

STATE OF SOUTH CAROLINA)
)
 COUNTY OF SPARTANBURG)

IN THE COURT OF COMMON PLEAS

First National Bank of Spartanburg, Div.)
 of First National Bank of the South,)
)
 Plaintiff,)

**ORDER AND JUDGMENT OF
 FORECLOSURE AND SALE
 (Deficiency Demanded Against Judy Kay
 Johnson, individually, and Judy Kay
 Johnson as Trustee of The Johnson Living
 Trust)**

v.)
)
 Judy Kay Johnson, individually, and Judy)
 Kay Johnson as Trustee of The Johnson)
 Living Trust and Regional Finance)
 Corporation of SC d/b/a Regional)
 Finance Corp-114,,)
 Defendants.)

C.A. No.: 2009-CP-42-5680

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TO:

Howard R. Kinard, Esq. Johnson, Smith, Hibbard & Wildman Law Firm, L.L.P. Post Office Drawer 5587 Spartanburg, South Carolina 29304 Atty for Plaintiff	Judy Kay Johnson, Trustee of the Johnson Living Trust 316 N. El Camino Real Apt 321 San Mateo, CA 94401	CT Corporation System, Registered Agent For Regional Finance Corporation of South Carolina 75 Beattie Place Greenville, SC 29601
	Judy Kay Johnson 316 N. El Camino Real Apt 321 San Mateo, CA 94401	

Pursuant to Rule 53 SCRCP, the above-titled matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment. Pursuant to said Order of Reference, a hearing was held on January 25, 2010, attended by Howard R. Kinard, attorney for the Plaintiff First National Bank of Spartanburg, Division of

First National Bank of the South. From the testimony, other evidence and stipulations, I report, find, conclude and order as follows:

FINDINGS OF FACT

1. The Lis Pendens was filed October 20, 2009.
2. The Summons and Complaint were filed on October 20, 2009.

3. Proper service of process was made upon the Defendants named in this action as is shown in the records by the filed Affidavits of Service.
4. The Defendants, either personally or by and through its attorney(s) of record, were timely notified of the time, date and place of the hearing in this matter.
5. According to the record, the individually named Defendants in default are not in military service of the United States and are not entitled to the protection of the Soldiers' and Sailors' Civil Relief Act of 1940, nor any amendments thereto.

DEBT OBLIGATION

6. For value received, Defendants Judy Kay Johnson, individually, and Judy Kay Johnson as Trustee of The Johnson Living Trust (collectively the "Borrower") made, executed and delivered to Bank a written promissory note dated August 16, 2007 (hereinafter the "Note"). Pursuant to the terms of the Note, Borrower promised to pay to Bank the principal sum of Fifty Seven Thousand Seven Hundred Fifty and 00/100ths (\$57,750.00) Dollars., together with interest on the outstanding principal balance from August 16, 2007 at the rate of Eight and Two Thirds (8.625%) percent per year by paying sixty (60) monthly payments of Five Hundred Ten and 18/100ths (\$510.18) with the first payment due on September 14, 2007 and a final payment of all outstanding principal and interest due on the August 14, 2012.

A copy of said Note is attached to the Complaint as Exhibit "A" and incorporated herein by reference.

7. To induce Bank to make the loan and to secure payment of the principal and interest on the Note, Borrower gave a Real Estate Mortgage (With Future Advance Clause) (the "Mortgage") between Bank and Borrower dated August 16, 2007 and recorded August 17, 2007 in Book 3948 at Page 914 in the Office of the Register of Deeds for Spartanburg County, South Carolina. The Mortgage encumbers certain real property located in Spartanburg County, South Carolina located at 101 Arlo Court, Spartanburg, South Carolina, and generally described as Lot No. 7, containing 0.25 acres, shown on a plat prepared for Sharella D. Jeter recorded in Plat Book 123 at Page 827 in the Office of the Register of Deeds for Spartanburg County, South Carolina, and as described in the Mortgage legal description (hereinafter the "Mortgaged Property").

A copy of said Mortgage is attached to the Complaint as Exhibit "B" and incorporated herein by reference.

8. To further induce Bank to make the loan and to secure payment of the principal and interest on the Note, Borrower gave an Assignment of Leases and Rents (the "Assignment of Rents") between Bank and Borrower dated August 16, 2007 and recorded August 17, 2007 in Book 89-H at Page 952 in the Office of the Register of Deeds for Spartanburg County, South Carolina.

A copy of the Assignment of Rents is attached to the Complaint as Exhibit "C" and incorporated herein by reference.

9. The Mortgage constitutes a first priority lien on the Mortgaged Property.

10. Bank is the present owner and holder of the aforesaid Note and Mortgage.

11. That Borrower is now and has been in default in the payments of the Note and Mortgage since March 14, 2009.

12. In and by the terms of the Note and Mortgage, it is provided among other things, that upon failure to pay an installment of either principal or interest or any portion thereof when due, or if any of the conditions of the Note and Mortgage, are not complied with, then the whole principal sum and accrued interest shall, at the option of the legal holder thereof, become at once due and payable and collectible by legal action.

