

Borrower/Client	Client-Kimberly Lane			File No.	30-0005
Property Address	116 Scarborough Lane				
City	Duck	County	Dare	State	NC
				Zip Code	27949
Lender	Client-Kimberly Lane				

TABLE OF CONTENTS



Letter of Transmittal .....	1
Invoice .....	2
URAR .....	3
Summary of Salient Features .....	9
Comparable Photos 1-3 .....	10
Subject Photos .....	11
Subject Photos .....	12
Building Sketch (Page - 1) .....	13
Building Sketch (Page - 2) .....	14
Building Sketch (Page - 3) .....	15
Deed .....	16
Location Map .....	17
Parcel .....	18
Flood Map .....	19
Environmental Addendum - Appraiser .....	20

# *Island Appraisal Service*

GREG STEMMERICH  
*NC State Certified Residential Appraiser*

4/9/07

Client-Kimberly Lane  
PO Box 329  
Kill Devil Hills, NC 27948

Re: Property: 116 Scarborough Lane  
Duck, NC 27949  
Borrower: Client-Kimberly Lane  
File No.: 30-0005

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 **\$2,150,000**.

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**





**GREG STEMMERICH**  
NC State Certified Residential Appraiser

# INVOICE

INVOICE NUMBER	
	0000300
DATE	
	4/9/07
REFERENCE	
Internal Order #:	0000300
Lender Case #:	30-0005
Client File #:	Lane
Main File # on form:	30-0005
Other File # on form:	Lane
Federal Tax ID:	23-2916796
Employer ID:	

**TO:**

Client-Kimberly Lane

**Telephone Number:****Fax Number:**

**Alternate Number:**

**E-Mail:**

## DESCRIPTION

**Lender:** Client-Kimberly Lane

**Client:** Client-Kimberly Lane

**Purchaser/Borrower:** Client-Kimberly Lane

**Property Address:** 116 Scarborough Lane

City: Duck

**County:** Dare

**State:** NC

**Zip:** 27949

**Legal Description:** Deed Page #1673, Book #16

## FEES

**AMOUNT**

## Summary

350.00

**SUBTOTAL**

350.00

## PAYMENTS

**AMOUNT**

**Check #:**

Date:

**Description:**

**Check #:**

Date:

**Description:**

**Check #:**

Date:

**Description:**

**SUBTOTAL**

**TOTAL DUE**

\$

350.00

Summary Appraisal Report

Uniform Residential Appraisal Report

Lane  
File # 30-0005

SUBJECT

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	116 Scarborough Lane	City	Duck	State	NC	Zip Code	27949
Borrower	Client-Kimberly Lane	Owner of Public Record	116 Scarborough Lane LLC	County	Dare		
Legal Description	Deed Page #1673, Book #16						
Assessor's Parcel #	030147000	Tax Year	2066	R.E. Taxes \$	5,057.85		
Neighborhood Name	Sea Pines	Map Reference	985916933486	Census Tract	9701		
Occupant	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	N/A	<input type="checkbox"/> PUD	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month	
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) personal request						
Lender/Client	Client-Kimberly Lane	Address	PO Box 329 Kill Devil Hills, NC 27948				
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). MLS information shows this property to have been listed, 6/29/06, for \$2,100,000. It then expired on 1/11/07, at the same asking price, 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid. N/A							

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input 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	%	
				1,600	Pred. 2	Other	40 %	
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.								
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	81x60x106x85x154	Area	15,246 Sq.Ft.	Shape	irregular	View	beach homes
Specific Zoning Classification	RS1	Zoning Description	single family use permitted along with residential income properties				
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

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"/>	<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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							
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,rock		
<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 checked="" type="checkbox"/> Fence		<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 <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven [3] Dishwasher <input type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> 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.

