

(Page 2 of 4)

or parcel of land lying and being in the County of Graham, and State of North Carolina, in Stecoah Township, and more particularly described as follows:

See Exhibit "A" attached to this Deed, incorporated by reference into this Deed and specifically made a part of this Deed.

Grantor acquired the property hereinabove described by instrument recorded in Book 263 at Page 389.

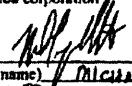
TO HAVE AND TO HOLD the aforesaid tract or parcel of land and all privileges thereunto belonging to him the said Grantee and its successors and assigns free and discharged from all right, title, claim or interest of the said Grantor or anyone claiming by, and through or under it. Title to the property hereinabove described is subject to the following exceptions if any:


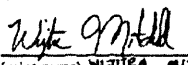
NONE

IN TESTIMONY WHEREOF, said Grantors have hereunto set their hands and seal the day and year first above written.

GRANTOR

TROPHY GROUP, INC.,
a Florida corporation

By: 
(print name) MICHAEL P. NASTIC
Its: CEO


(print name) BENJAMIN MITCHELL

(print name) WJETA MITCHELL

[acknowledgment on following page]

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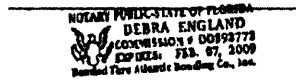
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STATE OF FLORIDA
COUNTY OF Volusia

I, Debra England, a Notary Public of Volusia County, Florida, certify that Michael J. Nasse personally came before me this day and acknowledged that he is Chief Executive Officer of Trophy Group, Inc., a Florida corporation, and that he, as Chief Executive Officer, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal or stamp, this 19th day of April, in the year 2017.

(seal or stamp)



Debra England
Notary Public Official Signature

Debra England
Notary Printed or Typed Name

My commission expires: Feb 9, 2009

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BOOK 781 PAGE 179 FILE NUMBER

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EXHIBIT A

This exhibit is the property description to a deed from Steeplechase Vista, LLC to Trophy Group, Inc. The property conveyed is LOT B-3, STEEPCOAH VIEW SUBDIVISION, located in Steeplechase Township, Graham County, North Carolina. Lot B-3 is shown on a map of a survey by James T. Herron, P.L.S. dated March 24, 2000, entitled "Luther & Patricia Crews," drawing number 1656-445-A, and contains 1.527 acres, more or less. That map is incorporated by reference into this description.

The property is more particularly described as BEGINNING on an iron pin set located at the edge of a subdivision road, said iron pin set also being located in the line common to Lot B-2 and Lot B-3. And from the point of beginning, with the line of Lot B-2 S 23-24-36 E 237.50 feet to an iron pin set at a corner common with Lot B-2, said iron pin set also being in the line of Luther & Patricia Crews (DR 185-131). Then leaving the line of Lot B-2, and running with the line of Crews N 38-07-39 E 386.59 feet to an iron pin set, N 30-19-24 E 104.83 feet and N 30-19-24 E 43.69 feet to a point in the centerline of a subdivision road. Then with the centerline of the subdivision road the following eight calls:

- S 66-44-10 W 24.46 feet;
- Along the arc of a curve to the right having a radius of 120.27 feet, a chord bearing and distance of S 76-10-40 W 39.46 feet and an arc distance of 39.64 feet;
- S 85-37-10 W 15.55 feet;
- Along the arc of a curve to the left having a radius of 191.74 feet, a chord bearing and distance of S 75-16-28 W 68.86 feet and an arc distance of 69.24 feet;
- S 56-20-00 W 131.36 feet;
- S 56-20-00 W 98.50 feet;
- Along the arc of a curve to the right having a radius of 220.19 feet, a chord bearing and distance of S 65-13-31 W 59.45 feet and an arc distance of 59.63 feet;
- S 72-59-02 W 27.90 feet to a point in the centerline of the subdivision road, said point also being at a corner common to Lot B-2.

Then with the line of Lot B-2 S 23-24-36 E 17.32 feet to the point of BEGINNING.

Also conveyed is 30-foot wide easement for ingress and egress and a utility easement that run from NC Highway 143 to the property conveyed, the centerline of which is northern boundary of the property conveyed. This conveyance is subject to an easement for the subdivision road as it crosses Lot B-3. This conveyance is subject to the declaration of exceptions recorded as 'Exhibit B', in a deed from Luther Crews and others to Lance and Elizabeth Luther, recorded in Deed Book 199, page 135, Graham County Registry.

Handwritten signature



07/30/2010

Shutts & Bowen LLP

File Number: Schneider

Dear Sir,

In accordance with your request, I have personally inspected and appraised the real property at:

165 Knoll Top Road
Robbinsville, NC 28771

The purpose of this appraisal is to estimate the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the estimated market value of the property as of 07/26/2010 is:

\$ 224,000

Two Hundred and Twenty-Four Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final estimate of value, descriptive photographs, limiting conditions and appropriate certifications.

Respectfully submitted,

Thomas E Graves
Signature: _____



Thomas Edward Graves
Valley River Appraisal

EXHIBIT
COMPOSITE
"B" (cont.)

Uniform Residential Appraisal Report

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	165 Knoll Top Road	City	Robbinsville	State	NC	Zip Code	28771
Borrower	Dennis J. & Virginia B. Schneider		Owner of Public Record	MWH Investments LLC	County	Graham	
Legal Description	Deed Book 281 Page 179 - 182						
Assessor's Parcel #	6602.00 - 00 - 5040B3	Tax Year	2010	R.E. Taxes \$	1,103.00		
Neighborhood Name	Lot B - 3 Stecoah Views	Map Reference	6602.00	Census Tract	9801.00		
Occupant	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input checked="" type="checkbox"/> Vacant	Special Assessments \$	N/A		
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold	Other (describe)				
Assignment Type	<input checked="" type="checkbox"/> Purchase Transaction	<input type="checkbox"/> Refinance Transaction	Other (describe)				
Lender/Client	Shutts & Bowen LLP						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offerings price(s), and date(s). " See URAR Page 3" For Listing History, Currently Offered for Sale, Prior to the Effective Date of Appraisal.							

I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Subject is the subject of a Sale/Purchase Transaction. Contract was received and analyzed.							
Contract Price \$	140,000	Date of Contract	07/06/2010	Is the property seller the owner of public record?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	Per County Records
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid.							

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %			
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	64 %
Built-Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	<input type="checkbox"/> Rapid	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3mths	<input type="checkbox"/> 3-6 mths	<input checked="" type="checkbox"/> Over 6mths	160	Low	New	Multi-Family
Neighborhood Boundaries	Subject neighborhood boundaries on the North by Sweetwater Road[Hwy 143],			225	High	60	Commercial	1			
East by Fontana Road[Hwy 28], South by Cherokee County and the West by Tallulah Road[Hwy 129],	200	Pred.	5-35	Other	Vacant		25				
Neighborhood Description The subject property is located in a rural area, with properties consisting of average quality SFR dwellings No adverse factors/conditions/location features were noted that would have a negative effect of the market value of the subject's market area. The location of employment centers, schools and shopping are within a reasonable distance of the subject property.											
Market Conditions (including support for the above conclusions) Demand for one-unit housing has been slow with marketing time for this area typical being six to over twelve months, however the seasonal nature may increase the marketing time on specific properties because of a large part of this market is second homes. Recent data show one-unit housing in the area growth rate and property value being slow/stable and demand/supply being in balance.											

Dimensions	Subject to Survey	Area	1.52 Acres+/-	Shape	Irregular	View	Mtn/Good	
Specific Zoning Classification	No Zoning	Zoning Description	No Zoning					
Zoning Compliance	<input type="checkbox"/> Legal	<input type="checkbox"/> Legal Nonconforming (Grandfathered Use)	<input checked="" type="checkbox"/> No Zoning	<input type="checkbox"/> Illegal (describe)				
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. The highest and best use of the subject property is residential.								
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type		Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input type="checkbox"/>	<input checked="" type="checkbox"/> Well - Typical	Street	Asphalt	<input checked="" type="checkbox"/>
Gas	<input type="checkbox"/>	None	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/> Septic Tank - Typical	Alley	None/Typical	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	37075C 5642J	FEMA Map Date	02/18/2009
Are the utilities and/or off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.								
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.								
No apparent adverse condition was observed on the date of inspection. Subject property is subject to the easements typical to the neighborhood and has no adversely effect marketability.								

General Description		Foundation		Exterior Description		Interior	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	Masonry/Avg	Floors	Wood/Carpet/Avg
# of Stories	1.0 Story	<input checked="" type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Hard Plank Wood Shake/Stone/Avg	Walls	Drywall/Avg
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	1,455 sq. ft.	Roof Surface	Asphalt Shingles/Avg	Trim/Finish	Wood/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish	75 %	Gutters & Downspouts	Yes/Avg	Bath Floor	Tile/Avg
Design (Style)	1.0 Story	<input checked="" type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Dbt-hung/AWood/Avg	Bath Wainscot	Tile/Avg
Year Built	2005	Evidence of	<input type="checkbox"/> Infestation	Storm Sash/Insulated	Yes/Avg	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs)	5	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	Yes/Avg	<input checked="" type="checkbox"/> Driveway	# of Cars 2
Attic	<input checked="" type="checkbox"/> None	Heating	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities		Woodstove(s) #	
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input checked="" type="checkbox"/> Other H.Pump	Fuel Elec.	<input checked="" type="checkbox"/> Fireplace(s) # 1	Fence	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor	<input type="checkbox"/> Scuttle	Cooling	<input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck 2	Porch	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other	<input type="checkbox"/> Pool	Other	Att.	Det. <input checked="" type="checkbox"/> Built-in
Appliances	<input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer	Other (describe)					
Finished area above grade contains: 4 Rooms 3 Bedrooms 2.00 Bath(s) 1,455 Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient items, etc.) Standard energy efficient item.							

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) Date of inspection no external inadequacies, functional or economic obsolescence was observed. Subject is in average condition and quality for its type, with no significant deferred maintenance uncommon for a house of this age and neighborhood. Physical depreciation is calculated on age/life basis and 60 - year life expectation. Living room Located at left front exterior door floor wood dry rooten.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

No apparent adverse environmental influences or conditions were observed on the subject site or neighborhood or immediate area of the subject property at the date of inspection.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe The subject is generally considered to conform to the neighborhood/market area in terms of style, utility and construction.

Uniform Residential Appraisal Report

There are 37 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 189,000 to \$ 299,000					
There are 8 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 160,000 to \$ 225,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	165 Knoll Top Road Robbinsville, NC 28771	809 Gladdens Creek Road Robbinsville, NC 28771	1215 Sam Cove Road Robbinsville, NC 28771	175 Deer Run Robbinsville, NC 28771	
Proximity to Subject		3.85 miles+/- NW	2.87 miles+/- NW	7.43 miles+/- SE	
Sale Price	\$ 140,000	\$ 212,000	\$ 225,500	\$ 225,000	
Sale Price/Gross Liv. Area	\$ 96.22 sq. ft.	\$ 169.87 sq. ft.	\$ 155.73 sq. ft.	\$ 115.15 sq. ft.	
Data Source(s)	Inspection	MLS#: R106849S/Dom: 309	MLS#: R38704C/Dom: 452	MLS#: R106307C/Dom: 209	
Verification Source(s)	County Records	County Records	County Records	County Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing	Conv	Conv		Conv	
Concessions	None Noted	None Noted		None Noted	
Date of Sale/Time	N/A	04/16/2010		10/16/2009	
Location	Rural	Rural		Rural	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	1.52 Acres+/-	3.24 Acres+/-	-17,000	1.52 Acres+/-	+8,000
View	Mtn/Good	Mtn/Avg	+10,000	Mtn/Good	
Design (Style)	1.0 Story	1.5 Story		1.5 Story	
Quality of Construction	Wood/Avg	Wood/Avg		Wood/Avg	
Actual Age	Age 5/Eff 5	Age 27/Eff 10	+5,000	Age 16/Eff 5	-2,000
Condition	Average	Average		Average	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths	
Room Count	4 3 2.00	4 3 2.00		4 3 2.00	
Gross Living Area	1,455 sq. ft.	1,248 sq. ft.	+8,280	1,448 sq. ft.	+280
Basement & Finished	1,455	832	+9,345	1,024	+6,465
Rooms Below Grade	1/1 Bath	None	+4,000	3/1 Bath	-2,000
Functional Utility	Average	Average		Average	
Heating/Cooling	Hp/Central	Hp/Central		Hp/Central	
Energy Efficient Items	Average	Average		Average	
Garage/Carport	2 Car Gar-Bsmt	2 Car Gar-Det	-10,000	2 Car Carport-Det	None
Porch/Patio/Deck	1 Deck/1 Patio	1 Porch		1 Lg Porch	Wrap-Around-Porch
Fireplace	1 Fireplace	1 Fireplace		None	+2,500
Fireplace	1 Fireplace	1 Fireplace		None	+2,500
Net Adjustment (Total)		X + - \$ 9,625	X + - \$ 7,245	X + - \$ 12,865	
Adjusted Sale Price of Comparables		Net Adj: 5% Gross Adj: 30% \$ 221,625	Net Adj: 3% Gross Adj: 5% \$ 232,745	Net Adj: 6% Gross Adj: 25% \$ 237,865	
I <input checked="" type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain Research based on available tax records and mls data.					
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.					
Data source(s) Per County Records and Mls data.					
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.					
Data source(s) Per County Records and Mls data.					
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).					
ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Date of Prior Sale/Transfer	05/10/2007	No prior Transfer/Sales/Listing	No prior Transfer/Sales/Listing	No prior Transfer/Sales/Listing	
Price of Prior Sale/Transfer	\$250,000	within past twelve months	within past twelve months	within past twelve months	
Data Source(s)	Per County Records	Per County Records	Per County Records	Per County Records	
Effective Date of Data Source(s)	07/28/2010	07/28/2010	07/28/2010	07/28/2010	
Analysis of prior sale or transfer history of the subject property and comparable sales There are no current or prior sales, transfers or transactions involving the subject noted in the last thirty six months based on the resources available at the time of this appraisal other than listed in this report.					
There are no current or prior sales, transfers, listing or transactions involving comparable sales noted in the last twelve months based on the resources available at the time of this appraisal other than listed in this report.					
Summary of Sales Comparison Approach The sales used are the best, most similar, most proximate, recent comparable sales available, and sales site was compared to the subject based on location, site size, view and frontage. If large line, net, and/or gross adjustments were noted, unless otherwise indicated on the report, this is not an adverse factor, and the sales presented are considered the best, most similar available. Adjustments are made based on market supported differences and in some cases may exceed guidelines. In the appraisers judgment/opinion the comparable sales selected are the best indicators of the estimated market value for the subject. It is typical in this area to have sale comparables with net adjustments exceeding 15% and gross adjustment exceeding 25%. After considering locations, date of sales, physical differences and other influence. In the appraisers judgment/opinion the exceeding net and gross percentage does not have any adversely effect on marketability of the subject. In the appraisers judgment the comparable sales selected are the best indicators of the estimated market value for the subject.					
Indicated Value by Sales Comparison Approach \$ 224,000					
Indicated Value by: Sales Comparison Approach \$ 224,000 Cost Approach (if developed) \$ 227,818 Income Approach (if developed) \$ 0					
The sales comparison approach measures actual buyer-seller activity in the market & is the most reliable indicator of residential market value. The income approach was not part of the scope of the assignment therefore it was not developed. Most weigh was given to the estimated value derived by the sales comparison approach.					
This appraisal is made <input 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 checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <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. This appraisal is made "subject to", on the basis of a hypothetical condition, that the subject foundation is sound/solid condition or structural integrity and no adverse conditions that would affect the livability, soundness or structural integrity of the subject property.					
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 224,000 as of 07/26/2010, which is the date of inspection and the effective date of this appraisal.					

