

Borrower/Client	Four Seasons LLC	File No.	10-0001
Property Address	120 Four Seasons Lane		
City	Duck	County	Dare
		State	NC
Lender	Residential Real Estate Review	Zip Code	27949

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Island Appraisal Service

GREG STEMMERICH
NC State Certified Residential Appraiser

3/27/07

Residential Real Estate Review
10401 Deerwood Park Blvd.
Jacksonville FL 32256

Re: Property: 120 Four Seasons Lane
Duck, NC 27949
Borrower: Four Seasons LLC
File No.: 10-0001

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

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

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice. This summary approach shows an estimated value of **\$2,300,000**.

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

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Greg Stemmerich
Broker, GRI
Certified Residential Appraiser

Summary Appraisal Report

Uniform Residential Appraisal Report

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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.

SUBJECT

Property Address 120 Four Seasons Lane City Duck State NC Zip Code 27949
 Borrower Four Seasons LLC Owner of Public Record Four Seasons LLC County Dare
 Legal Description Deed Page #1684, Book #276
 Assessor's Parcel # 010067101 Tax Year 2006 R.E. Taxes \$ 5,247.90
 Neighborhood Name Four Seasons in Duck Map Reference 985916937007 Census Tract 9701
 Occupant Owner Tenant Vacant Special Assessments \$ N/A PUD HOA \$ 2,975 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client Residential Real Estate Review Address 10401 Deerwood Park Blvd. Jacksonville FL 32256
 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 No
 Report data source(s) used, offering price(s), and date(s). MLS information shows this property to have been listed, 6/26/06, for \$2,200,000. It then expired on 1/9/07 and is currently not on the market for sale.

CONTRACT

I 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. I am not aware that this property is currently under agreement of sale.
 Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s) N/A
 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. N/A

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

NEIGHBORHOOD

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	60 %		
Built-Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	900	Low new	Multi-Family	%		
Neighborhood Boundaries The boundaries would be described as bounded on the East by the Atlantic Ocean and the West by the sound waters. North and South is a long string of beach communities.				4,500	High	5	Commercial %
Neighborhood Description The homes in the vicinity of the subject are primarily utilized for vacation homes. This property is located in a gated, ocean side subdivision of newer homes. This subdivision offers ocean access, community pools, tennis, and a clubhouse. The homes in this area are all high quality homes with excellent appeal.				1,600	Pred.	2	Other 40 %
Market Conditions (including support for the above conclusions) The Outer Banks area has benefited from a rapid increase in property values in the past several years. This area has experienced a slow down in market activity, resulting in a higher supply of homes being made available for sale. Property values continue to climb in value in this area, however, at a slower pace than in recent years and longer marketing times.							

SITE

Dimensions 33x186x78x178x44x20 Area 14,810 Sq.Ft. Shape irregular View beach homes
 Specific Zoning Classification RS1 Zoning Description single family use permitted along with residential income properties
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street paved	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	N/A	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley N/A	<input type="checkbox"/>	<input type="checkbox"/>

 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 3720985900J FEMA Map Date 9/20/06
 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
 There are none visible that would have an adverse impact on the value of this property.

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	concrete N	Floors	carp,marb,bambooN
# of Stories 3	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Hardy Plank N	Walls	drywall N
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface	shingle N	Trim/Finish	wood N
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish - %	Gutters & Downspouts	no	Bath Floor	marble N
Design (Style) 3 story-contemp.	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	dbl hng,csmnt N	Bath Wainscot	fiberglass N
Year Built new	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	double pane N	Car Storage	<input checked="" type="checkbox"/> None
Effective Age (Yrs) new	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	screens N	<input checked="" type="checkbox"/> Driveway	# of Cars 4
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input checked="" type="checkbox"/> Other HP	Fuel electric	<input checked="" type="checkbox"/> Fireplace(s) # 2	<input type="checkbox"/> Garage	# of Cars
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch wraparnd	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool	<input checked="" type="checkbox"/> Other pool house	<input type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven 3 Dishwasher Disposal Microwave Washer/Dryer 3 Other (describe) ice makers
 Finished area above grade contains: 14 Rooms 6 Bedrooms 8 Bath(s) 4,679 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). There are several propane fireplaces.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is a new construction, of exceptional quality, that was recently completed. Some of the features of this home is the upgraded flooring that includes Italian Marble and bamboo, marble counter tops, glass elevator, 106 inch screen in the theater, tray ceilings with murals, touch screen intercom with security and internet access, and oak wainscoting and chairrail. There numerous built in appliances including a chilled wine cooler. There is an inground pool with pool house that includes a sauna, bathroom, outdoor kitchen, bar, and fireplace. The lot is attractively landscaped and has a cut stone driveway.
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

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There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 899,900 to \$ 4,250,000 .

There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 1,350,000 to \$ 3,700,000 .

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	120 Four Seasons Lane Duck, NC 27949	161 Four Seasons Lane Duck, NC 27949			159 Four Seasons Lane Duck, NC 27949			154 Four Seasons Lane Duck, NC 27949		
Proximity to Subject		0.06 miles			0.08 miles			0.16 miles		
Sale Price	\$ N/A	\$ 1,510,000			\$ 1,550,000			\$ 1,699,000		
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 466.05 sq.ft.			\$ 397.74 sq.ft.			\$ 436.54 sq.ft.		
Data Source(s)		real estate MLS records			real estate MLS records			real estate MLS records		
Verification Source(s)		exterior inspection			exterior inspection			exterior inspection		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sales or Financing Concessions		Conventional			Conventional			Conventional		
Date of Sale/Time		4/24/06	+14,000	3/23/06	+15,000	4/7/06	+14,000			
Location	Duck	Duck			Duck			Duck		
Leasehold/Fee Simple	Fee Simple	fee			fee			fee		
Site	14,810 Sq.Ft.	16,117 sq.ft.			16,488 sq.ft.			16,683 sq.ft.		
View	beach homes	beach homes			beach homes			beach homes		
Design (Style)	3 story-contemp.	3 story-contemp.			3 story-contemp.			3 story-contemp.		
Quality of Construction	excellent	good +80,000			good +80,000			good +80,000		
Actual Age	new	7 years			7 years			7 years		
Condition	new	good +75,000			good +75,000			good +75,000		
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		
	14 6 8	14 7 5.5		14 6 6	+4,000	14 7 5.5				
Gross Living Area	4,679 sq.ft.	3,240 sq.ft. +86,340			3,897 sq.ft. +46,920			3,892 sq.ft. +47,220		
Basement & Finished Rooms Below Grade	0 -	0 -			0 -			0 -		
Functional Utility	average	average			average			average		
Heating/Cooling	heat pump	heat pump			heat pump			heat pump		
Energy Efficient Items	2-fireplaces	none +4,000			none +4,000			2-fireplaces		
Garage/Carport	none	none			carport -2,000			carport -2,000		
Porch/Patio/Deck	decks,patio	decks,patio			decks,patio			decks,patio		
	pool,elevator	pool +20,000			pool +20,000			none +40,000		
	pool house	none +80,000			none +80,000			none +80,000		
Net Adjustment (Total)		☒ + ☐ - \$ 359,340			☒ + ☐ - \$ 322,920			☒ + ☐ - \$ 334,220		
Adjusted Sale Price of Comparables		Net Adj. 23.8 % Gross Adj. 23.8 % \$ 1,869,340			Net Adj. 20.8 % Gross Adj. 21.1 % \$ 1,872,920			Net Adj. 19.7 % Gross Adj. 19.9 % \$ 2,033,220		

