

Uniform Residential Appraisal Report

File # 10130

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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- 21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
- 22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
- 23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
- 24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
- 25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- 4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- 5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRaiser

TERRY W. PHILLIP
STATE CERTIFIED APPRAISER
NORTH CAROLINA

Signature _____
 Name TERRY W. PHILLIP
 Company Name ANDERSON APPRAISAL SERVICES
 Company Address PO BOX 35
BRASSTOWN NORTH CAROLINA 28902
 Telephone Number 828-337-5492
 Email Address dcjm@dnet.net
 Date of Signature and Report July 27, 2010
 Effective Date of Appraisal 07/23/2010
 State Certification # A4704
 or State License # _____
 or Other (describe) _____ State # _____
 State NC
 Expiration Date of Certification or License 06/30/2011

ADDRESS OF PROPERTY APPRAISED
165 KNOLL TOP RD
ROBBINSVILLE, NC 28771
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 158,000

LENDER/CLIENT
 Name _____
 Company Name SHUTTS & BOWEN LLP
 Company Address 3000 SOUTH ORANGE AVENUE, STE 1000,
ORLANDS FL 32801
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Supplemental Addendum

File No. 10130

Borrower/Client NA			
Property Address 165 KNOLL TOP RD			
City ROBBINSVILLE	County GRAHAM	State NC	Zip Code 28771
Lender SHUTTS & BOWEN LLP			

THE SUBJECT IS RATED AN AVERAGE TO GOOD QUALITY HOME THAT IS LOCATED IN GRAHAM COUNTY. THE HOME IS LOCATED IN STECOAH VIEWS SUBDIVISION.

THE LOT THE HOME IS SITUATED ON IS A VERY STEEP SLOPE AND BOUNDS THE PAVED SUBDIVISION ROAD IN THE BACK OF THE HOME. THE CUT ABOVE THE HOME IS ERODING WITH EARTH MOVING DOWN THE SLOPE AND RESTING AGAINST THE FOUNDATION WALL OF THE HOME. THE CUT BELOW THE HOME IS ALSO ERODING. THE CONCRETE PATIO SLAB ON THE FRONT OF THE HOME IS BEGINNING TO MOVE AWAY FROM THE HOME.

THE HOME IS IDENTIFIED AS A TWO STORY STRUCTURE BY THE LISTING REAL ESTATE OFFICE AS WELL AS IN AN ENGINEERING REPORT RECEIVED THAT SHOWED AN INSPECTION OF THE PROPERTY ON MAY 19, 2009. THE HOME IS DESIGNED WITH THE MAIN LIVING AREA ON THE SECOND LEVEL. THIS FLOOR PLAN IS TYPICAL OF HOMES WITH FINISHED BASEMENTS. FOR THE PURPOSES OF THIS APPRAISAL, THE HOME WILL BE IDENTIFIED AS A ONE STORY HOME WITH A FINISHED BASEMENT.

THE ENGINEERING REPORT FURNISHED INDICATES A POSSIBLE SOLUTION AS SOIL NAILING. IN THE APPRAISER'S OPINION, THIS WOULD NOT SOLVE THE ENTIRE PROBLEM.

ON THE DATE OF MY PERSONAL INSPECTION, DAVID C. ANDERSON, A LICENSED GENERAL CONTRACTOR, AS WELL AS STATE-CERTIFIED APPRAISER VISITED THE PROPERTY AS WELL. THE FOLLOWING METHODS OF CORRECTING THE PROBLEM WERE DETERMINED TO BE THE MOST EFFECTIVE WAY OF SOLVING THE PROBLEM.

THE SUPPORT COLUMNS THAT ARE CURRENTLY SUPPORTING THE DECK MUST BE REMOVED AFTER TEMPORARY SUPPORT FOR THE DECK IS ERECTED. THE PATIO MUST BE REMOVED AND A FOUNDATION WALL POURED ON A FOOTING IN THE FRONT OF THE HOME. THIS FOOTING AND WALL MUST BE CONSTRUCTED ON SOLID EARTH. THE AREA IN FRONT OF THE HOME MUST BE HAND DUG FOR THE FOOTING AND WALL. THE SUPPORT COLUMNS FOR THE DECK WOULD THEN BE REPLACED AND REST ON TOP OF THE NEW WALL. THE DECK WILL BE CANTEVERED BEYOND THE SUPPORT COLUMNS. THE RETAINING WALL WOULD BE 75 FEET LONG TO ENCOMPASS AN AREA BEYOND THE FOOT PRINT OF THE HOME.

IN THE REAR OF THE HOME, ANOTHER RETAINING WALL 75 FEET IN LENGTH MUST BE ERECTED. THIS WALL SHOULD BE A MINIMUM OF 8' ABOVE THE GROUND, AND APPROXIMATELY 5' FROM THE HOME. THE AREA BEHIND THE WALL WOULD THEN BE BACKFILLED. THIS WOULD CREATE A CUT FROM THE ROAD TO THE WALL OF A MUCH LESSER ANGLE, THEREBY ALLOWING SEEDING AND STABILIZING THE SOIL TO BE MORE EFFECTIVE. DUE TO THE NEAR VERTICAL SLOPE, THE ANGLE MUST BE REDUCED AND MADE STABLE TO PREVENT THE PAVED SUBDIVISION ROAD FROM FAILING.

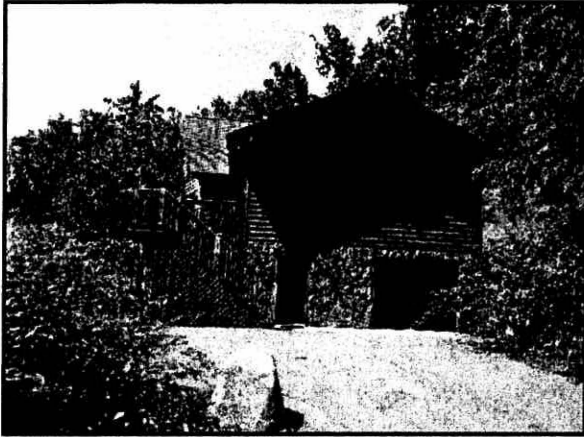
BOTH WALLS WOULD REQUIRE THE PROPER DRAINAGE INSTALLED AS WELL.