SALES COMPARISON ANALYSIS

RECONCILIATION

Uniform Residential Appraisal Report

Per Graham County Precord Indentify 911 Address as "MWH Investments LLC" Source: Deed Book 281 Page 179 - 182

Listing History: There are a limited amount of mis data of sales/listing in Graham County. County/Mountain Lakes MIs records was utilized to provide the sales used in this report. Subject is a sale transactions per sale contract(Mountain Lakes MLs# R105600P: Contract Date: 07/06/2010, Contract Price: \$140,000(See Exhibit Listing History) as of the effective date of appraisal.

Extraordinary assumptions were made regarding the hidden aspects of the home, such as plumbing(Date of inspection subject had no water), appraiser assume that these items are present, adequate, functional, and that they met the applicable codes at the time of construction. (Standard limiting conditions apply based on the assumption that all mechanical, electrical, and plumbing systems are functional). This appraisal is made "subject to", on the basis of a hypothetical condition, that the subject foundation is sound/solid condition or structural integrity and no adverse conditions that would affect the livability, soundness or structural integrity of the subject property. The opinion of value reported in this appraisal report is predicated on the belief that there are no adverse conditions that would affect the livability, soundness or structural integrity of the property, unless otherwise noted in the appraisal report. The level of response by the appraiser should be categorized accordingly.

Comment on Sales Comparison/Reconciliation:

The appraiser has made every reasonable effort/attempt to locate sales similar to the subject in terms of location, site size, design/appeal, age, as well as gross living area, room count, and other areas of comparison; however, no other comparable sales are available in this market area that have sold within pass twelve months. There are other homes in the subject value range in the subject market area, however, none had sold or been listed recently in order for consideration in this appraisal. Valuating real estate depends on supply and demand and real estate sales have slowed, which has affected the number of sales in the subject market area. Appraiser has expanded the search parameters as necessary to use the best, most similar sales for comparison. One or more of the comparable sales utilized exceed preferred distance guidelines outside of the immediate area. Their use is unavoidable due to a lack of acceptable comparable sales. Market stability renders this practice accurate, acceptable and unavoidable. All comparable sales used are located in similar neighborhoods with similar conditions, influences physical differences and amenities. All sales were/will derived from within subject market settings and they would all appeal to, and compete well for the same purchaser as the subject and the most similar properties were chosen to derive a comparative market value. The sales used are the best, most similar, most proximate, recent comparable sales available, and unless otherwise noted in the report no adverse factors are noted related to the use of these sales. Each sales site was compared to the subject based on location, site size, topo, view and other area of comparison. The comparable sales were adjusted for these factors based on market data from similar sales. Each of the comparable sales were adjusted for specific differences in site area/view, gross living area, basement and other specific differences to the subject. Recent sales data for one-unit housing in the subject area indicallng show growth rate and property value being stable and demand/supply being shortage and marketing time being over six months. Marketing time for this market area typical being six to over twelve months, however the seasonal nature may increase the marketing time on specific properties because of a large part of this market is second homes. The homes in the area are mix of primary and secondary homes. The subject and comparable sales neighborhood area is located in a rural/remote portion of the county. The land use in the subject and comparable sales area includes single family, vacant land, good/excellent view, and water frontage influence property and national forest. Due to the lack of current comparable sales within the subject's neighborhood, comparable sales were used which have a date of sale over six months and utilize sales greater than 1 miles+/- from the subject property. Primary emphasis was placed on the most relevant comparable in the opinion of the appraiser with respect to gross/net adjustments, time, distance, and overall similarity of the comparable sales.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae.)

Provide adequate information for the lender/client to replicate your cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

The subject's land to value ratio is similar to other properties in the neighborhood. The land value employed in the cost approach was derived from comparable sales when available, extracted from the market and/or from assessed valuation analysis. "As Is" Value of site Improvement consist of drive and landscaping(Grading).

ESTIMATED	REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	20,000
Source of cost data	Marshall and Swift Cost Handbook		Dwelling	1,455 Sq. Ft. @ \$ 90.00	= \$ 130,950
Quality rating from cost service	Average	Effective date of cost data 07/27/2010	Bsmt.	1,455 Sq. Ft. @ \$ 40.00	= \$ 58,200
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	1 Fireplace/1 Deck/1 Patio				15,000
In order to estimate the cost. The Marshall and Swift Cost Handbook and local market estimated cost from local builders and supply companies was considered. See the attached sketch addendum for dimensions and room layout. The land value is derived by using sale of vacant lots in the area. Physical depreciation is calculated on age/life basis. Physical depreciation is based on a 60 - year life expectation.	Garage/Carport		Sq. Ft. @ \$	= \$	0
	Total Estimate of Cost-new			= \$	204,150
	Less	Physical 8	Functional	External	
	Depreciation	16,332	0	0	= \$ (16,332)
	Depreciated Cost of Improvements				= \$ 187,818
	"As-is" Value of Site Improvements				= \$ 20,000
Estimated Remaining Economic Life (HUD and VA only)	55	Years	Indicated Value By Cost Approach	= \$	227,818

COST APPROACH

INCOME APPROACH TO VALUE (not required by Fannie Mae.)

Estimated Monthly Market Rent \$ N/A X Gross Multiplier N/A = \$ 0 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) Because of the non-income producing nature or the subject and lack of reliable market data, the income approach is not utilized.

INCOME

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowner's Association (HOA)? Yes No Unit type(s) Detached Attached
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data source.

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowner's Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

PUD INFORMATION

Valley River Appraisal
EXTRA COMPARABLES 4-5-6

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22D

Borrower Dennis J. & Virginia B. Schneider
Property Address 165 Knoll Top Road
City Robbinsville County Graham State NC Zip Code 28771
Lender/Client Shutts & Bowen LLP Address

FEATURE	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Address	165 Knoll Top Road Robbinsville, NC 28771	393 Eagles Nest Circle Fontana Dam, NC 28733	1035 Sam Cove Road Robbinsville, NC 28771	
Proximity to Subject		6.81 miles+/- NE	2.87 miles+/- NW	
Sale Price	\$ 140,000	\$ 195,000	\$ 299,000	\$
Sale Price/Gross Liv. Area	\$ 96.22 sq. ft.	\$ 150.46 sq. ft.	\$ 184.57 sq. ft.	\$ sq. ft.
Data Source(s)	Inspection	MLS #: R24999A/Dom: 1512	MLS#: R42804A/Dom: 38	
Verification Source(s)	County Records	County Records	County Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION +(-) \$ Adjustment
Sale or Financing	Conv	Active Listing		Active Listing
Concessions	None Noted	None Noted		None Noted
Date of Sale/Time	N/A	Active Listing	-13,650	Active Listing -20,930
Location	Rural	Rural		Rural
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple
Site	1.52 Acres+/-	0.34 Acres+/-	+11,500	4.22 Acres+/- -27,000
View	Mtn/Good	Mtn/Good		Mtns/Good
Design (Style)	1.0 Story	1.5 Story		1.5 Story
Quality of Construction	Wood/Avg	Wood/Avg		Hardiplank/Avg
Actual Age	Age 5/Eff 5	Age 26/Eff 10	+5,000	Age 6/Eff 5
Condition	Average	Average		Average
Above Grade Room Count	Total Bdrms Baths 4 3 2.00	Total Bdrms Baths 4 2 2.00		Total Bdrms Baths 4 3 3.00 -3,000
Gross Living Area	1,455 sq. ft.	1,296 sq. ft.	+6,360	1,620 sq. ft. -6,600
Basement & Finished Rooms Below Grade	1,455 1/1 Bath	912 None	+8,145 +4,000	240 None +18,225 +4,000
Functional Utility	Average	Average		Average
Heating/Cooling	Hp/Central	Fwa/None	+2,500	Hp/Central
Energy Efficient Items	Average	Average		Average
Garage/Carport	2 Car Gar-Bsmt	1/1 Car, Gar-Bsmt/Carport-Det	+2,500	1 Car Gar-Att/1 Car Gar-Det -10,000
Porch/Patio/Deck	1 Deck/1 Patio	2 Decks		1 Porch/2 Decks -2,000
Fireplace	1 Fireplace	None	+2,500	1 Fireplace
Net Adjustment (Total)		X + - \$ 28,855	+ X - \$ -47,305	+ + - \$ 0
Adjusted Sale Price of Comparables		Net Adj: 15% Gross Adj : 29% \$ 223,855	Net Adj: -16% Gross Adj: 31% \$ 251,695	Net Adj: 0% Gross Adj: 0% \$ 0
SALES COMPARISON ANALYSIS				
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales				
ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	05/10/2007	No prior Transfer/Sales/Listing	No prior Transfer/Sales/Listing	
Price of Prior Sale/Transfer	\$250,000	within past twelve months	within past twelve months	
Data Source(s)	Per County Records	Per County Records	Per County Records	
Effective Date of Data Source(s)	07/28/2010	07/28/2010	07/28/2010	
Analysis of prior sale or transfer history of the subject property and comparable sales There are no current or prior sales, transfers or transactions involving the subject noted in the last thirty six months based on the resources available at the time of this appraisal other than listed in this report.				
There are no current or prior sales, transfers, listing or transactions involving comparable sales noted in the last twelve months based on the resources available at the time of this appraisal other than listed in this report.				
Summary of Sales Comparison Approach Comparable sales number four(4) and number five(5) are active listing. They was utilized to support market value and to validate closed sales to current market conditions. Typical a listing sales price is within 93% of the listed price. A negative adjustment of \$13,650 was made to Comparable sale(Active Listing) #4 reflect the sales price and adjusted sales price. A negative adjustment of \$20,930 was made to Comparable sale(Active Listing) #5 reflect the sales price and adjusted sales price.				
Comment on active listing. The appraiser is aware of the client's requirement to utilized active listing to validate closed sales to current market conditions, however this is not possible in all cases, and if the listing does not fall within this range of subject market value, note that listing to validate closed sales to current market conditions were unavailable. The appraiser has made every reasonable effort/attempt to locate active listing similar to the subject in terms of location, design/appeal, age, as well as "gross living area", "room count", and other areas of comparison. There are other homes in the subject value range in the subject market area; however, no other listing are/where available in this market area that have been listed within pass twelve months as of the effective date noted on the report. Real estate market, as always, depends on supply and demand and real estate market has slowed in the area, which has affected the number of listing of the subject market area.				

Uniform Residential Appraisal Report

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 this 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.

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.

Uniform Residential Appraisal Report

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.

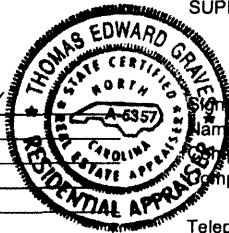
SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

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

Thomas E Graves
Signature

Name Thomas Edward Graves
 Company Name Valley River Appraisal
 Company Address P.O. Box 235
Murphy, NC 28906
 Telephone Number 1-828-837-1939
 Email Address valleyriverappraisal@verizon.net
 Date of Signature and Report 07/30/2010
 Effective Date of Appraisal 07/26/2010
 State Certification # A5357
 or State License # _____
 or Other (describe) _____ State # _____
 State NC
 Expiration Date of Certification or License 06/30/2011



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 _____

ADDRESS OF PROPERTY APPRAISED
165 Knoll Top Road
Robbinsville, NC 28771
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 224,000
 LENDER/CLIENT
 Name _____
 Company Name Shutts & Bowen LLP
 Company Address _____
 Email Address _____

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 _____

Market Conditions Addendum to the Appraisal Report

Case No. Case #: 6:07-cv-608-Orl-
File No. Schneider

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 165 Knoll Top Road City Robbinsville State NC ZIP Code 28771

Borrower Dennis J. & Virginia B. Schneider

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include that data in the analysis. If data sources provide all the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	1	5	2	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0	2	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	N/A	N/A	37	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	N/A	N/A	55.22	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sales & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sales Price	225,000	160,000	164,950	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	209	309	407	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	N/A	N/A	189,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listing Days on Market	N/A	N/A	186	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	90.36	88.37	92.94	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.) paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail seller concessions trends for the past 12 months (e.g. seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs condo fees, options, etc.)

Sales and/or financing concessions are not common for this area.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosure sales in the market area has been higher in the past twelve (12) months than in recent years. However, these sales have yet to indicate a widespread change in the local market. Typically, every foreclosure sale calculates into a lost sale in the average market which does affect the real estate market. The real estate market has slowed in the area, which has affected the number of sales per month and the average days on the market. However, prices have appeared to stabilize in the market area over the past several months.

Cite data sources for above information.

Mountain Lakes Mls Data.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales, and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Real estate market has slowed in the area, which has effected the number sales and the average days on the market. However, the decrease in the number of sales does not indicate an overall declining market but rather a lack of available resources to purchase. In the past several years, the demand has been high and supply has continued to rise to meet those demands. All of this has contributed to higher market values. Present trend should lead to a more widespread balance of supply and demand which should have a positive effect of the market in the future. Overall trend shown above is based on a widespread area, not just on a limited number of comparable sales for this particular property. The term neighborhood in this rural area is expanded to include a broader radius due to the majority of neighborhoods being small and not clearly defined. Therefore, the term neighborhood includes properties located throughout the county, not just in an immediate area surrounding the subject property. The market conditions addendum include sale and listing properties that complete with the subject property determined by applying the criteria that would be used by a prospective buyer of the subject property. It is the appraiser's opinion that the results listed above do not contain enough sampling data to accurately predict the overall trends of the local market and the shaded areas on this form are not a reliable source of information due to any available data can not accurately provide these numbers, the appraiser does not include them.