SALES COMPARISON APPROACH

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) deed

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 and public records

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	7/12/05	2/7/00		12/22/06		4/22/03	
Price of Prior Sale/Transfer	lot only	lot only		lot only		1,360,000	
Data Source(s)	deed & public records	deed & public records		deed & public records		deed & public records	
Effective Date of Data Source(s)	3/27/06	3/27/06		3/27/06		3/27/06	

Analysis of prior sale or transfer history of the subject property and comparable sales The most transfer of the subject property took place in 2005. This was for the lot only prior to the construction of this home. Comparables #1 and #2 also show prior transfers for their vacant lots, prior to construction. Comparable #3 shows a prior transfer 4/22/03 for \$1,360,000.

Summary of Sales Comparison Approach Additional fourth and fifth comparable has been included in this report to lend further weight toward a conclusion for a good estimate of market value. See the additional comparables addendum for these sales, their adjustments, and comments. All five comparables are recent sales that have taken place in the same gated community. All comparables show a date of sale adjustment to bring the comparables up to date value wise, based on the market appreciation this area benefits from. The prior sales of comparables #3 and #5 give evidence to this market appreciation. The three comparables above show adjustments for the difference in quality, age/condition, square footage, and the lack of elevators and pool houses. Comparables #1 and #3 show an extra bedroom, but less baths. This room count would offset each other. Comparable#2 shows less baths. All five comparables are weighed to obtain the best estimate of market value.

Indicated Value by Sales Comparison Approach \$ 2,300,000

Indicated Value by: Sales Comparison Approach \$ 2,300,000 Cost Approach (if developed) \$ 2,136,873 Income Approach (if developed) \$ 2,302,650

The most reliable approach to an estimate of market value is found in the sales comparison approach. A somewhat similar value is noted in the cost approach. This approach may be considered somewhat reliable due to the limited depreciation. The income approach shows a similar overall value, however, the income is estimated, not actual.

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 \$ 2,300,000 , as of 3/24/07 , which is the date of inspection and the effective date of this appraisal.

RECONCILIATION

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The income utilized for the data to provide an estimate of value is derived from an income estimate that was prepared by a property manager due to the lack of a rental history with this new construction.

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 estimated site value is taken from market evidence that, in this case, is provided from MLS information.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			=\$ 850,000
Source of cost data Marshall & Swift Cost Handbook	DWELLING	4,679 Sq.Ft. @ \$ 119.11	=\$ 557,316	
Quality rating from cost service V Good Effective date of cost data 6/05		0 Sq.Ft. @ \$	=\$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	refinements		=\$ 532,557	
The data source used to obtain a value by way of the cost approach can be found in the Marshall and Swift Cost Handbook. Local, cost to build, factors are calculated into this approach. The square footage is determined by actual measurement. The depreciation is determined by the age/life process. Site improvements are added in as depreciated values for driveway, pool, pool house, and landscaping.	Garage/Carport	Sq.Ft. @ \$	=\$	
	Total Estimate of Cost-New			=\$ 1,089,873
	Less	Physical	Functional	External
	Depreciation			= \$()
	Depreciated Cost of Improvements			=\$ 1,089,873
	"As-is" Value of Site Improvements			=\$ 197,000
Estimated Remaining Economic Life (HUD and VA only) 60 Years	INDICATED VALUE BY COST APPROACH			=\$ 2,136,873

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ 109650 X Gross Rent Multiplier 21 = \$ 2,302,650 Indicated Value by Income Approach
 Summary of Income Approach (including support for market rent and GRM) A gross rent multiplier is developed from data taken from local, similar type, income producing sales that have taken place in the local market.

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

Describe common elements and recreational facilities.

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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 the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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