BASED ON RESEARCH OF COST SOURCES, THE WORK LISTED ABOVE WOULD COST APPROXIMATELY \$85,000. THIS WOULD BE THE BASIS FOR THE COST TO CURE THE PROBLEMS FOR THE SITE. THIS FIGURE IS USED AS AN ADJUSTMENT WHEN COMPARING THE HOME TO COMPARABLE SALES OF PROPERTIES WITHOUT SITE ISSUES. IT SHOULD BE NOTED THAT THIS APPRAISAL REPORT REQUIRED DELIVERY TO THE CLIENT IN A SHORT PERIOD OF TIME. THE ANALYSIS OF THE SITE AND CONCLUSIONS FOR REPAIR OF THE SITE PRODUCED THE COST TO CURE. ANY STIGMA THE PROPERTY HAS ACQUIRED BECAUSE OF THE SITE PROBLEMS COULD ALSO HAVE AN AFFECT ON CURRENT MARKET VALUE.

Subject Photo Page

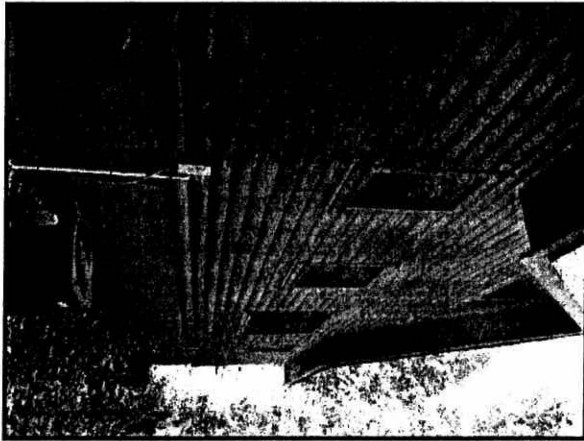
Borrower/Client NA				
Property Address 165 KNOLL TOP RD				
City ROBBINSVILLE	County GRAHAM	State NC	Zip Code 28771	
Lender SHUTTS & BOWEN LLP				

Subject Front



165 KNOLL TOP RD
 Sales Price 140,000
 Gross Living Area 1,408
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location AVERAGE
 View GOOD/MTN
 Site 1.52AC+/-
 Quality AVG/GD
 Age 5A 5E

Subject Rear



Subject Street



PHOTOGRAPH ADDENDUM

Borrower/Client	NA				
Property Address	165 KNOLL TOP RD				
City	ROBBINSVILLE	County	GRAHAM	State	NC
				Zip Code	28771
Lender	SHUTTS & BOWEN LLP				



CUT BEHIND HOUSE



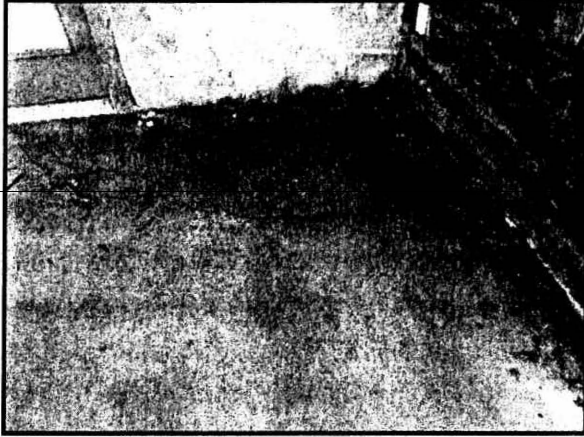
CUT BEHIND HOUSE



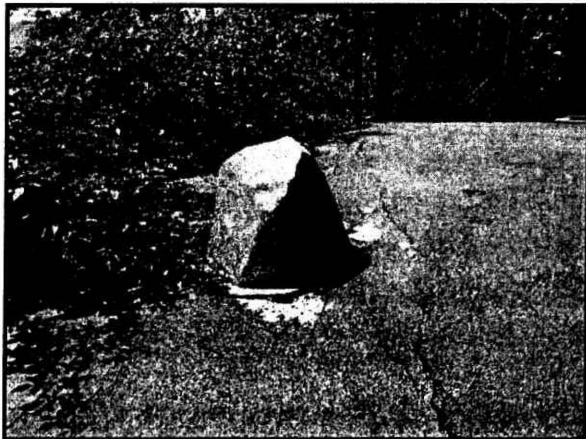
PATIO AT FRONT OF HOME

PHOTOGRAPH ADDENDUM

Borrower/Client	NA				
Property Address	165 KNOLL TOP RD				
City	ROBBINSVILLE	County	GRAHAM	State	NC
Lender	SHUTTS & BOWEN LLP				
				Zip Code	28771



CRACK IN PATIO IN FRONT OF HOME



DRIVEWAY CAVING IN NEAR WELL

THIS WAS A RESULT OF THE PIPES
FREEZING AND BURSTING AND THE
GROUND ERODING AROUND THE WELL.

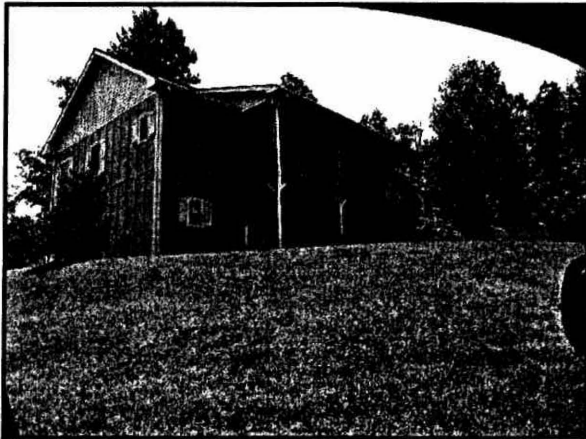
Comparable Photo Page

Borrower/Client NA				
Property Address 165 KNOLL TOP RD				
City ROBBINSVILLE	County GRAHAM	State NC	Zip Code 28771	
Lender SHUTTS & BOWEN LLP				



Comparable 1

80 CRABAPPLE LN
 Prox. to Subject 24.01 miles
 Sale Price 249,500
 Gross Living Area 1,404
 Total Rooms 5
 Total Bedrooms 2
 Total Bathrooms 2
 Location GOOD
 View GOOD/MTN
 Site 0.74AC+/-
 Quality AVG/GD
 Age 6A 3E



Comparable 2

195 HOLLY BERRY BRANCH
 Prox. to Subject 24.36 miles
 Sale Price 235,000
 Gross Living Area 1,232
 Total Rooms 4
 Total Bedrooms 1
 Total Bathrooms 1.5
 Location GOOD
 View GOOD/MTN
 Site 1.08AC+/-
 Quality AVG/GD
 Age 5A 3E

