

Uniform Residential Appraisal Report

LANE
File No. 06020090

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 143 BUFFELL HEAD City DUCK State NC Zip Code 27949
Borrower KIMBERLY LANE Owner of Public Record 143 BUFFELL HEAD ROAD, LLC County DARE
Legal Description LOT 175, CAROLINA DUNES SECTION C REVISED
Assessor's Parcel # 009621175 Tax Year 2005 R.E. Taxes \$.34/\$100
Neighborhood Name CAROLINA DUNES Map Reference 9950(15)1822 Census Tract 9701
Occupant [X] Owner [] Tenant [] Vacant Special Assessments \$ NONE [] PUD HOA \$ N/A [] per year [] per month
Property Rights Appraised [X] Fee Simple [] Leasehold [] Other (describe)
Assignment Type [] Purchase Transaction [] Refinance Transaction [] Other (describe)
Lender/Client MORTGAGE PROFESSIONALS Address 108 W. WOODHILL DRIVE, SUITE D-4, NAGS HEAD, NC 27959
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? [] Yes [X] No
Report data source(s) used, offering price(s), and date(s).

I [X] did [] 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.
REFINANCE, NO CONTRACT INVOLVED.
Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? [] Yes [] No Data Source(s)
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? [] Yes [] 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.
Table with columns: Neighborhood Characteristics, One-Unit Housing Trends, One-Unit Housing, Present Land Use %
Location [] Urban [X] Suburban [] Rural Property Values [X] Increasing [] Stable [] Declining PRICE AGE One-Unit 100 %
Built-Up [] Over 75% [X] 25-75% [] Under 25% Demand/Supply [X] Shortage [] In Balance [] Over Supply \$(000) (yrs) 2-4 Unit %
Growth [] Rapid [X] Stable [] Slow Marketing Time [] Under 3 mths [X] 3-6 mths [] Over 6 mths 200 Low NEW Multi-Family %
Neighborhood Boundaries NORTH & SOUTH: OTHER RESIDENTIAL USES, EAST: ATLANTIC 4000 High 30 Commercial %
OCEAN, WEST: CURRITUCK SOUND 2500 Pred. 20 Other %
Neighborhood Description
Market Conditions (including support for the above conclusions) SEE ATTACHED ADDENDUM.

Dimensions 75 X 320 Area 24000 SQ.FT. Shape RECTANGULAR View GOOD
Specific Zoning Classification RS-1 Zoning Description SINGLE FAMILY RESIDENTIAL
Zoning Compliance [X] Legal [] Legal Nonconforming (Grandfathered Use) [] No Zoning [] Illegal (describe)
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [] No If No, describe.
Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
Electricity [X] [] Water [X] [] Street ASPHALT [] [X]
Gas [] [] Sanitary Sewer [] [] SEPTIC Alley NONE/TYPICAL [] []
FEMA Special Flood Hazard Area [X] Yes [] No FEMA Flood Zone AO & VE FEMA Map # 375348 0009 D FEMA Map Date 04/02/93
Are the utilities and off-site improvements typical for the market area? [] Yes [] No If No, describe.
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [] Yes [] No If Yes, describe.

Table with columns: GENERAL DESCRIPTION, FOUNDATION, EXTERIOR DESCRIPTION materials/condition, INTERIOR materials/condition
Units [X] One [] One with Accessory Unit [X] Concrete Slab [] Crawl Space Foundation Walls PILINGS Floors CT,HW,CT, /GD
of Stories 3 [] Full Basement [] Partial Basement Exterior Walls CEDAR SHG Walls DRYWALL/GD
Type [X] Det. [] Att. [] S-Det./End Unit Basement Area 0 sq. ft. Roof Surface ASPH. SH. Trim/Finish WOOD/ GOOD
[X] Existing [] Proposed [] Under Const. Basement Finish N/A Gutters & Downspouts NONE Bath Floor CER.MLB/GD
Design (Style) CONTEMP [] Outside Entry/Exit [] Sump Pump Window Type DH/INS. Bath Wainscot FG,CT/GOOD
Year Built 2005 Evidence of [] Infestation Storm Sash/Insulated INSULATED Car Storage [] None
Effective Age (Yrs) NEW [] Dampness [] Settlement Screens YES [] Driveway # of Cars
Attic [] None Heating [] FWA [] HWBB [] Radiant Amenities [] WoodStove(s) # Driveway Surface
[] Drop Stair [] Stairs [] Other Fuel ELEC. [X] Fireplace(s) # 4 [X] Fence [] Garage # of Cars
[] Floor [X] Scuttle Cooling [] Central Air Conditioning [] Patio/Deck [X] Porch [] Carport # of Cars
[] Finished [] Heated [] Individual [] Other [X] Pool [X] Other HOT TUB [] Att. [] Det. [] Built-in
Appliances [P] Refrigerator [] Range/Oven [X] Dishwasher [X] Disposal [X] Microwave [P] Washer/Dryer [] Other (describe)
Finished area above grade contains: 15 Rooms 8 Bedrooms 9F3H Bath(s) 5,935 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.) SEE ATTACHED ADDENDUM.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) THE SUBJECT IS IN GOOD CONDITION OVERALL. NO DEFICIENCIES WERE OBSERVED AND NO REPAIRS ARE REQUIRED AT THIS TIME. AN ESTIMATE WAS MADE OF ACCRUED PHYSICAL DEPRECIATION USING THE ECONOMIC AGE-LIFE METHOD. NO FUNCTIONAL OR EXTERNAL DEPRECIATION WAS NOTED.
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [] Yes [X] No If Yes, describe.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [] No If No, describe.

