't witnessed properly. I had read them, but thank God I did the right thing and had a title policy issued and had a lawyer with an E&O, because I couldn't assign this to them.

I had a personal guarantee, and the personal guarantee is always more important to the banks. I had a $40 million net worth at the time and they don't worry about any of that.

That's why they moved collateral around, especially this bank. This bank moved things around, changed loans, talked us into loans, a lot of big things they did. They made loans that we couldn't get possible. The bank did a lot of non-cost-effective, creative things.

Q. Explain what you mean by they gave you loans that

weren't possible.

A. Our credit.

Q. What loans? Tell me what loans those are.

THE WITNESS: Reid, is this something I -- I mean, I don't know exactly the answer to this. I don't know that it has anything to do --

MR. COX: Answer the question as best you can.

THE WITNESS: Okay.

MR. COX: He's asking you a specific question.

A. I'd have to research that, Zach.

BY MR. HORTON:

Q. Okay. Again back to Exhibit 17, you've done enough business transactions to know what a mortgage is. You've asserted you didn't think this one was valid because of the witnessing.

So this mortgage as written, is it not a representation to CommunitySouth that you own the property and are intending to give them a mortgage on it?

A. Yeah. Again, this is an extension of the previous note. That's all I signed it as.

Q. Well, I'm talking about the mortgage that's Exhibit 17.

A. The original mortgage, no. Are we back to that?

Q. Right.

A. Is that where you're at now?

Q. Exhibit 17, yes.

A. As I stated, I signed these documents blindly and I signed a personal guarantee to support them and I have a $500,000 judgment right now on me because of that personal guarantee. So half of what was supposed to happen has happened.

Q. I guess you remember signing a personal guarantee. Whose obligation were you guaranteeing?

A. My personal obligation. I signed the note personally.

Q. So you were just primarily obligated on the note; is that correct?

A. Yes.

Q. So it wasn't that -- you were the primary obligor on the note, so it was a personal guarantee; correct?

A. Yeah, it was a personal note. So I was personally guaranteeing the note, yes, as part of the note, I guess. You can find it in there, I think.

MR. HORTON: Can we go with what's been marked as Exhibit 6. No. 6 should be five pages.

(Bennett Exhibit No. 6 tendered.)

BY MR. HORTON:

Q. Can you identify that document?

A. Well, it's a commitment.

Q. And what is the purpose of this commitment?

A. Well, it looks like they finally want some collateral. Because if you read it, they say they're going to refinance this loan with the addition of collateral this time. So they had no collateral.

Here's the collateral they'd like. So they were trying to get collateral on Twin Rivers, it looks like, Dillard Road, Rick's Enterprises for the piece in Rockford. But they never did it and they never got it.

Q. This is dated March 30 of 2010. Had a decision been made --

A. The bank, as I said, kept reneging on their agreement, so it never got done. I'll tell you what, the last documents we had from their lawyer was probably about a week before CertusBank bought them. It stretched out to December -- actually, January, I think it went to January 15th.

Did you buy it on January 31st? Is that when you bought it?

Q. I didn't buy it, so I can't tell you that.

A. I believe we finally had a document that was acceptable from Sean Faulkner, their attorney, a week or so or days before Certus took over the bank.

But this was an effort to give them collateral for a loan which they had no collateral and to get me released from all of the other loans. That was the whole plan: So they had collateral and all the other loans were released.

Q. Is it your testimony that when you initially did this loan -- and this is called a refinance of Loan 8001376 -- when you initially did this loan in November of 2009 that you never intended to give CommunitySouth any collateral?

A. My intention was to get the loan based on legitimate documents and knowing full well that I would personally guarantee it, which means I would put up any assets I owned to cover it; and I gave them all the information they needed to do that.

Q. I will note that this loan commitment letter dated March 30th, 2010 is addressed to you and your brother Rick. At what point in the -- at what point did he become involved in the negotiation with the bank for this refinance?

A. Probably November or so of '09, maybe December '09.

Q. Okay. And the terms that are in this commitment here, did you and Rick agree to these terms?

A. I would have to say no because it never got done, you know. Since it never got done, I can tell you that the terms never came up correct.

Q. But on March the 30th, 2010, the day on which you and Rick both signed this document, were those the terms that you were willing to accept at that time?

A. You know, I don't know how to answer that question. The loan never -- you know, I guess the terms are probably somewhat ambiguous.

Let me answer it this way: As Rick and I interpreted this letter of intent, we agreed to it at that time. When the actual loan docs were created, they did not meet our interpretation.

Q. And in what way did they not meet your interpretation?

A. They did not have the proper releases of all the property, they did not eliminate total cross-collateralization and they did not separate my brother's interests from my own with the loans at the bank.

Q. Can you explain that further, that they didn't separate your brother's interest from your own? What do you mean by that, your brother's interest in what?

A. He was going to assume the $497,000 loan and put up collateral and I was going to put up collateral and the

bank was going to confirm that any failure of any of the loans that I still had with the bank could not be cross-collateralized with this loan since my name was still going to be on the loan.

Q. All right. So ultimately in your opinion why did the deal fall through? Well, let me back up before you answer that.

You said you were going to put up collateral and he was going to put up collateral. What collateral were you going to put up?

A. I was going to put up -- out of Bennett of Greenwood, I was going to put up Twin Rivers and Dillard and whatever it says here that were mine, the Twin Rivers, Bennett of Greenwood.

Q. But on March the 30th, 2010, you and Richard, or Rick, both signed this document based on your interpretation of what you believed it meant.

A. Yes.

Q. Is that correct?

A. That's correct.

MR. HORTON: Please hand him Exhibit 7.

(Bennett Exhibit No. 7 tendered.)

BY MR. HORTON:

Q. Could you look at what's been marked as

Exhibit 7.

A. Yes.

Q. Can you identify these documents?

A. Well, it's part of the documents that they were going to go ahead and close this deal, but it never got done.

Q. Did you ever see this version of the document?

A. Don't know.

Q. To your knowledge, is that -- down there it shows where Richard C. Bennett has signed. To your knowledge, did he see the documents?

A. It surely looks like he signed it. I'd have to ask him. That's his signature on it. What's the date of this?

Q. September 29th, 2010.

A. He had already purchased Twin Rivers, so I couldn't tell you. You have to understand, these bankers, the day they disappeared and then we had Wade King, you couldn't even get answers from them.

And every time you got something in writing, it wasn't what they said. Reid Cox was sitting there and he saw these documents go back over and over and over again.

The bank was -- again, they're a failure. They didn't know what they were doing. They had a chance to

have collateral for this loan that they had no collateral for and they kept jacking it around, interesting.

Q. So is it your testimony that you -- the whole time you knew that they had no collateral for this loan and that's the way you intended it?

A. Not at all.

Q. You did intend for them to have collateral.

A. I didn't know if they did or didn't. I knew that they had a personal guarantee that I was obligated to pay it and that the collateral would come and go and move. It even said in there the properties could be sold, moved in, moved out. It's typical banking with them.

Q. You said the collateral would come and go and move. Tell me what you mean by that.

A. If they needed collateral, more collateral, they'd come to me and say they need more collateral. That's what banks do. And my personal guarantee was all they had and that's -- and now I got a $500,000 judgment, you know.

Q. So it's your testimony that you knew they had no collateral other than your personal guarantee and that's the way you intended it to be?

A. I'm not saying anything about intention, no. As I read the documents that I had signed and that they had

given to me, I now realize that they had made -- you know, they just didn't do their homework, and I thank God I've got a title policy to cover this and a lawyer with E&O coverage to cover that. Those issues are -- the bank is pretty safe.

I don't have any money. That's why it's interesting you're talking to me. I can't imagine you're really working for CertusBank. They've got a title policy and I paid for it, you know.

Q. Now, you said that they didn't do their homework and so do you think -- was it your intention to give them collateral initially?

A. My intention was to borrow $497,000 to invest in real estate on the terms that were -- that I could agree to, and that's what happened. So like I said earlier --

Q. You mentioned that -- go ahead.

A. No, I'm fine.

Q. You mentioned earlier that you had had a good lawyer and had people involved and you bought a title policy. If you were getting a loan that was not secured by property, would there be any reason to get a title policy?

A. If I were getting a loan and the bank thought that they were getting property, they needed to get a title policy to make sure they're getting what they thought. So

I guess that's not my decision, that was the bank's decision.

And they were comfortable after reviewing the title policy and hiring a lawyer and supposed to do all the things that they did that they had a legitimate loan, and all they had was a loan with my personal guarantee.

I'm comfortable with that, too. If they would have come back to me and said other things, then at that point we would have had to talk about it. It didn't happen.

Q. But you paid for the title policy; is that correct?

A. That is correct.

Q. Did you not question the fact that you would be paying for a title policy when there was no property to secure your loan?

A. When I paid for a title policy, it was under the bank's requirements. It wasn't my obligation to read it or go through it or change the documents. It was theirs. So I just did what I was supposed to and I paid for it. That's how it works.

Q. You knew at closing that you were paying for a title insurance policy?

A. I knew that, yes.

Q. Did you know what property you were paying for a title insurance policy on?

A. Whatever they had it ordered for. I didn't get the policy, they did. The bank received the policy.

Q. But you knew at closing that you were being required to pay for a title insurance policy that the bank was asking you to pay to insure that they had a good mortgage on some property?

A. Yeah. And the bank -- yeah.

Q. You knew that at the time of closing and at the time when you accepted $497,000 from them.

A. I'd say I knew that I ordered a title policy that the bank had read and felt comfortable with. That's what I can tell you.

Q. Do you do a lot of real estate investing and/or other investing?

A. Yes.

Q. And you get loans that have collateral and then loans that don't have collateral; is that correct?

A. Yes.

Q. In your dealings investing in real estate investing, would it be normal to have an uncollateralized loan where you were being asked to pay for a title insurance policy?

A. It's possible. Some banks just want to check and make sure what assets you have and that they're clean, but I don't know that answer. I'd say I'd have to review the different loans.

Q. You say it's possible. To your knowledge, has it ever happened before in your dealings?

A. I think I just said I don't know if it has or has not happened. I'd have to research that.

MR. HORTON: Please hand to him Exhibit 3.

(Bennett Exhibit No. 3 tendered.)

BY MR. HORTON:

Q. Do you recognize that document?

A. Yes.

Q. And can you tell me what it is?

A. It is a transfer of deed ownership from Bennett of Greenwood to Twin Rivers Resort, LLC?

Q. This was done in September of 2010; is that correct?

A. Yes.

Q. All right. And included in this deed are the properties that comprise Twin Rivers Resort, included in this deed?

A. Among other things, yes.

Q. And is that -- on the third page there, is that

your signature?

A. Yes.

Q. And on the next page, the Affidavit for Exempt Transfer, is that your signature?

A. Yes.

Q. All right. What was the purpose of this deed?

A. My brother bought my share of Twin Rivers Resort and a couple of things from me.

Q. And what did he pay you for it?

A. He owned 25 percent, so he had 75 percent left. And he had debts to me -- or I owed debts to him in the upwards of $150,000. He had equity rights in other properties of Bennett of Greenwood which he released that equity position to me.

And I believe, you know, whatever that combination is, it was about a value of -- might have been $300,000 or more, 400,000, 350. I don't know what the total number was, but it was a fair amount for the remaining 75 percent of Twin Rivers Resort.

Q. Just for Twin Rivers or for the other properties listed on this deed?

A. Whatever properties are listed here. You have to understand the values were down, cash flow was limited. It's a good business decision.

Q. At the very first line at the top of that page, what is the listed consideration on this deed? What does the deed say your brother paid for it?

A. It says that on a lot of deeds. It said a dollar, but that's not the case.

Q. Okay. But you're saying that he didn't pay a dollar?

A. I told you what he paid.

Q. Did you sign this deed saying that he only paid a dollar?

A. Yes.

Q. Look at the Affidavit for Exempt Transfer, which is the fourth page. You've already confirmed that that's your signature there, correct?

A. Yes.

Q. And is it also correct that you -- in filing this deed you're claiming you don't have any to pay any transfer taxes because the value of the realty was zero; is that correct?