13. In and by the terms of the Note and Mortgage, should the debt secured thereby or any part thereof be placed in the hands of any attorney at law for collection by suit or otherwise, all costs and expenses incurred by the Plaintiff and a reasonable attorney's fee, shall thereupon become due and payable, at the option of the Plaintiff, as part of the debt secured thereby.

14. In and by the terms of the Note and Mortgage, if the payment of taxes and/or insurance is made by the mortgagee, the amount of said taxes and/or insurance should thereupon become due and payable as part of the debt secured thereby.

15. Payments on the Note and Mortgage have not been made as provided for in the Note and Mortgage. Any notice required to be give the Defendants in default was timely given and any time for opportunity to cure has passed. The Plaintiff, as holder thereof, has elected to require immediate payment of the entire amount due thereon and has placed the Note and Mortgage in the hands of an attorney for collection.

16. After review of the Affidavits by the Plaintiff's attorneys, the terms of the Note and Mortgage, and based on my knowledge of the nature of this foreclosure action, I find the sum of Two Thousand One Hundred Thirty Five and 02/100ths (\$2,135.02) Dollars as a reasonable fee to allow for the Plaintiff's attorney for services performed and the costs advanced

anticipated to be performed until final adjudication of the within action under the Note and Mortgage and until final sale of the Mortgaged Property.

17. The amount due and owing on the Note, with interest at the rate provided in the Note, and other costs and expenses of collection, including a reasonable attorney's fee, secured by the Mortgage, is as follows:

a.	Principal amount due as of January 25, 2010 on the Note and Mortgage:	\$55,907.67
b.	Interest accrued as of January 25, 2010:	\$ 1,920.11
c.	Non-accruing interest as of January 25, 2010:	\$ 2,415.21
d.	Late charges as of January 25, 2010:	\$ 102.04
e.	Attorney's Fees, plus costs:	\$ 2,135.02
f.	2008 ad valorem taxes paid to Spartanburg County:	\$ 2,104.09
g.	Total debt secured by the Note and Mortgage including interest to date shown:	\$64,584.14

18. The Plaintiff shall also be entitled to collect any and all amounts advanced to protect its collateral including but not limited to taxes and/or insurance.

Interest shall continue to accrue at the rate provided for in the Note and Mortgage from the date provided in paragraph (a) hereinabove through the date of final judgment, to be added to the above stated total debt provided in paragraph (e) hereinabove and secured by the Mortgage after this date of Judgment.

19. Plaintiff is seeking foreclosure of the Mortgage and does not waive, but specifically demands, deficiency judgment against Defendants Judy Kay Johnson, individually, and Judy Kay Johnson as Trustee of The Johnson Living Trust, jointly and severally.

20. The Defendant(s) named below has or may claim to have come interest in or lien as described below upon the Mortgaged Property, which is the subject of this action, but that any such interest or lien is junior and subordinate to the Note and Mortgage as described hereinabove: Defendant Regional Finance Corporation of SC d/b/a Regional Finance Corp-144, by virtue of that certain judgment obtained against Judy Johnson filed January 9, 2009 in the original amount of \$1,333.40 in Case No. 2009-CP-42-00149 in the Office of the Clerk of Court for Spartanburg County.

21. Pursuant to the Order of the Honorable Jean Hoefer Toal, Chief Justice of the South Carolina Supreme Court, dated May 4, 2009, in the matter identified as *In Re Federal National Mortgage Association ("Fannie Mae") Loans Subject to Foreclosure Sale*, and that certain *Administrative Order (re: Mortgage Foreclosures and the Home Affordable Modification Program (HMP))* issued by the Honorable Jean Hoefer Toal, Chief Justice of the South Carolina Supreme Court dated May 22, 2009, the Mortgaged Property which is the subject of this action, is commercial property and therefore Homeowner Affordability and Stability Plan, The Home Affordable Modification Program and the United States Treasury Supplemental Directive 09-01 (hereinafter collectively as "HMP") is inapplicable.

22. Bank is entitled to an Order from the Court finding that this loan is not subject to modification under the HMP.

CONCLUSIONS

1. That the loan which is the subject of this action is not subject to the HMP;
2. The Plaintiff, whose Mortgage is a valid first mortgage lien on the Mortgaged Property, is granted a Judgment of Foreclosure of the Mortgage;

3. That there is due to the Bank, as is set forth in my findings, on the obligations of the Note and Mortgage the sum of Sixty Four Thousand Five Hundred Eighty Four and 14/100 (\$64,584.14) Dollars as of the 25th day of January, 2010, together with any amounts the Bank may be entitled to as stated in the findings of fact, together with interest on said amount at the interest rate provided in the Note and Mortgage from the date of this Order to the sale of the property; and the Plaintiff shall have judgment therefore against Judy Kay Johnson, individually, and Judy Kay Johnson as Trustee of The Johnson Living Trust, jointly and severally. The Clerk of Court for Spartanburg County is directed to forthwith enter and docket such judgment in the Clerk's Office pursuant to Section 29-3-650, Code of Laws of South Carolina (1976), as amended;