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

Uniform Residential Appraisal Report

Lane  
File # 30-0005

SALES COMPARISON APPROACH

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	116 Scarborough Lane Duck, NC 27949	102 Lala Court Duck, NC 27949			830 Lighthouse Drive Corolla, NC 27927			154 Four Seasons Lane Duck, NC 27949		
Proximity to Subject		0.41 miles			12.31 miles			0.23 miles		
Sale Price	\$ N/A		\$ 2,187,500		\$ 2,100,000		\$ 1,699,000			
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 378.53 sq.ft.		\$ 419.50 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			
Sales or Financing Concessions		Conventional		Conventional		Conventional				
Date of Sale/Time		11/22/06	+7,000	9/8/06	+12,000	4/7/06	+14,000			
Location	Duck	Duck-1 lot-O	-50,000	Corolla-comnts		Duck				
Leasehold/Fee Simple	Fee Simple	Fee Simple		fee		fee				
Site	15,246 Sq.Ft.	18,295 sq.ft.		20,000 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-excell.	+40,000	good-excell.	+40,000	good	+80,000			
Actual Age	new	4 years		2 years		7 years				
Condition	new	good	+40,000	good-new	+20,000	good	+75,000			
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths				
	14 6 8	17 9 10.5	-20,000	17 9 8.5	-16,000	14 7 5.5				
Gross Living Area	4,679 sq.ft.	5,779 sq.ft.	-66,000	5,006 sq.ft.	-19,620	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	2-fireplaces		fireplace	+2,000	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,elevator		pool,elevator		none	+40,000			
	pool house	cabana	+50,000	cabana	+50,000	none	+80,000			
Net Adjustment (Total)		⊗ + □ -	\$ 1,000	⊗ + □ -	\$ 86,380	⊗ + □ -	\$ 334,220			
Adjusted Sale Price of Comparables		Net Adj. %		Net Adj. 4.1 %		Net Adj. 19.7 %				
		Gross Adj. 12.5 %	\$ 2,188,500	Gross Adj. 7.7 %	\$ 2,186,380	Gross Adj. 19.9 %	\$ 2,033,220			
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain										
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.										
Data Source(s) deed										
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.										
Data Source(s) 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	4/1/05		1/27/00		3/23/05		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)	4/9/07		4/9/07		4/9/07		4/9/07			
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. All three of the comparables also show prior transfers for their vacant lots, prior to construction.										
Summary of Sales Comparison Approach Comparables #1 and #3 are recent sales that have taken place in a similar, nearby gated community. All three 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 sale of comparable #3 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 a pool house. All three are noted to show extra bedrooms, with comparable #3 having less baths. This room count for comparable #3 would offset each other. Comparable #2 is noted to be situated one lot from the ocean. It is not, however, located in a subdivision that offers the amenities the subject area does with a community pool, clubhouse, and tennis. These features would offset4 each other, negating the need for an adjustment. All three comparables are weighed to obtain the best estimate of market value.										
Indicated Value by Sales Comparison Approach \$ 2,150,000										

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 2,150,000 Cost Approach (if developed) \$ 1,986,873 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 \$ 2,150,000 , as of 4/7/07 , which is the date of inspection and the effective date of this appraisal.

Freddie Mac Form 70 March 2005

Page 2 of 6

Fannie Mae Form 1004 March 2005

Form 1004 — "TOTAL for Windows" appraisal software by a la mode, inc. — 1-800-ALAMODE

Uniform Residential Appraisal Report

Lane

File # 30-0005

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

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

Sales comparison approach

This subject property is noted to be of very good quality. Little expense was spared in it's construction. Comments from realtors regarding the first three comparables utilized in this report support the conclusion that the subject property is far superior in this area. It is also difficult to create a firm adjustment for quality due to the difficulty abstracting this feature from paired sales. It is also necessary to totally accept the comments from realtors and data sheets due to the lack of an interior inspection on these comparables. It is the opinion of this appraiser that the estimate of value determined in this report is as accurate as the data and market evidence will allow. It is noted that the home was briefly on the market for a period. It was, however, marketed over the seasonal slowdown over the holidays and may not have benefited from reasonable market exposure.

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 .....			= \$	700,000
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,	Garage/Carport		Sq.Ft. @ \$		= \$
factors are calculated into this approach. The square footage is	Total Estimate of Cost-New				= \$ 1,089,873
determined by actual measurement. The depreciation is determined by	Less                      Physical	Functional	External		
the age/life process. Site improvements are added in as depreciated	Depreciation				= \$( )
values for    driveway, pool, pool house, and landscaping.	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 .....			= \$	1,986,873

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 haver 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.

Uniform Residential Appraisal Report

Lane  
File # 30-0005

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.