A. Well, I'm going to have to tell you again, I signed this, drafted by my attorney who I had confidence in, and I didn't go through it either. And I knew this was transferring to my brother, I knew what he had paid for it and I knew it was a fair consideration.

And then however you do these as far as taxes -- I've got a lot of deeds all over the place. I always wondered what that meant when it says for one dollar or two dollars; but you're also taking on loans, taking on debt, and that doesn't show in there.

So, you know, you know and I know that the debt consideration on all those things are always not included in these deeds, and so it's common to say one dollar so I signed it. I have total faith that my attorney drafted this properly.

Q. Who was your attorney at the time who drafted this deed?

A. This would be Reid Cox.

Q. It says there that you're claiming Extension No. 14. On the second page it says that this is exempt from transfer taxes because you're transferring the realty from an agent to an agent's principal and this realty was purchased with funds of the principal.

So are you saying that --

MR. COX: Excuse me. Before we go any further, where are you finding Exemption 14?

MR. HORTON: On the last page.

MR. COX: No. Where are you finding he's claiming it?

MR. HORTON: Right here (indicating) under Exemption No. 14.

MR. COX: It says if it's zero that's a standard call. It says if a value of zero, No. 1 is an exemption.

BY MR. HORTON:

Q. All right. No. 1, basically on here you're saying the transfer of realty that there was -- that the realty was worth less than a hundred dollars and that's why you didn't pay any transfer taxes; is that correct?

A. You know, you'll have to ask my attorney what was presented in that. Again, I did like I normally do. I had a fair price, I sold property, I knew the document was a transfer and I signed it. I have no doubt that my attorney drafted this correctly. My attorney doesn't do sloppy work.

MR. COX: Thank you.

THE WITNESS: You're welcome.

A. There are no encumbrances on that property. It was a clean transfer.

BY MR. HORTON:

Q. Was there any other documentation to show what Rick Bennett was paying for this property?

A. I believe I saw something to that effect in the last deposition you had of my brother, so you have it in

your possession. I think we showed the loans and we showed the property switching, who owned what, the 10 percent.

Q. Were there any documents that specifically said, In exchange for these properties, here is what you're giving up your equity interest in, any properties?

A. I believe I have that. I don't have it with me. I can see if I could find it.

Q. Will you please produce that to your attorney.

A. Okay.

Q. After this transfer did you continue to negotiate with the bank on a refinance of the obligation?

A. Yes.

Q. So at the time of this transfer, is it a fair assumption to at least say that at that point Rick knew that the bank either had intended or wanted to have a security interest in this property?

A. I don't understand that question. Can you rephrase it, please?

Q. At the time you transferred this property to Rick and the time he accepted it and he bought it, according to you, aside from what the deed says, that you and he both knew that the bank was trying to secure a -- to perfect a lien on this property.

A. The objective of us continuing to speak to them

was to get a complete release of all the debts that I had with CommunitySouth. I would remain on the note and Rick would put up his collateral after September. So it was a much bigger picture than the note itself.

Q. So are you testifying that the March 30th, 2010 commitment letter, which is a commitment of a loan for $497,000, that was intended to release all debts you had with CommunitySouth?

A. All guarantees, yes. We would -- it basically says that we're trying to sell at a reasonable price the different properties and that I would be forgiven, I would not have a judgment against me.

So we would be dumping off the properties that were there which were below the mortgage owed and there would be no follow-up with judgment against me whatsoever. That was the intent.

As you read this, your letter there dated March 30th, the thing that your bank signed is that the purpose of their loan was to refinance a loan with the addition of collateral. They had no collateral before.

So they wrote that and signed it, your bank. It didn't say additional collateral; it said with the addition of collateral. So they knew they had no collateral, they wanted collateral and they were willing to do this to get

collateral. It says it right in the thing your banker signed.

Q. So you read this document.

A. I read the front page. I probably read all of this document because we were down to where we didn't trust them at all.

My brother had been making the payments since like November or December and they still hadn't done a loan for him in March and still didn't in the following September when the property was transferred and they still didn't in December -- or January when Certus bought the bank.

So they were -- again, why do you think they went bankrupt? Why do you think they -- I lost $300,000 in their stock. They defuncted their stockholders by being lousy business people.

MR. HORTON: Hand him Exhibit 19, please.

(Bennett Exhibit No. 19 tendered.)

BY MR. HORTON:

Q. Can you identify what Exhibit 19 is?

A. It's pretty interesting. It doesn't say anything.

Q. Look at what's marked on the bottom.

A. It says an EZ Pay Monthly plan. What did you

say?

Q. And then Rick Bennett has signed listed as an agent. Who is he signing as an agent for?

A. Bennett of Greenwood.

Q. So as part of his responsibilities at Bennett of Greenwood, he was applying for and obtaining insurance on properties?

A. At this point I had had financial failures and getting insurance was difficult and he had a relationship with this broker, so it was a shortcut to make sure that we had that property covered.

Q. So he was responsible and this was his contact and he obtained this insurance and gave them all the required information to obtain this insurance?

A. Well, he came to me -- remember, I own an insurance agency -- and we discussed how it would be done and then he went ahead and applied for the policy on behalf of Bennett of Greenwood.

Q. And he did so on behalf of Bennett of Greenwood. You just said so, right?

A. Yeah.

Q. Okay. And do you know if he actually secured a policy with this company?

A. I believe we did.

Q. And you'll see the premises information listed on what's marked as Bates Page 39 at the bottom. Is that -- the premises information, does that include the Twin Rivers Resort property?

A. Yeah.

Q. So this is an insurance policy on the Twin Rivers Resort property and maybe then some others; is that correct?

A. Yeah. It's an insurance policy on the listed properties on the back there, which are more than -- one, two, three, four, five, six. So four properties and then also two parcels at Twin Rivers, yeah.

Q. Did you have any contact with this Taylor Insurance Agency or any responsibility in obtaining this policy?

A. Yeah. I had to review the terms and conditions of the benefits.

Q. Okay. And did you indeed do that?

A. Yeah. The liability limits and such, I did, yeah.

MR. HORTON: Hand him what's been marked as Exhibit 15.

(Bennett Exhibit No. 15 tendered.)

BY MR. HORTON:

Q. If you look at the prior exhibit, No. 19, this application is dated 11/6/2009; is that correct?

A. Yes.

Q. Okay. And it appears that Exhibit 15 is called Mortgagor's Notice of Insurance. Does this appear to be the policy that resulted in his application shown in Exhibit 19?

A. It would be difficult for me to say. It's not dated, it's not signed and it's not numbered. I couldn't tell you that answer.

Q. The effective date listed in the top right, what is that effective date?

A. 12/23/2009.

Q. That's the actual date there, but three inches below that it says "Effective Date."

A. Where?

Q. Below where you just read December 23rd, 2009, three lines down, the effective date is November the 6th, 2009.

A. Yeah.

Q. And on that prior Exhibit 19, Page 39, at the top of that application which lists Twin Rivers property, the effective date is also 11/6/2009, is it not?

A. Yeah.

Q. And this evidence of insurance in Exhibit 15 lists CommunitySouth Bank as the mortgagee; is that correct?

A. That's what it says.

Q. And Rick was responsible for obtaining this policy and providing information in order to obtain this policy?

A. Rick was going to give them data. He couldn't have known if there was a mortgage or not. He wasn't involved with that.

What's the date here? Oh, I know what he probably did. He probably did that because he knew -- he was starting to make the payments. I bet he wanted to make sure and he was trying to negotiate on that loan. I guess that makes sense.

If you recall, I said in November or December 2009 we met with the bank, Rick and I, and Rick was concerned that he'd end up helping me get through all this and wanted to make sure that it was covered.

So, again, it doesn't matter. Insurance company is not going to pay if there's no legitimate mortgage. So I've seen these on all kinds of policies where mortgages come and go and they're still on policies. It's just errors.

But I'd have to ask Rick how that happened. I don't know. See, at that time --

Q. You didn't give them any information -- you didn't give them information that CommunitySouth had a mortgage on the property, did you?

A. No.

Q. Is there any other place they could have gotten that information other than Rick?

A. Oh, you say I didn't give the insurance company that? No, I don't know how it came down. I can't tell you that. Do you know how?

Q. Unfortunately, I get to ask all the questions here.

A. All right.

Q. So the effective date of this policy and the date of this document is before Rick took title under the name of Twin Rivers Resort, LLC; is that correct?

A. That's correct.

Q. So before he takes title to Twin Rivers Resort, LLC, he is procuring a policy listing CommunitySouth Bank as the mortgagee of the Twin Rivers Resort property; is that correct?

A. I'd say that was what was issued. I don't know what conversation went on.

Q. Is it a fair statement that the insurance company didn't put that there on their own? Is that correct? I mean, they had to get that information from somewhere.

A. The insurance company had no fiduciary responsibility for this, the bank does. So the fiduciary responsibility for the bank, if they're going to have a mortgage, was to make sure that they could have a mortgage.

And at that point they hire an attorney and they get a title insurance policy, and that clearly directs them as to what they can and cannot have. And that's their fiduciary responsibility. They're the bank. We're just the guys getting loans.

And I don't know how this was said, but I can tell you this: I've seen more than one policy issued with the wrong mortgagee on it. That's not uncommon at all.

Q. Do you know if Rick was at this time or any time before in communication with the bank about providing the bank with -- CommunitySouth with proof of insurance on the property?

A. I don't know.

Q. Was there any reason for him to meet with the bank about providing proof of insurance to them?

A. I would guess not. I can't answer that.

Q. Do you know or do you have any knowledge of

whether the bank was asking either yourself or Rick to provide proof of insurance on this property?

A. They could have. I don't know.

Q. Would there be any reason for the bank to want proof of insurance on property if they had no lien interest in the property?

A. Only if they thought they had a lien, you know. I mean, it looks like they thought they had a lien from Day One. We all know that. They just didn't do their homework. They didn't do their fiduciary responsibility. They didn't do the obligations of the bank to draft the documents.

We're not supposed to draft them, we're laymen. You've got attorneys and you've got lawyers and you've got bankers. That's their job. That's why you have title insurance. When they fail to do their job, the title insurance clearly states who owns the property and the obligations become whoever the bank hired to provide that information. They didn't do it.

It's how it works. You buy a title policy -- if I bought a thousand properties and I bought a thousand title policies and two of them paid, that's why the title company is still in business and it's also why they pay. That's what insurance is. Your insurance specifically

states, or theirs does, that they cover this, no question.

I mean, again, I don't know why we're talking. Obviously, the people hired to draft this note didn't read the documents that they demanded me to produce for them, didn't register or . . .

Q. Would it be -- to follow up on that, would it be prudent if you were involved in a transaction like this to read all of the documents?

A. Are you talking about me or the bank? Who are you asking this to?

Q. Anybody involved in a transaction involving $500,000 or thereabouts.

A. It would be prudent to read it and it would be prudent to get coverage to protect you in case something wasn't proper. The two together would be prudent.

Q. So from your side of the transaction, would it have been prudent for you to read the documents that you signed?

A. It would be prudent for me to read the documents and/or get protection if there were any errors in the documents. Zach, my loans have moved all over the world. The collateral changes, the value changes, there's seconds, there's things put in and taken out.

I've been totally screwed by CommunitySouth Bank

on a transaction like this on the other side, so you live by the sword and you die by the sword.

My business sense is I get title work always, title policies, and they have paid. And they have paid when the banks and lawyers have made errors and they have not paid when everything went smoothly. And so that's my cover. That's what I do.

The bank demanded that I provide it to them so they had it. It's at their fingertips, it's there to cover them. I understand here you're doing the bank and the lawyer that has been proven to be quite incompetent and that's their issues. I think you'll find that in both cases. The bank obviously went down and the lawyer I know has been sued repeatedly.

Q. But is it your testimony that at the time they originally closed this loan in November of 2007, you had no intention of giving them a mortgage on Twin Rivers property?

A. I never said that to you. I said I intended to get a loan that was suitable to me, that was drafted properly and that I knew I had to personally guarantee. That's all that mattered to me.

Once you personally guarantee something, in essence, they can going after anything you own. So I owned

$40 million net of assets, so they had plenty to go for.