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There are **N/A** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ _____ to \$ _____

There are **4** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **3,500,000** to \$ **4,250,000**

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
143 BUFFELL HEAD Address DUCK		172 FOUR SEASONS LANE DUCK NC 27949		168 FOUR SEASONS LANE DUCK NC 27949		411 GREAT GAP POINT COROLLA, NC 27927	
Proximity to Subject		2 MILES SOUTH		2 MILES SOUTH		3 MILES NORTH	
Sale Price	\$ N/A	\$ 3,990,000		\$ 3,700,000		\$ 3,550,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 648.68 sq. ft.		\$ 584.52 sq. ft.		\$ 686.12 sq. ft.	
Data Source(s)	INSPECTION	MLS#:32601		MLS#: 32542		MLS#: 35460	
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions	N/A	CLOSED CONV. NONE KNOWN		CLOSED CONV. NONE KNOWN		CLOSED CASH NONE KNOWN	
Date of Sale/Time	N/A	08/04/2005	NO ADJ.	10/03/05	NO ADJ.	08/26/2005	NO ADJ.
Location	OCEANFRONT	OCEANFRONT		OCEANFRONT		OCEANFRONT	
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
Site	24000 SQ.FT.	54134 SF	-50,000	23702 SQ.FT.	NO ADJ.	28800 SF	NO ADJ.
View	OCEAN	OCEAN		OCEAN		OCEAN	
Design (Style)	CONTEMP	CONTEMP		CONTEMP		CONTEMP	
Quality of Construction	GOOD	GOOD		GOOD		GOOD	
Actual Age	1+/- Years	4 YRS	NO ADJ.	3 YRS	NO ADJ.	10 YRS	
Condition	VERY GOOD	VERY GOOD		VERY GOOD		VERY GOOD	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	15 8 9F3H	12 8 7.5	14,000	11 8 7F2H	12,000	12 9 9F2H	2,000
Gross Living Area	40 5,935 sq. ft.	6,151 sq. ft.	-8,600	6,330 sq. ft.	-15,800	5,174 sq. ft.	30,400
Basement & Finished Rooms Below Grade	NONE N/A	NONE N/A		NONE N/A		NONE N/A	
Functional Utility	GOOD	GOOD		GOOD		GOOD	
Heating/Cooling	ELEC. H/P C/AIR	H/P C/AIR		H/P C/AIR		H/P C/AIR	
Energy Efficient Items	GOOD	GOOD		GOOD		AVERAGE	
Garage/Carport	2 CAR GARAGE	NONE	20,000	2 CAR GARAGE		NONE	
Porch/Patio/Deck	POR,PAT,DECK	POR,PAT,DECK		POR,PAT,DECK		PORCH,PATIO	
	SANA,CAB,ELV	NONE	50,000	ELEV	30,000	CAB,ELEV	10,000
	POOL,HOT TUB	POOL,HOT TUB		POOL,HOT TUB		POOL,HOT TUB	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 25,400	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 26,200	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 42,400
Adjusted Sale Price of Comparables		Net Adj. 0.6% % Gross Adj. 3.6% %	\$ 4,015,400	Net Adj. 0.7% % Gross Adj. 1.6% %	\$ 3,726,200	Net Adj. 1.2% % Gross Adj. 1.2% %	\$ 3,592,400

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____

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

Data source(s) **MLS**

My research did 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) **MLS**

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 NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	03/31/04	N/A	N/A	N/A
Price of Prior Sale/Transfer	\$1,400,000	PUBLIC REC.	PUBLIC REC.	PUBLIC REC.
Data Source(s)	MLS #: 23598			
Effective Date of Data Source(s)	03/01/06	03/01/06	03/01/06	03/01/06

Analysis of prior sale or transfer history of the subject property and comparable sales **THE SUBJECT LAST TRANSFER WAS 03/31/04 IT INCLUDED BUILDING IMPROVEMENTS THAT WERE REMOVED AND THE PRESENT HOUSE WAS CONSTRUCTED. IT WAS BASICALLY PURCHASED FOR THE LOT. NO OTHER SALES OF THE COMPARABLES IN THE LAST 12 MONTHS.**