Uniform Residential Appraisal Report

Lane  
File # 30-0005

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

Lane  
File # 30-0005

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 Greg Stemmerich  
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 April 09, 2007  
Effective Date of Appraisal 4/7/07  
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  
116 Scarborough Lane  
Duck, NC 27949  
APPRAISED VALUE OF SUBJECT PROPERTY \$ 2,150,000  
LENDER/CLIENT  
Name \_\_\_\_\_  
Company Name Client-Kimberly Lane  
Company Address PO Box 329 Kill Devil Hills, NC 27948  
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 \_\_\_\_\_

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	116 Scarborough Lane
	Legal Description	Deed Page #1673, Book #16
	City	Duck
	County	Dare
	State	NC
	Zip Code	27949
	Census Tract	9701
	Map Reference	985916933486
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Borrower / Client	Client-Kimberly Lane
	Lender	Client-Kimberly Lane
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	4/7/07
VALUE	Final Estimate of Value	\$ 2,150,000

Comparable Photo Page

Borrower/Client Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			



Comparable 1

102 Lala Court	
Prox. to Subject	0.41 miles
Sale Price	2,187,500
Gross Living Area	5,779
Total Rooms	17
Total Bedrooms	9
Total Bathrooms	10.5
Location	Duck-1 lot-O
View	beach homes
Site	18,295 sq.ft.
Quality	good-excell.
Age	4 years



Comparable 2

830 Lighthouse Drive	
Prox. to Subject	12.31 miles
Sale Price	2,100,000
Gross Living Area	5,006
Total Rooms	17
Total Bedrooms	9
Total Bathrooms	8.5
Location	Corolla-comnts
View	beach homes
Site	20,000 sq.ft.
Quality	good-excell.
Age	2 years



Comparable 3

154 Four Seasons Lane	
Prox. to Subject	0.23 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

Subject Photo Page

Borrower/Client Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			

Subject Front

116 Scarborough 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 15,246 Sq.Ft.  
Quality excellent  
Age new



Subject Rear



Subject Street





Subject Photo Page

Borrower/Client Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			



Pool

116 Scarborough 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	15,246 Sq.Ft.
Quality	excellent
Age	new

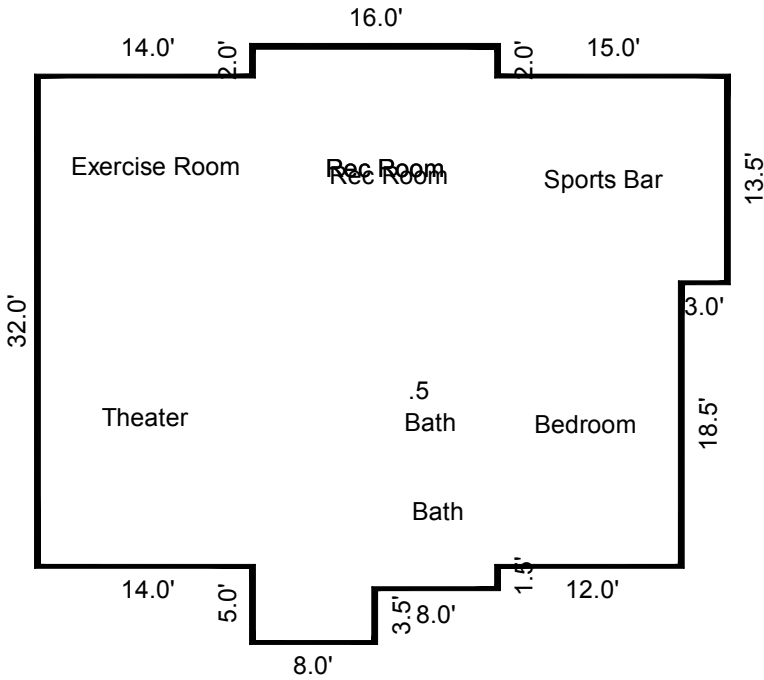


Pool House

Subject Street

Building Sketch (Page - 1)