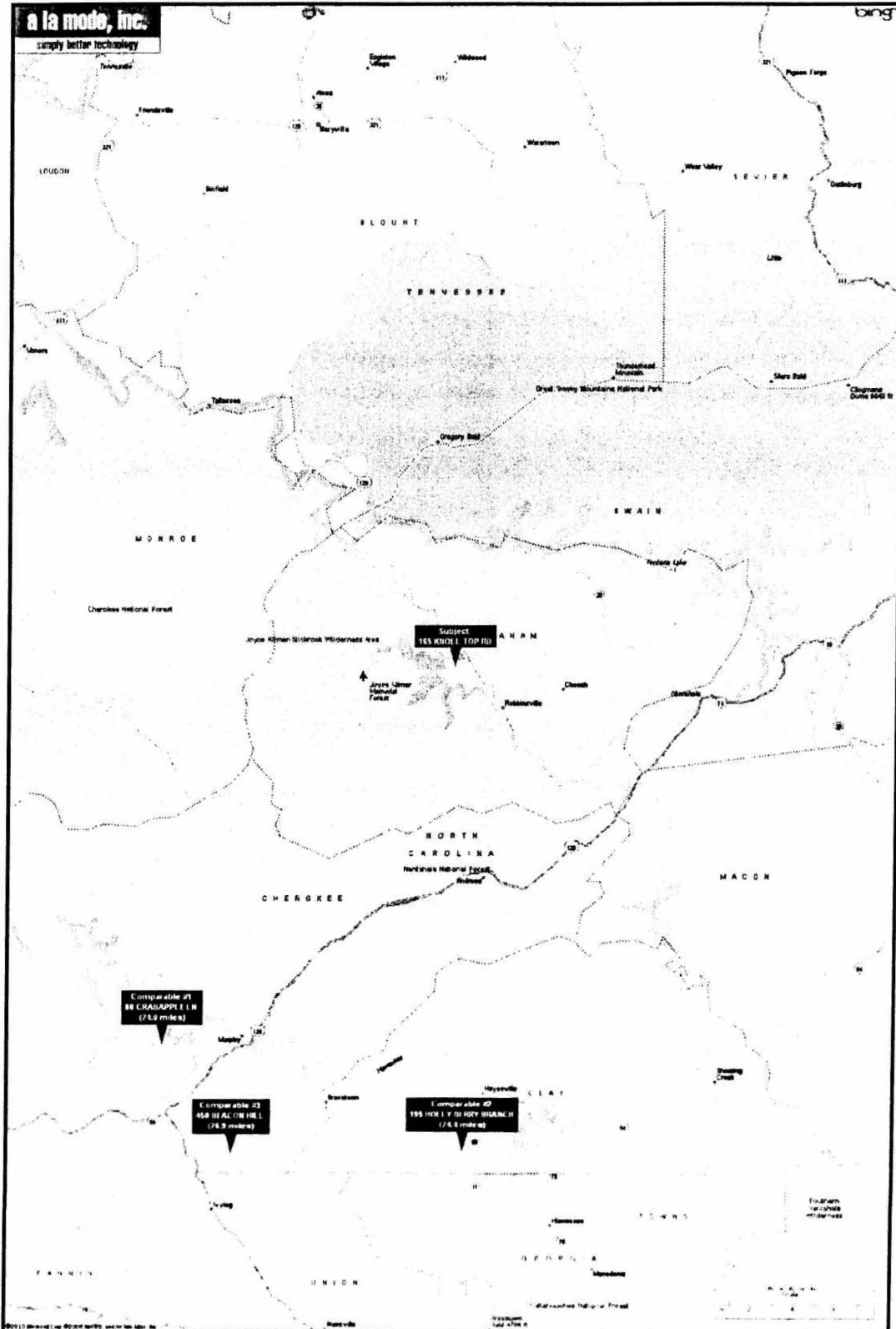


Comparable 3

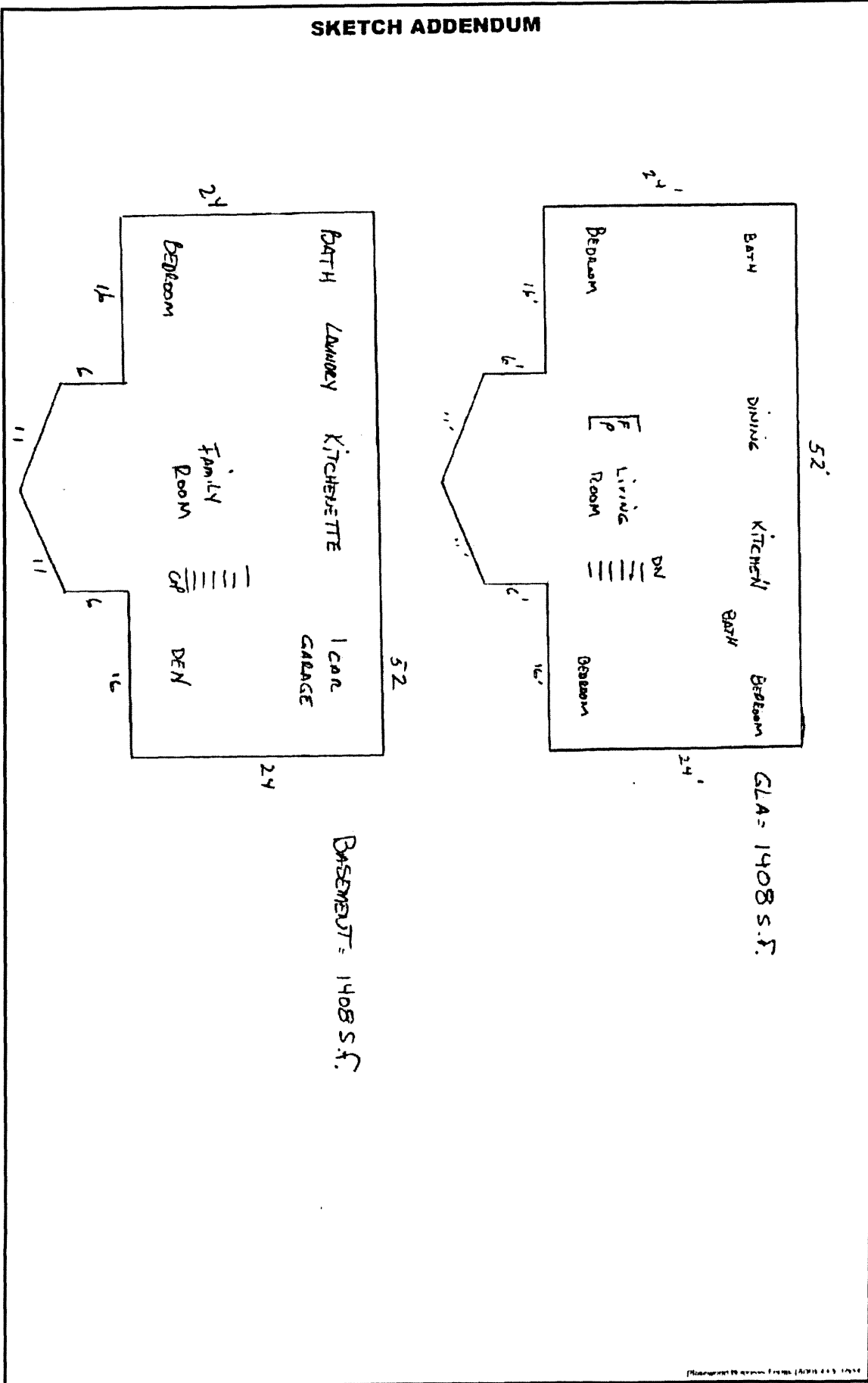
450 BEACON HILL
 Prox. to Subject 26.88 miles
 Sale Price 259,000
 Gross Living Area 1,584
 Total Rooms 5
 Total Bedrooms 2
 Total Bathrooms 2
 Location GOOD
 View GOOD/MTN
 Site 1.12AC+/-
 Quality AVG/GD
 Age 3A 2E