Summary of Sales Comparison Approach. **THE THREE COMPARABLES ANALYZED HERE ARE RECENT CLOSED SALES LOCATED IN THE SUBJECT NEIGHBORHOOD. DUE TO INCREASING PROPERTY VALUES, THE MOST RECENT SIMILAR SALES WERE CHOSE AND ADJUSTED FOR DISSIMILAR FEATURES. THE MARKET HAS BEEN STEADILY RISING SINCE CLOSING. ALL THREE ARE CONSIDERED GOOD INDICATORS OF VALUE FOR THE SUBJECT PROPERTY AND WERE GIVEN SIMILAR WEIGHT. THE ADJUSTMENTS MADE TO THE SALES REPRESENT THE APPRAISER'S ATTEMPT TO ISOLATE AND COMPENSATE FOR SIGNIFICANTLY DISSIMILAR FEATURES OR CONDITIONS.**

Indicated Value by Sales Comparison Approach \$ **4,000,000**

Indicated Value by: Sales Comparison Approach \$ **4,000,000** Cost Approach (if developed) \$ **4,417,200** Income Approach (if developed) \$ _____

SEE ATTACHED ADDENDUM.

RECONCILIATION

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: _____

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 \$ **4,000,000** as of **03/01/06**, which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

COST APPROACH TO VALUE (not required by Fannie Mae)

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) **THE SITE VALUE WAS BASED ON OCEANFRONT LAND SALES FROM COMPETING NEIGHBORHOODS**

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 2,000,000			
Source of cost data LOCAL CONTRACORS	Dwelling	5,935 Sq. Ft. @ \$ 350.00	= \$ 2,077,250	
Quality rating from cost service	Effective date of cost data	CABANA 384 Sq. Ft. @ \$ 150.00	= \$ 57,600	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	PAT, DECKS, PCH, PL, HT, SNA, ELV 150,000			
SEE ATTACHED ADDENDUM.	Garage/Carport	462 Sq. Ft. @ \$ 70.00	= \$ 32,340	
THE COST REPRODUCTION APPROACH IS NOT TO BE UTILIZED FOR INSURANCE COVERAGE PURPOSES.	Total Estimate of Cost-New = \$ 2,317,190			
	Less	Physical	Functional	External
	Depreciation			= \$ (0)
	Depreciated Cost of Improvements = \$ 2,317,190			
	"As-is" Value of Site Improvements = \$ 100,000			
Estimated Remaining Economic Life (HUD and VA only) _____ Years	INDICATED VALUE BY COST APPROACH = \$ 4,417,200			

INCOME APPROACH TO VALUE (not required by Fannie Mae)

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

Summary of Income Approach (including support for market rent and GRM) _____

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' 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 an 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(s) _____

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 Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____

Describe common elements and recreational facilities. **N/A**

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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.

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

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21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent.

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

Signature [Handwritten Signature]
Name DAVID F. MURPHY
Company Name MURPHY APPRAISAL SERVICE
Company Address 12 JUNIPER TRAIL, SUITE 204, KITTY HAWK, NC 27949
Telephone Number (252)255-0091
Email Address dmurphymp@earthlink.net
Date of Signature and Report 03/01/2006
Effective Date of Appraisal 03/01/06
State Certification # A2155
or State License #
or Other (describe) State #
State NC
Expiration Date of Certification or License
SECURED DIGITAL SIGNATURE AND SEAL USED
ADDRESS OF PROPERTY APPRAISED
143 BUFFELL HEAD
DUCK, NC 27949



SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

SUBJECT PROPERTY

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

COMPARABLE SALES

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

LENDER/CLIENT

Name JOEY BARROW
Company Name MORTGAGE PROFESSIONALS
Company Address 108 W. WOODHILL DRIVE, SUITE D-4, NAGS HEAD, NC 27959
Email Address joey@joeybarrow.com

APPRAISED VALUE OF SUBJECT PROPERTY \$ 4,000,000

ADDENDUM

Borrower: KIMBERLY LANE	File No.: 06020090
Property Address: 143 BUFFELL HEAD	Case No.: LANE
City: DUCK	State: NC Zip: 27949
Lender: MORTGAGE PROFESSIONALS	

Neighborhood Market Conditions

LOAN DISCOUNTS, BUYDOWNS OR SELLER CONCESSIONS ARE NOT TYPICAL OF THE SUBJECT'S MARKET. MORTGAGE MONEY IS READILY AVAILABLE AT COMPETITIVE RATES. SALES AND NEW CONSTRUCTION HAVE BEEN STEADY OVER THE LAST SIX MONTHS. STRONG DEMAND AND LIMITED SUPPLY HAS FUELED INCREASING PROPERTY VALUES IN THE SUBJECT NEIGHBORHOOD.