I also told you that at that point I hired a real estate attorney and that's a real estate attorney that's known to do real estate and get title coverage. That's what I do. I didn't intend either way, just to get the money.

Q. Well, at the time of the transfer where Bennett of Greenwood transferred the property to Twin Rivers Resort, LLC, which is Rick's company, you don't have any interest in Twin Rivers Resort, LLC, do you?

A. I have no interest in that.

Q. At that time were you aware that you owed CommunitySouth money that was past due?

A. I believe we were current at that time.

Q. Were you not currently in negotiations with them to refinance a note that had matured?

A. The note had been extended.

Q. Well, the commitment letter -- if the note had been extended, what was the purpose of the commitment letter of March of 2010?

A. The commitment letter was to bring in collateral -- they had none -- and to get more collateral from my brother and to solve the issues of all the other loans at that bank.

Q. So what other issues with the loans at the bank did you have?

A. I had other properties that were upside-down and loaned the value and that we agreed to make them whole on this note and give them good collateral if they would forgive me of any shortcomings on the rest of the loans and not cross-collateralize this loan.

Q. When you transferred this property to Rick, you were aware that you had what you just characterized as shortcomings on loans to CommunitySouth.

A. At that time, yes, I had loans that they were negotiating taking care of. For the record --

Q. You knew that you had -- you knew you had obligations to them that were due or soon to be due that you had to make another arrangement for; is that a fair statement?

A. No, it's not a fair statement. Nothing had to be done. I had other -- when this thing was transferred, CommunitySouth was notified that it was being transferred. And there was no encumbrances whatsoever on the property, no liens, no encumbrances.

So I don't understand -- again, I'm saying the rest of the information had nothing to do with Twin Rivers. It had to do with all the notes. They had no vested

interest in Twin Rivers.

We were offering them collateral on the $497,000 because it's very unlikely they were going to get all the rest of the money. So it was an opportunity for them to say, hey, we're going to win. We get $497,000 paid back with good collateral and we're going to give up these other losses.

Or, as we stand today, they have a $500,000 judgment, a $125,000 judgment and some other loans outstanding, which they will never receive from me, because it's too many damn judgments and there's a long list. I mean, I lost $40 million. So say what you want. Try that out for size once.

Q. What other judgments do you have against you?

A. Several banks, same issue. The property went upside-down. I had property -- values dropped 75 percent. I was 50 percent equity in everything I owned overall, but the properties dropped value of 75 percent.

I had a very strong, strong financial statement. That's why I had personal guarantees for it. I used every bit of cash I had to try to satisfy these banks.

Q. What judgments do you have against you?

A. I don't know offhand.

Q. Tell me what banks have judgments against you.

A. Capital Bank, Bank of Anderson, Seneca, People's National, First National Charleston.

Q. Now, Capital Bank, Bank of Anderson, Seneca, First National Charleston, when did you start having problems with these obligations?

A. I don't know the date for sure. Judgments were probably in 2009 that they started to come. Once one bank did it, you can't negotiate anymore.

Q. It started in 2008, 2009? That's when you started having troubles with the banks and judgments?

A. I don't know the date for sure, I really don't.

Q. But you transferred what you characterized as an unencumbered piece of property to your brother.

A. No, I didn't.

Q. Or your brother did; is that correct?

A. No, that's not true at all. Bennett of Greenwood transferred that. Bennett of Greenwood had no judgments and no encumbrances. It's an LLC.

Q. Are you the owner of Bennett of Greenwood?

A. I'm the managing member. Bennett of Greenwood is an entity. It's an LLC. You don't own it personally.

Q. Who owns Bennett of Greenwood? Who owns Bennett of Greenwood?

A. I own the stock. I own the certificates.

Q. So Bennett of Greenwood belongs to you.

A. Bennett of Greenwood is an LLC. It's a separate entity. If you want to attach a lien on an LLC, you become liable for all their debt. If you want to go there, you go ahead and check that out. That's why banks don't attach LLC's. They become a partner. If there's no money, they owe money; and that's why they don't do it.

Q. You own 100 percent interest in Bennett of Greenwood, true?

A. Yes.

Q. In exchange for the Twin Rivers property, it's your testimony your brother transferred interest in other properties to Bennett of Greenwood; is that correct?

A. No, transferred the interest he had in properties -- he had an equity position, properties already owned by Bennett of Greenwood. It was an interior transaction, you know, his equity --

Q. Does Bennett of Greenwood own anything today?

A. No.

Q. Most of the judgments you referenced earlier at the various banks, are there any judgments that were from South Carolina banks or Illinois banks or what?

A. South Carolina, most of them.

Q. And all total, how much money in judgments would

you say that there are against you?

A. $3 million.

MR. HORTON: I don't have any further questions.

MR. COX: Okay. Ken, we're done for the day. I'd like a copy, please.

MR. HORTON: What kind of format?

MR. COX: You can give me the abbreviated format, four-page format. Four-page, Ken, is just a shorter version.

THE WITNESS: I'd like the same thing that was --

MR. COX: It's a whole transcript.

THE WITNESS: I'd like the same thing that Rick got, similar to that.

MR. COX: Don't worry. I'll get the transcript and I'll get you a copy.

THE WITNESS: Thank you.

MR. HORTON: You know, I want an original. The abbreviated version is fine. Or if you've got an electronic version, that would be great. So I'll take both.

(The deposition was concluded at 1:00 p.m.)

C E R T I F I C A T E

I, THERESE A. WASILEWSKI, Certified Shorthand Reporter and Registered Professional Reporter, in and for the County of Winnebago and the State of Illinois, do hereby certify that Mr. Kenneth E. Bennett on February 14, 2013, was by me first duly sworn; that signature was waived; and that the foregoing is a true and correct transcript of my shorthand notes so taken as aforesaid.

I FURTHER CERTIFY that I am not counsel for nor related to any of the parties herein nor am I interested, financially or otherwise, in the outcome hereof.

I FURTHER CERTIFY that my certificate annexed hereto applies only to the signed and certified transcripts. I assume no responsibility for the accuracy of any reproduced copies not made under my control or direction.

Dated and signed at Rockford, Illinois, on February 19, 2013.

Therese A. Wasilewski, RPR, CRR
Certified Shorthand Reporter
License No. 084-001784
Winnebago County, Illinois

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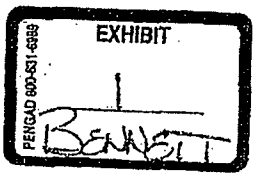
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7/20/07



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.~~ 9-1-12 1300mo.

Ken takes over all payments on the properties less interest through 5/1/07 which JKR shall pay. 4707.73 INT. ON TR 1600 -

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% 2nd./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:
275-03-01-002
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 1 full parcel
Parcel 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 846, 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

EXHIBIT
2
BENNETT
PENGAD 800-631-6989

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 22, 1998, prepared by C.A. Ward, PLS, recorded in the Office of the Clerk of Court for Laurens County in Plat Book A-246 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 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/c 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 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 company.

Witness my hand and official seal this the 24th day of FEBRUARY, 2006.

Notary Public for WINNEBAGO CTY
My commission expires: 4/19/11

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

Its: Manager

Witness (2) ex notary

ACKNOWLEDGEMENT

STATE OF SOUTH CAROLINA
COUNTY OF Anderson

I Cathy J. Slaton, 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: 10-22-2015

SIGNED, sealed and delivered in the presence of: JER Development, LLC

Witness #1 By: James Hendershot

Witness #2/Notary

Its: Manager

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

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 Berman 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 willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Kenneth E. Bennett, Manager

SWORN to before me this 21st day of February, 2003

"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 the 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 12-36-30, 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 in 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 in 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(AA);
(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
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 3 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: 33 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 Arbenwood, 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.

Laura A Price (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 14, 2010. September

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

Laura A. Price (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

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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.

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 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) BB AB

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.	Port # 205 Loan Number 2001376 Date 05-29-2010 Maturity Date 05-29-2013 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 05-29-2010 at the rate of 6.000% per year until 05-29-2013.

☐ 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 this 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 05-29-2013.

ADDITIONAL TERMS: (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

PENGAD 800-631-6989

☒ 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 9-25-2010 CROSS COLLATERALIZATION DATED 9-26-2010

(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

RICHARD C. BENNETT

DEFINITIONS: As used on page 1, "Ø" 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 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:
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	
	$		$	$	%	$	

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Case No. W180337COM

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 Swonk has caused these presents to be signed this 23 day of September, 20 10.

By: Richard C Bennett

Certus/Bennett 0000115

Title Underwriters Agency

STATEMENT REQUIRED FOR THE ISSUANCE OF ALTA OWNERS AND LOAN POLICIES

Commitment No. W1803370OM 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 owner or loan policy pursuant to the above commitment.

Seller or Owner

Purchaser

R.V.C.K.S. RCB Enterprises,

Inc., an Oregon 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 DSG

Ken 11-29-07

Fax Copy will E Mail Warranty Title, it does. & Comments.

We still have 3 Liens w. JKR at Capital Bank.

			Payment
55 Corbusier	910509	75,041.21	514.35
105 Cameron	910852	162,578.89	1,114.31
483 Napoleon	910851	129,492.42	887.62
	Due 12-3-07		2516.29
Fox Smith Kingsbank	911684	290,703.33	1931.91
3) Team Trucks A, B, C.			1485.07

I do not have the title & amount due at Community South or Fox Smith note ?

Do you payment amounts are a matter on Lori Henderlight loan or Fox Kings

Liens 3 Fox Smith Loans 11-29-07 $161,353.83

Have a good day

Ken

EXHIBIT 12 BENNETT
PENGAD 800-631-6989

11-29-07

Ken

Am glad you had a good sale!

These extra lots on Plainsboro will reduce payments, and help a little (£900 deposit), but not leave enough for December lot payments.

Closing on 3/12 Cinnamon Acres means until £7,665.36 after £3,000 down from RLB property account. Proposed budget is £20,000, proposed profit £40,000 by spring 08. (Cont. Fig, other costs come back up.) Lot should be ready by Christmas.

We should pay off £689 Dilapidation 7.15 acres. Close finance with 13.49%!

11-29-07	Total owed to Close Ends	£3,310.44
	Council RLB property a/c £2505	466.71
£500 deposit ok won't be kept if Lenders cover advertising, and costs sale		-0-
	£ profit after offers at closing	6,735 to file

Love Dad

Thanks

Rick

5-6-08

Ken

I do not have the main mortgage on Twin Rivers (Community South) I.

Gina, Sharon & I Capital Benefit & Insurance paid for May 08-

Thanks

Rob

HP OfficeJet 5500 series 5510 Personal Printer/Fax/Copier/Scanner

Log for
Rick Bennett
584-577-4188
May 06 2008 1:25p

Last Transaction

Date	Time	Type	Identification	Duration	Pages	Result
May 06	01:25p	Fax Sent	18154842388	0:29	1	OK

3-3-03

Ken

Add next year the new Bill for Twin Lakes

I pay Jan 15th on the first of each month,
and Dwell mail that.

Farmland due on forth Tract A. 468.97
Tract B 499.97
Tract C 516.13
due 1485.07

Copies of 5 Capital Bank to follow due 4-3-08

Thanks Ken

Benefit of Diamond 3277.43
Show me the money 3251.76



[illegible] INSURANCE COMPANY
7000 Midland Boulevard, CINCINNATI OH 45201-5323 AM71820928

MORTGAGOR'S NOTICE OF INSURANCE
(EVIDENCE OF INSURANCE COVERAGE PLACED)

Name of Mortgagor:	BENNETT, KENNETH E	Date:	December 23, 2009
Mailing Address:	3923 E STATE STREET ROCKFORD, IL 61108	Master Policy Certificate Effective Date:	AMHMF-08289-1 AM71820928 11/06/09
Named Insured Mortgagee:	COMMUNITY SOUTH BANK & TRUST 6602 CALHOUN MEMORIAL HWY	Expiration	04/06/10 12:01 AM Local Standard Time at the Address of the Insured Mortgagee
	EASLEY, SC 29640		864-306-2540 Fax: 864-306-3116
Loan Number:	8001376	Agency:	(Agency Phone: (800) 528-0587
Property Address(es):	TWIN RIVERS/DILLARD WATERLOO, SC 130 SQUIRREL DRIVE STARR, SC		Kistler Agency, Inc. 8050 ROSWELL RD NW
Countersigned:			ATLANTA, GA 30350

The insurance afforded is only with respect to such of the following coverages as are indicated by specific premium charge or charges. The limit of liability against each such coverage shall be as stated herein, subject to all the terms of this Notice of Insurance having reference thereto.