Borrower/Client Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			



Sketch by Apex IV™

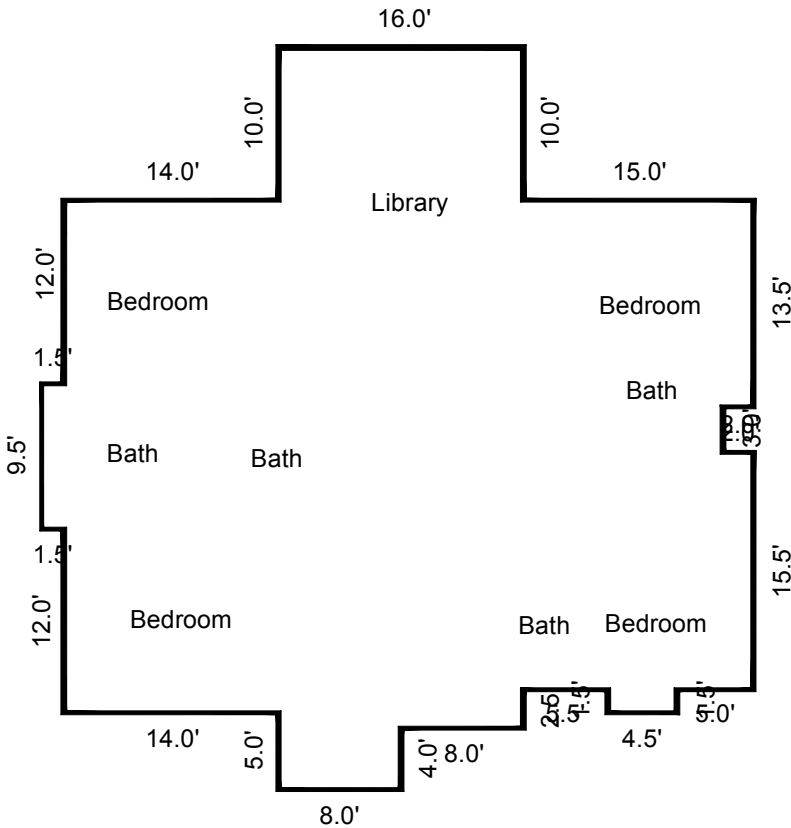
Comments:

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 Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			



Sketch by Apex IV™

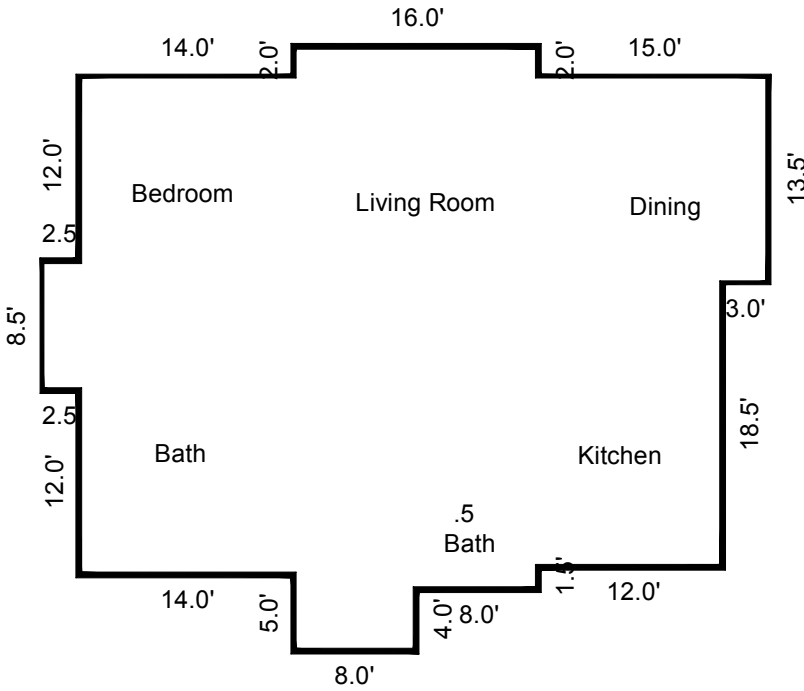
Comments:

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 Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			



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: 1624 Page: 96 Doc Id: 6165029  
 04/12/2005 04:15PM Receipt #: 137543  
 Doc Code: DEED NC Excise Tax pd: \$1020.00  
 BARBARA M GRAY, REGISTER OF DEEDS DARE CO, NC



6165029  
 Page: 1 of 2  
 04/12/2005 04:15P

DARE  
 COUNTY



REAL ESTATE  
 TRANSFER TAX

1510000

2496-05

### NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$1020.00 LT Tax \$5100.00 LT#2496-05

Parcel Identifier No. 030147000 Verified by \_\_\_\_\_ County on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
 By: \_\_\_\_\_