4. That Judy Kay Johnson, individually, and Judy Kay Johnson as Trustee of The Johnson Living Trust, before the date of the sale of the property described herein, pay to the Plaintiff, or the Plaintiff's attorney, the amount of the Plaintiff's debt at the aforesaid, together with the cost and disbursement of this action;

5. That on default of the payment at or before the time herein indicated, the Mortgaged Property, be sold by the Master-in-Equity, at public auction, at the Spartanburg County Judicial Center, Spartanburg, South Carolina, on some convenient sales day hereafter (and should the regular day of judicial sales fall on a legal holiday, then, in such event the sales day shall be on Tuesday next succeeding such holiday), on the following terms, that is to say for cash; the Master-in-Equity will require a deposit of 5% of the amount of the bid (in cash or equivalent), at the time of the sale, same to be applied on the purchase price only upon compliance with the bid, but in case on non-compliance within twenty (20) days, same to be forfeited and applied to the cost and Plaintiff's debt. If the Plaintiff is a successful bidder at said

sale, for a sum not exceeding the amount of cost and the indebtedness of the Plaintiff in full, the Plaintiff may pay into the Master-in-Equity only the amount of the cost, crediting the balance of the bid on the Bank's indebtedness;

6. Since a deficiency judgment is demanded, the bidding at the sale will remain open for thirty (30) days following the sale as provided by law in such cases.

7. That, upon motion of the Plaintiff's attorney at the merits hearing, I order the pleadings to be amended to conform to the evidence presented;

8. That this Master-in-Equity give notice by advertisement, according to the law, of the time and place of such sale, and the terms thereof; that this Master-in-Equity, do execute to the purchaser or purchasers, a deed to the premises sold; as a Bank or any other party to this action, may become a purchaser at such sale and that if, upon such sale being made, the purchaser, or purchasers, should fail to comply with the terms thereof within twenty (20) days after the sale, then the Master-in-Equity may advertise the said premises for sale on the next, or some other subsequent sales day, at the risk of the highest bidder, and so from time to time thereafter until a full compliance shall be secured. In the event the Plaintiff is a successful bidder, at its option, or option of its assignee, the deed may be taken subject to the payment by grantee of any taxes or any assessments constituting a lien against the mortgaged property sold under this Order and hereinafter more fully describe;

9. That the Master-in-Equity will apply the proceeds of the sale as follows:

FIRST, to the payment of the amount of the cost and expenses of this action, the recommended attorney's fees and liens for taxes due and payable upon the mortgaged property so sold, and any taxable disbursements by the attorneys in this action.

NEXT, to the payment to the Plaintiff or the Plaintiff's attorney of the amount of the Plaintiff's debt and interest or so much thereof as the purchase money will pay the same;

NEXT, any surplus be held pending further Order of this Court; and

10. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that upon making of the sale of such Mortgaged Property, as hereby ordered, and execution and delivery to the purchaser of a deed to the premises, the said purchaser or purchasers, be let into possession of the premises on the production of the deed; and the Sheriff of Spartanburg County shall put the holder of the deed into possession of the premises and shall eject and remove from the premises the occupants of the property sold, together with all personal property thereon in accordance with applicable law.

11. AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that each Defendant named herein and all persons whosoever claiming under the Defendants, be forever barred and foreclosed of all right, title, interest and equity or redemption in the said mortgaged premises so sold, or any part thereof; and

12. The Mortgaged Property ordered to be sold is particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference.

13. AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the deed of conveyance made pursuant to this sale shall be indexed in the Grantor Index by the Register of Deeds in the name of the owner of record of mortgaged property immediately prior to the execution of the deed, as well as in the name of the undersigned Master-in-Equity, who executed such deed as grantor;

14. The undersigned Master-in-Equity will retain jurisdiction to do all necessary acts incident to this foreclosure including, but not limited to, the issuance of a writ of assistance and disposing of any surplus funds, pursuant to Rule 71(C) SCRCP; and

IT IS SO ORDERED by virtue of the powers granted me by the Order of Reference described herein and the laws of South Carolina.

The Honorable Gordon G. Cooper,
Master-in-Equity for Spartanburg County

January _____, 2010

Spartanburg, South Carolina

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EXHIBIT "A"
(Legal Description)

Tax Map No. 7-16-12-063.00

All that certain piece, parcel or lot of land situate, lying and being in the State of South Carolina, County of Spartanburg, fronting on the southeastern side of Arlo court, being known and designated as Lot 7, containing .025 acres, more or less, as shown on a plat of survey for Sharella D. Jeter prepared by Joe E. Mitchell, RLS dated January 3, 1994 and recorded in Plat Book 123 at Page 827. Reference is made to the aforementioned plat of survey and the record thereof for a more complete and accurate description.

This is the same property conveyed to Judy Kay Johnson, as Trustee of The Johnson Living Trust, by Deed of Jimmy W. Dillard, dated August 15, 2007 and recorded in the Office of the Register of Deeds for Spartanburg County, South Carolina in Deed Book 89-H at Page 485.

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