If the subject is a unit in a condominium or cooperative project, complete the following: Project Name: N/A

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	N/A	N/A	N/A	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0	0	0	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings	N/A	N/A	N/A	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)	N/A	N/A	N/A	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

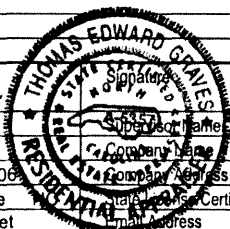
Are foreclosures sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

N/A

Summarize the above trends and address the impact on the subject unit and project.

N/A

Signature *Thomas E Graves*



Appraiser Name Thomas Edward Graves

Company Name Valley River Appraisal

Company Address P.O. Box 235, Murphy, NC 28906

State License/Certification # A5357 State

Email Address valleyriverappraisal@verizon.net

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address _____

Navica MFS

Page 1 of 1

Market Conditions Addendum to the Appraisal Report

(Date: 8/2/2010)

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months
Total # of comparable Sales Available	7	5	2
Average Rate of Total Sales Available	0.1	0.02	0.01
Total # of comparable Active Listings	N/A	N/A	0
Months of Average Supply (Total Listings/Active Rate)	N/A	N/A	0.27

Median Sale & List Price, DOM, List/Sale Ratio	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months
Median Comparable Sale Price	\$325,000	\$150,000	\$185,000
Median Comparable Sales Days on Market	20%	26%	9%
Median Comparable List Price	N/A	\$94	\$180,000
Median Comparable Listing Days on Market	N/A	N/A	14%
Median Sale Price as % of List Price	91.5%	88.7%	102.0%

Valley River Appraisal
COMMENT ADDENDUM

File No. Schneider
 Case No. Case #: 6:07-cv-608-Ori-22DA

Borrower Dennis J. & Virginia B. Schneider						
Property Address 165 Knoll Top Road						
City Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client Shutts & Bowen LLP		Address				

Scope of Work:

For the sole purpose of providing the lender/client with an accurate, and adequately supported, opinion and/or estimate of the market value of the subject real property that is the subject of this report based on a quantitative sales comparison analysis for use in the mortgage finance transaction for purchase.

Intended use & user:

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

General Comments:

Local building authority/tax assessor does not use block #s in their legal description.

No Zoning area are typical in this market and they do not adversely effect marketability.

The appraised value does not include or give value to any personal property.

Wells and Septic systems are typical in this market and they do not adversely effect marketability

Subject is accessed by private street/road(Asphalt) which is common to this area, and is supported by comparable properties exhibiting the same characteristics, and has no negative impact on subject marketability. Existence of the private street/road is not a detriment to marketability, accessibility or value of the property. Private street/road is being maintained in a manner that generally meets community standards and has no negative impact on subject marketability. Private street/road area are typical in this market and they do not adversely effect marketability.

This report is for an effective date of 07/26/2010 Subject property is appraised in its present condition as of the date of this appraisal. No speculation is given for future market value. Standard limiting conditions apply based on the assumption that all mechanical, electrical, and plumbing systems are functional.

The appraiser has made every attempt to locate sales similar to the subject in terms of location, site/view, design/appeal, quality of construction, age, and condition, as well as gross living area, room count, and other areas of comparison. When differences in these area are noted, necessary adjustments have been made for differences between the subject and these sales based on the market reaction to differences for these items. the sales used are the best, most similar, most proximate, recent comparable sales available, and unless otherwise noted in the report no adverse factors are noted related to the use of these sales.

If the sales vary from the subject in terms of age, design, or have gross living area variances over 20%, unless otherwise noted on the report, this is not an adverse factor and all sales are comparable in terms of overall marketability, with the appropriate adjustments noted where warranted. In all cases the appraiser has attempted to use the best, most similar sales for comparison with the subject.

Primary emphasis was placed on the most relevant comparable in the opinion of the appraiser with respect to gross/net adjustments, time, distance, and overall similarity of the comparable sales. The above comparable sales represent the best available sales in the subject area

Unless otherwise noted on the report, if the final value is above or below the predominant value by more than 20%, this is not an adverse factor and does not impact the subject's marketability and/or value.

The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Due to the difficult of accurately measuring(Angle), upper level sketch is not guaranteed and is only approximate dimensions.

Tax records have been searched. A thorough deed search and opinion based on such research is beyond the scope of the appraiser's expertise and has not been completed. If the client, through the use of a qualified abstractor or attorney, discovers information contrary to the tax records then the report will be updated to include this new information.

Mountain Lakes/Jackson MIs Data and County records was utilized to provide the sales used in this report. In the appraiser personal opinion the sales utilized were the best available sales and most recent sales at the time of inspection.

Valley River Appraisal
COMMENT ADDENDUMFile No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

Borrower Dennis J. & Virginia B. Schneider

Property Address 165 Knoll Top Road

City Robbinsville County Graham State NC Zip Code 28771

Lender/Client Shutts & Bowen LLP Address

Comment on Adjustments:

(1) It is typical in this market area to have sale comparable with the differences between the low and high comparable prices and the adjusted sales prices were necessary due to these sales being the only available comparable sales of valid similarity in this limited market.

(2) Date of sale/time is a important factor of the valuation process and will reflect adjustments when it has an impact on market value.

Comment on comparable sales in excess of six months:

The appraiser has made every reasonable effort/attempt to locate sales similar to the subject in terms of location[similar neighborhoods with similar conditions, influences and amenities], site size, view, design/appeal, age, condition, gross living area, room count, basement area[Crawl Space] and other areas of comparison; there are other homes in the subject value range in the subject market area, however, none had sold recently in order for consideration in this appraisal. In order to complete the analysis it was necessary and common in this market area to utilize sales data which closed more than six months prior to the effective date noted on the report. One or more of the comparable sales utilized data which closed more than six months prior to the effective date noted on the report. Unless otherwise noted on the report this is not an adverse factor and the sales used were the most recent similar sales available. Valuating real estate, as always, depends on supply and demand and real estate market has slowed in the area, which has affected the number of listing of the subject market area. All comparable sales used are located in similar neighborhoods with similar conditions, influences physical differences and amenities. All sales were/will derived from within subject market settings and they would all appeal to, and compete well for the same purchaser as the subject and the most similar properties were chosen to derive a comparative market value. Comparable sales number two(2) and number three(3) data of sale, closed more than six months prior to the effective date noted on the report. No time adjustment was deemed necessary due to similar market conditions at the time the comparable sales sold. Their use is unavoidable due to a lack of acceptable comparable sales. Market stability renders this practice accurate, acceptable and unavoidable.

(3) Comment on comparable sales in excess of one mile:

In order to complete the analysis it was necessary and common in this market area to utilize sales greater than 7.43 miles+/- from the subject property. The appraiser has made every reasonable effort/attempt to locate sales similar to the subject in terms of location, site size, design/appeal, age, as well as gross living area, room count, and other areas of comparison; however, no other comparable sales are available in this market area that have sold within pass twelve months. There are other homes in the subject value range in the subject market area, however, none had sold recently in order for consideration in this appraisal. Valuating real estate depends on supply and demand and real estate sales have slowed, which has affected the number of sales in the subject market area. Appraiser has expanded the search parameters as necessary to use the best, most similar sales for comparison. One or more of the comparable sales utilized exceed preferred distance guidelines outside of the immediate area. Their use is unavoidable due to a lack of acceptable comparable sales. Market stability renders this practice accurate, acceptable and unavoidable. All comparable sales used are located in similar neighborhoods with similar conditions, influences physical differences and amenities. All sales were/will derived from within subject market settings and they would all appeal to, and compete well for the same purchaser as the subject and the most similar properties were chosen to derive a comparative market value. Unless otherwise noted on the report this is not an adverse factor and the sales used were the most proximity/recent similar sales available.

(4) Location is a important factor of the valuation process and will reflect adjustments when it has an impact on market value. The subject and comparable sales neighborhood area is located in a rural/suburban/remote portion of the county. The land use in the subject and comparable sales area includes single family, vacant land, good/excellent view and water frontage influence property and national forest. There is no significant market reaction of subject location vs comparable sales location, therefore an adjustment is/was not warranted.

If any of the sales presented appear to be across major highways, railroads tracks, or other natural or man-made boundaries, unless otherwise noted on the report, this is not an indication of any adverse factors.

(5) View is a important factor of the valuation process and will reflect adjustments when it has an impact on market value. There is significant market reaction of subject view vs comparable sale number one(1) view, therefore an adjustment is/was warranted. There is no significant market reaction of subject view vs comparable sales number two(2) and three(3) and active listing view, therefore an adjustment is/was not warranted.

Valley River Appraisal
COMMENT ADDENDUMFile No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

Borrower Dennis J. & Virginia B. Schneider

Property Address 165 Knoll Top Road

City Robbinsville County Graham State NC Zip Code 28771

Lender/Client Shutts & Bowen LLP Address

Comment on Adjustments Continue:

(6) Site is a important factor of the valuation process and will reflect adjustments when it has an impact on market value. It is common in this area for the of the site to being 1.52 acre+/- . This is not considered an adverse factor, and is typical for the area. The average site of property in Graham County will vary greatly. It is common in this area for the value of the site to exceeds 9% of the total property market value ratio. This is not considered an adverse factor, and is typical for the area. Typical no adjustments are made for differences that are 1/2 acre or less. A contribute value of \$10,000 per acre adjustment was warranted to reflect market difference.

(7) Design(Style) There is no significant market reaction of 1.0 story vs 1.5 story homes, local market does not recognize a difference in value, therefore an adjustment is/was not warranted.

(8) Quality of construction was not intended to reflect the exterior building materials, but the overall construction of the dwelling.

(9) Actual age and effective age may be different depending on how the property has been maintained. Adjustment of \$1,000 was warranted to reflect market difference.

(10) Condition is a important factor of the valuation process and will reflect adjustments when it has an impact on market value. There is no significant market reaction of condition subject vs comparables utilize therefore an adjustment is not warranted.

(11) In some cases it may be necessary to utilize sales having more or less than one bedroom than the subject property. If this is noted, unless otherwise indicated on the report, this is not an adverse factor, and the sales used are the best, most similar available as of the effective date of the report. Typically no adjustment is made for any difference in the number of bed rooms within one bed room count. There is no significant market reaction to bed room with more or less than one bedroom therefore an adjustment is not warranted.

(12) In some cases it may be necessary to utilize sales having more or less than one bathroom than the subject property. If this is noted, unless otherwise indicated on the report, this is not an adverse factor, and the sales used are the best, most similar available as of the effective date of the report. Typically an adjustment is made for any difference in the number of finished bath rooms of the subject property and comparable sales to reflect bath facilities/fixture/plumbing. Adjustment of \$3,000 per full bath room and \$2,000 per half bath room was warranted to reflect market difference.

(13) It is common in this area for the gross footage of the subject vs comparable to be greater than 10% of the total gross footage. Unless otherwise noted on the report this is not an indication of any adverse factor. Gross living area is typically adjusted for when the difference is over fifty square feet. The appraiser is aware of the client's requirement to bracket the gross living area of the comparable sales presented, however this is not possible in all cases, and if the gross living area does not fall within this range, note that sales to bracket this gross living area were unavailable. Unless otherwise noted on the report this is not an indication of any adverse factors, and the sales used are considered the best, most similar, most recent proximate sales available. And all sales are comparable in terms of overall marketability.

(14) It is common in this area for the basement area gross footage of the subject vs comparable basement area gross footage to be greater than 10% of the total gross footage. Unless otherwise noted on the report this is not an indication of any adverse factor.

(15) Typically an adjustment is made for any difference in the number of finished rooms below grade of the subject property and comparable sales to reflect market difference. Adjustment of \$1,000 per bed room and \$3,000 per full bath room and \$2,000 per half bath room was warranted to reflect market difference.

(16) Typically an adjustment is made for difference in heating/cooling to reflect market difference. There is no significant market reaction of hp/central vs fwa/central therefore an adjustment is not warranted. There is significant market reaction of hp/central vs fwa/none therefore an adjustment is not warranted.

(17) Typically an adjustment is made for difference in garage-atl/del/carport/bsmt to reflect market difference. Adjustment was warranted to reflect market difference.

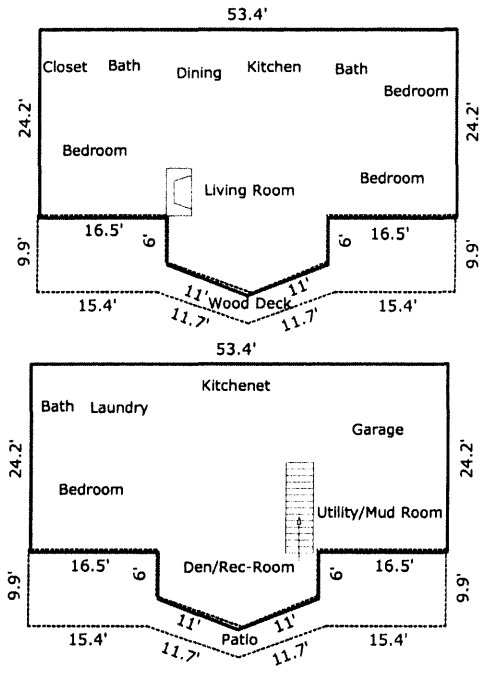
(18) Typically an adjustment is made for difference in porches/decks/patios to reflect market difference. Adjustment of \$2,000 per porch and \$1,000 per deck/patio was warranted to reflect market difference.

(19) Typically an adjustment is made for difference in fireplace/pre fab fireplace to reflect market difference. Adjustment was warranted to reflect market difference.