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

Uniform Residential Appraisal Report

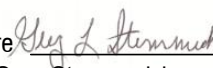
Four
File # 10-0001

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 Greg Stemmerich

Signature 

Name Greg Stemmerich

Company Name Island Appraisal

Company Address 101 Dogwood Circle
Manteo NC 27954

Telephone Number 252 475 1239

Email Address islandappraisal@earthlink.net

Date of Signature and Report March 27, 2007

Effective Date of Appraisal 3/24/07

State Certification # A5844

or State License # _____

or Other (describe) _____ State # NC

State NC

Expiration Date of Certification or License 6/30/07

ADDRESS OF PROPERTY APPRAISED
120 Four Seasons Lane
Duck, NC 27949

APPRAISED VALUE OF SUBJECT PROPERTY \$ 2,300,000

LENDER/CLIENT
Name _____

Company Name Residential Real Estate Review

Company Address 10401 Deerwood Park Blvd. Jacksonville FL
32256

Email Address _____



SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

Telephone Number _____

Email Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property

Did inspect exterior of subject property from street
Date of Inspection _____

Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street

Did inspect exterior of comparable sales from street
Date of Inspection _____

Uniform Residential Appraisal Report

Four
File # 10-0001

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	120 Four Seasons Lane Duck, NC 27949	102 Lala Court Duck, NC 27949			168 Four Seasons Lane Duck, NC 27949					
Proximity to Subject		0.19 miles			0.31 miles					
Sale Price	\$ N/A	\$ 2,187,500			\$ 3,700,000			\$		
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 378.53 sq.ft.			\$ 584.52 sq.ft.			\$ sq.ft.		
Data Source(s)		real estate MLS records			real estate MLS records					
Verification Source(s)		exterior inspection			exterior inspection					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sales or Financing Concessions		Conventional			Conventional					
Date of Sale/Time		11/22/06 +7,000			10/3/05 +50,000					
Location	Duck	Duck			Duck					
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple					
Site	14,810 Sq.Ft.	18,295 sq.ft.			23,702-OF			-450,000		
View	beach homes	beach homes			beach homes					
Design (Style)	3 story-contemp	3 story-contemp			3 story-contemp					
Quality of Construction	excellent	good-excell. +40,000			excellent					
Actual Age	new	4 years			4 years					
Condition	new	good +40,000			good +40,000					
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		
Room Count	14 6 8	17 9 10.5	-20,000	16 8 8	-10,000					
Gross Living Area	4,679 sq.ft.	5,779 sq.ft. -66,000			6,330 sq.ft. -99,060			sq.ft.		
Basement & Finished Rooms Below Grade	0 -	0 -			0 -					
Functional Utility	average	average			average					
Heating/Cooling	heat pump	heat pump			heat pump					
Energy Efficient Items	2-fireplaces	2-fireplaces			2-fireplaces					
Garage/Carport	none	none			carport -2,000					
Porch/Patio/Deck	decks,patio	decks,patio			decks,patio					
	pool,elevator	pool,elevator			pool,elevator					
	pool house	cabana +50,000			none +80,000					
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 51,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 391,060			<input type="checkbox"/> + <input type="checkbox"/> - \$		
Adjusted Sale Price of Comparables		Net 2.3 % Gross 10.2 % \$ 2,238,500			Net 10.6 % Gross 19.8 % \$ 3,308,940			Net % Gross % \$		
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 # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Date of Prior Sale/Transfer	7/12/05	1/27/00			8/1/03					
Price of Prior Sale/Transfer	lot only	lot only			2,900,000					
Data Source(s)	deed & public records	deed & public records			deed & public records					
Effective Date of Data Source(s)	3/27/06	3/27/06			3/27/06					
Analysis of prior sale or transfer history of the subject property and comparable sales Comparable #4 shows only a prior sale from 1/27/00. This was for the vacant lot only, prior to the construction of this home. Comparable #5 shows a prior sale, 8/1/03, for \$2,900,000.										
Analysis/Comments These two comparables are also sales that have taken place in the same gated subdivision the subject is situated in. These comparables show adjustments for date of sale, age, room count, square footage, and the lack of a pool house. Comparable #4 shows slightly inferior quality. Comparable #5 is situated on a larger ocean front lot.										

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	120 Four Seasons Lane
	Legal Description	Deed Page #1684, Book #276
	City	Duck
	County	Dare
	State	NC
	Zip Code	27949
	Census Tract	9701
	Map Reference	985916937007
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Borrower / Client	Four Seasons LLC
	Lender	Residential Real Estate Review
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	4,679
	Price per Square Foot	\$
	Location	Duck
	Age	new
	Condition	new
	Total Rooms	14
	Bedrooms	6
	Baths	8
APPRAISER	Appraiser	Greg Stemmerich
	Date of Appraised Value	3/24/07
VALUE	Final Estimate of Value	\$ 2,300,000

Comparable Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Comparable 1

161 Four Seasons Lane	
Prox. to Subject	0.06 miles
Sale Price	1,510,000
Gross Living Area	3,240
Total Rooms	14
Total Bedrooms	7
Total Bathrooms	5.5
Location	Duck
View	beach homes
Site	16,117 sq.ft.
Quality	good
Age	7 years

Comparable 2

159 Four Seasons Lane	
Prox. to Subject	0.08 miles
Sale Price	1,550,000
Gross Living Area	3,897
Total Rooms	14
Total Bedrooms	6
Total Bathrooms	6
Location	Duck
View	beach homes
Site	16,488 sq.ft.
Quality	good
Age	7 years

Comparable 3

154 Four Seasons Lane	
Prox. to Subject	0.16 miles
Sale Price	1,699,000
Gross Living Area	3,892
Total Rooms	14
Total Bedrooms	7
Total Bathrooms	5.5
Location	Duck
View	beach homes
Site	16,683 sq.ft.
Quality	good
Age	7 years

Comparable Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			



Comparable 4

102 Lala Court
 Prox. to Subject 0.19 miles
 Sale Price 2,187,500
 Gross Living Area 5,779
 Total Rooms 17
 Total Bedrooms 9
 Total Bathrooms 10.5
 Location Duck
 View beach homes
 Site 18,295 sq.ft.
 Quality good-excell.
 Age 4 years



Comparable 5

168 Four Seasons Lane
 Prox. to Subject 0.31 miles
 Sale Price 3,700,000
 Gross Living Area 6,330
 Total Rooms 16
 Total Bedrooms 8
 Total Bathrooms 8
 Location Duck
 View beach homes
 Site 23,702-OF
 Quality excellent
 Age 4 years

Comparable 6

Prox. to Subject
 Sale Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Photograph Addendum

Borrower/Client	Four Seasons LLC		
Property Address	120 Four Seasons Lane		
City	Duck	County	Dare
State	NC	Zip Code	27949
Lender	Residential Real Estate Review		



Comments:



Comments:



Comments:



Comments:

Subject Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Front

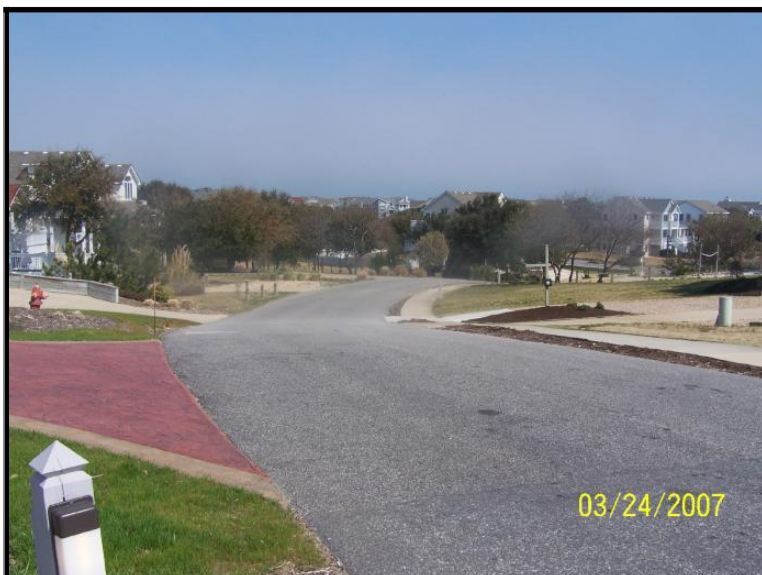
120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
 Total Rooms 14
 Total Bedrooms 6
 Total Bathrooms 8
 Location Duck
 View beach homes
 Site 14,810 Sq.Ft.
 Quality excellent
 Age new