Location Map

Borrower/Client NA			
Property Address 165 KNOLL TOP RD			
City ROBBINSVILLE	County GRAHAM	State NC	Zip Code 28771
Lender SHUTTS & BOWEN LLP			



SKETCH ADDENDUM



Planned by ... Form (April 2004)

NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
 Expires **11/30, 2011**

REGISTRAR'S LICENSE / CERTIFICATE HOLDER	
10	11
DAVID CLINE ANDERSON	
A27062	Y
APPRAISER NUMBER	NATIONAL REGISTRY

David C. Anderson
 APPRAISER'S SIGNATURE EXECUTIVE DIRECTOR

DAVID CLINE ANDERSON	ORIGINALLY LICENSED
# 2779	04/28/1992
Status ACTIVE	END OF RENEWAL
	05/31/2011

CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER

State of Georgia
 Real Estate Commission
 Suite 1700 - International Tower
 229 Peachtree Street, N.E.
 Atlanta, GA 30303-1605



JEFFREY LEDFORD
 Real Estate Commissioner
 24015457

NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
 Expires **11/30, 2011**

REGISTRAR'S LICENSE / CERTIFICATE HOLDER	
10	11
TERRY W. PHILLIPS	
A47042	Y
APPRAISER NUMBER	NATIONAL REGISTRY

Terry W. Phillips
 APPRAISER'S SIGNATURE EXECUTIVE DIRECTOR

TERRY WAYNE PHILLIPS	ORIGINALLY LICENSED
# 240435	01/30/2001
Status ACTIVE	END OF RENEWAL
	10/31/2010

CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER

State of Georgia
 Real Estate Commission
 Suite 1700 - International Tower
 229 Peachtree Street, N.E.
 Atlanta, GA 30303-1605



JEFFREY LEDFORD
 Real Estate Commissioner
 52810166

Client	Shutts & Bowen, LLP	File No.	G-07-436-2010
Property Address	165 Knoll Top Rd.		
City	Robbinsville	County	Graham
		State	NC
Appraiser	Jonathan Smith	Zip Code	28771

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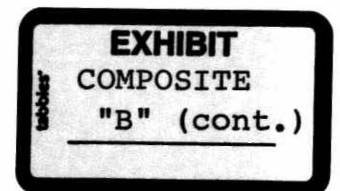
Deed Book # 281 Pg. # 179 14

Deed Book # 281 Pg. # 180 15

Deed Book # 281 Pg. # 181 16

Deed Book # 261 Pg. # 182 17

Invoice 18



client / Shutts & Bowen, LLP
PO Box 4956 Orlando, FL 32802

Re: Property: 165 Knoll Top Rd.
Robbinsville, NC 28771
Borrower: n/a
File No.: G-07-436-2010

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me if i can be of additional service to you.

Sincerely,



Jonathan Smith



ABC Realty Services (828) 479-4879

Client	Shutts & Bowen, LLP			File No.	G-07-436-2010
Property Address	165 Knoll Top Rd.				
City	Robbinsville	County	Graham	State	NC Zip Code 28771
Appraiser	Jonathan Smith				

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Self Contained** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Summary** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Use** (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- no one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)


Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any state mandated requirements:

SCOPE OF WORK:

This appraisal assignment requires the development and reporting of an opinion of current market value of the subject property which is identified as 165 Knoll Top Rd. Robbinsville, NC being further identified as Graham County tax parcel # 6602 00-00-5040B3. A search of the very limited local real estate market for recent sales of similar properties is to be completed and the appropriate adjustments made to the sales prices of those comparable sales in order to arrive at a credible reflection of subject value. All conditions, issues or features which would impact market value are to be considered and properly weighted in determining value. The cost approach to value is considered but is not given great consideration as it shown to have diminished weight to value especially in the current market conditions. The income approach is not considered as the subject is not an income producing property.

APPRAISER:

Signature: 
 Name: Jonathan Smith
 Date Signed: 07/30/2010
 State Certification #: _____
 or State License #: A5926
 State: NC
 Expiration Date of Certification or License: 6/30/2011
 Effective Date of Appraisal: 07/22/2010



SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Supervisory Appraiser inspection of Subject Property
 Did Not Exterior-only from street Interior and Exterior