Additional Features

CUSTOM BUILT OCEANFRONT CONTEMPORARY CONSTRUCTED WITH THE HIGHEST OF WORKMANSHIP, W/ COVERED DECKS, SUN DECKS, PATIO, CEIL. FANS, CATHEDRAL CEILINGS, 10' CEILINGS, PORCH, GLASS ELEVATOR W/ HANDPAINTED UNDERWATER SCENE, INTERCOM SYSTEM, SECURITY SYSTEM WITH TV MONITORING FROM ALL ROOMS, TURFSTONE DRIVEWAY, BOARDWALK TO BEACH W/ DUNE GAZEBO, LANDSCAPED W/ IRRIGATION SYSTEM & POND, OCEAN VIEWS.

FIRST LEVEL FEATURES: FINISHED GARAGE W/ SOUND SYSTEM, EXERCISE EQUIPMENT, AND MOUNTED TVS; THREE BEDROOMS, FOUR AND HALF BATHS, CUSTOM TILEWORK THROUGHOUT; MEDIA ROOM W/ RECLINING THEATER SEATS & CUP HOLDERS, AUTOMATIC ELECTRIC SHADES, & STATE OF THE ART SOUND SYSTEM W/ SURROUND SOUND; GAME ROOM W/ COMPLETE WETBAR; OUTDOOR HEATED POOL W/ STONE WATERFALL & FIREPLACE, SUNKEN HOT TUB W/ STONE SURROUND; CABANA WITH SOUND SYSTEM, SAUNA, FULL BATH & WETBAR; SPEAKERS HAVE AREA VOLUME CONTROL; FENCE.

SECOND LEVEL FEATURES: CERAMIC FLOORED FOYER W/ HANDPAINTED MURAL, SPORTS BAR W/ BUILT IN BENCHES, TOUCH SCREEN PROGRAM SELECTOR FOR TV, CABLE, SATELLITE, OR MUSIC; LIBRARY W/ BAMBOO FLOORING, FP, SURROUND SOUND SYSTEM, & COMPUTOR STATIONS, FOUR MASTER SUITES W/ JET TUBS AND CUSTOM TILE WORK; HALF BATH; PORCH; DECKS.

THIRD LEVEL FEATURES: GREAT ROOM W/ FP, SCONCES W/ HAND PAINTED ACCENTS; GOURMET KITCHEN W/ DOUBLE APPLIANCES; DINING AREA; MASTER SUITE W/ GLASS BLOCK SHOWER, HAND PAINTED MURALS, MOUNTED TV, TWO SIDED FP W/ OCEAN VIEW FROM JET TUB, ELUMINATED VANITY SINKS, & CUSTOM TILE WORK; DECK; LOFT SIT AREA, POWDER ROOM, & CUSTOM LIGHTING.

Final Reconciliation

THE SALES COMPARISON ANALYSIS IS GIVEN THE MOST WEIGHT SINCE IT BEST REFLECTS THE ACTIONS OF BUYERS AND SELLERS IN THE MARKET. THE INCOME APPROACH WAS NOT CONSIDERED APPROPRIATE FOR SINGLE FAMILY RESIDENTIAL PROPERTY. SINGLE FAMILY PROPERTIES ARE NOT TYPICALLY VALUED BASED ON THEIR INCOME POTENTIAL. THE COST APPROACH WAS ALSO WEIGHTED HEAVILY DUE TO THE AGE OF THE SUBJECT. THE CONCLUSIONS OF THE SALES COMPARISON ANALYSIS GIVE THE BEST INDICATION OF THE MOST PROBABLE PRICE THE SUBJECT PROPERTY WOULD BRING ON THE OPEN MARKET.

Cost Approach Comments

THE SITE VALUE FOR THE SUBJECT PROPERTY IS SUPPORTED BY A COMPARABLE MARKET ANALYSIS OF RECENT CLOSED SALES OF SIMILAR LOTS LOCATED IN THE SUBJECT PLAT AND IN THE MARKET AREA. ALL ARE CONSIDERED GOOD INDICATORS OF VALUE FOR THE SUBJECT PROPERTY. THE ESTIMATED UNIT COSTS FOR THE SUBJECT PROPERTY ARE BASED ON CURRENT CONSTRUCTION COST DATA PROVIDED BY BUILDERS, CONTRACTORS AND SUB CONTRACTORS IN THE LOCAL MARKET AREA. THE SUBJECT'S LAND TO IMPROVEMENT VALUE RATIO IS TYPICAL FOR THE NEIGHBORHOOD.

ADDITIONAL COMMENTS:

ALL COMPARABLES ARE SETTLED TO THE BEST OF THE APPRAISER'S KNOWLEDGE. VERIFICATION IS WITH THE ONETO REAL ESTATE NOTES, REALTORS, OUTER BANKS ASSOCIATION OF REALTORS MLS SERVICE, BUYERS AND SELLERS.