AMOUNT OF INSURANCE	DEDUCTIBLE	RATE	ANNUAL PREMIUM
Residential Fire N/A	All Insured Perils N/A		
Commercial Fire $497,450	All Insured Perils $500		$3,109.00
Mobile Homes N/A	All Insured Perils N/A		
Residential Personal Property N/A	N/A		
	TOTAL PREMIUM		$3,109.00

Your Lender has ordered insurance on the above listed property in the amount and premium indicated above. This insurance may not sufficiently protect your interest in the property and covers only loss to the building structure. Coverage is limited to perils insured under our agreement with your lender and is subject to all limitations and exclusions set forth thereon. Coverage is not afforded for building code upgrades.
This notice is for information only. It neither amends, extends or alters the coverage afforded under the agreement it describes.

Please contact your lender if you have any questions about the placement of this coverage.

AMHCert-2004-001

JD

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 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 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 6.000% 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 $501,097.97 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.

Certus/Bennett 0000005

DEFINITIONS: As used on page 1, "☒" ... ons 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:
	$		$	$	%	$	
	$		$	$	%	$	

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.	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 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:
	$		$	$	%	$	
	$		$	$	%	$	

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

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

[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 PROPER

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDI THOSE ON PAGE 2). I have received a copy on today's date.

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
6802 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
6802 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 1979 DILLARD ROAD (Address), WATERLOO (City), South Caroline 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.

Expere® © 1994, 2001 Bankers Systems, Inc., St. Cloud, MN Form AGCO-RESI-SC 1/21/2003

EXHIBIT 17
Bennett

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
      6.18%
      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.

KB

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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 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 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 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 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.

KENNETH E. BENNETT 6004 HIGHWAY 24 TOWNVILLE, SC 29689 **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.	Loan Number 8001376 Date 11-01-2007 Maturity Date 05-03-2009 Loan Amount $ 497,450.00 Renewal Of Officer # 001

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 11-01-2007. 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 11-01-2007 at the rate of 8.180% per year until 05-03-2009.

☐ **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: ORIGINATION FEE $500.00, APPRAISAL FEE $600.00, APPRAISAL FEE $1,400.00 AND FLOOD FEE $14.00.

PAYMENTS: I agree to pay this note as follows:

17 monthly interest payments ranging from $3164.89 to $4860.36 beginning 12-14-2007 and 1 payment of $499,597.60 on 05-03-2009.

ADDITIONAL TERMS:

EXHIBIT
18
Bennett

☒ **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.

Signature for Lender

DEFINITIONS: As used on page 1, "☒" means ... 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 su... 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:
	$		$	$	%	$	
	$		$	$	%	$	

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. ☐ H.O. ☐ 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.

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.

EXHIBIT 19
Bennett

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 — 4/6/09 — Policy Number (if applicable)
Signature - First Named Insured or Authorized Officer — Date

RICK BENNETT AGENT — Taylor Insurance Agency - 16006900
Print Name — 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.

Applicant's Signature and Date:	Agent's Signature and Date:
Rick 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:

Rick 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: [redacted] 11/6/09 11-6-09 | Policy Term: ☒ Annual ☐ 3-Year (fidelity only)

Agency/Address: Taylor Insurance Agency, PO Box 1648, 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: $ 353.50 | 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 loop			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: _____

3PA 5PA 6PA 8PA FC DC

Special Rating Plan: % Group Name 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.

Notice of Requirement to Provide Insurance

Important

KENNETH E BENNETT

3923 E STATE STREET
ROCKFORD, IL 61108

COMMUNITY SOUTH BANK & TRUST
6602 CALHOUN MEMORIAL HWY

EASLEY, SC 29640
864-306-2540 Fax: 864-306-3116

Date of Notice: April 6, 2010 Loan # 8001376 ID

Our records indicate that your Insurance Policy on the following collateral expired.

TWIN RIVERS,DILLARD WATERLOO, SC ; 130 SQUIRREL DRIVE STARR, SC

This notice is to remind you that one of the requirements of your loan is that you carry an acceptable Insurance Policy which protects us from financial loss as the result of damage to our collateral.

We highly recommend that you purchase your own coverage from an agent or company of your choice. In the event that you do not provide us evidence of insurance protecting the Lender within 30 days from date of this notice, we may invoke our right to protect our collateral by listing it under our Blanket Mortgage Hazard (BMH) master policy. If this becomes necessary, you will be required to pay the insurance premium associated with this coverage. Important points of this coverage which you should fully understand are:

1. W e, as creditor, are the Named Insured. **This is "Lenders Interest only" coverage and does not protect your interest.** This coverage does not protect any equity you may have in the property or loss or damage to contents or additional living expenses, nor does it provide any liability coverage against bodily injury, property damage.
2. Be **cause this coverage is high-risk insurance, the premium charged to your account may be considerably more expensive than you would pay for coverage purchased from an agent of your choice.** To schedule your collateral on our BMH master policy for limits of $497,450 (our insurable interest) the premium for 12 months beginning on 04/06/10 would be $7,462.00. This amount may be added to your loan balance and you may be charged interest at the same rate as your loan contract. This premium may be paid by you in a lump sum or by monthly payments over the policy period. This coverage may expire before your loan with the lender is paid off.
3. **Your lender, a master policy holder or other entity may receive compensation from part of the premium charged to you for scheduling this coverage.**
4. You may cancel the BMH Policy at any time by purchasing your own insurance from the agent of your choice, naming this lender as loss payee. The unused portion of the BMH premium will be c redited to your account. **We highly recommend that you purchase your own coverage from an agent or company of your choice.**

This matter requires your immediate attention. Should you have any questions, call our insurance department at the number indicated above.

EXHIBIT 20
Bennett

STATE OF SOUTH CAROLINA — IN THE COURT OF COMMON PLEAS OF THE
COUNTY OF LAURENS — THIRTEENTH JUDICIAL CIRCUIT

CERTUS BANK, N.A.,

Plaintiff,

vs.

KENNETH E. BENNETT, TWIN RIVERS RESORT, LLC and BENNETT OF GREENWOOD, LLC.,

Defendants

CIVIL ACTION NO. 2011-CP-30-00583

30(b)(6) DEPOSITION OF CERTUS BANK
GIVEN BY: WADE VINCENT KING

DATE TAKEN: March 20, 2014

TIME BEGAN: 10:02 a.m.

TIME ENDED: 10:47 a.m.

LOCATION: Brown, Massey, Evans, McLeod & Haynsworth, LLC
106 Williams Street
Greenville, South Carolina

REPORTED BY: Eileen Thompson, CCR
EveryWord, Inc.
P.O. Box 1459
Columbia, South Carolina 29202
803-212-0012

APPEARANCES:

BROWN, MASSEY, EVANS, MCLEOD & HAYNSWORTH, LLC
BY: E. ZACHARY HORTON, ESQUIRE
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Post Office Box 2464 (29602)
Greenville, South Carolina 29601
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zhorton@bmemhlaw.com
Representing the Plaintiff

COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A
BY: T. S. STERN, JR., ESQUIRE
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sstern@covpatlaw.com
Representing the Defendant, Twin Rivers Resort, LLC

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E X H I B I T S

DEFENDANT'S EXHIBITS	DESCRIPTION	MARKED
1	39(B)(6) Notice of Deposition	4
2	Letter of 2-18-2011	6
3	Purchase and Assumption Agreement	22

(It is hereby stipulated and agreed by and between counsel for the respective parties that this deposition is being taken in accordance with the South Carolina Rules of Civil Procedure, and that the deponent waives reading and signing of this deposition transcript.)

- - -

WADE VINCENT KING, after having been first duly sworn, was examined and testified as follows:

Whereupon, the court reporter marked Defendant's Exhibit Number 1 for identification.)

- - -

EXAMINATION

- - -

BY MR. STERN:

Q. Good morning, Mr. King. My name is Sandi Stern. As you probably know, I'm one of the attorneys involved in the defense of a matter pending in Laurens County in which CertusBank has sued Kenneth Bennett, Twin Rivers Resort and Bennett of Greenwood, LLC.

You have been designated by CertusBank as the witness to testify as to certain matters

contained in the Notice of Deposition, and I would like to show you what's been marked as Exhibit 1. That is the amended 30(b)(6) Notice of Deposition of CertusBank. Have you seen that before?

A. Yes.

Q. Okay. And are you the person who is designated to testify with respect to questions concerning the three matters listed in the Exhibit 1?

A. Yes.

Q. And could you tell me your position with CertusBank?

A. I am senior vice-president and manage the special asset bank for CertusBank.

Q. Okay. And how long have you been with CertusBank?

A. Just over three years.

Q. Okay. So we're talking in the 2010 time frame?

A. January 21st, 2011.

Q. Okay. That, as I understand it, is the effective date of Certus' takeover of CommunitySouth Bank?

A. Yes.

Q. Okay. And that was pursuant to agreement

with the FDIC?

A. Yes.

Q. Okay. And before that, where were you employed?

A. CommunitySouth Bank and Trust.

Q. That's what's called the failed bank in the documents?

A. Yes.

Q. Okay. And how long were you with CommunitySouth?

A. Two months.

Q.

MR. STERN: If you could look at Exhibit 1 and, particularly, the first item. And I've attached to Exhibit 1 the first pages of a letter written by Roe, Cassidy, Coates & Price dated February 18, 2011 to Commonwealth Land Title Insurance.

And what I would like to do now, if I could, that exhibit didn't include all of the documents that were attached to it, so I'm going to mark the complete one Exhibit 2.

(Whereupon, the court reporter marked Defendant's Exhibit Number 2 for identification.)

EXAMINATION RESUMED BY MR. STERN:

Q. The first two pages are identical to the exhibit. What I've included are the attachments that came with it, too. So are you familiar with the letter?

A. Yes.

Q. Okay. And was the firm of Roe, Cassidy, Coates & Price at that time, that is February 18, 2011, as Mr. Faulkner says counsel to CertusBank, N.A.?

A. Yes.

Q. And did you engage -- I mean, you personally on behalf of bank engage that firm for this purpose?

A. Yes.

Q. Okay. And the first question I have for you concerning the first two pages of Mr. Faulkner's letter is have you had an opportunity to look at it?

A. Yes.

Q. Are there statements in the letter, to the best of your knowledge, true and accurate?

A. Yes.

Q. Okay. If you could go to the next attachment that's the first word and down at the bottom is CB3. Do you see that?

A. Yes.

Q. That is a Bates number that I think our firm put on it. And the first one is in reference to a CapitalBank versus Bennett of Greenwood. That's not the subject action. Do you know why that's included in there?

A. No.

Q. Okay. And if we could look at the next page, which is CB4, the next attachment, this document indicates that a default judgment has been obtained against Kenneth Bennett by CertusBank. Is that your understanding?

A. Yes.

Q. Okay. And is that default judgment for the full amount of the loan I believe for the $497,500, something in that area, do you know?

A. Judgment amount is $510,000.

Q. Okay. $510,000.

A. $497,00, plus other amounts owed.

Q. Okay. And do you know what efforts, if any, have you been made to attempt to collect that default judgment against Mr. Bennett?

A. I do not.

Q. Okay. The next page, CB5, that appears to be a payoff statement, is that correct?

A. Yes.

Q. Okay. And this is dated as of July 2013, sometime last year?

A. Yes.

Q. Okay. If you could go to the next few pages, specifically, CB6, 7 and 8 that begins with CB6 page 1 of 3, can you tell me what this document is? When I say document, I'm referring to the CB6, 7 and 8, pages 1 through 3.