Subject Rear



Subject Street



Subject Interior Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Interior

120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
 Total Rooms 14
 Total Bedrooms 6
 Total Bathrooms 8
 Location Duck
 View beach homes
 Site 14,810 Sq.Ft.
 Quality excellent
 Age new



Subject Interior



Subject Interior



Subject Interior Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Interior

120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
 Total Rooms 14
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 View beach homes
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Subject Interior



Subject Interior

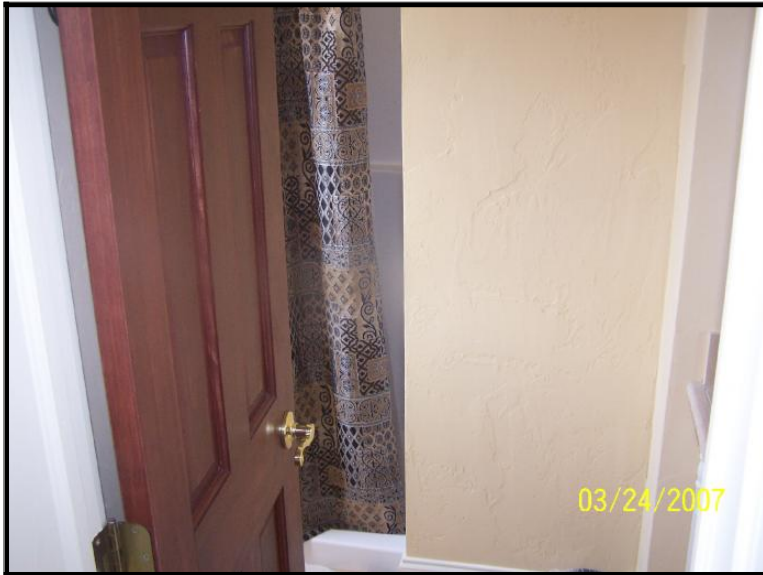


Subject Interior Photo Page

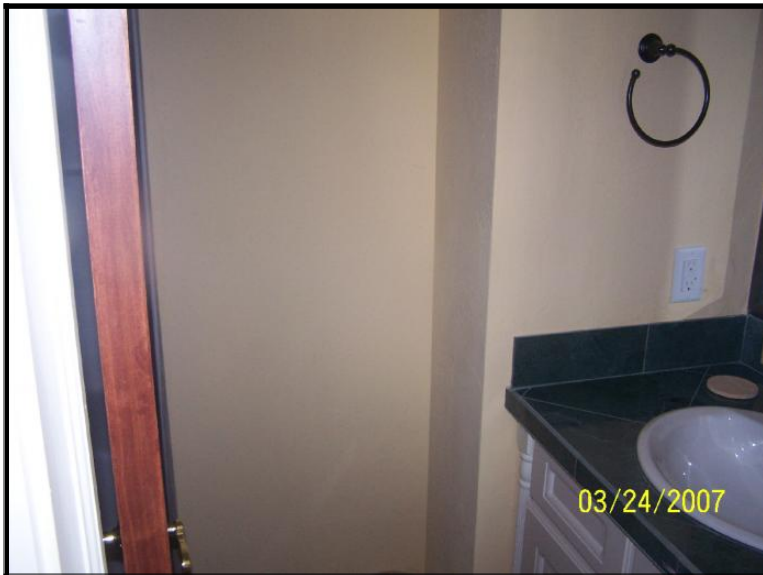
Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Interior

120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
 Total Rooms 14
 Total Bedrooms 6
 Total Bathrooms 8
 Location Duck
 View beach homes
 Site 14,810 Sq.Ft.
 Quality excellent
 Age new



Subject Interior



Subject Interior



Subject Interior Photo Page

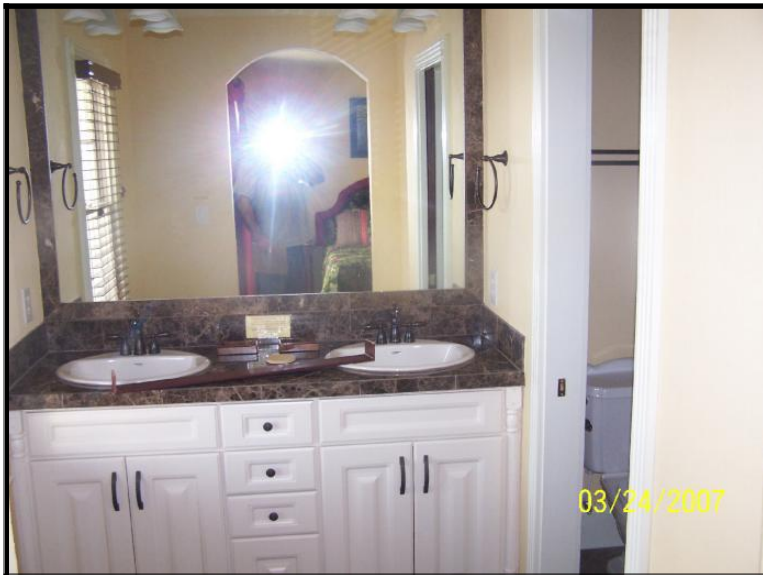
Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Interior

120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
 Total Rooms 14
 Total Bedrooms 6
 Total Bathrooms 8
 Location Duck
 View beach homes
 Site 14,810 Sq.Ft.
 Quality excellent
 Age new



Subject Interior



Subject Interior



Subject Interior Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Interior

120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
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 View beach homes
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Subject Interior



Subject Interior



Subject Interior Photo Page

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			

Subject Interior

120 Four Seasons Lane
 Sales Price N/A
 Gross Living Area 4,679
 Total Rooms 14
 Total Bedrooms 6
 Total Bathrooms 8
 Location Duck
 View beach homes
 Site 14,810 Sq.Ft.
 Quality excellent
 Age new