IT IS NOTED THAT THE PRICE/SF OF GROSS LIVING AREA FOR SOME OR ALL COMPARABLE SALES VARIES BY MORE THAN \$10/SF. THIS IS DUE PRIMARILY TO DIFFERING SITE VALUES AND/OR ECONOMIES OF SCALE.

EVERY EFFORT HAS BEEN MADE TO USE COMPARABLES THAT HAVE SOLD WITHIN THE LAST SIX MONTHS OF THE DATE OF THE APPRAISAL. OUR EXTENSIVE DATA BANK INCLUDES MLS SERVICES, COUNTY TRANSFERS, AND OFFICE FILES. PARAMOUNT TO TIME IS MATCHING THE MOST SIMILAR SALES TO THE SUBJECT. THIS, AT TIMES, NECESSITATES USING SALES OVER SIX MONTHS.

GROSS LIVING AREAS SHOWN FOR THE COMPARABLE SALES ARE ESTIMATES BASED ON THE INFORMATION FROM OBAR/MLS SYSTEM, COUNTY TAX RECORDS, REALTORS, BUYERS, SELLERS, IN-OFFICE DATA BANK OR ACTUAL MEASUREMENTS. SLIGHT VARIATIONS IN SIZE WILL HAVE NO EFFECT ON THE ESTIMATE OF VALUE.

THE LACK OF STORM SEWERS, CURBS, GUTTERS, SIDEWALKS AND/ OR STREET LIGHTS IS TYPICAL OF THE AREA AND DOES NOT ADVERSELY IMPACT MARKETABILITY.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

THIS IS A SUMMARY APPRAISAL REPORT WHICH IS INTENDED TO COMPLY WITH THE REPORTING REQUIREMENTS SET FORTH UNDER STANDARD RULE 2-2 (B) OF THE UNIFORM STADARDS OF PROFESSIONAL APPRAISAL PRACTICE FOR A SUMMARY APPRAISAL REPORT. AS SUCH, IT PRESENTS ONLY SUMMARY DISCUSSIONS OF THE DATA, REASONING, AND ANALYSES THAT WERE USED IN THE APPRAISAL PROCESS TO DEVELOP THE APPRAISER'S OPINION OF VALUE. SUPPORTING DOCUMENTATION THAT IS NOT PROVIDED WITH THE REPORT CONCERNING THE DATA, REASONING AND ANALYSIS IS RETAINED IN THE APPRAISER'S FILE. THE DEPTH OF THE DISCUSSION CONTAINED IN THE REPORT IS SPECIFIC TO THE NEEDS OF THE

ADDENDUM

Borrower: KIMBERLY LANE	File No.: 06020090	
Property Address: 143 BUFFELL HEAD	Case No.: LANE	
City: DUCK	State: NC	Zip: 27949
Lender: MORTGAGE PROFESSIONALS		

CLIENT AND FOR THE INTENDED USE STATED IN THE REPORT. THE APPRAISER IS NOT RESPONSIBLE FOR UNAUTHORIZED USE OF THIS REPORT.

TO DEVELOP THE OPINION OF VALUE, THE APPRAISER PERFORMED A COMPLETE APPRAISAL PROCESS, AS DEFINED BY THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISER PRACTICE. THIS MEANS THAT NO DEPARTURES FROM STANDARD 1 WERE INVOKED.

SUPPLEMENTAL CERTIFICATIONS:

IN ADDITION, I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE REPORTED ANALYSIS, OPINIONS AND CONCLUSIONS WERE DEVELOPED, IN THIS REPORT PREPARED, IN COMFORMITY WITH THE REQUIREMENTS OF THE CODE OF PROFESSIONAL ETHICS AND THE STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.

AS OF THE DATE OF THIS REPORT, DAVID F. MURPHY HAS COMPLETED THE REQUIREMENTS OF THE CONTINUING EDUCATION PROGRAM OF THE STATE OF NORTH CAROLINA.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: KIMBERLY LANE	File No.: 06020090
Property Address: 143 BUFFELL HEAD	Case No.: LANE
City: DUCK	State: NC
Lender: MORTGAGE PROFESSIONALS	Zip: 27949



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: March 1, 2006
Appraised Value: \$ 4,000,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: KIMBERLY LANE	File No.: 06020090
Property Address: 143 BUFFELL HEAD	Case No.: LANE
City: DUCK	State: NC
Lender: MORTGAGE PROFESSIONALS	Zip: 27949



COMPARABLE SALE #1

172 FOUR SEASONS LANE
DUCK NC 27949
Sale Date: 08/04/2005
Sale Price: \$ 3,990,000



COMPARABLE SALE #2

168 FOUR SEASONS LANE
DUCK NC 27949
Sale Date: 10/03/05
Sale Price: \$ 3,700,000



COMPARABLE SALE #3

411 GREAT GAP POINT
COROLLA, NC 27927
Sale Date: 08/26/2005
Sale Price: \$ 3,550,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: KIMBERLY LANE	File No.: 06020090
Property Address: 143 BUFFELL HEAD	Case No.: LANE
City: DUCK	State: NC Zip: 27949
Lender: MORTGAGE PROFESSIONALS	