RESIDENTIAL APPRAISAL SUMMARY REPORT

G-07-436-2010

File No.: G-07-436-2010

SUBJECT	Property Address: 165 Knoll Top Rd. City: Robbinsville State: NC Zip Code: 28771	
	County: Graham Legal Description: see deed	
	Assessor's Parcel #: 6602.00-00-5040B3	
ASSIGNMENT	Tax Year: 2010 R.E. Taxes: \$ 1,062.56 Special Assessments: \$ n/a Borrower (if applicable): n/a	
	Current Owner of Record: MWH Investments LLC Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing	
	Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input checked="" type="checkbox"/> Other (describe) Residential Development HOA: \$ \$100 per year <input type="checkbox"/> per month	
MARKET AREA DESCRIPTION	Market Area Name: Stecoah Township Map Reference: 6602.00 Census Tract: 9801.00	
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)	
	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective	
SITE DESCRIPTION	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)	
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)	
	Intended Use: This report is for the exclusive use of the named client to show current market value.	
MARKET AREA DESCRIPTION	Intended User(s) (by name or type): Client	
	Client: Shutts & Bowen, LLP Address: 300 South Orange Avenue, Suite 1000, Orlando, FL 32801	
	Appraiser: Jonathan Smith Address: P.O. Box 627, Robbinsville, NC 28771	
MARKET AREA DESCRIPTION	Location: <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	
	Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	
	Growth rate: <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	
MARKET AREA DESCRIPTION	Property values: <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	
	Demand/supply: <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	
	Marketing time: <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.	
MARKET AREA DESCRIPTION	Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Market activity is slowing with limited movement in both 1st and 2nd home sales. A market time of 6+ months is normal, supply is greater than demand. No special financing or concessions are needed with mortgage money available to qualified buyers. Sellers are feeling pressure to reduce listing prices. Days on market have increased.	
	Dimensions: see plat Site Area: 1.527 acres	
	Zoning Classification: no zoning Description: no zoning	
MARKET AREA DESCRIPTION	Zoning Compliance: <input type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input checked="" type="checkbox"/> No zoning	
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Have the documents been reviewed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Ground Rent (if applicable) \$ /	
	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)	
MARKET AREA DESCRIPTION	Actual Use as of Effective Date: Single Family Residential Use as appraised in this report: SFR	
	Summary of Highest & Best Use: Subject is located on a residential site, and highest and best use would be a single family residential use.	
	Utilities Public Other Provider/Description	
MARKET AREA DESCRIPTION	Electricity <input checked="" type="checkbox"/> Duke Energy	
	Gas <input type="checkbox"/> propane/typical	
	Water <input type="checkbox"/> private well / typical	
MARKET AREA DESCRIPTION	Sanitary Sewer <input type="checkbox"/> septic/typical	
	Storm Sewer <input type="checkbox"/> none	
	Other site elements: <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)	
MARKET AREA DESCRIPTION	FEMA Spec 1 Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X FEMA Map # 3700569200J FEMA Map Date 2/18/2009	
	Site Comments: see attached	
MARKET AREA DESCRIPTION	General Description	
	Exterior Description	
	Foundation	
MARKET AREA DESCRIPTION	Basement	
	Heating	
	Cooling	
MARKET AREA DESCRIPTION	Interior Description	
	Appliances	
	Attic	
MARKET AREA DESCRIPTION	Amenities	
	Car Storage	
	Finished area above grade contains: 6 Rooms 3 Bedrooms 2 Bath(s) 1,419 Square Feet of Gross Living Area Above Grade	
MARKET AREA DESCRIPTION	Additional features: Subject interior would be considered typical in the local market with upgrade features such as hardwood and ceramic floors, vaulted ceilings, granite tops and tiled bathrooms.	
	Describe the condition of the property (including physical, functional and external obsolescence): A visual inspection of the interior of the improvements revealed ongoing damage which appears to be caused by water intrusion, from both guttering in disrepair and what appears to be water seepage at the rear of the basement where the exterior grade is above grade of finished floor. Exterior wood surfaces also show water damage.	



RESIDENTIAL APPRAISAL SUMMARY REPORT

G-07-436-2010
File No.: G-07-436-2010

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

TRANSFER HISTORY

Data Source(s): deed records

1st Prior Subject Sale/Transfer: Analysis of sale/transfer history and/or any current agreement of sale/listing: n/a

Date: no prior sales past 36 mo

Price: n/a

Source(s): deed records

2nd Prior Subject Sale/Transfer:

Date:

Price:

Source(s):

SALES COMPARISON APPROACH TO VALUE (if developed) The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	165 Knoll Top Rd. Robbinsville, NC 28771	290 Trickling Branch Way Murphy, NC 28906	1215 Sam Cove Rd. Robbinsville, NC 28771	40 Lucky Leaf Lane Murphy, NC 28906			
Proximity to Subject		28.55 miles SW	2.15 miles W	28.31 miles SW			
Sale Price	\$ 140,000	\$ 197,000	\$ 225,500	\$ 190,000			
Sale Price/GLA	\$ 98.66 /sq.ft.	\$ 130.64 /sq.ft.	\$ 155.73 /sq.ft.	\$ 131.03 /sq.ft.			
Data Source(s)	inspection	MLS	appraiser files	MLS			
Verification Source(s)	deed records	assessor data	assessor data	assessor data			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing	n/a	Bank Owned	+9,850	none		none	
Concessions							
Date of Sale/Time	07/06/2010	10/16/09		10/20/09		10/28/2009	
Rights Appraised	Fee Simple	fee simple		fee simple		fee simple	
Location	avg	avg		avg		avg	
Site	1.527 acres	1.23 acres	+1,485	1.52 acres	+35	.77 acres	+3,785
View	Lng Range Mt/valley	wooded/ mt		wooded / valley		lg rng mt/valley	
Design (Style)	chalet	chalet		ranch		chalet	
Quality of Construction	avg	avg		avg		avg	
Age	5	4	-500	15	+5,000	3	-1,000
Condition	fair	avg	-10,000	abv avg	-15,000	avg	-10,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths	+3,500	Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 3 2	6 2 3	-2,500	7 3 2		7 3 2.5	-1,000
Gross Living Area	1,419 sq.ft.	1,508 sq.ft.	-4,895	1,448 sq.ft.	-1,595	1,450 sq.ft.	-1,705
Basement & Finished	1,172 Sq. Ft.	1,008 Sq. Ft.	+6,888	1024 Sq. Ft.	+6,216	1,008 Sq. Ft.	+6,888
Rooms Below Grade	100%	100%		100 %		0 %	+5,040
Functional Utility	avg	avg		avg		avg	
Heating/Cooling	HPump/cent	HPump/cent		HPump/Cent		HPump/cent	
Energy Efficient Items	typical	typical		typical		typical	
Garage/Carport	Gar/Sq/B/tin	none	+2,500	Dbt/Det/Cpt		none	+2,500
Porch/Patio/Deck	deck/patio	deck/patio		porch/deck		deck / patio	
adverse site/ conditions	yes / see att.	no	-55,000	no	-55,000	no	-55,000
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -48,672	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -60,344	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -50,492
Adjusted Sale Price of Comparables			\$ 148,328		\$ 165,156		\$ 139,508

Summary of Sales Comparison Approach See attached addenda.