A. It's a summary screen generated from our loan system Fiserv that we have for all accounts and loans in the bank.

Q. Okay. And up at the top -- well, not at the top, but under "Account Classification," the right-hand column, it says, "Responsibility Code, Wade King." Would that be you?

A. Yes.

Q. And does that mean that this is something that is -- that this loan at this time was assigned to the special assets group within the bank?

A. Yes.

Q. Okay. And then the next two pages, I really want to ask you on the page 3 of 3, CB8, down at the bottom, "Chargeoff," do you see that?

A. Yes.

Q. And on the left-hand column chargeoff, it

says, "Principal Balance, $497,450," do you see that?

A. Yes.

Q. And then it says, "Charged off amount, $497,450"?

A. Yes.

Q. What does that mean?

A. That means that the legal balance -- let me correct that. At the time, it may have been booked as legal balance, but the full amount of the loan has been charged off.

Q. And what does that mean in bank terminology?

A. That per regulatory guidelines, the likelihood of collecting the balance in full and repayment of the loan is doubtful. And we are required to charge, in this instance, the full amount of the loan off.

Q. Okay. And if you would go to the column opposite where you just read, "Date first chargeoff, December 31, 2009." Do you see that?

A. Yes.

Q. Okay. And that would be I guess more than two years before CertusBank succeeded -- became -- I don't know how you would call it -- the successor to

CommunitySouth Bank, is that correct? That's two years before it was charged off, correct? Well, I said that wrong. Let me go back.

"Date first charged off, December 31, 2009." Can we agree that's more than two years before the CertusBank N.A. succeeded to the rights of CommunitySouth?

A. Yes.

Q. Okay. And it says, "Amount first charged off, $111,050," correct?

A. Yes.

Q. And then it says, "Date last charged off, December 28th, 2012"?

A. Yes.

Q. So does that mean by December 28th, 2012, that $497.450 had been charged off?

A. Yes.

Q. Okay. And the last amount charged off was $386,400?

A. Yes.

Q. Okay. If you could go over to page CB -- one more question. This says it was printed by Amy Staggs. Who is she?

A. She is an employee of the bank in the special asset area that pulled this information.

Q. Okay. She works for you?
A. Yes.
Q. Okay. And then the next page that I wanted to ask you about is CB12. That's page 2 of 2, so I gather it's a continuation of the first page?
A. Yes.
Q. And the question I had is you see the entry on page 2 of 2, CB12, that says, "Charged off to LLR"? What does that mean?
A. LLR stands for loan loss reserve.
Q. Okay. And below that there is some -- there's a date, December 28, 2012, and it's got RCO, $1,596.00." What does that reference mean, RCO?
A. CO is chargeoff. I can't recall the R in it, but it's an accounting term referencing the amount of the loan that's charged off. I just can't remember what the R is.
Q. Okay. Did you have the opportunity to look at Sean's letter before it went out?
A. I don't recall.
Q. Well, it appears that I think you identified Amy Staggs as the person that collected some of the information in here that's in the attachments?

MR. HORTON: Stop for a second.

MR. STERN: Sure.

MR. HORTON: You saying that these are the attachments to Sean's letter?

MR. STERN: Yes.

MR. HORTON: Because they can't be. Sean's letter is dated 2011, and these documents are dated 2013.

MR. STERN: That's right. You're right about that.

MR. HORTON: And here is the stack that was Sean's letter that I e-mailed to you.

MR. STERN: Okay.

MR. HORTON: I just wanted to double-check. I didn't know if this was just a conglomeration of exhibits.

MR. STERN: Well, I Bates numbered them.

MR. HORTON: Because you had asked for the attachments. And then I finally got it from Sean and e-mailed you that right there, that package.

THE WITNESS: Sean would have pulled that information back when he sent that out. And, again, I don't recall seeing it. It probably has notes, mortgage, et cetera. I think this

particular documentation, the loan screen was pulled in July of 2013 at subsequent requests.

EXAMINATION RESUMED BY MR. STERN:

Q. As vice-president in charge of special assets, can you identify the documents that we discussed in that exhibit as records of CertusBank?

A. Yes.

Q. Okay. I mean, are they accurate and truthful, to the best of your knowledge?

A. Yes.

Q. And I'll figure out later and talk to you about how I messed that up like that. Okay. Are you familiar with the agreement -- let me go ahead and ask this question then.

Demand was made by Sean on the title insurance company for payment of the money, correct, for payment of the amount in Sean's letter at that time, the $497,450?

A. Yes.

Q. And was there a response to the letter from the title insurance company?

A. I believe there obviously was a response. I don't recall, you know, seeing a formal written response.

Q. Okay. Let me ask you this. Has the title

insurance company paid the claim?

A. No.

Q. Okay. And why have they not paid the claim, if you know?

A. I do not know.

Q. Do you know who I should ask that question to?

A. Sean Faulkner.

Q. Okay. And he's still counsel for the bank and now he's with the Nelson Mullins firm, correct?

A. Yes.

Q. Okay. Is there a written agreement of any kind between CertusBank and Commonwealth Land Title concerning this claim?

A. Not that I'm aware of. No.

Q. Do you believe the claim to be valid?

A. Yes.

Q. Okay. Do you know why it hasn't been paid?

A. Not to be flippant, but title companies are not in the business to pay claims.

Q. If they can make somebody else pay?

A. (Witness nodding head.)

MR. STERN: Off the record.

(Whereupon, a discussion was held off the record.)

EXAMINATION RESUMED BY MR. STERN:

Q. Help me understand this. And the reason I'm trying to figure out is is Mr. Horton counsel for CertusBank, or is he counsel for the title insurance company, or both?

A. I don't know.

Q. Okay. The next area is whether or not -- I'm looking at item two, if you want to follow with me, Mr. King -- whether or not the Plaintiff has been reimbursed any sum from any source in connection with the promissory note dated November 1st, 2007 in the amount of $497,450. Do you understand that question?

A. Yes.

Q. Okay. And has CertusBank been reimbursed any amount of that amount from any source, to your knowledge?

A. Yes.

Q. And what has that been?

A. Approximately 69 percent.

Q. And is that 69 percent that has been paid to CertusBank of that -- so I just do the math to find out the exact amount, or do I need to know what the --

A. I'm not 100 percent that is the full

balance, the $497,450, or perhaps 69 percent of the $386,400.

Q. 69 percent. Okay. Help me with those numbers then. Where is the $386.000?

A. CB08.

Q. Okay. "Amount last charged off, December 28, 2012." Is it fair to say it's either the $497,450 --

A. Or the $386,400.

Q. Okay. Whatever the math is on that, that's the amount that it has been reimbursed?

A. Correct. To help explain the difference perhaps, the 69 percent would have been what the book balance was to CertusBank. And because it appears on this, you know, from the print-out that $111,000 was charged off in 2009.

Q. The $111.050?

A. Correct.

Q. Okay.

A. Whether that was an allowance shown by the failed bank or whether it was a true chargeoff.

Q. Well, let me ask you this. Are you familiar with the document under which CertusBank, N.A. acquired the assets and some liabilities of CommunitySouth Bank?

A. Yes.

Q. And isn't the basis for the purchase price of some of the assets the book value of that asset as of the takeover date?

A. Yes.

Q. Okay. So is it your assumption then that as of December 28th, 2012, a little more than -- less than a month before the takeover -- no, after the takeover -- I'm sorry -- that the book value was the $386,400?

A. I don't know. I would need to go back and -- I would need to go back and verify the correct amount, whether it was either the $497,450 or the $386,400.

Q. Okay. But what's publicly available from the FDI website is not all of the information that's part of the documents, you understand that?

A. Yes.

Q. In other words, certain loans would be -- that would tell you what the book value of that loan is at that time?

A. Yes.

Q. Okay. And I believe that's part of a schedule that's supposed to be in there, but not a public record, because it's I guess individual bank

records really?

A. Yes.

Q. Okay. But that would be a document that CertusBank would have?

A. I'm not sure. And the reason why, it gets that granular on a loan-by-loan basis. And when you start talking pooled accounting, so I'm not sure.

Q. But there would be a list somewhere that would say this is the book value of this mortgage loan?

A. As an exhibit to the P & A, no.

Q. Okay. Well, let me ask you this. There were other assets that were obtained that were part of a loss sharing agreement. Do you understand?

A. Yes.

Q. Was this loan part of a loss sharing agreement between CertusBank and the FDIC?

A. Yes.

Q. Okay. And can you explain to me the rough workings of that?

A. Of the purchase and assumption agreement.

Q. No. Just how the loss sharing agreement worked.

A. That the FDIC would reimburse CertusBank for losses, including the book value principal

amount of the loan, lost interest, as well as collection costs in an amount equal to 69 percent.

Q. Okay. But our issue is we don't know what the book value was at the time, is that fair?

A. Yes.

Q. The documents would indicate that it would probably have been since it appears to have been the whole thing charged off in two amounts? I guess that's the sum. I haven't added it up.

A. Correct. I could find the exact amount for you in a short amount of time.

Q.

MR. STERN: Would that be possible to do that without reconvening this deposition to do that?

MR. HORTON: Yes.

EXAMINATION RESUMED BY MR. STERN:

Q. Okay. So if it was the book value was $386,400, then you would have been reimbursed 69 percent of that number?

A. Correct.

Q. Okay. Whatever the book value was, 69 percent was what you got?

A. Correct. And it would have been either the $386,400 or the $497,450. I'm sorry. The

chargeoff entry to CommunitySouth to the loan loss reserve for the $111,000. I have to clarify that.

Q. Okay. And doing what I do, I was aware that when certain failed banks were acquired, some of the loss sharing agreements -- I'm thinking specifically of one -- where the loss reimbursement was based on the face amount of the loan rather than the book value. Do you know which one this was? Do you understand my question? It wasn't very well phrased.

That if something had been acquired at book value, if the book value was zero and it was subject to a loss sharing agreement, some of the earlier takeovers were based on a loss sharing agreement based on the face amount of the loan. Is that the way this one worked, if you know?

A. Without perusing the 100 pages --

Q. Well, let's do that then.

A. I'm trying to think through an individual instance which would -- and I don't want to misstate that it was either legal or book. And that's part of the reason going back to look on this and see how that particular $100,000 was handled. And I would say with a fair amount of certainty, it was brook value.

Q. Okay. In other words, the loss sharing agreement was based on the book value, not the face amount of the loan?

A. Correct.

Q. Otherwise, it could result in something of a windfall, if the bank didn't pay anything for that loan and they had a reimbursement based on the face amount, it would be kind of a windfall if that were the case?

A. That's why it's got to be book value.

Q. Okay. Let me show you -- and that this is the caveat. This is the publicly available information that came from the FDIC website. As you know, Mr. King, many things are left out that should not be part of the public record. Like, when you put a listing of the loans in there, you're putting customer information in there, too, so that's why that wouldn't be part of it. But do you recognize this document?

A. Yes.

MR. STERN: And I'm just going to ask you a few questions about this.

(Whereupon, the court reporter marked Defendant's Exhibit Number 3 for identification.)

EXAMINATION RESUMED BY MR. STERN:

Q. And if you could -- I'm on page 2. And just the definition of book value.

MR. HORTON: Number two, not Roman numeral II?

MR. STERN: Yes. I'm sorry. Page 2.

EXAMINATION RESUMED BY MR. STERN:

Q. As I read that, that essentially means -- book value means how it was carried by the failed bank on its books?

A. Yes.

Q. And you can provide us with that exact number as of the date of this agreement?

A. Yes.

Q. Okay. If I go over to page 9, I see what I believe is the first reference immediately above article two to shared loss agreements. Do you see that?

A. Yes.

Q. And it refers you to Exhibits 4.15A and 4.15B. And that's where we get the information, if you could look, that's not part of the public record, which would be the -- both of them says, "to be provided," I believe. I see 4.15B, but I missed 4.15A.

A. Let me help.

Q. Okay.

A. 4.15B covers commercial loans. 4.15A covers residential loans. The FDIC segregates it. And for the CommunitySouth transaction, they didn't have any residential or consumer loans. Hence, there was no A schedule.