Valley River Appraisal
SKETCH ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

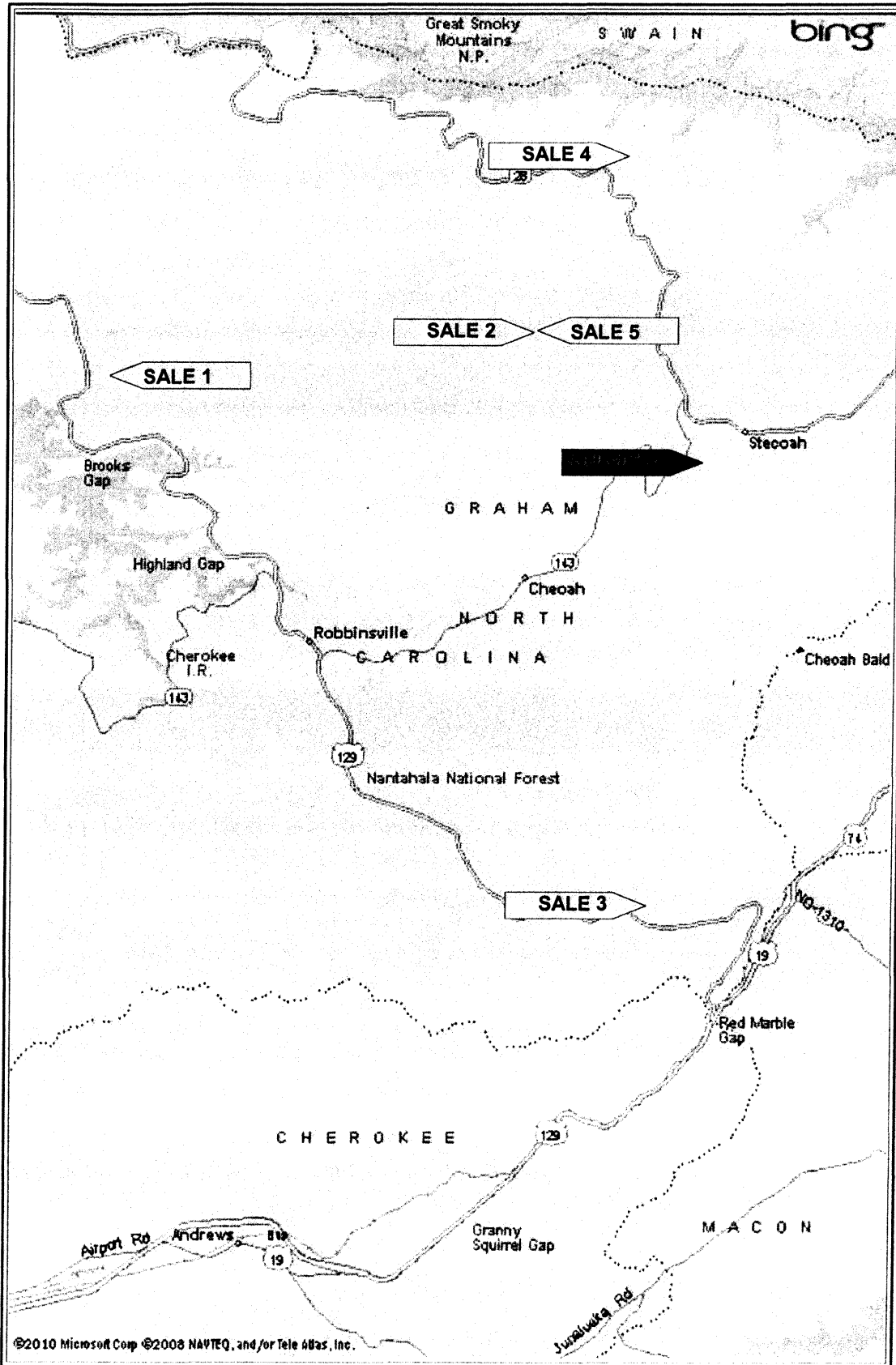
Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address _____



Sketch by Apex Medina™
Comments:

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN			
Code	Description	Net Size	Net Totals	Breakdown			Subtotals
GLA1	First Floor	1455.5	1455.5	First Floor			
BSMT	Basement	1455.5	1455.5	0.5 x	4.0 x	10.2	20.4
P/P	Porch	411.0			6.0 x	20.4	122.4
		411.0		0.5 x	10.2 x	4.0	20.4
			822.1		53.4 x	24.2	1292.3
	Net LIVABLE Area	(rounded)	1455	4 Items	(rounded)		1455

Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP		Address				



Valley River Appraiser
SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

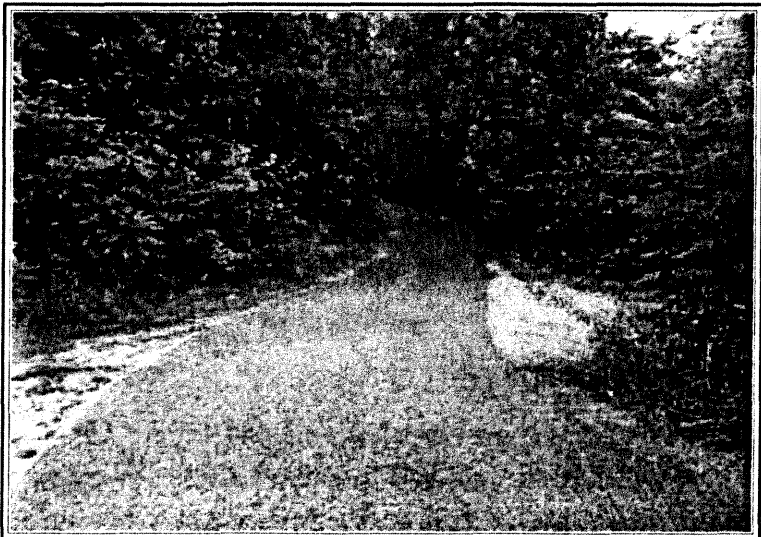
Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP		Address				



**FRONT OF
SUBJECT PROPERTY**
165 Knoll Top Road
Robbinsville, NC 28771



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

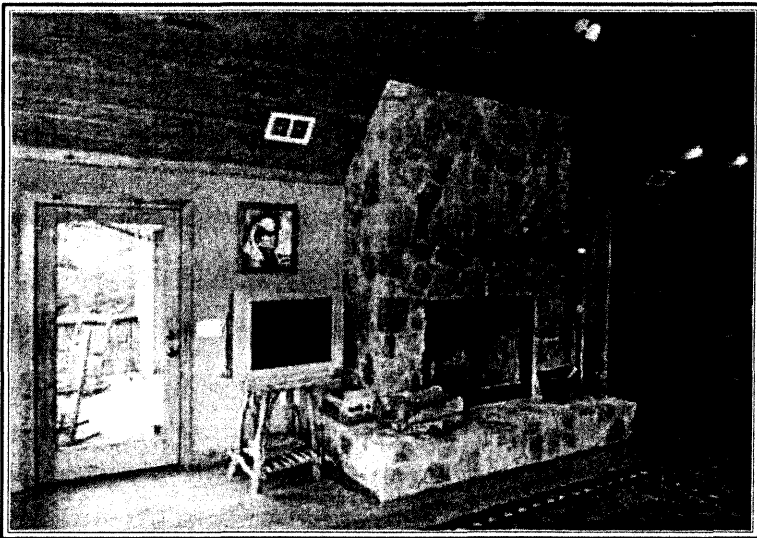
SUBJECT PHOTO ADDENDUM

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Case No. Case #: 6:07-cv-608-Orl-22DA

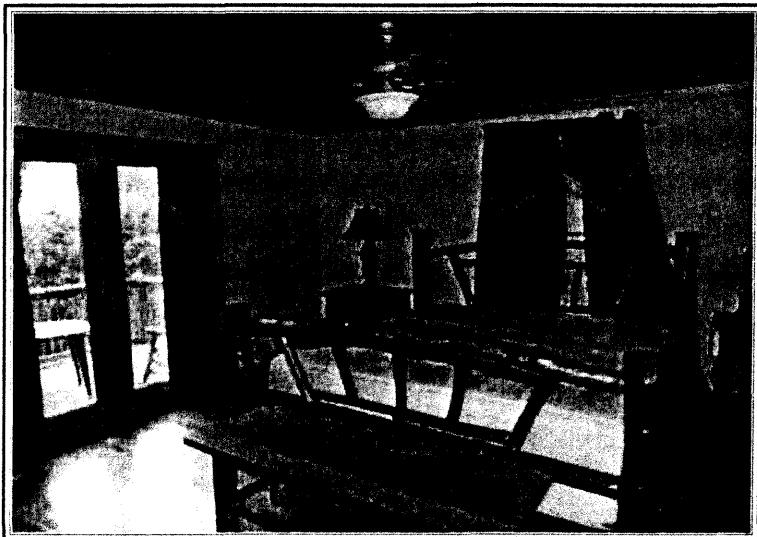
Borrower <u>Dennis J. & Virginia B. Schneider</u>						
Property Address <u>165 Knoll Top Road</u>						
City <u>Robbinsville</u>	County <u></u>	Graham	State <u>NC</u>	Zip Code <u>28771</u>		
Lender/Client <u>Shutts & Bowen LLP</u>	Address <u></u>					



Kitchen[Main Level]



Living Room[Main Level]

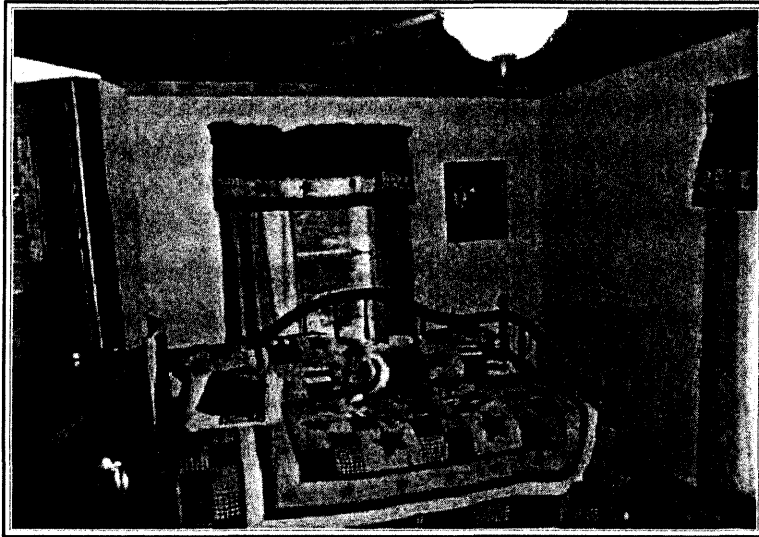


Master Bed Room[Main Level]

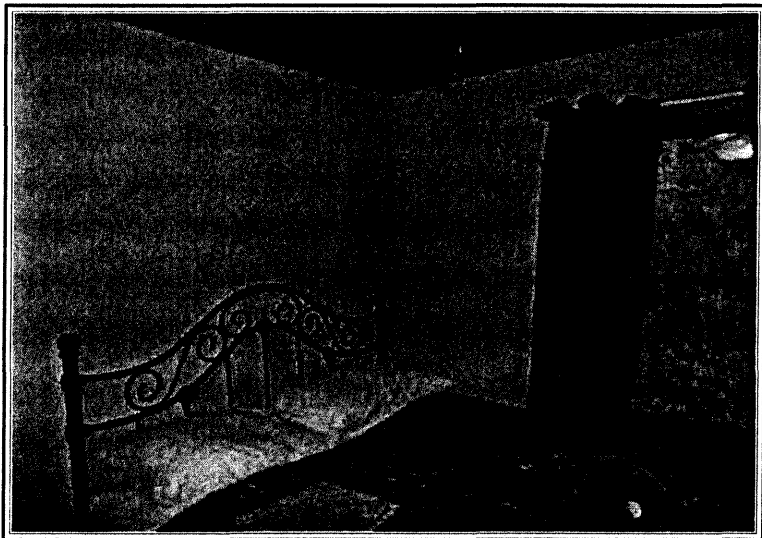
Valley River Appraisal
SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

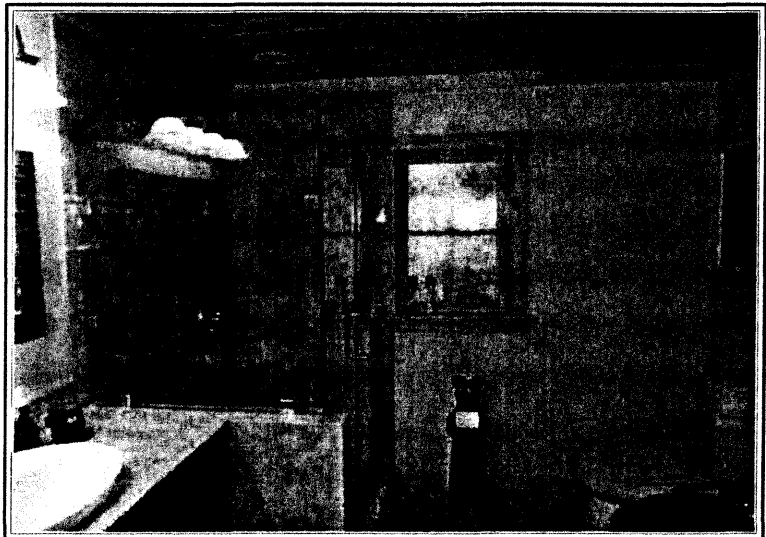
Borrower <u>Dennis J. & Virginia B. Schneider</u>						
Property Address <u>165 Knoll Top Road</u>						
City	<u>Robbinsville</u>	County	<u>Graham</u>	State	<u>NC</u>	Zip Code <u>28771</u>
Lender/Client	<u>Shutts & Bowen LLP</u>		Address			



Bed Room[Main Level]



Bed Room[Main Level]



Master Bath Room[Main Level]

Valley River Appraiser
SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

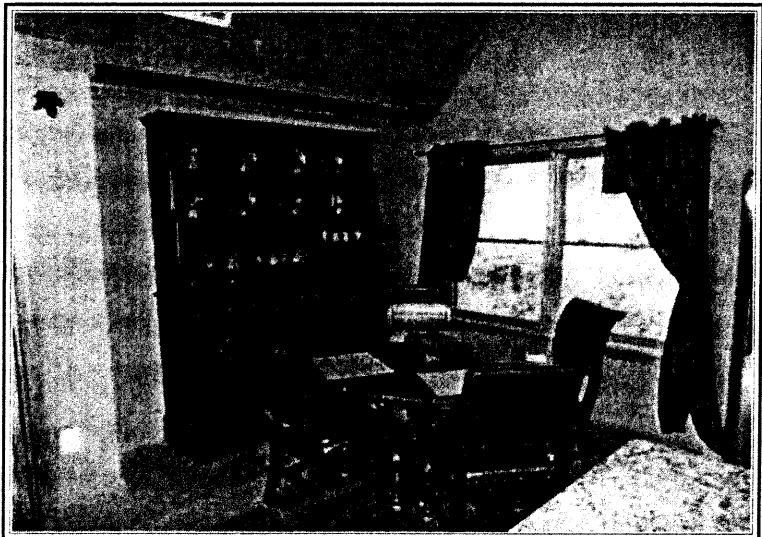
Borrower: Dennis J. & Virginia B. Schneider						
Property Address: 165 Knoll Top Road						
City: Robbinsville	County:	Graham	State:	NC	Zip Code:	28771
Lender/Client: Shutts & Bowen LLP	Address:					



Bath Room[Main Level]



Living Room Area[Main Level]



Dinning Area[Main Level]