Indicated Value by Sales Comparison Approach \$ 151,500



RESIDENTIAL APPRAISAL SUMMARY REPORT

COST APPROACH	COST APPROACH TO VALUE (if developed) <input type="checkbox"/> The Cost Approach was not developed for this appraisal.	
	Provide adequate information for replication of the following cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): <u>Site value is determined by analyzing current listings and the most recent vacant lot sales within the extended local market.</u>	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	
	OPINION OF SITE VALUE = \$ 24,500	
	Source of cost data: <u>National Cost Data/ Local Contractors</u>	
	DWELLING 1,419 Sq.Ft. @ \$ 92.78 = \$ 131,655	
	Quality rating from cost service: <u>avg</u> Effective date of cost data: <u>09/01/09</u>	
	1,172 Sq.Ft. @ \$ 48.92 = \$ 57,334	
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):	
National cost data used as cost estimate source, being heavily weighted by local building costs as provided by local contractors. Site value is based on county tax office vacant parcel sales report and current listings. Physical depreciation is calculated by the age/life technique.		
Sq.Ft. @ \$ = \$		
Sq.Ft. @ \$ = \$		
Sq.Ft. @ \$ = \$		
Sq.Ft. @ \$ = \$		
Sq.Ft. @ \$ = \$		
Garage/Carport 247 Sq.Ft. @ \$ 18.40 = \$ 4,545		
Total Estimate of Cost-New = \$ 193,534		
Less Physical Functional External		
Depreciation 16,121 = \$(16,121)		
Depreciated Cost of Improvements = \$ 177,413		
"As-is" Value of Site Improvements = \$ 15,000		
..... = \$		
..... = \$		
Estimated Remaining Economic Life (if required): <u>55 Years</u>		
INDICATED VALUE BY COST APPROACH = \$ 216,913		
INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.	
	Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach	
	Summary of Income Approach (including support for market rent and GRM):	
PUD	PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development.	
	Legal Name of Project:	
	Describe common elements and recreational facilities:	
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 151,500 Cost Approach (if developed) \$ 216,913 Income Approach (if developed) \$	
	Final Reconciliation <u>The sales comparison approach to value is considered to be the most accurate measure of value in the subject market. Sale #2 is most heavily weighted in the value conclusion of this report as it required the smaller gross adjustment.</u>	
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:	
	<input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
ATTACHMENTS	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 151,500 , as of: 07/22/2010 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
	A true and complete copy of this report contains <u>18</u> pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.	
	Attached Exhibits:	
SIGNATURES	<input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input checked="" type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum	
	<input checked="" type="checkbox"/> Map Addenda <input type="checkbox"/> Additional Sales <input checked="" type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum	
	<input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/>	
	Client Contact: <u>Michael L. Gore</u> Client Name: <u>Shutts & Bowen, LLP</u>	
	E-Mail: <u>mgore@shutts.com</u> Address: <u>300 South Orange Avenue, Suite 1000, Orlando, FL 32801</u>	
	APPRAISER	
	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)	
	Appraiser Name: <u>Jonathan Smith</u>	
	Company: <u>ABC Realty Services</u>	
	Phone: <u>(828) 479-4979</u> Fax: <u>(828) 479-8849</u>	
E-Mail: <u>jonsmith1@zftomedia.net</u>		
Date of Report (Signature): <u>07/30/2010</u>		
License or Certification #: <u>A5926</u> State: <u>NC</u>		
Designation: <u>Licensed</u>		
Expiration Date of License or Certification: <u>6/30/2011</u>		
Supervisory or Co-Appraiser Name: _____		
Company: _____		
Phone: _____ Fax: _____		
E-Mail: _____		
Date of Report (Signature): _____		
License or Certification #: _____ State: _____		
Designation: _____		
Expiration Date of License or Certification: _____		
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None		
Date of Inspection: <u>07/22/2010</u>		



General Text Addendum

File No. G-07-436-2010

Client	Shutts & Bowen, LLP			
Property Address	165 Knoll Top Rd.			
City	Robbinsville	County	Graham	State NC Zip Code 28771
Appraiser	Jonathan Smith			

Comments To Site Conditions

UPON ACCEPTANCE OF THIS APPRAISAL ASSIGNMENT THE APPRAISER WAS PROVIDED WITH A COPY OF THE COURT ORDER WHICH PLACES THE SUBJECT PROPERTY IN RECEIVERSHIP AS WELL AS A COPY OF AN ENGINEERS REPORT WHICH DETAILS A VISIT TO THE SUBJECT SITE THAT EXPLAINS NOTED ADVERSE ISSUES AND THE POTENTIAL FOR SLOPE FAILURE AT THE SITE. THE REPORT NOTES SETTLEMENT IN AN EXTERIOR CONCRETE PATIO, SETTLEMENT IN THE DRIVEWAY PAVEMENT IN THE AREA OF THE PRIVATE WELL, AS WELL AS A CUT SLOPE WHICH SHOWS SIGNS OF EROSION AT THE REAR OF THE DWELLING.

WHEN ARRIVING AT THE SUBJECT PROPERTY THESE CONDITIONS ARE READILY IDENTIFIABLE AS THE INSPECTION PROGRESSES. THE CONCRETE SLAB PATIO AT THE FRONT OF THE DWELLING IS LOCATED VERY CLOSE TO THE NEAR VERTICAL SLOPE AND IS PULLING AWAY FROM THE STRUCTURE AS IT APPEARS TO BE LOCATED ON FILL. THE ASPHALT PAVEMENT HAS A RATHER LARGE CRACK WHICH RUNS MOST OF THE LENGTH OF THE PARKING AREA AND PARALLEL WITH THE SLOPE. THIS CRACK APPEARS TO RUN EXTREMELY NEAR THE PRIVATE WELL AND RAISES THE QUESTION OF THE WELL BEING COMPROMISED AND THE POSSIBLE INFILTRATION OF GROUND WATER. THE CUT SLOPE AT THE REAR OF THE DWELLING SHOWS SIGNS OF EROSION WITH SEDIMENT BEING DEPOSITED AGAINST THE REAR EXTERIOR OF THE BUILDING. ALSO, THE WOOD SURFACES ON THE EXTERIOR OF THE DWELLING SHOW DECAY WHICH APPEARS TO BE CAUSED BY FAULTY GUTTERING AND INADEQUATE DRAINAGE.

AN INSPECTION OF THE INTERIOR OF THE DWELLING REVEALS AN UPSCALE INTERIOR FINISH IN AVERAGE CONDITION WITH NO DAMAGE NOTED WITH THE EXCEPTION OF STAINING OF THE INTERIOR WALLS FROM WHAT APPEARS TO BE WATER INFILTRATION DUE TO THE CONDITIONS NOTED ABOVE. THIS CONDITION WAS NOT EXTENSIVE ON THE DATE OF INSPECTION BUT WILL NEED TO BE DEALT WITH RATHER QUICKLY TO AVOID FURTHER DAMAGE AND LOSS OF VALUE.