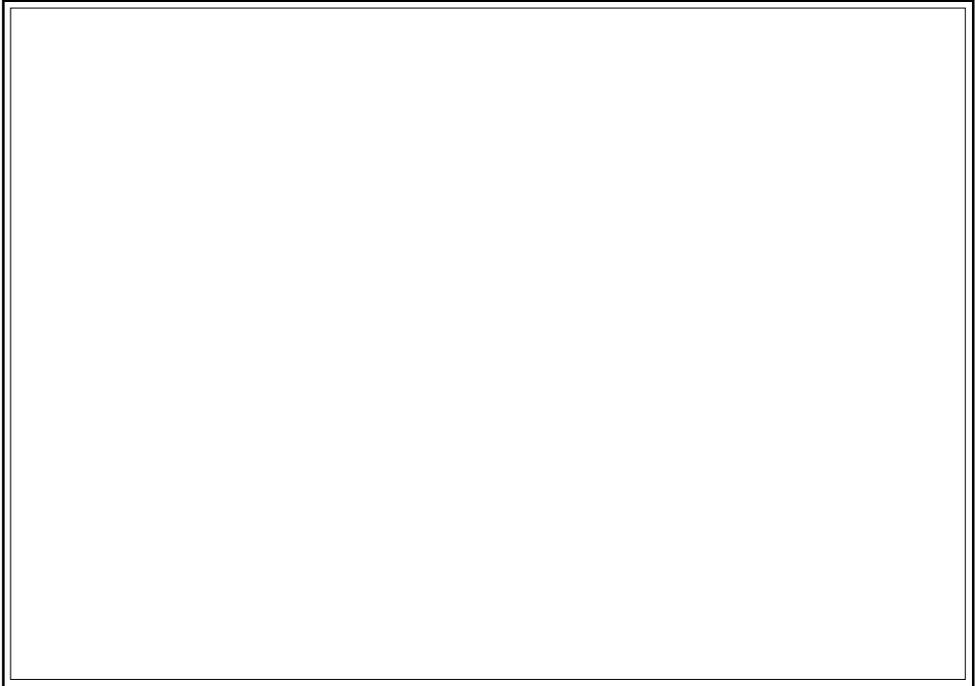
COMPARABLE SALE #4

107 CADWELL ROAD
COROLLA, NC 27927
Sale Date: 06/02/2003
Sale Price: \$ 4,250,000



COMPARABLE SALE #5

Sale Date:
Sale Price: \$

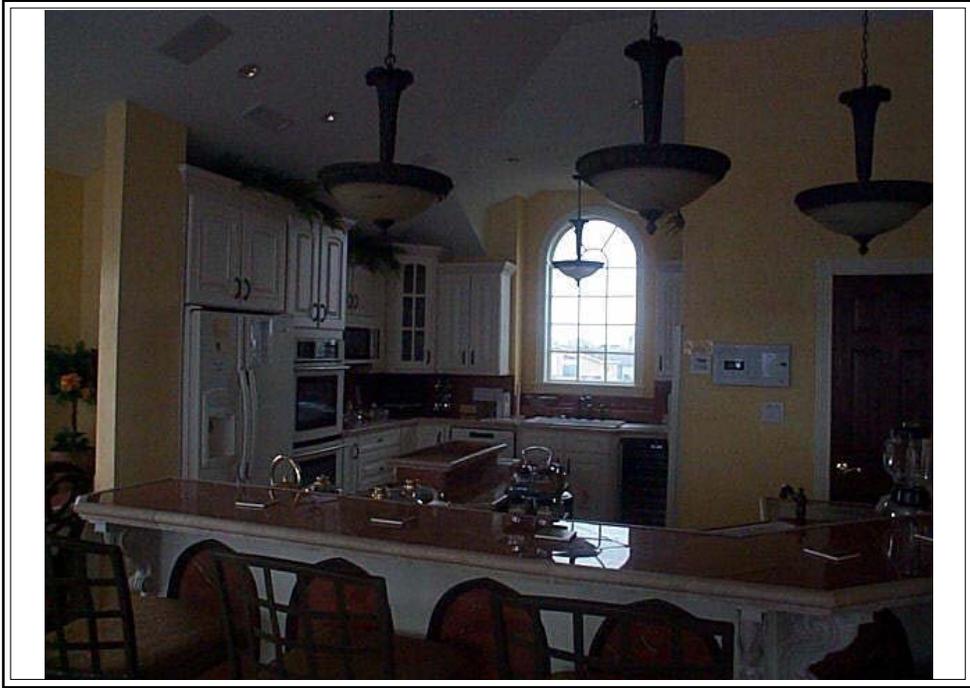


COMPARABLE SALE #6

Sale Date:
Sale Price: \$

Borrower: KIMBERLY LANE
Property Address: 143 BUFFELL HEAD
City: DUCK
Lender: MORTGAGE PROFESSIONALS