Q. Thank you very much. And 4.15B would be the information that's not publicly available?

A. Yes.

Q. And my only interest would be in obtaining how this loan was treated for purposes of this agreement?

A. Yes.

Q. And you can provide that. Thank you. Okay. And if you could turn to page 45, that has the schedule of the purchase price of assets?

A. Yes.

Q. And would the loan to Mr. Bennett, the $497,450, would that be something under item D, "Loans"?

A. Yes.

Q. And that says, "Book value," again, confirming that?

A. Yes.

Q. So the purchase price that I believe is --

I know it's approximately $29 million for the book value of the assets. Is that a crude way of putting what's going on?

A. Yes.

Q. Subject to other provisions of the agreement?

A. Yes.

Q. And the 4.15B reflects the loss sharing agreement as it applies. Where did the number 69 percent come from. And that may be in a payment formula.

A. 69 percent is the loss share percentage with the transaction.

Q. Okay. It just seems to me based on the documents that I've seen that the only amount written down before the takeover was the $111,000?

A. Yes. I think that's just going to be a matter of fact in getting it. And the reason I'm hesitating is the loan loss reserve -- showing a chargeoff, the loan loss reserve may not have lowered the book value.

Q. I wanted to ask you about that, because I noticed that.

A. It may have been an allowance versus the actual charge to the book value.

Q. Let's see if we can answer that, because in the definition of book value, if you could look at the bottom of page 2 where the definition begins and continue over, and my question to you is I made a note of the last sentence. "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 of the failed bank records."

A. Specific reserve is what's in question.

Q. Okay. Tell me why that's in question.

A. That's why I need to go clarify. To account -- now I'm trying to be an accountant.

Q. Well, it says, "general or specific."

A. For a specific loan or an asset where there has been -- where you've determined impairment, for example, to the collateral or the collection of it, the bank can go ahead and take a direct chargeoff, which is a hit to the balance sheet, on a specific loan-by-loan basis. If this was a chargeoff by CommunitySouth, then the book balance would be the lesser amount.

Q. Okay.

A. A specific reserve they'll hold as an accounting function, an allowance, saying we may

have some impairment, or there may be a loss due to collection for whatever reason, and we will hold an allowance until such time was we determine whether we need to go ahead and take the chargeoff. And that LLR, loan loss reserve, is what I need to get that -- follow up with that additional information, because if it was a specific reserve, the book balance would have been the greater amount, the $497,450.

Q. But show me where -- because the sentence says though, "Shall not include any general or specific reserves." So help me understand if it does not -- the determination of book value does not include or take into consideration any general or specific reserves, why would that make any difference to what the book value was?

A. In this instance, we are going to have the $497,000, CommunitySouth would have taken a chargeoff. Hence, the book value would have been the lesser amount.

Q. Right.

A. If they allocated a specific reserve, the book balance would have been the higher and they just would have had this number out there. And for purposes of the loss -- or the purchase assumption

of the Loss Share Agreement, you would not consider that specific reserve, so you would have the higher amount.

Q. But in either case, the attachment that would be included there would have a specific line item for the book value of that loan, is that correct?

A. Yes.

Q. And that's what you can provide me?

A. Yes.

Q. Okay.

A. I would be able to do it fairly easy, because the claim made to the FDIC for the 69 percent will either have been to the larger number or the smaller number.

MR. STERN: Now, I'll talk to you about that. I thought that was something that I might ask for before, but I'll take that up later.

MR. HORTON: I want to say that I think the information -- somewhere in the information that I provided has the amounts that the FDIC paid I'm fairly certain.

MR. STERN: Will you double-check that for me?

MR. HORTON: Sure.

MR. STERN: And I'll talk to you about that and go back and check that. I'm not sure.

THE WITNESS: I mean, it's readily available, if it hasn't already been provided.

EXAMINATION RESUMED BY MR. STERN:

Q. But would it be a fair statement then that to the extent that the title insurance claim is valid, and to the extent that there has been reimbursement or under the loss sharing agreement with the FDIC, CertusBank based on those two numbers would be made 100 percent whole?

A. No.

Q. Why not?

A. We would have been reimbursed 69 percent.

Q. Right.

A. The remainder 31 percent is on the Bank. And one point, one important thing as far as the purchase and assumption agreement, in tying it back to the full amount of debt owed, the Loss Share Agreement covers those losses on behalf of the bank, but we are obligated to pursue and collect the full amount of the debt owed.

And when we collect the full amount of the debt owed, the money goes back to the FDIC. They're

a business partner with us in the Loss Share Agreement. And that covers losses that occur under certain circumstances, which included this. But what we are charged with is collecting the full balance legally owed on the obligation.

Q. Okay. And that is set out in the agreement as well?

A. Yes.

Q. Okay. But then let's break that down a little bit. 69 percent of some amount that we'll ultimately determine has already been reimbursed?

A. Yes.

Q. But to the extent that difference would represent the bank's loss on the loan, would not that balance be 100 percent covered by the title claim? I mean, the title claim was for $497,450, correct, I mean, in Sean's letter?

A. Yes.

Q. So between collecting 100 percent of that number and the 69 percent of some other number, would not the bank be 100 percent reimbursed at that point in time?

A. Excluding collection costs and interest, if the $497,000 was paid, the bank would be made whole and the FDIC would be made whole.

Q. Okay. And the only potential costs out of pocket would be some costs of prosecuting the title claim?

A. And those collection expenses --

Q. Associated with the default judgment against Mr. Bennett?

A. As well -- all collection legal are reimbursed at the same rate.

Q. Okay. But that would be the only arguable amount of any money left if you got 100 percent of the title insurance claim and 69 percent reimbursement under the Loss Share Agreement?

A. Say that again.

Q. I'll try to. If the title company would write a check for $497,450 to CertusBank and if the FDIC, whatever amount they have reimbursed, the only potential out-of-pocket costs to the bank under those conditions would be any costs of prosecuting those claims, pursuing the 100 percent that you've identified?

A. The bank would be out of pocket 31 percent.

Q. The difference between the 69?

A. Yes.

Q. But some amount, the title insurance

company is going to give you something?

A. To the extent we get reimbursed, again, for those collection costs.

Q. Okay. So if the title company paid the difference between the loss reimbursement with the FDIC and the face amount of the loss, then the only out-of-pocket expenses could be the potential costs of prosecuting the claim against Mr. Bennett to the title company? Instead of me trying to put words in your mouth, why don't you explain?

A. For a numerical example, if the full amount of the claim, plus $10,000 in collection or legal was reimbursed in conjunction with the full payment of the amount, we would share that again back with the FDIC, because we would have made claims on a quarterly basis with the legal and collection fees, you know, since day one.

Q. But the bottom line, that would be the only potential out-of-pocket expenses if the title insurance company honors its title policy?

A. A portion. Yes.

MR. STERN: Okay. That's all I have.

MR. HORTON: That's it. I don't think I have anything.

THE COURT REPORTER: What about signature?

(Whereupon a discussion was held off the record.)

MR. HORTON: We'll waive it.

- - -

(Witness excused.)

- - -

(Deposition was concluded at 10:47 a.m.)

- - -

CERTIFICATE OF REPORTER

I, Eileen Thompson, Registered Professional Reporter and Notary Public for the State of South Carolina at Large, do hereby certify:

That the foregoing deposition was taken before me on the date and at the time and location stated on page 1 of this transcript; that the deponent was duly sworn to testify to the truth, the whole truth and nothing but the truth; that the testimony of the deponent and all objections made at the time of the examination were recorded stenographically by me and were thereafter transcribed; that the foregoing deposition as typed is a true, accurate and complete record of the testimony of the deponent and of all objections made at the time of the examination to the best of my ability.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

Witness my hand, I have hereunto affixed my official seal this 26th day of March, 2014 at Liberty, Pickens County, South Carolina.

_____

Eileen Thompson,
Registered Professional Reporter
Notary Public
State of South Carolina at Large
My Commission expires:
September 27, 2014

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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 **AMENDED 30(B)(6) NOTICE OF DEPOSITION OF PLAINTIFF CERTUS BANK, N.A.**

TO: PLAINTIFF ABOVE-NAMED AND ITS COUNSEL OF RECORD:

PLEASE TAKE NOTICE that pursuant to Rule 30(b)(6) of the South Carolina Rules of Civil Procedure, commencing on **THURSDAY, MARCH 20, 2014**, at **10:00 a.m.**, the law offices of BROWN, MASSEY, EVANS, MCLEOD & HAYNSWORTH, LLC, 106 Williams Street, Greenville, SC 29601, Defendant Twin Rivers Resort, LLC, by and through their undersigned counsel, will take the deposition upon oral examination, before a Notary Public or other duly authorized officer authorized to administer oaths, of the officer, agent or representative of **PLAINTIFF CERTUS BANK, N.A.**, most knowledgeable with respect to the following matters:

1. The present status of the title insurance claim shown on **Exhibit "A"**.

2. Whether or not Plaintiff has been reimbursed any sum from any source in connection with the Promissory Note dated November 1, 2007 in the amount of Four Hundred Ninety-Seven Thousand Four Hundred Fifty ($497,450.00) Dollars executed by Kenneth E. Bennett.

3. The identity and location of the enclosures to **Exhibit "A"** and the reasons why such enclosures have not been produced.



The deposition will continue from day to day until completed. You are invited to attend.

COVINGTON, PATRICK, HAGINS,
STERN & LEWIS, P.A.

T.S. Stern, Jr. (S.C. Bar #5337)
E-Mail: sstern@covpatlaw.com
V. Elizabeth Wright (S.C. Bar #76029)
E-Mail: bwright@covpatlaw.com
211 Pettigru Street
P.O. Box 2343 (29602)
Greenville, SC 29601
864.242.9000

Greenville, South Carolina
March 3, 2014

EXHIBIT "A"

Roe Cassidy
Coates & Price PA

D. SEAN FAULKNER
DIRECT DIAL: 864-349-2605
E-MAIL: SFAULKNER@ROECASSIDY.COM

FEBRUARY 18, 2011

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Commonwealth Land Title Insurance Company
Attention: Consumer Affairs Department
P.O. Box 27567
Richmond, Virginia 23216-7567

RE: Loan Policy 507-1008497 issued to CommunitySouth Bank and Trust on property located in Laurens County, South Carolina ("Title Policy")
RCCP File No. 0885.0215

Dear Sir or Madam:

We are counsel to CertusBank, N.A., successor in interest to certain assets of CommunitySouth Bank and Trust (the "Bank"), your insured under the above mentioned Title Policy. This letter is being written to you on behalf of the Bank to provide you with written notice of a loss incurred by the Bank and covered by the Title Policy.

As background, this firm was originally retained by the Bank to handle a possible loan modification involving a promissory note which is secured by the insured mortgage lien. The promissory note which is the subject of this letter was executed by Kenneth E. Bennett ("Borrower") on or about November 1, 2007, in the amount of Four Hundred Ninety Seven Thousand Four Hundred Fifty and 00/100 Dollars ($497,450.00). Simultaneously therewith, Borrower executed a first mortgage lien in favor of the Bank in the same amount which mortgage was recorded on December 10, 2007, in the Clerk of Court's Office for Lauren's County, South Carolina, in Mortgage Book 1727, at Page 1 (the "Mortgage"). The loan was closed by attorney James S. Belk, 1202 N. Main Street, Anderson, South Carolina 29621, who also wrote the Title Policy in favor of the Bank insuring the mortgage lien.

The Mortgage and the Title Policy show title to the land being vested in the name of Kenneth E. Bennett at the time the mortgage was recorded. Our review of the chain of title for the land indicates that title was vested in the name of JKR Development, LLC at the time the mortgage was recorded. Our title review also shows that Borrower has never held title to the property. Title to the land is currently vested in Twin Rivers Resort, LLC.

Enclosed is the Proof of Loss or Damage Affidavit as required under paragraph 5 of the Conditions and Stipulations clause of the Title Policy. Demand is hereby made that the Title Company tender payment of $497,450.00 to the Bank.