DUE TO THE FACT THAT THERE ARE NO RECENT SALES OF COMPARABLE PROPERTIES WITH ISSUES SIMILAR TO THE SUBJECT, A DOLLAR AMOUNT ADJUSTMENT CAN NOT BE ACHIEVED THROUGH THE USE OF SALES COMPARISON. AS SUCH WE ARE FORCED TO USE ACTUAL COST ESTIMATES TO ARRIVE AT AN ADJUSTMENT WHICH MIGHT REFLECT UPON SUBJECT VALUE. WITH THE BENEFIT OF INPUT FROM A LOCAL BUILDER AND GRADING CONTRACTOR AN ESTIMATED COST TO CURE IS DEVELOPED AND THE ADJUSTMENTS IN THE SALES COMPARISON GRID ARE BASED ON THAT ESTIMATE. WITH THE UNDERSTANDING THAT THE TYPICAL EDUCATED BUYER ACTING IN THEIR OWN BEST INTERESTS WOULD MOST LIKELY PURSUE INPUT FROM THOSE IN THE LOCAL MARKET WITH EXPERTISE IN SLOPE MANAGEMENT TO DEVELOP A COST TO CURE ESTIMATE IN ORDER TO ARRIVE AT AN OFFER TO PURCHASE, THE ADJUSTMENTS MADE TO THE COMPARABLE SALES ARE CONSIDERED TO BEST REFLECT HOW THE LOCAL MARKET WOULD REACT TO THE ADVERSE SITE CONDITIONS.

IT SHOULD BE NOTED THAT THE NUMBERS USED FOR ADJUSTMENT ARE ONLY ESTIMATES AND SHOULD BE VIEWED AS SUCH.

• GP Residential : Sales Comparison Approach - Summary of Sales Comparison Approach

The subject property is located near Robbinsville in Graham County, an extremely rural county in Southwestern North Carolina where approximately 75% of the land area is vacant in the form of National Forest and The Great Smoky Mountain National Park forms portions of the northern border. Comparable sales in this market are typically few and good comparables may not exist. The comparables chosen for this report are considered to be the best currently available and to be a good reflection of subject value when adjustments are made. It is understood that adjustment percentages are considerable, however this is considered more the rule rather than exception in this very limited market. Adjustments are explained as follows:

Closed sale # 1 is given a positive adjustment to reflect a motivated bank owned sale.
 All closed sales are adjusted for differing site area.
 All comparables are adjusted for differing age based on the market preception that 'newer is better'.
 All sales are given negative adjustments to reflect superior condition.
 All comparables are adjusted for differing above grade gross living area and/or bedroom/bathroom count.
 All sales are adjusted for differing below grade area and finish.
 Sales #'s 1 and 3 are adjusted for superior car storage.
 All sales are given negative adjustments to reflect likely market reaction to adverse site conditions noted.

General Assumptions

It is assumed that all information received from others regarding subject and comparables to be true and correct. It is also assumed that subject is structurally sound, in compliance with all pertinent codes, and that all systems are functioning properly and as designed. Should any of these conditions not be met the value conclusion of this report could be adversely affected. The appraiser performed only a visual inspection of the accessible areas of the property, and this report cannot be relied upon to disclose any hidden conditions and/or any defects in the property. The appraiser is not an engineer, and is therefore qualified only to conduct an onsite inspection to a degree sufficient to gain enough information to complete an appraisal report.

• URAR: Intended Use / Intended User

The Intended User of this appraisal report is the named client. The Intended Use is to evaluate the property that is the subject of this appraisal for use by the court appointed receiver, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser. In compliance with USPAP this report may not be transferred to another party by the appraiser. USPAP also states that the only changes which can be made to this report would be to correct errors once it has been submitted to the client. ADDITIONALLY IT IS THE EXPRESSED INTENT THAT THIS REPORT NOT BE USED TO DETERMINE INSURABLE INTEREST AND THOSE WHO CHOOSE TO DO SO AT THEIR OWN RISK!

I certify, as the appraiser, that I have complied with the Home Valuation Code of Conduct in all aspects of the appraisal process.

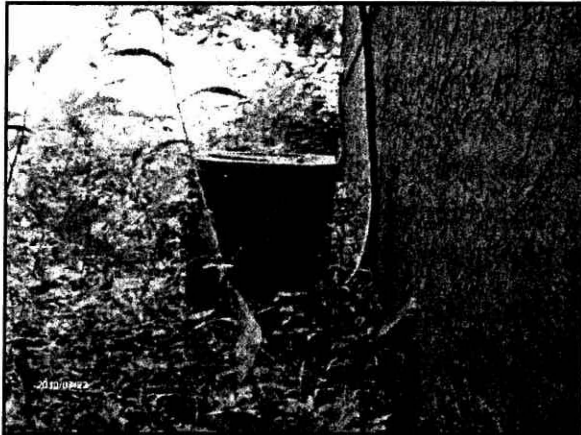
Subject Photos

Client	Shutts & Bowen, LLP				
Property Address	165 Knoll Top Rd.				
City	Robbinsville	County	Graham	State	NC Zip Code 28771
Appraiser	Jonathan Smith				



Subject Front

165 Knoll Top Rd.
 Sales Price 140,000
 Gross Living Area 1,419
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location avg
 View Lng Range Mt/valley
 Site 1.527 acres
 Quality avg
 Age 5



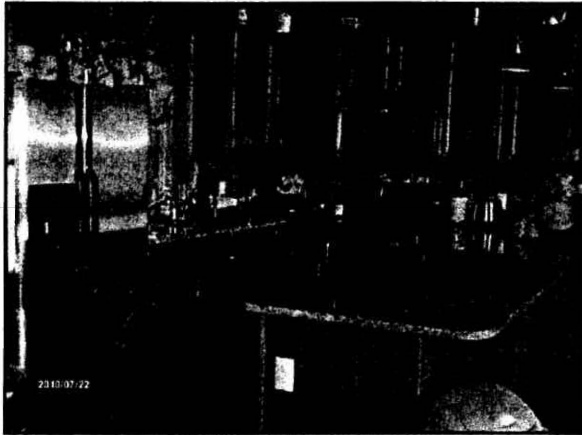
Subject Rear



Subject Street

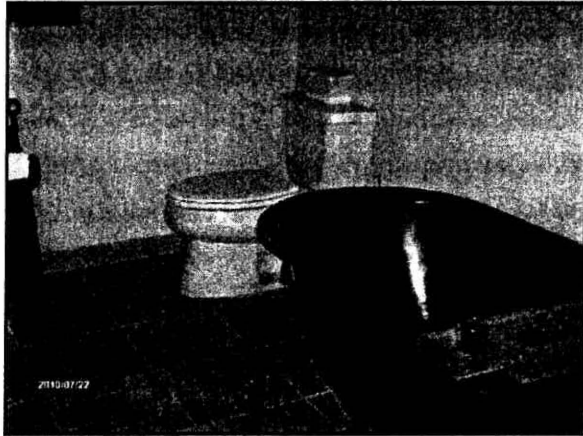
Subject Photos Interior

Client	Shutts & Bowen, LLP				
Property Address	165 Knoll Top Rd.				
City	Robbinsville	County	Graham	State	NC
Appraiser	Jonathan Smith				
				Zip Code	28771