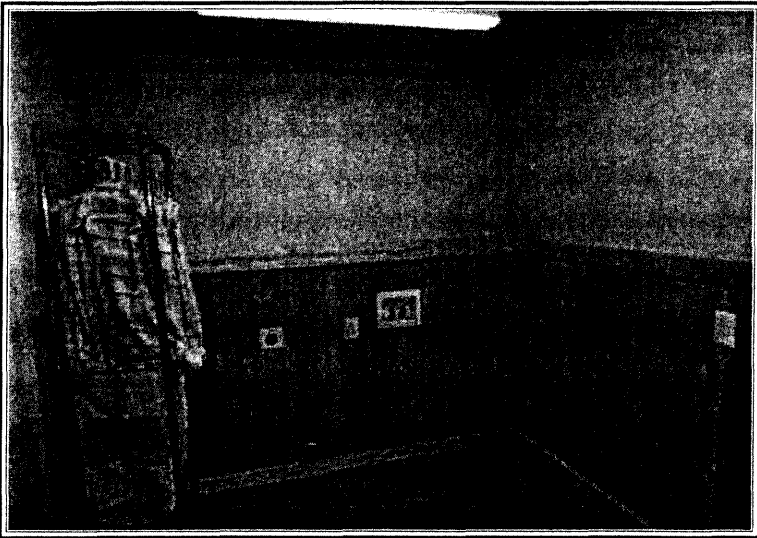
Valley River Appraisal
SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

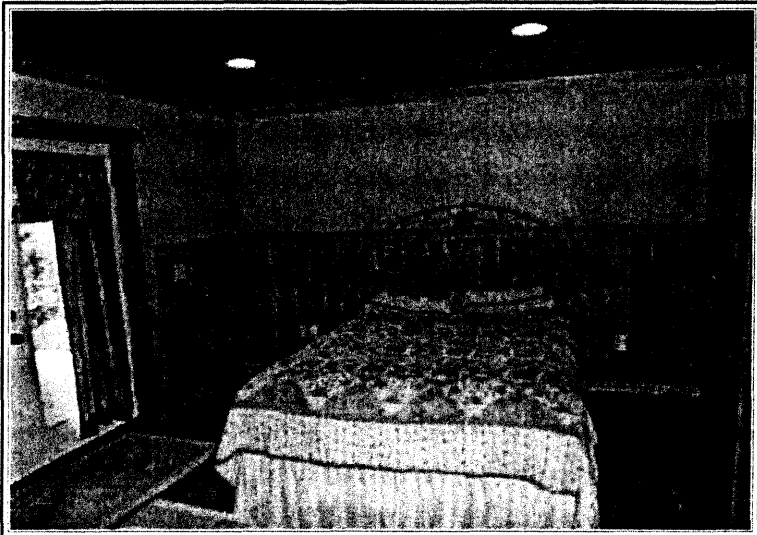
Borrower: Dennis J. & Virginia B. Schneider
Property Address: 165 Knoll Top Road
City: Robbinsville County: Graham State: NC Zip Code: 28771
Lender/Client: Shutts & Bowen LLP Address:



Den/Rec-Room Area[Basement Area]



Laundry Room[Basement Area]

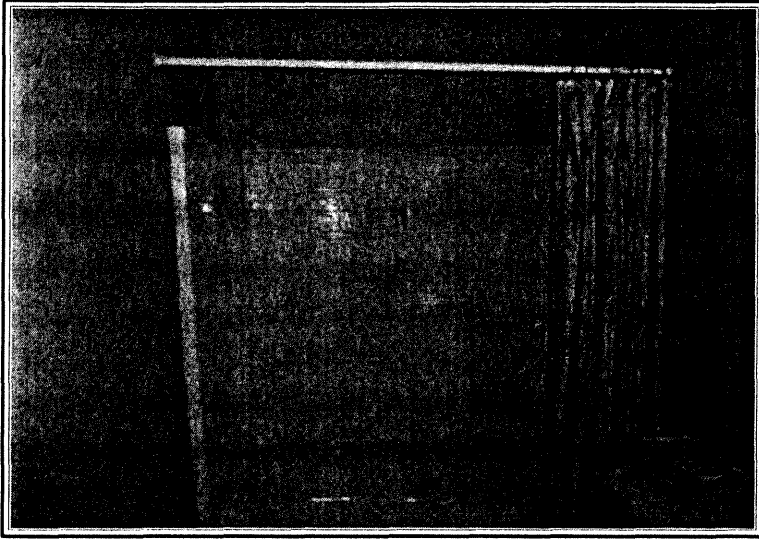


Bed Room[Basement]

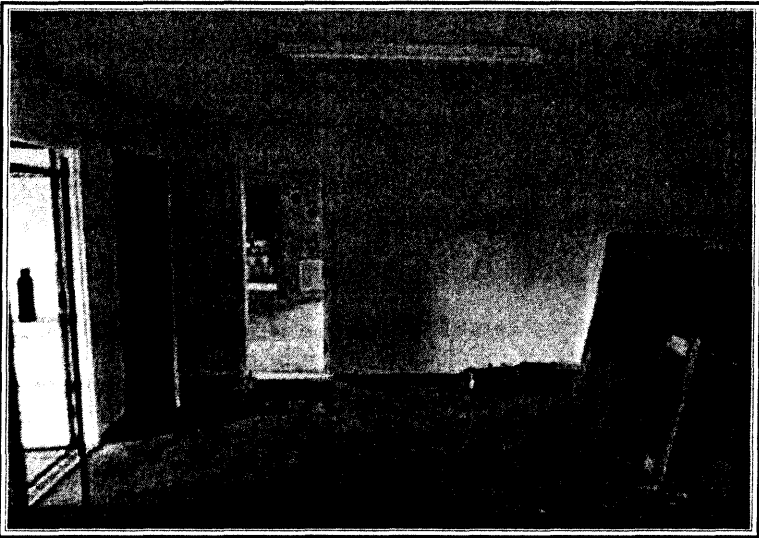
SUBJECT PHOTO ADDENDUM

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Case No. Case #: 6:07-cv-608-Orl-22DA

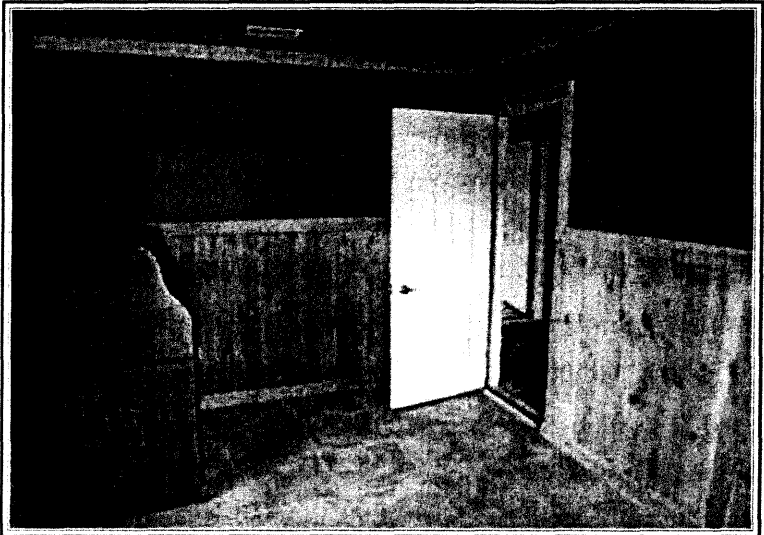
Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP		Address				



Bath Room[Basement Area]



Garage Basement Area



Mud Room[Basement Area]

SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP		Address				



Addition Front View



Addition Front View



Addition Front View

Valley River Appraisal

SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

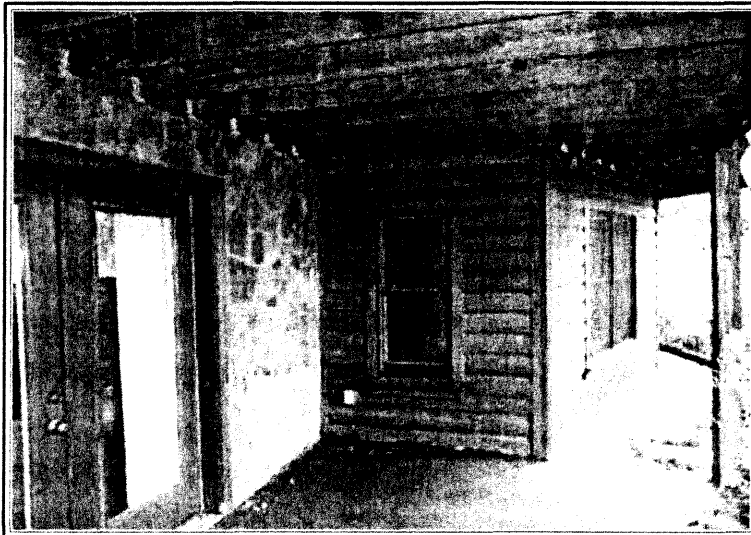
Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP		Address				



Left Front Exterior Door
Weather



Right Front Exterior Door
Weather

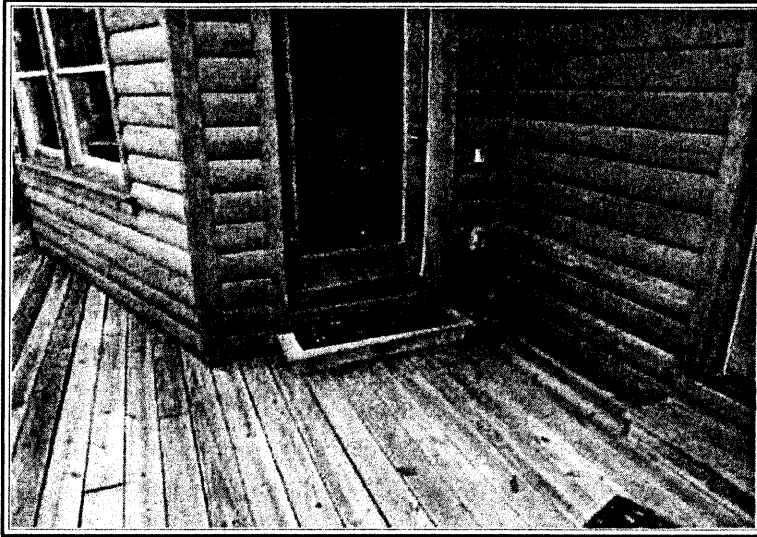


Basement Left Side Front View

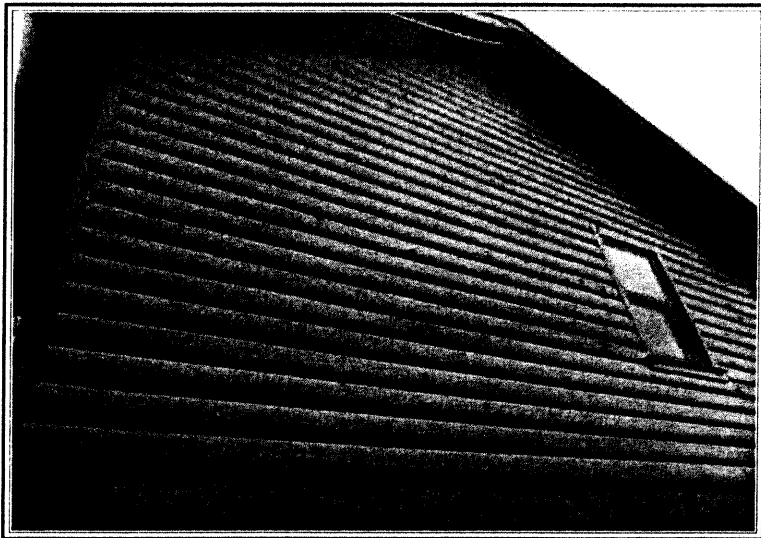
Valley River Appraisal
SUBJECT PHOTO ADDENDUM

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

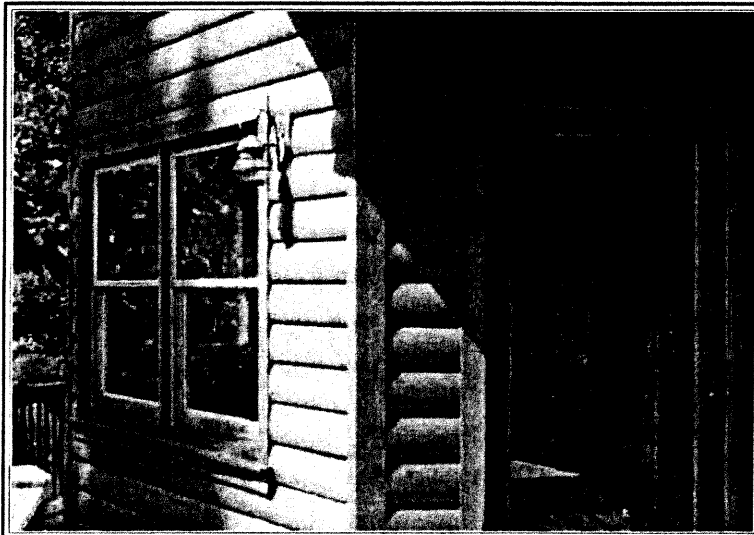
Borrower Dennis J. & Virginia B. Schneider						
Property Address 165 Knoll Top Road						
City Robbinsville	County Graham	State NC	Zip Code 28771			
Lender/Client Shutts & Bowen LLP	Address					



Basement Right Side Front View



Addition Rear View



Front Right Side View

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP		Address				



Drive Way



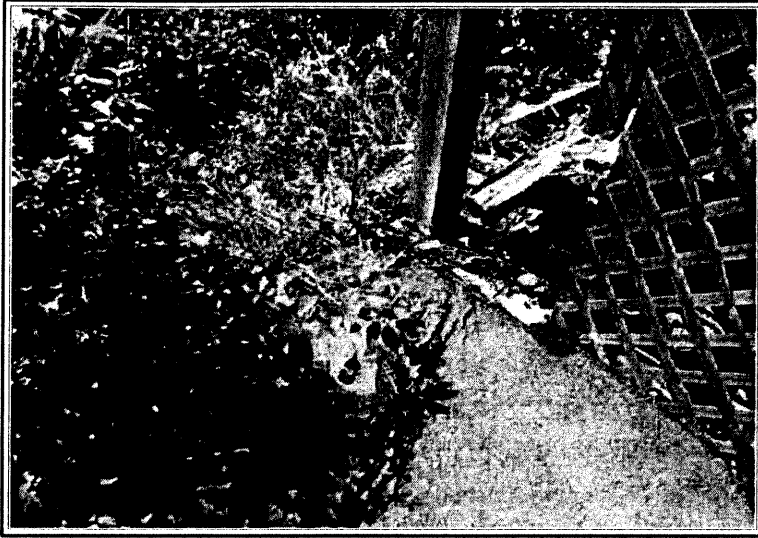
Asphalt



Well

File No. Schneider
Case No. Case #: 6:07-cv-608-Orl-22DA

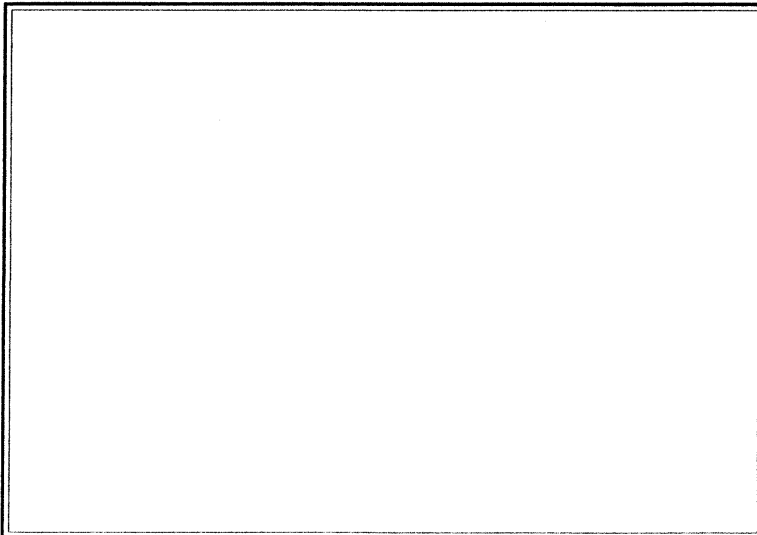
Borrower Dennis J. & Virginia B. Schneider
Property Address 165 Knoll Top Road
City Robbinsville County Graham State NC Zip Code 28771
Lender/Client Shutts & Bowen LLP Address _____