1052 North Church Street
Greenville SC 29601
PO Box 10529
Greenville SC 29603
p 864 349 2600
f 864 349 0303

We have included copies of all of the documents referenced in this claim. If you require any further information from the Bank, please contact me at the address and number provided in this letter. Moreover, if you believe that this claim is inadequate for purposes of making a claim under the Title Policy, please contact us promptly and identify any deficiency you may find in this claim so that we can correct it.

Yours very truly,

ROE CASSIDY COATES & PRICE, P.A.

D. Sean Faulkner

DSF/cmp

Enclosures

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 **CERTIFICATE OF SERVICE**

I, Katy M. Berdugo, a paralegal of Covington, Patrick, Hagins, Stern & Lewis, P.A. do hereby certify that a copy of **AMENDED 30(b)(6) NOTICE OF DEPOSITION OF PLAINTIFF CERTUS BANK, N.A.** was served on **MARCH 3, 2014** upon the parties in interest shown below as follows:

VIA FIRST-CLASS U.S. MAIL
E. Zachary Horton, Esq.
Brown, Massey, Evans, McLeod & Haynsworth, LLC
106 Williams Street
P.O. Box 2464 (29602)
Greenville, SC 29601

VIA FIRST-CLASS U.S. MAIL
W. Reid Cox, Jr., Esq.
Cox & Ferguson
P.O. Box 286
Laurens, SC 29360

Katy M. Berdugo, Paralegal
COVINGTON, PATRICK, HAGINS, STERN & LEWIS, P.A.
211 Pettigru Street
P.O. Box 2343 (29602)
Greenville, SC 29601
(864) 240-4200

Greenville, South Carolina

Roe Cassidy
Coates & Price PA

D. SEAN FAULKNER
DIRECT DIAL: 864•349•2605
E-MAIL: SFAULKNER@ROECASSIDY.COM

FEBRUARY 18, 2011

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Commonwealth Land Title Insurance Company
Attention: Consumer Affairs Department
P.O. Box 27567
Richmond, Virginia 23216-7567

RE: Loan Policy 507-1008497 issued to CommunitySouth Bank and Trust on property located in Laurens County, South Carolina ("Title Policy")
RCCP File No. 0885.0215

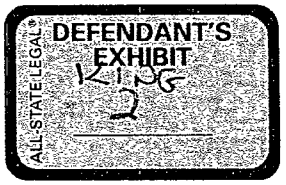
Dear Sir or Madam:

We are counsel to CertusBank, N.A., successor in interest to certain assets of CommunitySouth Bank and Trust (the "Bank"), your insured under the above mentioned Title Policy. This letter is being written to you on behalf of the Bank to provide you with written notice of a loss incurred by the Bank and covered by the Title Policy.

As background, this firm was originally retained by the Bank to handle a possible loan modification involving a promissory note which is secured by the insured mortgage lien. The promissory note which is the subject of this letter was executed by Kenneth E. Bennett ("Borrower") on or about November 1, 2007, in the amount of Four Hundred Ninety Seven Thousand Four Hundred Fifty and 00/100 Dollars ($497,450.00). Simultaneously therewith, Borrower executed a first mortgage lien in favor of the Bank in the same amount which mortgage was recorded on December 10, 2007, in the Clerk of Court's Office for Lauren's County, South Carolina, in Mortgage Book 1727, at Page 1 (the "Mortgage"). The loan was closed by attorney James S. Belk, 1202 N. Main Street, Anderson, South Carolina 29621, who also wrote the Title Policy in favor of the Bank insuring the mortgage lien.

The Mortgage and the Title Policy show title to the land being vested in the name of Kenneth E. Bennett at the time the mortgage was recorded. Our review of the chain of title for the land indicates that title was vested in the name of JKR Development, LLC at the time the mortgage was recorded. Our title review also shows that Borrower has never held title to the property. Title to the land is currently vested in Twin Rivers Resort, LLC.

Enclosed is the Proof of Loss or Damage Affidavit as required under paragraph 5 of the Conditions and Stipulations clause of the Title Policy. Demand is hereby made that the Title Company tender payment of $497,450.00 to the Bank.



We have included copies of all of the documents referenced in this claim. If you require any further information from the Bank, please contact me at the address and number provided in this letter. Moreover, if you believe that this claim is inadequate for purposes of making a claim under the Title Policy, please contact us promptly and identify any deficiency you may find in this claim so that we can correct it.

Yours very truly,

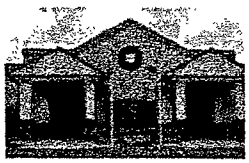
ROE CASSIDY COATES & PRICE, P.A.

D. Sean Faulkner

DSF/cmp

Enclosures

Laurens County
Eighth Judicial Circuit
Public Index



Switch View

Capitalbank VS Bennett Of Greenwood, Llc

Case Number:	2011CP3000088	Court Agency:	Common Pleas	Filed Date:	01/27/2011
Case Type:	Common Pleas	Case Sub Type:	Foreclosure 420	File Type:	Non-Jury
Status:	Judgment	Assigned Judge:	Clerk Of Court C P, G S, And Family Court		
Disposition:	Default Uncontested	Disposition Date:	03/29/2012	Disposition Judge:	Special Referee G S And C P
Original Source Doc:		Original Case #:			
Judgment Number:	2011CP3000088	Court Rostar:			

Case Parties Judgments Tax Map Information Associated Cases Actions Financials

For:	Capitalbank	Against:	Bennett Of Greenwood, Llc	Judg. Amount:	$50,289.30	Judgment Date:	07/19/2012
Description:	Judgment/Deficiency	Disposition:		Disp. Date:		Date Entered/Last Changed	03/30/2012 - 07/20/201
Notes:	None						

Judgment Details

Claims Code	Detail Desc.	Detail Amount	Detail Date
None			

For:	Capitalbank	Against:	Bennett, Kenneth E.	Judg. Amount:	$50,289.30	Judgment Date:	07/19/2012
Description:	Judgment/Deficiency	Disposition:		Disp. Date:		Date Entered/Last Changed	03/30/2012 - 07/20/201
Notes:	None						

Judgment Details

Claims Code	Detail Desc.	Detail Amount	Detail Date
None			

CMSWeb 6.1
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Laurens County
Eighth Judicial Circuit
Public Index



Switch View

Certus Bank, Na VS Kenneth E Bennett

Case Number:	2011CP3000373	Court Agency:	Common Pleas	Filed Date:	04/15/2011
Case Type:	Common Pleas	Case Sub Type:	Contract/Other 199	File Type:	Non-Jury
Status:	Judgment	Assigned Judge:	Clerk Of Court C P, G S, And Family Court		
Disposition:	Default Uncontested	Disposition Date:	09/29/2011	Disposition Judge:	Griffith, Eugene C Jr
Original Source Doc:		Original Case #:			
Judgment Number:	2011CP3000373	Court Roster:			

Case Parties Judgments Tax Map Information Associated Cases Actions Financials

For:	Certus Bank, Na	Against	Bennett, Kenneth E	Judg. Amount:	$510,400.15	Judgment Date:	09/29/2011
Description:	Judgment/Default	Disposition:		Disp. Date:		Date Entered/Last Changed	09/29/2011 --
Notes:	None						

Judgment Details

Claims Code	Detail Desc.	Detail Amount	Detail Date
None			

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UPSTATE SOUTH CAROLINA
6602 CALHOUN MEMORIAL DR
EASLEY SC 29640

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

Loan Payoff Statement

Loan Payoff for:	Loan Number:	8001376
KENNETH E BENNETT	Date Quoted:	Jul 31, 2013
3923 E STATE ST	Payoff Good To:	Jul 31, 2013
ROCKFORD IL 61108-2003	Method:	6/0

Collateral: Multiple

Principal:	$497,450.00
Interest To Jul 31, 2013:	$85,893.03
Late Charges:	$1,425.90
Legal Fees paid by CertusBank to date	$3,564.00
Appraisal fee	$1,000.00
Net Amount Due:	**$589,332.93**

Additional Information

One Day's Interest:	$82.91

COMMERCIAL REAL ESTATE FIXED
8001376

CERTUSBANK NA

7/31/2013 1:19:23 PM

Printed by: Amy Staggs

Reporting Institution: 55

Note 8001376 - KENNETH E BENNETT

	Relationship	Date of Birth	Phone Number	Tax Identification
KENNETH E BENNETT	Owner/Signer	*** **, ****	**********	SSN ***-**-****

3923 E STATE ST
ROCKFORD IL 61108-2003

Additional Relationships
Tax Name: KENNETH E BENNETT
See Mailing Information

Account Classification

Portfolio:	200	Responsibility Code:	[109] Wade King
Line:	200	Purpose Code:	[140] SCRD BY OTH NON FARM,NON RES
Product:	[70401] COMMERCIAL REAL ESTATE FIXED	Employee Officer Director:	[0]
Accounting Branch:	[515] CERTUSBANK CSBT COMMERCIAL	Collateral:	Multiple

Summary

Principal Balance:	$497,450.00	Interest Method:	[6] 365/360 Payments P&I
Interest Balance:	$0.00	Current Payment Due Date:	Oct 03, 2010
Net Payoff:	$584,768.93	Current Payment Due Amount:	$583,343.03
Current Other Escrow Balance:	$0.00	Date Last Payment:	Oct 04, 2010
Current Late Charge Balance:	$1,425.90	Amount Last Payment:	$3,316.25
Current Other Escrow Interest Balance:	$0.00	Current Days Past Due:	1,032
Lost Interest:	$85,893.03	Total Amount Due:	$584,768.93
Book Balance:	$0.00	Total Amount Past Due:	$583,343.03
Charged Off Principal:	$497,450.00	Payment Frequency:	Maturity
Total Collateral Value:	$582,000.00	Regular Payment Amount:	$501,097.97
Loan To Value Ratio:	0.8547	Current Rate Over:	6.0000%
Payments Scheduled:	1	One Day's Interest:	$82.9083
Payments Billed:	1	Original Note Amount:	$497,450.00
Payments Made:		Original Note Date:	Nov 01, 2007
Times Extended:		Change Date:	Aug 20, 2010
Times Renewed:	0	Maturity Date:	Oct 03, 2010
Times Past Due 1-29 Days:	7	Date Accrued Through:	Jul 30, 2013
Times Past Due 30-59 Days:	2	Date Last Transaction Activity:	Dec 28, 2012
Times Past Due 60-89 Days:	2	Date Principal Paid To:	Aug 20, 2010
Times Past Due 90+ Days:	2	Date Interest Paid To:	Sep 29, 2010
		Date Last Change:	Jan 23, 2013
		Date Last Updated:	Jul 30, 2013

Collateral Addenda Summary

Total Collateral Value:	$582,000.00	Total Net Appraised Value:	$582,000.00

CB-00006

490

COMMERCIAL REAL ESTATE FIXED
8001376

CERTUSBANK NA

7/31/2013 1:19:23 PM

Printed by: Amy Staggs

Reporting Institution: 55

Collateral Addenda 1

Description:	FREM-TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO	Collateral Code:	[1309] Other/Construction
		Responsibility Code:	[109] Wade King
Address:	TWIN RIVERS & 1879 DILLARD RDS WATERLOO SC 29384	Miscellaneous Code:	[0]
		Location Code:	
Status Change Date:		Owner Occupied Code:	[0]
Collateral Status:		Property Type Code:	[0]
Collateral Identification:	TWIN RIVERS RD AND 1879 DILLARD RD WATERLOO	Loan Reason Code:	[0]
Collateral Value:	$537,000.00	UCC Original File Date:	
Lien Amount 1:	$0.00	UCC File Number:	
Lien Amount 2:	$0.00	Security Agreement Date:	Nov 01, 2007
Lien Amount 3:	$0.00	Maximum Credit Percent:	0.0000%
Ineligible Amount:	$0.00	Collateral Ceiling:	$0.00
Purchase Price:	$0.00	Date Last Reviewed:	Nov 18, 2007
Net Appraised Value:	$537,000.00	COLLATERAL ADDRESS:	TWIN RIVERS RD AND 1879 DILLARD RD
Date Last Appraised:	Mar 10, 2011	CALLTERAL CITY:	WATERLOO
Number of Units:		COLLATERAL ZIP:	29384
Underwriting Ratio 1:	.0	CENSUS TRACT:	980,200
Underwriting Ratio 2:	.0	COUNTY CODE:	59
Disposal Cost Percent:	0.0000%	MSA CODE:	24,860
Market Pricing Code:	[0]	COUNTY NAME:	LAURENS
		TAX MAP #1:	2790301002
		Tax Map #1 Year Paid:	2012c
		TAX MAP #2:	3090000040
		TAX MAP #3:	3090000028
		TAX MAP #2 YEAR PAID:	2012C
		TAX MAP #3 YEAR PAID:	2012C
		APPRAISER:	KEITH BATSON
		COLLATERAL STATE:	SC
		LIEN POSITION:	1
		AMT TAXES PAID:	$5,909.23
		DATE FORECLOSURE PROCEDURE STARTS:	Feb 15, 2011
		ATTY NAME FIELD:	Sean Faulkner
		LITIGATION BEGUN:	yes