Mail/Box to: Kellogg & Evans, PO Box 189, Manteo, NC 27954

This instrument was prepared by: Dan L. Merrell

Brief description for the index: Lot 59, SeaPines

THIS DEED made this 1 day of April, 2005, by and between

GRANTOR

**DREAMWEAVER OF DUCK, LLC**  
 A North Carolina Limited Liability Company

GRANTEE

**WILLIAM J. LANE**  
 PO Box 329  
 Kill Devil Hills, NC 27948

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

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 City of Duck, Atlantic Township, Dare County, North Carolina and more particularly described as follows:

**BEING Lot 59, SeaPines Subdivision, as shown and delineated on that certain map or plat entitled in part "SeaPines Subdivision, Village of Duck, Atlantic Township, Dare County, North Carolina," dated January 25, 1990, prepared by Bill Robbins and Associates, Surveyors, and recorded in Plat Cabinet C, Slides 117C and 117D, in the office of the Register of Deeds of Dare County, North Carolina.**

**Together with and there is also conveyed hereby a perpetual non-exclusive easement appurtenant or right of way for the purpose of access, ingress and egress by vehicular means from the SeaPines Subdivision to North Carolina Highway 12 over and across the existing improved right of way leading from North Carolina Highway 12 to the SeaPines Subdivision.**

The property hereinabove described was acquired by Grantor by instrument recorded in Book 1474, page 58.

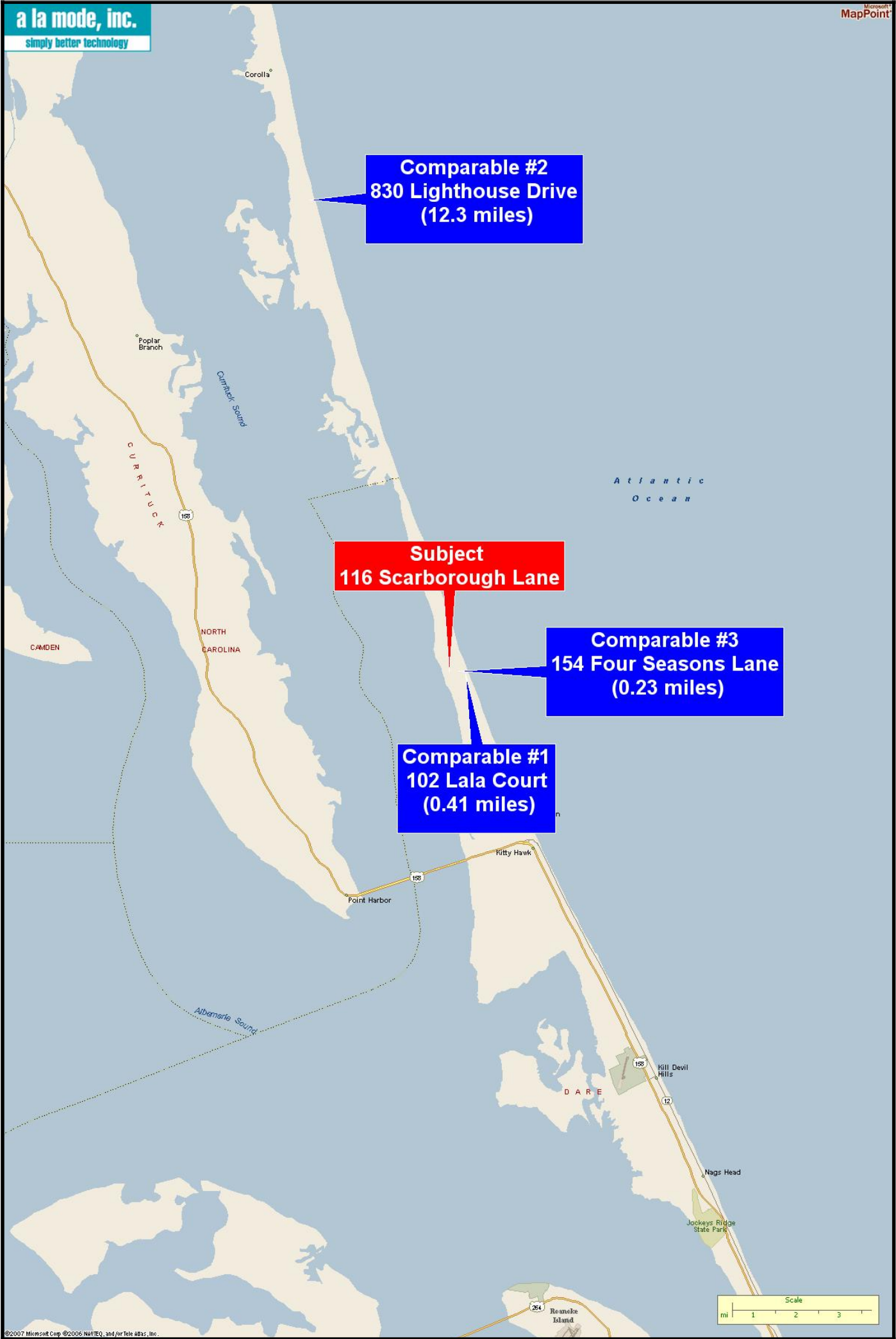
A map showing the above described property is recorded in Plat Cabinet C, Slides 117C and 117D.