File No.: 06020090
Case No.: LANE
State: NC
Zip: 27949



OCEAN VIEW NORTH

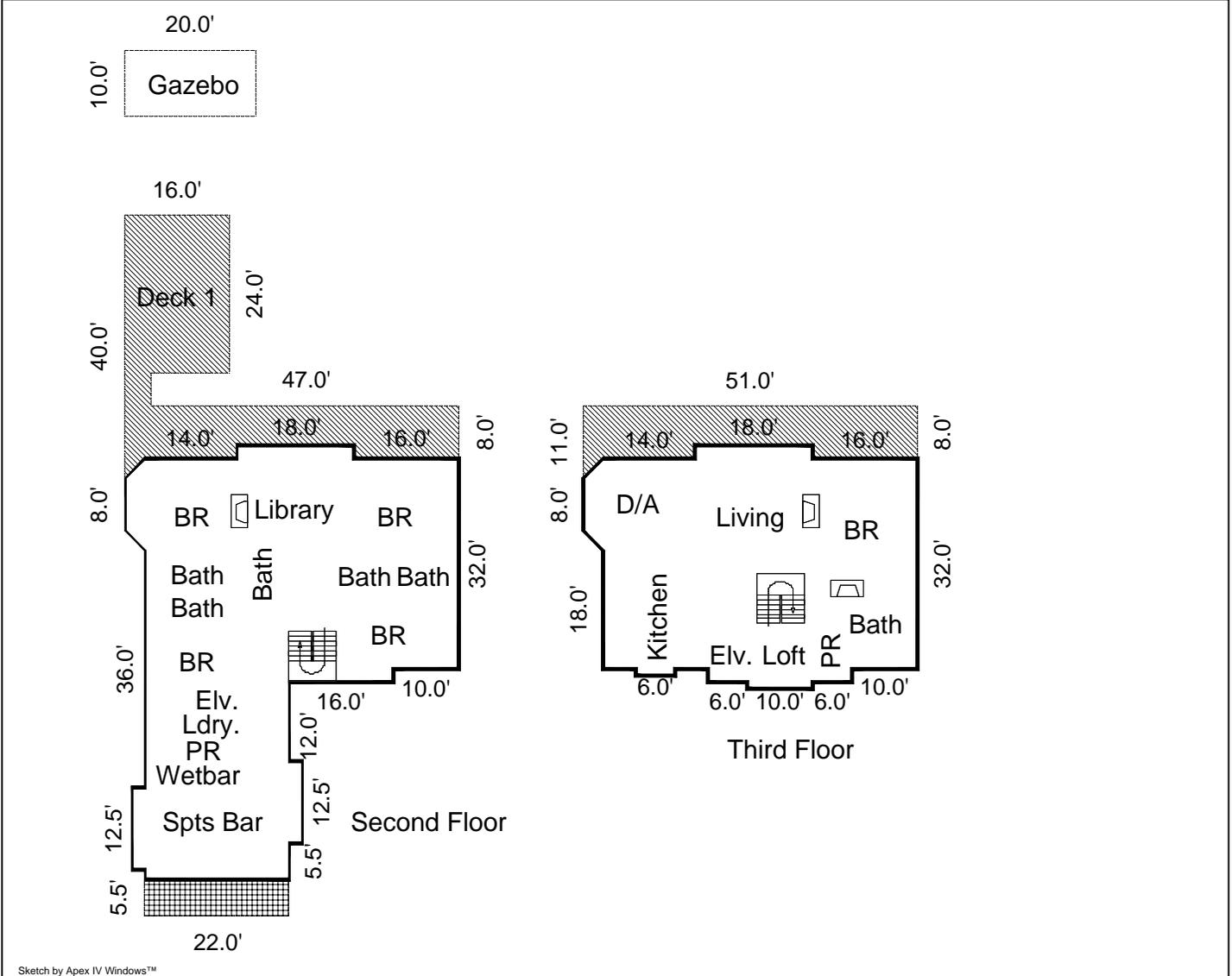


FLOORPLAN

Borrower: KIMBERLY LANE File No.: 06020090
 Property Address: 143 BUFFELL HEAD Case No.: LANE
 City: DUCK State: NC Zip: 27949
 Lender: MORTGAGE PROFESSIONALS

Case No LANE

File No 03080026



Sketch by Apex IV Windows™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA2	Second Floor	2391.00	2391.00
GLA3	Third Floor	1665.00	1665.00
P/P	Covered Deck	121.00	
	Deck 1	780.50	
	Gazebo	200.00	
	Deck 2	376.50	1478.00
TOTAL LIVABLE (rounded)			4056