Collateral Addenda 2

Description:	FREM 130 SQUIRREL DRIVE WATERLOO	Collateral Code:	[2001] Mobile Homes Land Attached
		Responsibility Code:	[109] Wade King
Address:	130 SQUIRREL DRIVE WATERLOO SC 29384	Miscellaneous Code:	[0]
		Location Code:	
Status Change Date:		Owner Occupied Code:	[0]
Collateral Status:		Property Type Code:	[0]
Collateral Identification:	FREM 130 SQUIRREL DRIVE WATERLOO	Loan Reason Code:	[0]
Collateral Value:	$45,000.00	UCC Original File Date:	

COMMERCIAL REAL ESTATE FIXED 8001376		CERTUSBANK NA	7/31/2013 1:19:23 PM
Printed by: Amy Staggs			Reporting Institution: 55
Lien Amount 1:	$0.00	UCC File Number:	
Lien Amount 2:	$0.00	Security Agreement Date:	Nov 01, 2007
Lien Amount 3:	$0.00	Maximum Credit Percent:	0.0000%
Ineligible Amount:	$0.00	Collateral Ceiling:	$0.00
Purchase Price:	$0.00	COLLATERAL ADDRESS:	130 SQUIRREL DRIVE
Net Appraised Value:	$45,000.00	CALLTERAL CITY:	WATERLOO
Date Last Appraised:	Jan 08, 2010	COLLATERAL ZIP:	29684
Number of Units:		CENSUS TRACT:	9810.00
Underwriting Ratio 1:	.0	COUNTY CODE:	059
Underwriting Ratio 2:	.0	MSA CODE:	24860
Disposal Cost Percent:	0.0000%	COUNTY NAME:	LAURENS COUNTY
Market Pricing Code:	[0]	TAX MAP #1:	2770000108
		TAX MAP #1 YEAR PAID:	2012C
		APPRAISER:	ORDERED
		COLLATERAL STATE:	SC
		LIEN POSITION:	1
		AMT TAXES PAID:	$87.02

Book Balance

Principal Balance:	$497,450.00	LTD Charge-off Amount:	$0.00
(-) Charge-off Amount:	$497,450.00	(-) LTD Recoveries:	$0.00
(-) Non-Accrual Interest Paid:	$0.00	Loan Loss Recovery:	$0.00
(-) Non-Accrual Late Charges Paid:	$0.00		
Book Balance:	**$0.00**	Recognized Income on Non-Accrual Transactions:	$0.00

Non-Accrual

Date Non-Accrual:	Mar 01, 2010	Non-Accrual Code:	[4] Non-Accrual (Accr = 0, OV Specs)
Beginning Non-Accrual Principal Balance:	$497,450.00	Non-Accrual Late Charge Option:	Do Not Allow Non Accrual Late Charges
Non-Accrual Interest:	$103,705.25	Automatic Recovery Override:	No Override
Lost Interest:	$85,893.03		
Lost Interest 2013:	$17,410.75		
Lost Interest 2012:	$30,261.54		

Charge Off

Principal Balance:	$497,450.00	Date First Charged Off:	Dec 31, 2009
Charged Off Amount:	$497,450.00	Amount First Charged Off:	$111,050.00
		Date Last Charged Off:	Dec 28, 2012
		Amount Last Charged Off:	$386,400.00

CB-00008

492

COMMERCIAL REAL ESTATE FIXED
8001376

CERTUSBANK NA

7/31/2013 12:47:57 PM

Printed by: Amy Staggs

Reporting Institution: 55

Note 8001376 - KENNETH E BENNETT

	Relationship	Date of Birth	Phone Number	Tax Identification
KENNETH E BENNETT	Owner/Signer	*** **, ****	**********	SSN ***-**-****

3923 E STATE ST
ROCKFORD IL 61108-2003

Additional Relationships
Tax Name: KENNETH E BENNETT
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Product:	[70401] COMMERCIAL REAL ESTATE FIXED	Employee Officer Director:	[0]
Accounting Branch:	[515] CERTUSBANK CSBT COMMERCIAL	Collateral:	Multiple

Mailing Label

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

Loan To Date

Date	Description	Transaction Amount	Principal	Interest	Principal Balance
Nov 01, 2007	Original Rate	Interest Rate:	8.1800%		
Nov 01, 2007	FUND LOAN	$497,450.00	$497,450.00		$497,450.00
Dec 24, 2007	Automatic Late Charge	$243.01			$497,450.00
Jan 09, 2008	Interest Payment	$4,860.36		$4,860.36	$497,450.00
Jan 24, 2008	Automatic Late Charge	$175.19			$497,450.00
Feb 01, 2008	TO WAIVE LATE CHARGE	$418.20			$497,450.00
Feb 07, 2008	Interest Payment	$7,007.96		$7,007.96	$497,450.00
Mar 10, 2008	Payment - Extra To Principal	$3,277.91	$0.00	$3,277.91	$497,450.00
Apr 14, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
May 19, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$3,390.95	$497,450.00
Jun 19, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
Jul 22, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$3,390.95	$497,450.00
Aug 21, 2008	Interest Payment	$3,503.97		$3,503.97	$497,450.00
Sep 22, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
Oct 23, 2008	Payment - Extra To Principal	$3,390.96	$0.00	$3,390.96	$497,450.00
Nov 17, 2008	Payment - Extra To Principal	$3,503.98	$0.00	$3,503.98	$497,450.00
Dec 16, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$3,390.95	$497,450.00
Jan 15, 2009	Payment - Extra To Principal	$3,503.97	$0.00	$3,503.97	$497,450.00
Feb 24, 2009	Automatic Late Charge	$175.19			$497,450.00
Feb 25, 2009	Payment - Extra To Principal	$3,503.99	$0.00	$3,503.99	$497,450.00
Mar 23, 2009	Payment - Extra To Principal	$3,164.87	$0.00	$3,164.87	$497,450.00
Apr 01, 2009	Rate Change	Interest Rate:	6.0000%		

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Reporting Institution: 55

Date	Description	Transaction Amount	Principal	Interest	Principal Balance
Apr 24, 2009	Interest Payment	$2,034.57		$2,034.57	$497,450.00
Apr 24, 2009	Automatic Late Charge	$73.47			$497,450.00
May 11, 2009	Automatic Late Charge	$124.36			$497,450.00
May 29, 2009	Interest Payment	$2,487.26		$2,487.26	$497,450.00
Jun 11, 2009	Automatic Late Charge	$128.50			$497,450.00
Jun 30, 2009	Payment - Extra To Principal	$5,140.32	$0.00	$5,057.41	$497,450.00
	Late Charge:	$82.91			
Aug 11, 2009	Automatic Late Charge	$128.50			$497,450.00
Sep 11, 2009	Automatic Late Charge	$128.50			$497,450.00
Sep 30, 2009	Payment - Extra To Principal	$5,140.32	$0.00	$5,140.32	$497,450.00
Oct 13, 2009	Automatic Late Charge	$124.36			$497,450.00
Nov 12, 2009	Automatic Late Charge	$128.50			$497,450.00
Nov 20, 2009	Interest Payment	$2,487.24		$2,487.24	$497,450.00
Dec 11, 2009	Automatic Late Charge	$124.36			$497,450.00
Dec 31, 2009	CHARGE OFF TO LLR	$111,050.00			$497,450.00
Jan 11, 2010	Automatic Late Charge	$128.50			$497,450.00
Feb 11, 2010	Automatic Late Charge	$128.50			$497,450.00
Mar 11, 2010	Automatic Late Charge	$116.07			$497,450.00
Mar 30, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$14,923.49		$14,923.49	$497,450.00
Apr 23, 2010	Rate Change	Interest Rate:	6.0000%		
Apr 28, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$1,989.80		$1,989.80	$497,450.00
May 27, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$2,487.25		$2,487.25	$497,450.00
Jun 02, 2010	Automatic Late Charge	$124.36			$497,450.00
Jun 09, 2010	WAIVE LT FEE WRONG TRAN CODE USED	$124.36			$497,450.00
Jun 30, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$2,570.16		$2,570.16	$497,450.00
Jul 20, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$2,487.25		$2,487.25	$497,450.00
Aug 20, 2010	Rate Change	Interest Rate:	6.0000%		
Aug 23, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$2,321.52		$2,321.52	$497,450.00
Oct 04, 2010	TO ADJUST FOR SHADOW ACCOUNTING	$3,316.25		$3,316.25	$497,450.00
Dec 28, 2012	RCO 1590096900	$386,400.00			$497,450.00

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Reporting Institution: 55

Note 8001376 - KENNETH E BENNETT

	Relationship	Date of Birth	Phone Number	Tax Identification
KENNETH E BENNETT	Owner/Signer	*** **, ****	**********	SSN ***-**-****

3923 E STATE ST
ROCKFORD IL 61108-2003

Additional Relationships
Tax Name: KENNETH E BENNETT
See Mailing Information

Account Classification

Portfolio:	200	Responsibility Code:	[109] Wade King
Line:	200	Purpose Code:	[140] SCRD BY OTH NON FARM,NON RES
Product:	[70401] COMMERCIAL REAL ESTATE FIXED	Employee Officer Director:	[0]
Accounting Branch:	[515] CERTUSBANK CSBT COMMERCIAL	Collateral:	Multiple

Mailing Label

KENNETH E BENNETT
3923 E STATE ST
ROCKFORD IL 61108-2003

Book Balance

Date	Description	Transaction Amount	Principal	Non-Accrual Interest Paid	Non-Accrual Late Charges Paid	Book Balance
Nov 01, 2007	FUND LOAN	$497,450.00				$497,450.00
Mar 10, 2008	Payment - Extra To Principal	$3,277.91	$0.00	$0.00	$0.00	$497,450.00
Apr 14, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
May 19, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$0.00	$0.00	$497,450.00
Jun 19, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
Jul 22, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$0.00	$0.00	$497,450.00
Sep 22, 2008	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
Oct 23, 2008	Payment - Extra To Principal	$3,390.96	$0.00	$0.00	$0.00	$497,450.00
Nov 17, 2008	Payment - Extra To Principal	$3,503.98	$0.00	$0.00	$0.00	$497,450.00
Dec 16, 2008	Payment - Extra To Principal	$3,390.95	$0.00	$0.00	$0.00	$497,450.00
Jan 15, 2009	Payment - Extra To Principal	$3,503.97	$0.00	$0.00	$0.00	$497,450.00
Feb 25, 2009	Payment - Extra To Principal	$3,503.99	$0.00	$0.00	$0.00	$497,450.00
Mar 23, 2009	Payment - Extra To Principal	$3,164.87	$0.00	$0.00	$0.00	$497,450.00
Jun 30,	Payment - Extra To Principal	$5,140.32	$0.00	$0.00	$0.00	$497,450.00

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Date	Description	Transaction Amount	Principal	Non-Accrual Interest Paid	Non-Accrual Late Charges Paid	Book Balance
2009 Sep 30, 2009	Payment - Extra To Principal	$5,140.32	$0.00	$0.00	$0.00	$497,450.00
Dec 31, 2009	CHARGE OFF TO LLR	$111,050.00				$386,400.00
Dec 28, 2012	RCO 1590096900	$386,400.00				$0.00
	Totals		$0.00	$0.00	$0.00	$0.00