NC Bar Association Form No. 3 © 1976, Revised © 1977, 2002

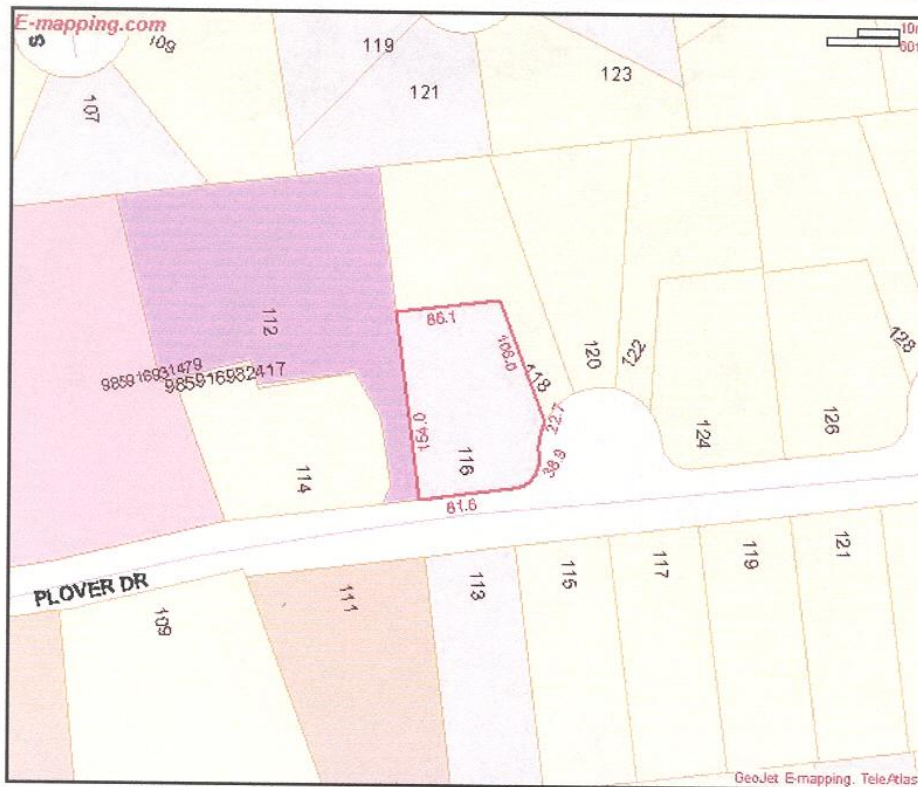
Printed by Agreement with the NC Bar Association - 1981 - Chicago Title Insurance Company

Location Map

Borrower/Client Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			



## Parcel Map



Approx. Lot  
SQFT: 15246  
Land Use: Vacant

## Parcel Color Legend

Commercial	Duplex/Complex	Industrial
Miscellaneous	Mobile Home	Public
Residential	Vacant	

Data Subject to Errors, Omissions, Revisions - Not Warranted.  
(4/9/2007)