Subject Interior

165 Knoll Top Rd.
Sales Price 140,000
Gross Living Area 1,419
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 2
Location avg
View Lng Range Mt/valley
Site 1.527 acres
Quality avg
Age 5



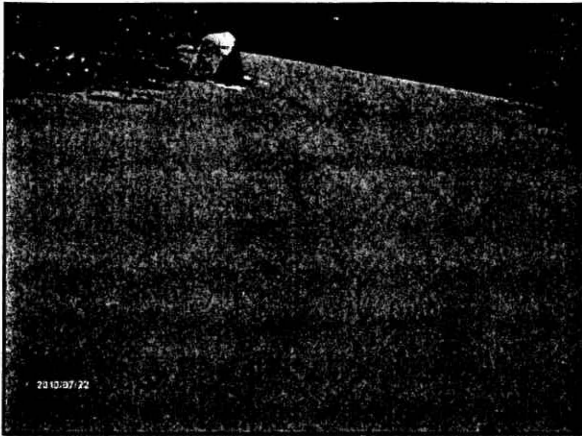
Subject Interior



Subject Interior

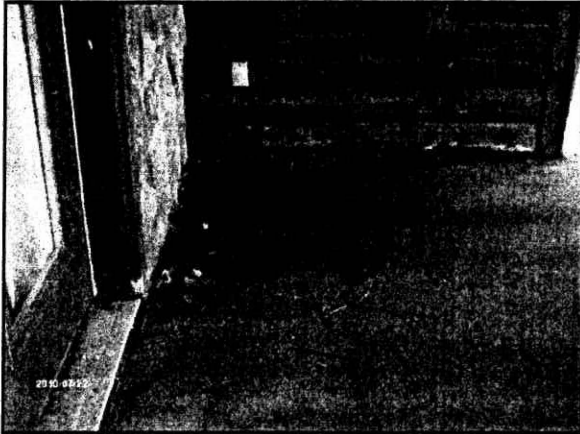
Subject Photo Page

Client	Shutts & Bowen, LLP				
Property Address	165 Knoll Top Rd.				
City	Robbinsville	County	Graham	State	NC Zip Code 28771
Appraiser	Jonathan Smith				



Subject Parking / Damage

165 Knoll Top Rd.
 Sales Price 140,000
 Gross Living Area 1,419
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location avg
 View Lng Range Mt/valley
 Site 1.527 acres
 Quality avg
 Age 5



Water & Settlement Damage



Water Damage / Decay

Comparable Photos 1-3

Client	Shutts & Bowen, LLP				
Property Address	165 Knoll Top Rd.				
City	Robbinsville	County	Graham	State	NC Zip Code 28771
Appraiser	Jonathan Smith				



Comparable 1

290 Tricking Branch Way
 Prox. to Subject 28.55 miles SW
 Sales Price 197,000
 Gross Living Area 1,508
 Total Rooms 6
 Total Bedrooms 2
 Total Bathrooms 3
 Location avg
 View wooded/ mt
 Site 1.23 acres
 Quality avg
 Age 4



Comparable 2

1215 Sam Cove Rd.
 Prox. to Subject 2.15 miles W
 Sales Price 225,500
 Gross Living Area 1,448
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location avg
 View wooded / valley
 Site 1.52 acres
 Quality avg
 Age 15

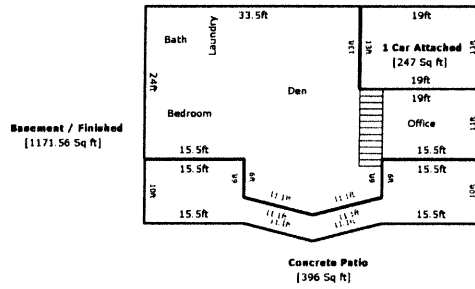
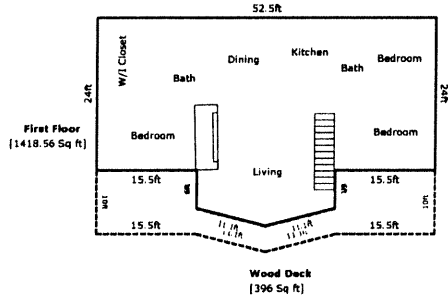


Comparable 3

40 Lucky Leaf Lane
 Prox. to Subject 28.31 miles SW
 Sales Price 190,000
 Gross Living Area 1,450
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location avg
 View lg rng mt/valley
 Site 77 acres
 Quality avg
 Age 3

Building Sketch

Client	Shutts & Bowen, LLP		
Property Address	165 Knoll Top Rd.		
City	Robbinsville	County	Graham State NC Zip Code 28771
Appraiser	Jonathan Smith		



Area Calculations Summary

Living Area	
First Floor	1418.6 Sq ft
Total Living Area (Rounded):	1419 Sq ft
Non-living Area	
Concrete Patio	396 Sq ft
1 Car Attached	247 Sq ft
Basement / Finished	1171.6 Sq ft
Wood Deck	396 Sq ft

Building Sketch

Client	Shutts & Bowen, LLP			
Property Address	165 Knoll Top Rd.			
City	Robbinsville	County	Graham	State NC Zip Code 28771
Appraiser	Jonathan Smith			

Area Calculations Summary			
Living Area		Calculation Details	
First Floor	1418.6 Sq ft	52.5 x 24 =	1260
		21.5 x 6 =	129
		0.5 x 21.5 x 2.75 =	29.5625
Total Living Area (Rounded):	1419 Sq ft		
Non-living Area			
Concrete Patio	396 Sq ft	10 x 15.5 =	155
		10 x 15.5 =	155
		0.5 x 21.5 x 2.75 =	29.5625
		21.5 x 1.25 =	26.875
		0.5 x 10.75 x 2.75 =	14.78125
		0.5 x 10.75 x 2.75 =	14.78125
1 Car Attached	247 Sq ft	13 x 19 =	247
Basement / Finished	1171.6 Sq ft	33.5 x 13 =	435.5
		52.5 x 11 =	577.5
		21.5 x 6 =	129
		0.5 x 21.5 x 2.75 =	29.5625
Wood Deck	396 Sq ft	10 x 15.5 =	155
		10 x 15.5 =	155
		0.5 x 21.5 x 2.75 =	29.5625
		21.5 x 1.25 =	26.875
		0.5 x 10.75 x 2.75 =	14.78125
		0.5 x 10.75 x 2.75 =	14.78125

Location Map

Client	Shutts & Bowen, LLP			
Property Address	165 Knoll Top Rd.			
City	Robbinsville	County	Graham	State NC Zip Code 28771
Appraiser	Jonathan Smith			