Subject Interior

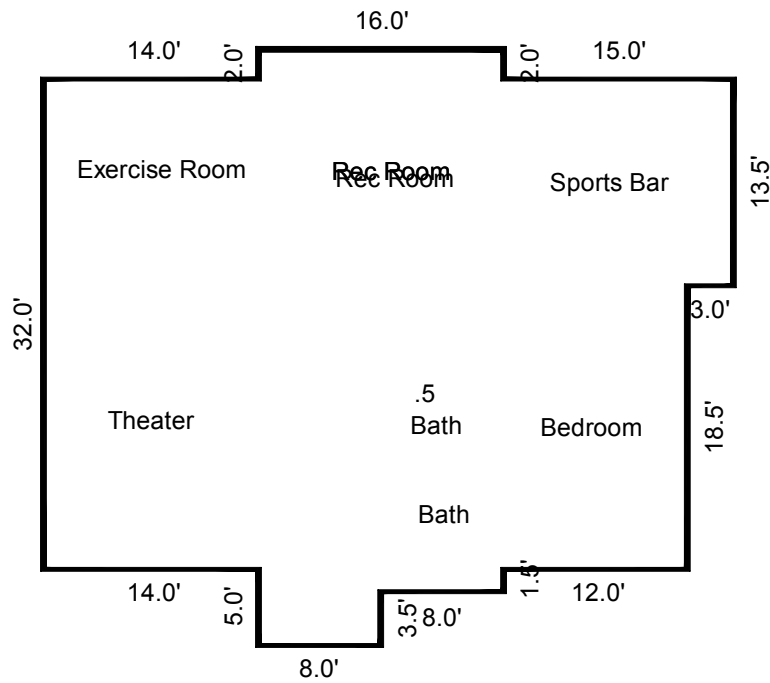


Subject Interior



Building Sketch (Page - 1)

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			



Sketch by Apex IV™

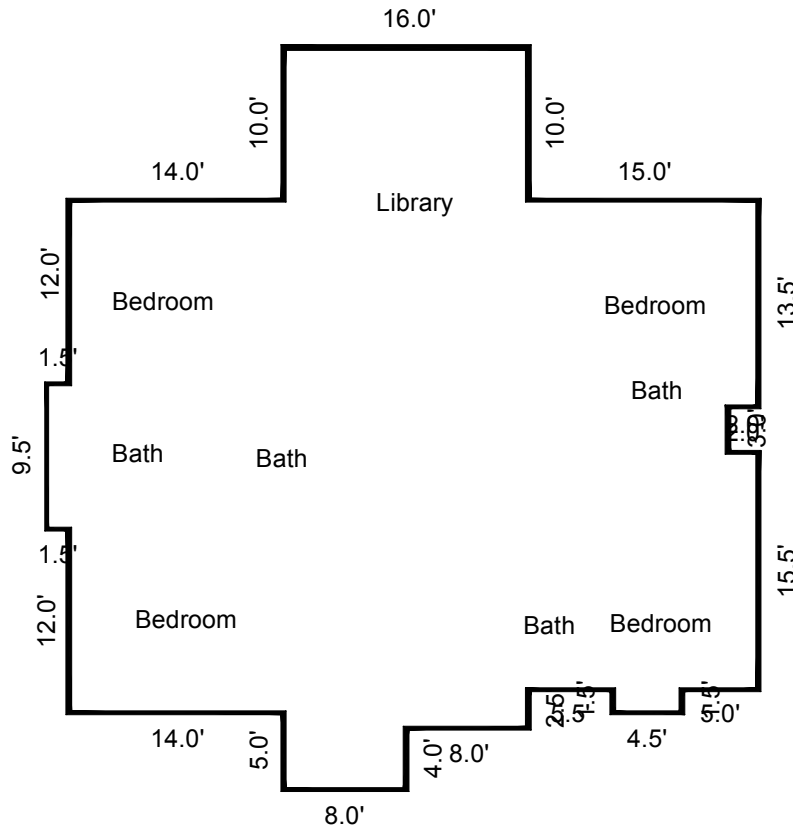
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1468.5	1468.5
Net LIVABLE Area		(Rounded)	1469

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
12.0 x	32.0	384.0
3.0 x	13.5	40.5
16.0 x	35.5	568.0
3.5 x	8.0	28.0
14.0 x	32.0	448.0
5 Items		(Rounded) 1469

Building Sketch (Page - 2)

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			



Sketch by Apex IV™

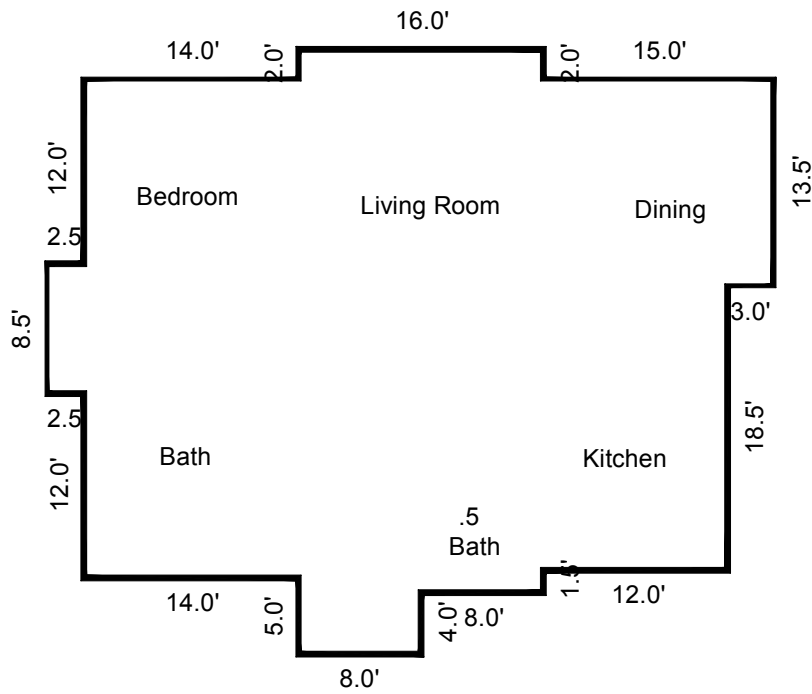
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA2	Second Floor	1708.0	1708.0
Net LIVABLE Area		(Rounded)	1708

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
Second Floor		
1.5 x	4.5	6.8
13.0 x	32.0	416.0
2.0 x	15.5	31.0
2.0 x	13.5	27.0
16.0 x	44.5	712.0
4.0 x	8.0	32.0
1.5 x	9.5	14.3
14.0 x	33.5	469.0
8 Items		(Rounded)
		1708

Building Sketch (Page - 3)

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA3	Third Floor	1502.9	1502.9
Net LIVABLE Area		(Rounded)	1503

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
Third Floor		
12.0 x	32.1	384.6
3.0 x	13.5	40.5
16.0 x	35.6	568.8
4.0 x	8.0	32.0
2.5 x	8.5	21.3
14.0 x	32.6	455.7
6 Items		(Rounded)
		1503

Filed Book: 1640 Page: 417 Doc Id: 6173795
07/12/2005 04:01PM Receipt #: 144884
Doc Code: DEED NC Excise Tax pd: \$1500.00
BARBARA H GRAY, REGISTER OF DEEDS DARE CO., NC