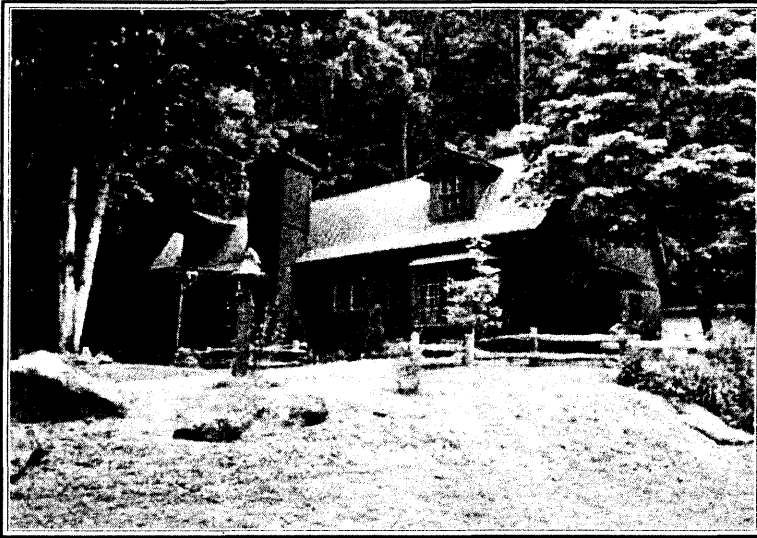
Additob Photo



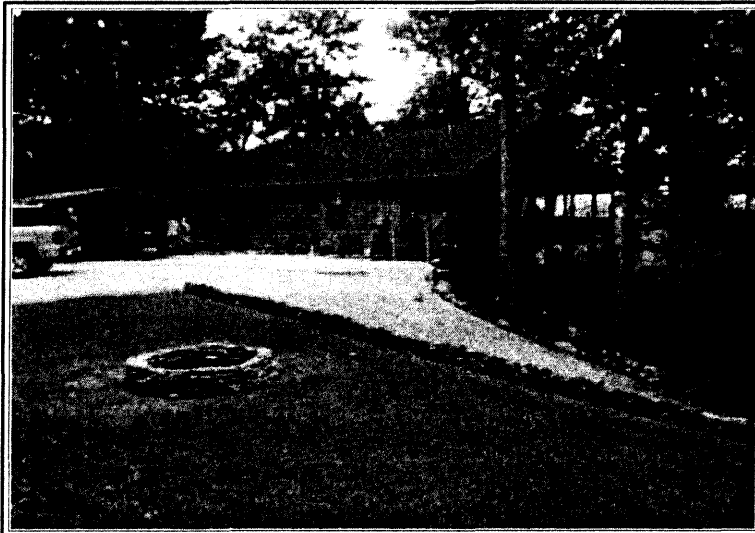
Addition Left Side View



Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP			Address			



COMPARABLE SALE # 1
809 Gladdens Creek Road
Robbinsville, NC 28771

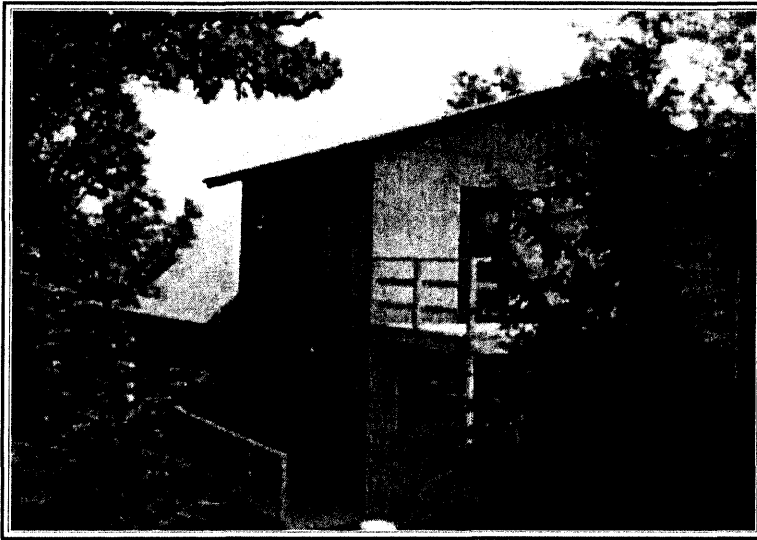


COMPARABLE SALE # 2
1215 Sam Cove Road
Robbinsville, NC 28771

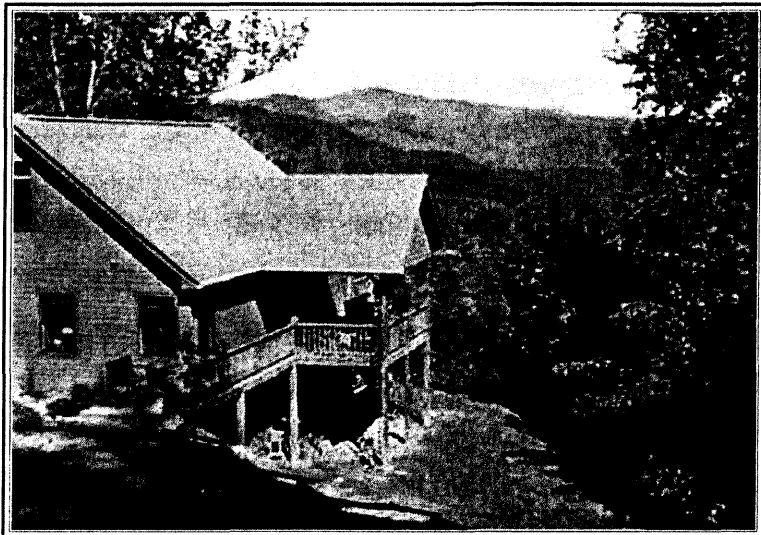


COMPARABLE SALE # 3
175 Deer Run
Robbinsville, NC 28771

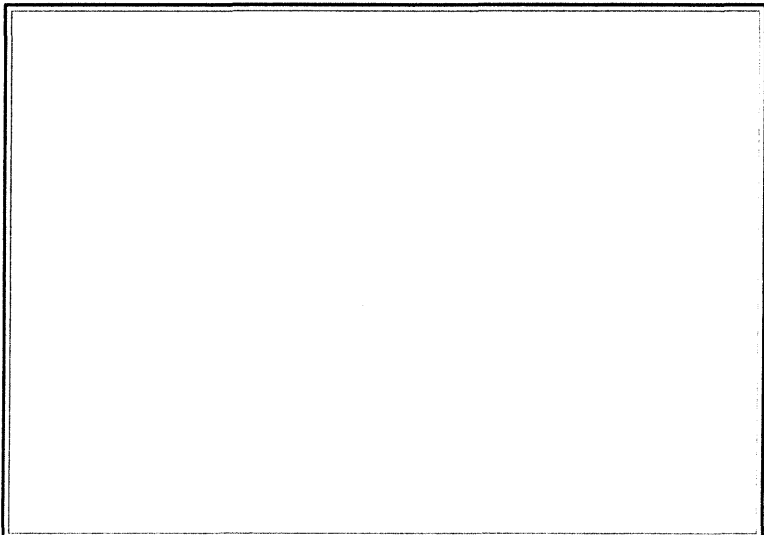
Borrower	Dennis J. & Virginia B. Schneider						
Property Address	165 Knoll Top Road						
City	Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client	Shutts & Bowen LLP			Address			



COMPARABLE SALE # 4
393 Eagles Nest Circle
Fontana Dam, NC 28733



COMPARABLE SALE # 5
1035 Sam Cove Road
Robbinsville, NC 28771



COMPARABLE SALE # 6

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address _____

NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
Expires June 30, 2011

REGISTRATION / LICENSE / CERTIFICATE HOLDER

THOMAS EDWARD GRAVES

A5357 APPRAISER NUMBER	C TYPE	Y NATIONAL REGISTRY
----------------------------------	------------------	-------------------------------

APPRAISER'S SIGNATURE

EXECUTIVE DIRECTOR

Borrower Dennis J. & Virginia B. Schneider
Property Address 165 Knoll Top Road
City Robbinsville County Graham State NC Zip Code 28771
Lender/Client Shutts & Bowen LLP Address

(Page 1 of 4)

NO. OF THIS
DATE 05 10 07
Jeresa Crisp
Graham County Tax Collector

Doc ID: 0028485004 Type: CAP
Recorded: 05/10/2007 at 01:36:00 PM
Fee Amt: Page 1 of 4
Graham County, North Carolina
Carolyn Stewart Register of Deeds
BK 281 pd 179-182

Issued May 10 2007
\$500.00
State of Graham
North Carolina County
Real Estate Excise Tax

QUITCLAIM DEED

Mail after recording to: Michael W. Hennigan
1847 Florida Ave.
Panama City, FL 32405

6602 0000804083

This instrument prepared by: Michael W. Hennigan
1847 Florida Ave
Panama City, FL 32405

Brief description for the index: Lot B-3, Stecoah View

THIS QUITCLAIM DEED made this the 19 day of April, in the year 2007
by and between

GRANTOR

Trophy Group, Inc.,
a Florida corporation
1368 Turnbull Bay Road
New Smyrna Beach, FL 32168

GRANTEE

MWH Investments, L.L.C.,
a Florida limited liability
company
1847 Florida Ave.
Panama City, FL 32405

The designation Grantor and Grantee as used herein shall include said parties, their successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as may be required by context.

WITNESSETH, that said Grantor, for and in consideration of the sum of ten dollars (\$10.00) and other consideration to it in hand paid, the receipt of which is hereby acknowledged, has remised and released and by these presents does remise, release, and forever quitclaim into the Grantee and its successors and assigns all right, title, claim, and interest of the said Grantor in and to a certain tract

H:\Projects\Howers\10711\howersquitclaimdeed.pdf

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address

NAVIGALIS

Page 1 of 1

MLS #: R105600P (Pending) List Price: \$159,000 165 Knoll Top Road ROBBINSVILLE, NC 28771



TYPE/STYLE: Single Family
 # STORIES: 2 Story
 # ROOMS: 4
 BEDROOMS: 3
 FULL BATHS: 2
 HALF BATHS: 0
 YEAR BUILT: 0
 APX SQFT: 0

LOT #:
 AREA:
 SUBDIVISION: N/A
 COUNTY: GRAHAM
 SCHOOLS:
 ZONING:
 TAX YEAR:
 ASSOCIATION DUES:
 ACCESS:
 FENCE:
 GARAGE/CARPORT:
 FIREPLACE/WOODSTOVE:
 APPLIANCES:

LAKE NAME: Lake Santafe/ab
 DEED BOOK/PAGE: 163/389
 TAX AMOUNT \$:
 LOCATION/FRONTAGE: Excellent View, Wooded Lot

Living: Dining Room, Family Room, Bedroom 1, Bedroom 3
 Kitchen: Master Bedroom, Bedroom 2, Other Room

BATHS BSMT: HALF BATHS BSMT
 BATHS LOWER: HALF BATHS LOWER
 BATHS MAIN: HALF BATHS MAIN
 BATHS UPPER: HALF BATHS UPPER

ROOMS: Living Room, Dining Room, Formal Dining Room, Great Room, Kitchen
 INTERIOR FEATURES: Vaulted Ceiling, Washer/Dryer Connection, Insulation, Ceiling Fan(s), Single Detention, Hardwood
 SITE FEATURES: Other Site Remarks
 CONSTRUCTION: Frame, Cedar
 FOUNDATION/BASEMENT: Walk Out
 HEATING SYSTEM: Electric Heat Pump
 AIR CONDITIONING: Central Electric Heat Pump
 WATER/SEWER: Private Well, Septic Tank
 WATER HEATER: Electric
 ATTIC/ROOF: Access Only
 FLOORING: Tile, Hardwood
 FENCE:
 GARAGE/CARPORT: Garage, Single Attached
 FIREPLACE/WOODSTOVE: Masonry
 APPLIANCES: Dishwasher, Range, Refrigerator
 PUBLIC REMARKS: Must Sell! Custom two story rustic home with the most breathtaking long-range views of the Smoky Mountains. Update drage & interior with vaulted ceilings & large windows. Hardwood floors & tile throughout this BRB BRB home. Stone fireplace in GR. Granite countertops in Kitchen. Attached garage, paved drive, & private well. Great Price!

DIRECTIONS: West on Sweetwater RD/US 441, Turn right on Knoll Top Road
 PRIVATE REMARKS: Another Requester! This is an arbiter cable price. Must Sell! This is a long range view, private well, & stone fireplace. Call for more information.