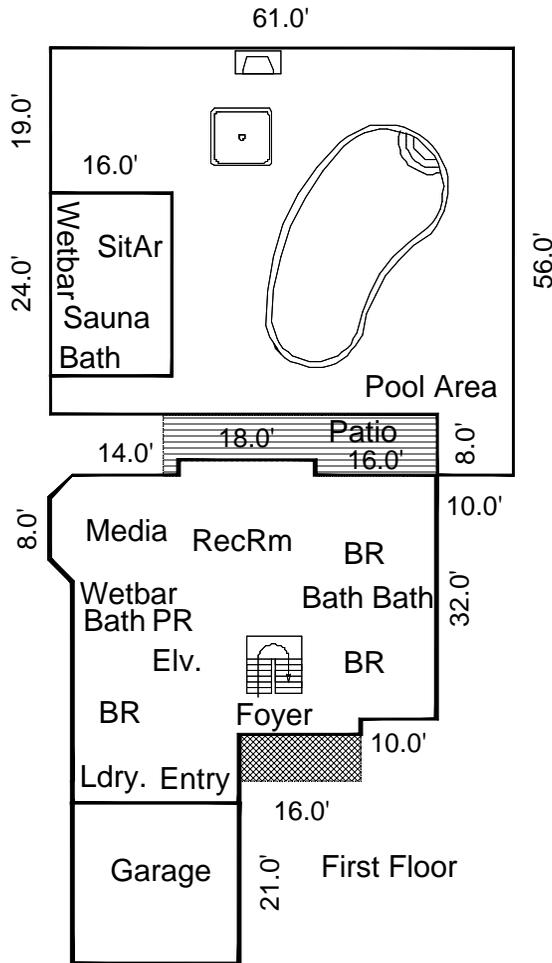
LIVING AREA BREAKDOWN			
Breakdown			Subtotals
Second Floor			
	2.0 x	12.5	25.00
	2.0 x	18.0	36.00
	2.0 x	12.5	25.00
	14.0 x	48.0	672.00
	3.0 x	8.0	24.00
	0.5 x	3.0 x 3.0	4.50
	0.5 x	3.0 x 3.0	4.50
	20.0 x	38.0	760.00
	22.0 x	30.0	660.00
	10.0 x	18.0	180.00
Third Floor			
	2.0 x	18.0	36.00
	1.0 x	10.0	10.00
	2.0 x	22.0	44.00
	1.0 x	6.0	6.00
	3.0 x	8.0	24.00
	0.5 x	3.0 x 3.0	4.50
2 remaining calculations			1540.50
18 Areas Total (rounded)			4056

FLOORPLAN

Borrower: KIMBERLY LANE	File No.: 06020090
Property Address: 143 BUFFELL HEAD	Case No.: LANE
City: DUCK	State: NC
Lender: MORTGAGE PROFESSIONALS	Zip: 27949

Case No LANE

File No 03080026



Sketch by Apex IV Windows™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	1879.00	1879.00
P/P	Porch	96.00	
	Patio	252.00	348.00
GAR	Garage	462.00	462.00
OTH	Pool Area	2624.00	
	Cabana	384.00	3008.00
TOTAL LIVABLE (rounded)			1879

LIVING AREA BREAKDOWN			
Breakdown		Subtotals	
First Floor			
	2.0 x 18.0		36.00
	34.0 x 38.0		1292.00
	9.0 x 22.0		198.00
	3.0 x 8.0		24.00
0.5 x	3.0 x 3.0		4.50
0.5 x	3.0 x 3.0		4.50
	10.0 x 32.0		320.00
7 Areas Total (rounded)			1879

LOCATION MAP

Borrower: KIMBERLY LANE
Property Address: 143 BUFFELL HEAD
City: DUCK
Lender: MORTGAGE PROFESSIONALS

File No.: 06020090
Case No.: LANE
State: NC
Zip: 27949



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Data Zoom 10-1

***** INVOICE *****

File Number: 06020090

03/01/06

JOEY BARROW
MORTGAGE PROFESSIONALS
108 W. WOODHILL DRIVE, SUITE D-4
NAGS HEAD, NC 27959

Borrower : KIMBERLY LANE

Invoice # :
Order Date : 02/27/2006
Reference/Case # :
PO Number :

143 BUFFELL HEAD
DUCK, NC 27949

APPRAISAL UPDATE	\$	50.00
	\$	-----
Invoice Total	\$	50.00
State Sales Tax @	\$	0.00
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	50.00

Terms: DUE UPON RECEIPT

Please Make Check Payable To:

MURPHY APPRAISAL SERVICE
12 JUNIPER TRAIL, SUITE204
KITTY HAWK, NC 27949

Fed. I.D. #: 58-2393607

THANK YOU FOR YOUR APPRAISAL ORDER