6173795
Page: 1 of 2
07/12/2005 04:01P

DARE COUNTY REAL ESTATE TRANSFER TAX
4692-05 \$ 7500.00

NORTH CAROLINA GENERAL WARRANTY DEED

LT#4692-05 \$7500.00
Revenue Stamps \$1500.00

Tax Lot No. _____ Parcel Identifier No. 010067101

Verified by _____ County of the _____ day of _____
by _____

Mail after recording to Kellogg & Evans, Attorney's At Law, Manteo, NC 27954
This instrument was prepared by Robert L. Outten, Attorney at Law,
A licensed North Carolina Attorney
Delinquent taxes, if any, to be paid by the closing attorney to the
County Tax Collector upon Disbursement of closing proceeds.
24707dl

Brief Description for the index

Lot 101, Four Seasons S/D

THIS DEED made June 21, 2005 and between

GRANTOR

Phillip W. Lockett and wife
Jacqueline G. Lockett

GRANTEE

William J. Lane
PO Box 329
Kill Devil Hills, NC 27948

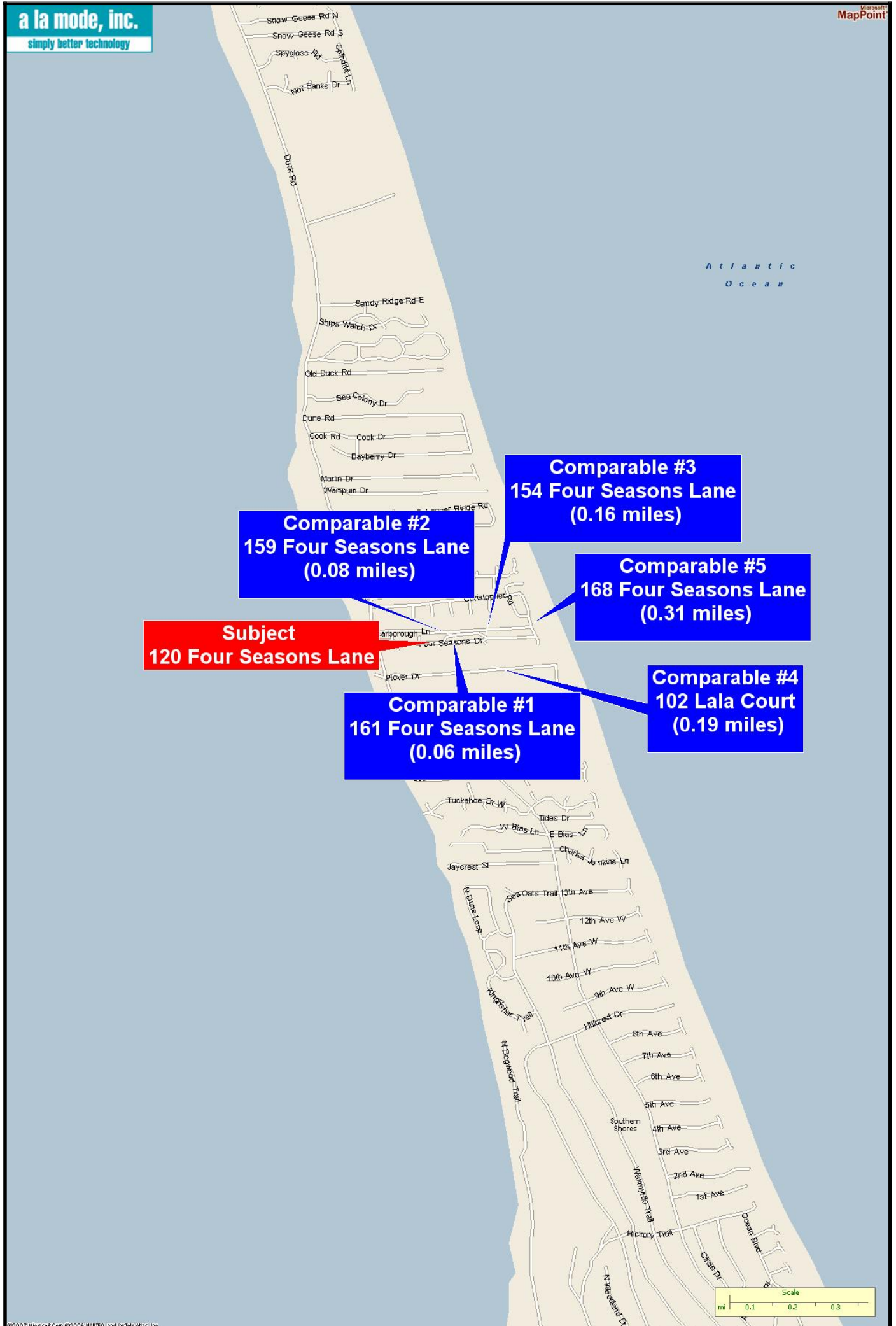
The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the Town of Duck, Atlantic Township, Dare County, North Carolina and more particularly described as follows:

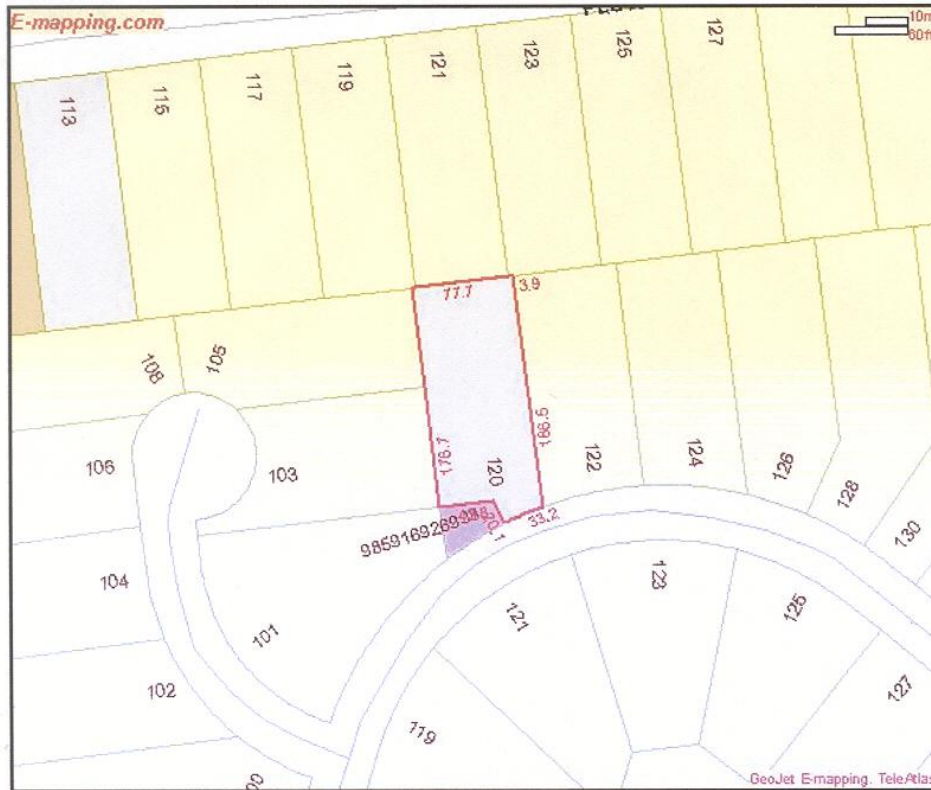
All that certain lot or parcel of land being Lot 101 of Four Seasons in Duck Subdivision as shown on that map or plat entitled in part "Four Seasons in Duck, Phase 1, Atlantic Township, Dare County, North Carolina," by Bissell Professional Group as recorded in Plat Cabinet E, Slides 203 through 206, Dare County Public Registry, reference to which is hereby made for a more complete and concise description of the lands being herein described.