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



Flood Map

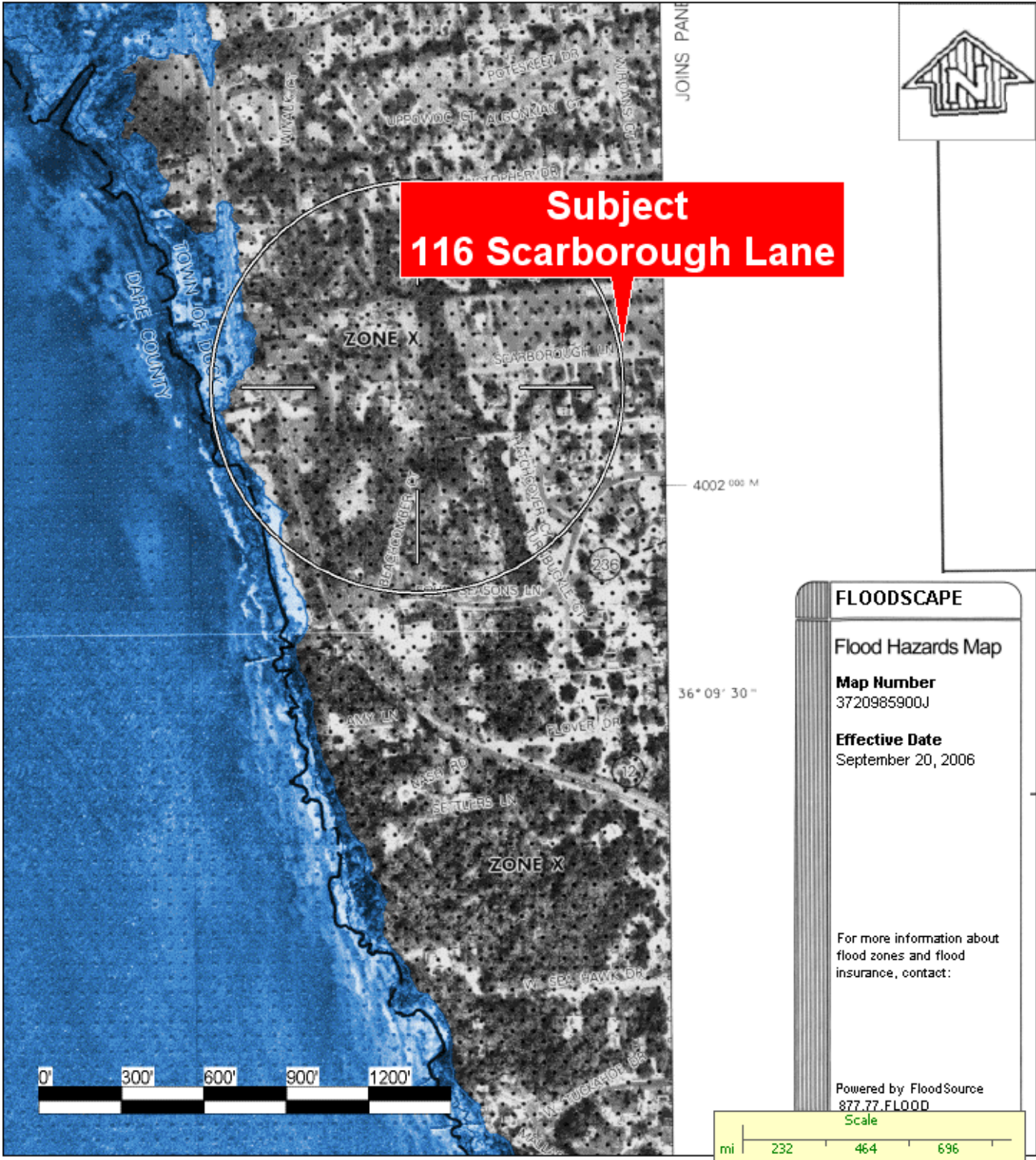
Borrower/Client Client-Kimberly Lane			
Property Address 116 Scarborough Lane			
City Duck	County Dare	State NC	Zip Code 27949
Lender Client-Kimberly Lane			

InterFlood



www.interflood.com • 1-800-252-6633

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



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

Borrower/Client Client-Kimberly Lane				
Address 116 Scarborough Lane				
City Duck	County Dare	State NC	Zip code 27949	
Lender Client-Kimberly Lane				

\*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.