SELLER'S NAME: M. Clark, Realtor
 BROKERAGE:
 OWNERS/NAVE: No
 OCCUPANCY: Vacant
 LIMITED SERVICE LISTING: No
 LOCKBOX: No
 FORCLSR: No
 POSSESSION: After Closing Funding
 SHOWING INSTRUCTIONS: Call LO Agent/owner
 EXCL AGY: Yes
 SUB AGY: No
 PROP FIN:

INTERNET: Yes
 DSPLYADDR: Yes
 ALLOWAVM: No
 ALLOWCMMS: No
 DOM: 600
 OFFICE NAME: L & L SOUTH PLAND REALTY # 111
 MAIN: (828) 470-1941
 FAX: 0
 LISTING AGENT: Maxine Williams, Broker # 1
 CONTACT #: (828) 470-1941
 AGENT EMAIL:
 LICENSE NUMBER: 10100

Information Hereby Deemed Reliable but Not Guaranteed

http://www.navicands.net/509/Search/Results.asp?action=expanded&search_criteria&display=1

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address _____

105600 (165 Knoll Top Road)

Date/Eastern Time	Changed By	Change
2/25/2009 10:50:00 AM	Maxine Williams-Bahr (Broker)	New Listing (\$249,000)
2/25/2009 11:03:00 AM	NavicaMLS	Photo for Main View Processed
4/14/2009 10:47:00 AM	Maxine Williams-Bahr (Broker)	Expire Date Modified
4/22/2009 3:09:00 PM	Maxine Williams-Bahr (Broker)	Main view Deleted
4/22/2009 3:20:00 PM	NavicaMLS	Photo for Main View Processed
10/7/2009 4:39:00 PM	Maxine Williams-Bahr (Broker)	Expire Date Modified
10/8/2009 4:45:00 PM	Maxine Williams-Bahr (Broker)	Expire Date Modified
10/13/2009 12:43:00 PM	Maxine Williams-Bahr (Broker)	Misc Change
1/7/2010 2:48:00 PM	Maxine Williams-Bahr (Broker)	Expire Date Modified
1/11/2010 1:52:00 PM	Maxine Williams-Bahr (Broker)	Price Change (\$249,000 to \$229,000)
4/21/2010 3:05:00 PM	Maxine Williams-Bahr (Broker)	Misc Change
4/21/2010 3:05:00 PM	Maxine Williams-Bahr (Broker)	Price Change (\$229,000 to \$219,000)
4/28/2010 11:12:00 AM	Maxine Williams-Bahr (Broker)	Misc Change
4/28/2010 11:12:00 AM	Maxine Williams-Bahr (Broker)	Price Change (\$219,000 to \$209,900)
6/7/2010 12:13:00 PM	Maxine Williams-Bahr (Broker)	Price Change (\$209,900 to \$209,000)
6/7/2010 12:14:00 PM	Maxine Williams-Bahr (Broker)	Price Change (\$209,000 to \$209,900)
6/23/2010 4:42:00 PM	Maxine Williams-Bahr (Broker)	Misc Change
6/23/2010 4:42:00 PM	Maxine Williams-Bahr (Broker)	Price Change (\$209,900 to \$159,000)
6/29/2010 11:52:00 AM	Maxine Williams-Bahr (Broker)	Misc Change
7/7/2010 1:02:00 PM	Maxine Williams-Bahr (Broker)	Pending

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address _____

Jul 05 10 07 51p SOUTHLAND REALTY From La 828-478-1223 p 1

OFFER TO PURCHASE AND CONTRACT
 [Consult "Guidelines" (form 2G) for guidance in completing this form]

Dennis J. Schneider and wife Virginia B. Schneider as Buyer
 hereby offers to purchase and Owner of record/Michael L. Gory, Receiver as Seller,
 upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all
 improvements located thereon and such fixtures and personal property as are listed below (collectively referred to as the "Property"),
 upon the terms and conditions set forth herein. This offer shall become a binding contract on the date that: (i) the last one of the
 Buyer and Seller has signed or initialed this offer or the final counteroffer, if any, and (ii) such signing or initialing is communicated
 to the party making the offer or counteroffer, as the case may be. Such date shall be referred to herein as the "Effective Date."

1. **REAL PROPERTY.** Located in Robbinsville, NC, Graham County County, State of North Carolina,
 and is known more particularly and described as:
 Address: Street 185 Knoll Top Road
 City: Robbinsville, NC Zip 28771

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown
 Legal Description: 3brdm/3ba 2 Story Home located on Lot B-3
 Subdivision Name: Stuccoah View Subdivision
 Plat Reference: Lot Lot B-3, Block or Section n/a as shown
 on Plat Book or Slide n/a at Page(s) n/a (Property acquired by Seller in Deed Book 00281 at Page 0179).

NOTE: Prior to signing this Offer to Purchase and Contract - Vacant Lot/Land, Buyer is advised to review Restrictive Covenants, if
 any, which may limit the use of the Property, and to read the Declaration of Restrictive Covenants, By-Laws, Articles of
 Incorporation, Rules and Regulations, and other governing documents of the owners' association and/or the subdivision, if applicable.
 If the Property is subject to regulation by an owners' association, it is recommended that Buyer obtain a copy of a completed Owners'
 Association Disclosure And Addendum (standard form 2A12-T) prior to signing this Offer to Purchase and Contract, and include it as
 an addendum hereto.

2. **FIXTURES:** The following items, if any, and if owned by the Seller, are included in the purchase price free of liens: any built-in
 appliances, light fixtures, ceiling fans, attached floor coverings, blinds, shades, drapery rods and curtain rods, brackets and all
 related hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers,
 burglar/fire/smoke alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric
 garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds,
 mailboxes, wall and/or door mirrors, attached propane gas tank, invisible fencing including all related equipment, lawn irrigation
 systems and all related equipment, water softener/conditioner and filter equipment, and any other items attached or affixed to the
 Property. EXCEPT any such items leased by the Seller and the following items: none

3. **PERSONAL PROPERTY:** The following personal property is included in the purchase price: See Attachment A

4. **PURCHASE PRICE:** The purchase price is \$ 140,000.00 and shall be paid in U.S.
 Dollars. Should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is
 drawn, Buyer shall have one (1) banking day after written notice to deliver good funds to the payee. In the event Buyer does not
 timely deliver good funds, the Seller shall have the right to terminate this contract upon written notice to the Buyer. The purchase
 price shall be paid as follows:

(a) \$ 2,000.00 EARNEST MONEY DEPOSIT with this offer by cash personal check bank check
 certified check other: _____ to be deposited and held in
 escrow by McKinney and Talant Trust Account ("Escrow Agent") until the sale is closed,
 at which time it will be credited to Buyer, or until this contract is otherwise terminated. In the event: (1) this offer is not accepted,
 or (2) any of the conditions hereto are not satisfied, then all earnest monies shall be refunded to Buyer. In the event of breach of
 this contract by Seller, all earnest monies shall be refunded to Buyer upon Buyer's request, but such return shall not affect any
 other remedies available to Buyer for such breach. In the event of breach of this contract by Buyer, then all earnest monies shall be
 forfeited to Seller upon Seller's request, but such forfeiture shall not affect any other remedies available to Seller for such breach.



This form jointly approved by:
 North Carolina Bar Association
 North Carolina Association of REALTORS®, Inc.

Page 1 of 8



STANDARD FORM 1-T
 Revised 7/2008
 © 7/2009

Buyer initials DS VB Seller initials EL

The law practiced by: **Formulator** • 800-486-9912

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address

Jul 05 10 02:55p SOUTHLAND REALTY From La 828-479-1223 p 8

21. **RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this contract by written notice delivered to Seller or Seller's agent and all deposits shall be refunded to Buyer. In the event Buyer does NOT elect to terminate this contract, Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

22. **ASSIGNMENTS:** This contract may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.

23. **TAX-DEFERRED EXCHANGE:** In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision. (NOTE: If Alternative 2 under paragraph 16 of this contract will apply, Seller should seek advice concerning the taxation of the Option Fee.)

24. **PARTIES:** This contract shall be binding upon and shall inure to the benefit of the parties, i.e., Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

25. **SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

26. **ENTIRE AGREEMENT:** This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

27. **NOTICE AND EXECUTION:** Any notice or communication to be given to a party herein may be given to the party or to such party's agent. Any written notice or communication in connection with the transaction contemplated by this contract may be given to a party or a party's agent by sending or transmitting it to any mailing address, e-mail address or fax number set forth in the "Notice Address" section below. Seller and Buyer agree that the "Notice Information" and "Escrow Acknowledgment" sections below shall not constitute a material part of this Offer to Purchase and Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer. This contract may be signed in multiple originals, all of which together constitute one and the same instrument, and the parties adopt the word "SEAL" beside their signatures below.

28. **COMPUTATION OF DAYS:** Unless otherwise provided, for purposes of this contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this contract was required to be performed or made.

Buyer has has not made an on-site personal examination of the Property prior to the making of this offer.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Date: July 3, 2010

Date: July 6, 2010

Buyer Dennis J. Schneider (SEAL)

Seller Michael C. Gore, as attorney for Receiver (SEAL)

Date: 7-3-2010

Date: Michael C. Gore

Buyer Virginia B. Schneider (SEAL)

Seller _____ (SEAL)

Page 7 of 8

STANDARD FORM 2-T
Revised 7/2008
© 7/2009

This form prepared by **Formulator**® 800-456-4612

Borrower Dennis J. & Virginia B. Schneider					
Property Address 165 Knoll Top Road					
City Robbinsville	County	Graham	State	NC	Zip Code 28771
Lender/Client Shutts & Bowen LLP			Address		

From: ALPHA ENVIRONMENTAL SCIENCES 8284527828 04/15/2009 09:32 4849 0.002.302

ALPHA

November 3, 2004

Mr. Greg Pisarcik
4424 Karls Gate Road
Marietta GA 30068

RE: Building Pad Evaluation, Stecoah, NC - AES Project # 4511 01 GT

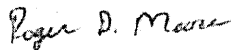
Dear Mr. Pisarcik:

On Friday, October 22, 2004, an Alpha Environmental Sciences, Inc. technician visited the above referenced project site. The technician performed seven hand augers with dynamic cone penetrometer testing. Based on the hand auger results, Alpha has determined that the design bearing capacity of the subgrade soils to be 2000 psf. Approximately eight feet of the site appears to be loose fill; therefore, the proposed building should be situated so that the foundation is outside of the fill area or foundation excavations should be carried back to natural undisturbed soils.

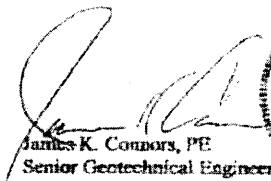
Should you have any questions or need additional information, do not hesitate to call me. We would be happy to assist you in the construction phase of the building phase. Attached is a brochure summarizing our available services.

Sincerely,

Alpha Environmental Sciences, Inc.



Roger D. Moore, PG
Professional Geologist/Division Manager



James K. Connors, PE
Senior Geotechnical Engineer



PROFESSIONAL ENVIRONMENTAL CONSULTING
Engineering Services Provided by Alpha Engineering Services, LLC

Corporate Office:	www.alphaenviron.com	Service Office:
367 Dellwood Rd., Building A, Post Office Box 31		20 Country Plaza, 1300 E. Wade Hampton Blvd
Waynesville, NC 28786 • (828) 452-3449 / Fax (828) 452-7828		Greer, SC 29651-6244 • (864) 877-6670 / Fax (864) 877-4633

Borrower Dennis J. & Virginia B. Schneider					
Property Address 165 Knoll Top Road					
City Robbinsville	County	Graham	State	NC	Zip Code 28771
Lender/Client Shutts & Bowen LLP			Address		



F&R did not perform a Geotechnical Engineering Study for this project. Our evaluation was performed using visual observations. This evaluation has not evaluated the deeper subsurface soils and rock in relation to foundation performance or future total and differential settlement or slope stability.

F&R appreciates the opportunity to be of service to you, and if you have any questions, please call.

Respectfully submitted,
Froehling and Robertson, Inc.

Carissa Mason
For Michael T. Wideman, E.I.
Branch Manager 5-21-09

William J. Davidson
William J. Davidson, P.E.
Engineering Manager

Shutts & Bowen, LLP
F&R Project No.: 208-0027

165 Knoll Top Road
May 21, 2009

Borrower Dennis J. & Virginia B. Schneider						
Property Address 165 Knoll Top Road						
City Robbinsville	County	Graham	State	NC	Zip Code	28771
Lender/Client Shutts & Bowen LLP			Address			



southeast corner of the house to approximately 82 feet to the east along the south driveway slope.

The cut slope at the back of the house is showing some signs of erosion (see photo #5) just above the cut slope is the development access road called Knoll Road. Knoll Road is showing signs of cracking and potential settlement at an area above the house driveway and approximately 75 feet in length (see photo #6). In addition, isolated areas along the entrance driveway showed signs of erosion (see photo's #7 and #8).

It is our opinion that the slope at the front of the house from the driveway area past the southwest corner of the house, and the section of Knoll Road showing signs of cracking, should be remediated in order to prevent slope failure. One method of remediation is a method called soil nailing which requires a specialized contractor who will drill and grout metal rods into the side of the slope in order to stabilize the slope and prevent slope failure. Listed below are two contacts for companies that perform soil nailing. Additional contractors could be provided upon request.

Wurster Engineering & Construction, Inc.
 Daryl Wurster, PE, President
 Mobile: 864-313-2334
 Office: 864-627-7751
www.wursterinc.com

Soil Nail Launcher Inc.
 Keith Bender
 Cell: 336-462-6242
 Office: 970-210-6170
www.soilnaillauncher.com

The cut slope at the back of the house and the erosion areas along the driveway, at a minimum, should be remediated by placing erosion control matting such as jute mat with grass seed or hydro-seeding with a mulch, seed, and fertilizer combination. We would recommend that the specialty contractor inspect these areas also to determine if additional measures should be taken.

Shutts & Bowen, LLP
 F&R Project No.: JDA (XQ2)

165 Knoll Top Road
 May 21, 2009

Borrower Dennis J. & Virginia B. Schneider					
Property Address 165 Knoll Top Road					
City	Robbinsville	County	Graham	State	NC
Zip Code	28771				
Lender/Client	Shutts & Bowen LLP		Address		



FROEHLING & ROBERTSON, INC.

Engineering • Environmental • Geotechnical
503 Sweeten Creek Industrial Park Asheville, North Carolina 28803-1530 USA
T 828.274.0742 F 828.274.8917

May 21, 2009

Shutts & Bowen, LLP
Mr. Michael Gore
P. O. Box 4956
Orlando, Florida 32802

Re: **Site Observations and Recommendations**
165 Knoll Top Road
Graham County, North Carolina
F&R File No.: 70L-0027

Dear Mr. Gore:

Froehling and Robertson, Inc. (F&R) is pleased to present our observations and recommendations for the site visit performed at the referenced project on May 19, 2009.

During this date a member of our engineering staff visited the referenced project to observe and document site conditions.

The residential 2-story wood framed home has a footprint area of approximately 1,768 square feet (34 feet by 52 feet) with a Map-Block-Lot number of 6602.00-00-5040B3 according to the provided Deed records. The home was constructed approximately 5 years ago. Construction plans for the building and inspection documentation were not available during this investigation.