Location Map

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			



Parcel Map



Approx. Lot
 SQFT: 14810.4
 Land Use: Vacant

Parcel Color Legend		
	Commercial	
	Miscellaneous	
	Residential	
	Duplex/Complex	
	Mobile Home	
	Vacant	
		Industrial
		Public

Data Subject to Errors, Omissions, Revisions - Not Warranted.
 (3/26/2007)

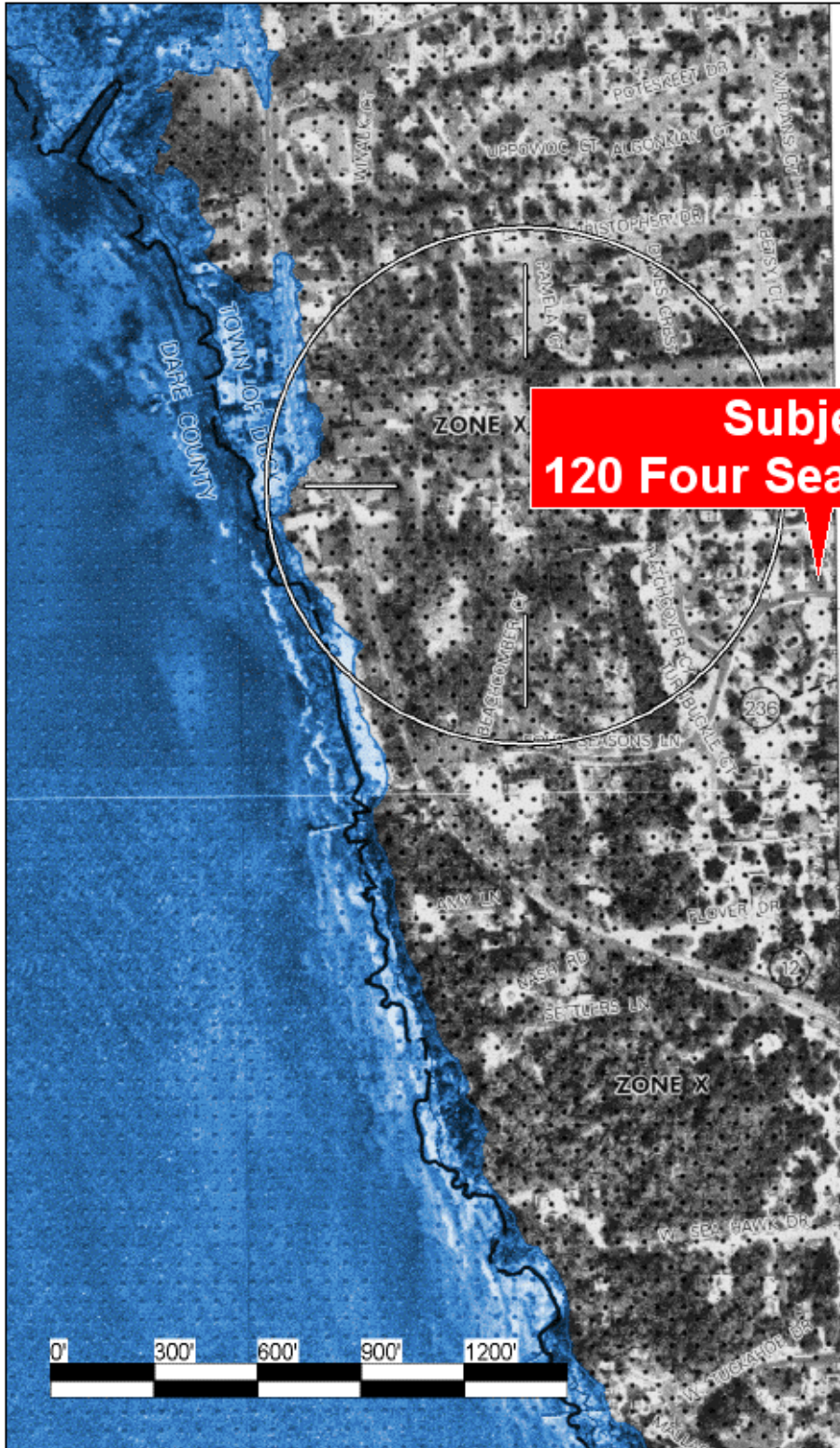
Copyright © GeoJet Information Solutions Inc.
 Protected by U. S. patents and copyright laws.

Flood Map

Borrower/Client Four Seasons LLC			
Property Address 120 Four Seasons Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Residential Real Estate Review			



Prepared for:
 Island Appraisal Service (252) 475-1239
 115 Scarborough Lane
 Duck, NC 27949



**Subject
 120 Four Seasons Lane**

FLOODSCAPE

Flood Hazards Map

Map Number
3720985900J

Effective Date
September 20, 2006

For more information about flood zones and flood insurance, contact:

Powered by FloodSource
877.77.FLOOD

Scale

mi | 232 | 464 | 696

© 1999-2007 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

ENVIRONMENTAL ADDENDUM
APPARENT* HAZARDOUS SUBSTANCES AND/OR DETRIMENTAL ENVIRONMENTAL CONDITIONS

Borrower/Client <u>Four Seasons LLC</u>			
Address <u>120 Four Seasons Lane</u>			
City <u>Duck</u>	County <u>Dare</u>	State <u>NC</u>	Zip code <u>27949</u>
Lender <u>Residential Real Estate Review</u>			

***Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.**

This universal Environmental Addendum is for use with any real estate appraisal. Only the statements which have been checked by the appraiser apply to the property being appraised.