The house was visually inspected on the inside and outside to identify signs of settlement or structural damage. There were no visible signs of settlement or structural damage inside the house. Our inspection was confined to accessible portions of the house only. At the front of the house at the southwest corner there are signs of movement at the exterior concrete slab. In photos #1 and #2, it appears that the slab is bearing on fill material and is moving away from the outside wall of the house and there is some noted cracking in the northeast corner of the slab. The slope at the front southwest corner of the slab is near vertical and the slope appears to be eroding and in the process of undermining the concrete slab (see photo #3).

On the east side where the driveway meets the house, there were noticeable signs of settlement in the driveway asphalt pavement with asphalt cracking (see photo #4) from the

INC: 3015 DUMBARTON ROAD RICHMOND, VA 23228 USA T 804.264.2701 F 804.264.1292 www.fandrr.com

VIRGINIA • NORTH CAROLINA • SOUTH CAROLINA • MARYLAND • DISTRICT OF COLUMBIA • EASTERN EUROPE

Borrower Dennis J. & Virginia B. Schneider					
Property Address 165 Knoll Top Road					
City Robbinsville	County	Graham	State	NC	Zip Code 28771
Lender/Client Shutts & Bowen LLP			Address		

From: ALPHA ENVIRONMENTAL SCIENCE 8284527828 04/15/2009 08:52 8683 P.002/002



November 3, 2004

Mr. Greg Pisarcik
4424 Karta Gate Road
Marietta GA 30068

RE: Building Pad Evaluation, Stecoah, NC - AES Project # 4511.01 GT

Dear Mr. Pisarcik:

On Friday, October 22, 2004, an Alpha Environmental Sciences, Inc. technician visited the above referenced project site. The technician performed seven hand augers with dynamic cone penetrometer testing. Based on the hand auger results, Alpha has determined that the design bearing capacity of the subgrade soils to be 2000 psf. Approximately eight feet of the site appears to be loose fill; therefore, the proposed building should be situated so that the foundation is outside of the fill area or foundation excavations should be carried back to natural undisturbed soils.

Should you have any questions or need additional information, do not hesitate to call me. We would be happy to assist you in the construction phase of the building phase. Attached is a brochure summarizing our available services.

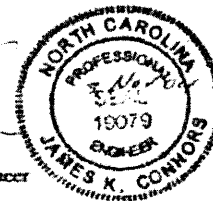
Sincerely,

Alpha Environmental Sciences, Inc.

Roger D. Moore

Roger D. Moore, PG
Professional Geologist/Division Manager

James K. Connors
James K. Connors, PE
Senior Geotechnical Engineer

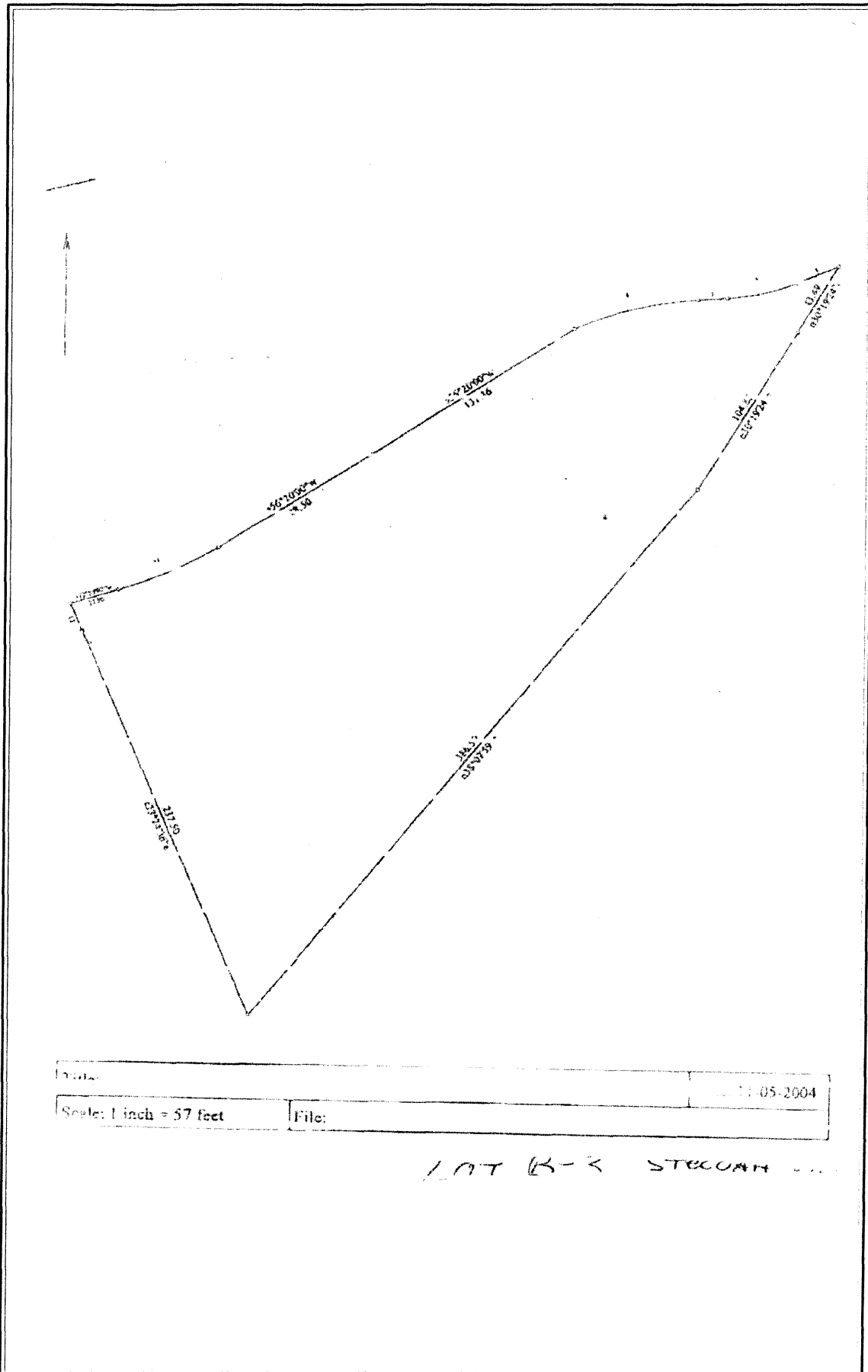


PROFESSIONAL ENVIRONMENTAL CONSULTING

Engineering Services Provided by Alpha Engineering Services, PA

<i>Corporate Office:</i>	www.alphaenv.com	<i>Service Office:</i>
367 Dellwood Rd., Building A, Post Office Box 31		20 Country Plaza, 1300 E. Wade Hampton Blvd
Waynesville, NC 28786 • (828) 452-3449 / Fax (828) 452-7828		Greer, SC 29615-6244 • (864) 877-6670 / Fax (864) 877-4633

Borrower Dennis J. & Virginia B. Schneider
 Property Address 165 Knoll Top Road
 City Robbinsville County Graham State NC Zip Code 28771
 Lender/Client Shutts & Bowen LLP Address

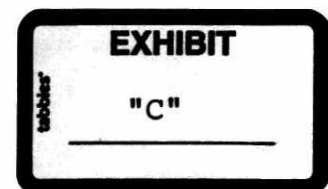


Notice

**NOTICE OF
SALE OF PROPERTY**

NOTICE is hereby given that August 17, 2010, or thereafter as United States District Court for the Middle District of Florida (the "Court") may direct in the case of Securities and Exchange Commission v. Aquacell Batteries, Inc., et al., (Case No. 6:07-cv-0608-ORL-22-DAB), Michael Gore, not individually, but solely in his capacity as Receiver for entities named Aquacell Batteries, Inc., et al. and their corporate shareholders and/or managers, will sell the property located at 165 Knoll Top Road, Robbinsville, Graham, NC 28771 "as is" for the price of \$140,000.00. Any person interested in making an offer on the same or better terms, which guarantees at least a 10 percent increase over this price (i.e. \$154,000.00) must make such an offer on or before 5:00 p.m. E.D.T. on August 16, 2010 to Michael Gore, as Receiver for Aquacell Batteries, Inc., care of Jonathan Cohen, Esq., Shutts & Bowen, LLP, 1500 Miami Center, 201 South Biscayne Boulevard, Miami, Florida, 33131. Telephone number (305) 379-9173. All offers are subject to final approval by the Court.

8/5



**NORTH CAROLINA
GRAHAM COUNTY**

AFFIDAVIT OF PUBLICATION

Before the undersigned, Nancy Waldroup, a Notary Public of Graham County and North Carolina, duly commissioned, qualified and authorized by law to administer oaths, personally appeared, Barbara Bonnette, who, being duly sworn, deposes and says: that she is the Typesetter of *The Graham Star*, engaged in the publication of a newspaper known as *The Graham Star*, published, issued and entered as periodical mail in the Town of Robbinsville, in Graham County, in the state of North Carolina. That she is authorized to make this affidavit and sworn statement: That the notice or other legal advertisement — a true copy of which is attached hereto — was published in *The Graham Star* on the following dates Aug. 5, 2010 and that *The Graham Star* in which such notice, paper, document or legal advertisement was published was, at the time of each and every such publication, a newspaper meeting all of the requirements and qualifications of Section 1-597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Section 1-597 of the General Statutes of North Carolina.

This 5th day of Aug, 2010.

Barbara Bonnette
Barbara Bonnette

Sworn to and subscribed before me this 5th day of Aug, 2010.

Nancy Waldroup
(Notary Public)
My commission expires Oct. 25, 2014.

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

CASE NO.: 6:07-cv-0608-ORL-22-DAB

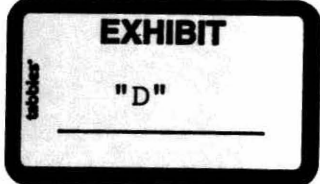
SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
-v.)
)
AQUACELL BATTERIES, INC. and)
MICHAEL J. NASTE,)
)
Defendants,)
)
AQUACELL BATTERIES FLORIDA, INC.,)
ETERNERGY, INC.,)
GAMING SOFTWARE, INC.)
(f/k/a BET-NET ENTERPRISES, INC.),)
GAMING SOFTWARE INTERNATIONAL,)
GODFATHER'S INC.,)
MIGHTY MUSCLE CARS, INC., and)
HOLLYWOOD MOVIE HAIR PRODUCTS, INC.)
)
Relief Defendants.)
	/

**ORDER GRANTING RECEIVER'S MOTION FOR CONFIRMATION
OF PRIVATE SALE OF REALTY
(165 KNOLL TOP ROAD, ROBBINSVILLE, NORTH CAROLINA)**

This matter came before the Court on Receiver, Michael L. Gore's Motion for Confirmation of Private Sale of Realty (165 Knoll Top Road, Robbinsville, North Carolina) ("Motion") [DOC ____]. UPON CONSIDERATION of the Motion and being otherwise fully advised in the premises, it is hereby

ORDERED AND ADJUDGED that:

1. The Motion is GRANTED.
2. The sale by the Receiver to Dennis J. Schneider and Virginia Schneider ("Buyers") of the following parcel of realty, 165 Knoll Top Road, Robbinsville, North Carolina;



Legal Description recorded in Book: 00281, Page 0179, Graham County Official Records (the "Property") is confirmed pursuant to 28 U.S.C. § 2001.

3. The Receiver shall satisfy the costs and expenses of the sale (including brokerage fees and prorations for property taxes and insurance).

4. Because the Buyers of the Property are not parties to this action and have no continuing role in this action, there is no just reason to delay issuance of a Final Judgment regarding such sale of realty. Accordingly, this Court expressly directs that a Final Judgment Confirming Receiver's Sale of Realty be issue simultaneously herewith.

DONE AND ORDERED in Chambers in Orlando, Florida this _____ day of _____ 2010.

DAVID A. BAKER
UNITED STATES MAGISTRATE JUDGE

Copies furnished to: All Counsel of Record

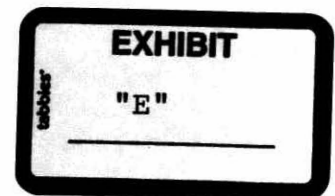
**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

CASE NO.: 6:07-cv-0608-ORL-22-DAB

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
-v.)
)
AQUACELL BATTERIES, INC. and)
MICHAEL J. NASTE,)
)
Defendants,)
)
AQUACELL BATTERIES FLORIDA, INC.,)
ETERENERGY, INC.,)
GAMING SOFTWARE, INC.)
(f/k/a BET-NET ENTERPRISES, INC.),)
GAMING SOFTWARE INTERNATIONAL,)
GODFATHER'S INC.,)
MIGHTY MUSCLE CARS, INC., and)
HOLLYWOOD MOVIE HAIR PRODUCTS, INC.)
)
Relief Defendants.)
	/

FINAL JUDGMENT CONFIRMING RECEIVER'S SALE OF REALTY
(165 KNOLL TOP ROAD, ROBBINSVILLE, NORTH CAROLINA)

This matter came before the Court on Receiver, Michael L. Gore's Motion for Confirmation of Private Sale of Realty (165 Knoll Top Road, Robbinsville, North Carolina) ("Motion") [DOC ____]. By Order Granting such Motion [DOC ____], this Court confirmed the Receiver's sale of a parcel of realty located at 165 Knoll Top Road, Robbinsville, North Carolina, pursuant to 28 U.S.C. § 2001 and expressly directed, pursuant to Rule 54(b), Fed.R.Civ.P., that Final Judgment be entered because there is no just reason to delay. Accordingly, this Court issues this Final Judgment Confirming Receiver's Sale of Realty, for which let execution issue forthwith.



ORDERED AND ADJUDGED that:

1. The Receiver, Michael L. Gore, was authorized to sell the following parcel of realty: 165 Knoll Top Road, Robbinsville, North Carolina; Legal Description recorded in Book: 00281, Page 0179, Graham County Official Records (the "Property"), more fully described as follows:

Lot B-3, Stecoah View Subdivision, Stecoah Township, Graham County, North Carolina, as described and conveyed in the deed dated December 12, 2005, from Stecoah Vista, LLC to Trophy Group, Inc., said deed being recorded at Deed Book 263, Page 389, Graham County Registry of Deeds. Being the same real property purported to be conveyed in the deed dated April 19, 2007, from Trophy Group, Inc. to MWH Investments, LLC, said deed being recorded at Deed Book 281, Page 179, Graham County Registry of Deeds

2. This Court has issued an Order granting, pursuant to 28 U.S.C. § 2001, the Receiver's Motion to confirm the sale of the Property.

3. Accordingly, a Final Judgment is entered confirming the Receiver's sale of the Property.

4. This Court shall retain jurisdiction to enforce the terms of this Final Judgment.

DONE AND ORDERED in Chambers in Orlando, Florida this _____ day of _____ 2010.

DAVID A. BAKER
UNITED STATES MAGISTRATE JUDGE

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