This addendum reports the results of the appraiser's routine inspection of and inquiries about the subject property and its surrounding area. It also states what assumptions were made about the existence (or nonexistence) of any hazardous substances and/or detrimental environmental conditions. **The appraiser is not an expert environmental inspector** and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have a negative effect on the safety and value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

DRINKING WATER

- Drinking Water is supplied to the subject from a municipal water supply which is considered safe. However the only way to be absolutely certain that the water meets published standards is to have it tested at all discharge points.
- Drinking Water is supplied by a well or other non-municipal source. It is recommended that tests be made to be certain that the property is supplied with adequate pure water.
- Lead can get into drinking water from its source, the pipes, at all discharge points, plumbing fixtures and/or appliances. The only way to be certain that water does not contain an unacceptable lead level is to have it tested at all discharge points.
- The value estimated in this appraisal is based on the assumption that there is an adequate supply of safe, lead-free Drinking Water.**

Comments _____

SANITARY WASTE DISPOSAL

- Sanitary Waste is removed from the property by a municipal sewer system.
- Sanitary Waste is disposed of by a septic system or other sanitary on site waste disposal system. The only way to determine that the disposal system is adequate and in good working condition is to have it inspected by a qualified inspector.
- The value estimated in this appraisal is based on the assumption that the Sanitary Waste is disposed of by a municipal sewer or an adequate properly permitted alternate treatment system in good condition.**

Comments _____

SOIL CONTAMINANTS

- There are no apparent signs of Soil Contaminants on or near the subject property (except as reported in Comments below). It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.
- The value estimated in this appraisal is based on the assumption that the subject property is free of Soil Contaminants.**

Comments _____

ASBESTOS

- All or part of the improvements were constructed before 1979 when Asbestos was a common building material. The only way to be certain that the property is free of friable and non-friable Asbestos is to have it inspected and tested by a qualified asbestos inspector.
- The improvements were constructed after 1979. No apparent friable Asbestos was observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no uncontained friable Asbestos or other hazardous Asbestos material on the property.**

Comments _____

PCBs (POLYCHLORINATED BIPHENYLS)

- There were no apparent leaking fluorescent light ballasts, capacitors or transformers anywhere on or nearby the property (except as reported in Comments below).
- There was no apparent visible or documented evidence known to the appraiser of soil or groundwater contamination from PCBs anywhere on the property (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there are no uncontained PCBs on or nearby the property.**

Comments _____

RADON

- The appraiser is not aware of any Radon tests made on the subject property within the past 12 months (except as reported in Comments below).
- The appraiser is not aware of any indication that the local water supplies have been found to have elevated levels of Radon or Radium.
- The appraiser is not aware of any nearby properties (except as reported in Comments below) that were or currently are used for uranium, thorium or radium extraction or phosphate processing.
- The value estimated in this appraisal is based on the assumption that the Radon level is at or below EPA recommended levels.**

Comments _____

USTs (UNDERGROUND STORAGE TANKS)

- There is no apparent visible or documented evidence known to the appraiser of any USTs on the property nor any known historical use of the property that would likely have had USTs.
- There are no apparent petroleum storage and/or delivery facilities (including gasoline stations or chemical manufacturing plants) located on adjacent properties (except as reported in Comments below).
- There are apparent signs of USTs existing now or in the past on the subject property. It is recommended that an inspection by a qualified UST inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.
- The value estimated in this appraisal is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled and sealed.**

Comments _____

NEARBY HAZARDOUS WASTE SITES

- There are no apparent Hazardous Waste Sites on the subject property or nearby the subject property (except as reported in Comments below). Hazardous Waste Site search by a trained environmental engineer may determine that there is one or more Hazardous Waste Sites on or in the area of the subject property.
- The value estimated in this appraisal is based on the assumption that there are no Hazardous Waste Sites on or nearby the subject property that negatively affect the value or safety of the property.**

Comments _____

UREA FORMALDEHYDE (UFFI) INSULATION

- All or part of the improvements were constructed before 1982 when UREA foam insulation was a common building material. The only way to be certain that the property is free of UREA formaldehyde is to have it inspected by a qualified UREA formaldehyde inspector.
- The improvements were constructed after 1982. No apparent UREA formaldehyde materials were observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no significant UFFI insulation or other UREA formaldehyde material on the property.**

Comments _____

LEAD PAINT

- All or part of the improvements were constructed before 1980 when Lead Paint was a common building material. There is no apparent visible or known documented evidence of peeling or flaking Lead Paint on the floors, walls or ceilings (except as reported in Comments below). The only way to be certain that the property is free of surface or subsurface Lead Paint is to have it inspected by a qualified inspector.
- The improvements were constructed after 1980. No apparent Lead Paint was observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no flaking or peeling Lead Paint on the property.**

Comments _____

AIR POLLUTION

- There are no apparent signs of Air Pollution at the time of the inspection nor were any reported (except as reported in Comments below). The only way to be certain that the air is free of pollution is to have it tested.
- The value estimated in this appraisal is based on the assumption that the property is free of Air Pollution.**

Comments _____

WETLANDS/FLOOD PLAINS

- The site does not contain any apparent Wetlands/Flood Plains (except as reported in Comments below). The only way to be certain that the site is free of Wetlands/Flood Plains is to have it inspected by a qualified environmental professional.
- The value estimated in this appraisal is based on the assumption that there are no Wetlands/Flood Plains on the property (except as reported in Comments below).**

Comments Flood map #3720985900J, dated 9/20/06

MISCELLANEOUS ENVIRONMENTAL HAZARDS

- There are no other apparent miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:
- Excess Noise _____
- Radiation + Electromagnetic Radiation _____
- Light Pollution _____
- Waste Heat _____
- Acid Mine Drainage _____
- Agricultural Pollution _____
- Geological Hazards _____
- Nearby Hazardous Property _____
- Infectious Medical Wastes _____
- Pesticides _____
- Others (Chemical Storage + Storage Drums, Pipelines, etc.) _____
- The value estimated in this appraisal is based on the assumption that there are no Miscellaneous environmental Hazards (except those reported above) that would negatively affect the value of the property.**

When any of the environmental assumptions made in this addendum are not correct, the estimated value in this appraisal may not be valid.