

**HODGES APPRAISALS  
2057 Creek Rd  
Kitty Hawk, NC 27949  
252-256-1509**

July 2, 2018

Atlantic Asset Management Group, Inc.  
1195 Lance Rd  
Norfolk, VA 23502

RE: 5021 Martins Point Rd, Kitty Hawk, NC 27949

In accordance with your request, I have prepared and attached the appraisal report for the referenced property. The purpose of the appraisal is to estimate the market value of the improved property in unencumbered fee simple title of ownership.

The value conclusions reported are as of the effective date stated in the report and contingent upon the certifications, extraordinary assumptions and limiting conditions set forth in the report.

The following items are explained in more detail in the report but are also noteworthy of mention here:

1. Zoning Compliance in the report is marked as non-conforming due to the fact there is not a proper fence/barrier in place surrounding the private swimming pool as required by North Carolina Residential Code. This is a potential safety/liability issue that could impact any future owner's ability to obtain homeowner's insurance.
2. 2017 real estate taxes are unpaid, past due and accruing penalties/interest.
3. Subject septic system is designed for a maximum of three bedrooms and a sleeping capacity of no more than six persons.
4. Some needed repairs were observed and are noted in the report such as the ceiling damage in the sunroom and the missing/loose tiles around the swimming pool.
5. Adjustments were made to the sales comparables that have fences around their swimming pools and needed repairs were factored into the Condition rating of subject. Therefore, the appraisal report is made "as is".

Thank you for the opportunity to assist you. Fee free to contact me should you have any questions or if I may be of additional service to you.

Sincerely,



Anne Hodges Morrisette

## SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	5021 Martins Point Rd
	Legal Description	DB 1560-493, Lot 23, Block 6, Section 1, Martins Point
	City	Kitty Hawk
	County	Dare
	State	NC
	Zip Code	27949
	Census Tract	9701.01
	Map Reference	PL B / SL 329
SALES PRICE	Sale Price	\$ n/a
	Date of Sale	n/a
CLIENT	Borrower	n/a
	Client	Atlantic Asset Management Group, Inc.
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	4,452
	Price per Square Foot	\$
	Location	Creek Front
	Age	34
	Condition	Good
	Total Rooms	11
	Bedrooms	3
	Baths	4.1
APPRAISER	Appraiser	Anne H. Morrisette
	Date of Appraised Value	06/26/2018
VALUE	Opinion of Value	\$ 888,000

# USPAP ADDENDUM

Atlantic Asset Mgmt Grp  
File No. Martins Pt

Borrower	n/a		
Property Address	5021 Martins Point Rd		
City	Kitty Hawk	County Dare	State NC Zip Code 27949
Lender	n/a		

This report was prepared under the following USPAP reporting option:

Appraisal Report                      This report was prepared in accordance with USPAP Standards Rule 2-2(a).

Restricted Appraisal Report              This report was prepared in accordance with USPAP Standards Rule 2-2(b).

**Reasonable Exposure Time**  
My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 3-8+ months.

The definition of exposure time used was taken from the Definitions section of the 2018-2019 version of USPAP and is stated in the attached addendum. Exposure time is retrospective in nature and should not be confused with marketing time.

Exposure time as discussed herein is the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market." This definition was taken from the Definitions Section of the 2018-2019 edition of Uniform Standards of Professional Appraisal Practice (USPAP).

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

I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.

I appraised subject property in February 2018 and also in January 2017.

**Additional Comments**

See Addendum for Additional Comments.

**APPRAISER:**

Signature: *Anne H. Morrisette*

Name: Anne H. Morrisette

Date Signed: 07/02/2018

State Certification #: A5736

or State License #: \_\_\_\_\_

State: NC

Expiration Date of Certification or License: 06/30/2019

Effective Date of Appraisal: 06/26/2018



**SUPERVISORY APPRAISER: (only if required)**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_

State Certification #: \_\_\_\_\_

or State License #: \_\_\_\_\_

State: \_\_\_\_\_

Expiration Date of Certification or License: \_\_\_\_\_

Supervisory Appraiser Inspection of Subject Property:

Did Not     Exterior-only from Street     Interior and Exterior

# RESIDENTIAL APPRAISAL REPORT

File No.: Martins Pt

<b>Property Address:</b> 5021 Martins Point Rd	<b>City:</b> Kitty Hawk	<b>State:</b> NC	<b>Zip Code:</b> 27949
<b>County:</b> Dare	<b>Legal Description:</b> DB 1560-493, Lot 23, Block 6, Section 1, Martins Point		
<b>Assessor's Parcel #:</b> 005930-000			
<b>Tax Year:</b> 2017	<b>R.E. Taxes:</b> \$ 5,204	<b>Special Assessments:</b> \$ 0	<b>Borrower (if applicable):</b> n/a
<b>Current Owner of Record:</b> Joyce E. & George R. Ryan, Jr.		<b>Occupant:</b> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing	
<b>Project Type:</b> <input checked="" type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		<b>HOA:</b> \$ 895 <input checked="" type="checkbox"/> per year <input type="checkbox"/> per month	
<b>Market Area Name:</b> Martins Point		<b>Map Reference:</b> PL B / SL 329 <b>Census Tract:</b> 9701.01	

<b>The purpose of this appraisal is to develop an opinion of:</b> <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)
<b>This report reflects the following value (if not Current, see comments):</b> <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective
<b>Approaches developed for this appraisal:</b> <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)
<b>Property Rights Appraised:</b> <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)
<b>Intended Use:</b> Client has requested an appraisal estimating current market value as defined herein for non-lending purposes - No other Intended Use is contemplated
<b>Intended User(s) (by name or type):</b> Atlantic Asset Management Group, Inc. - No other Intended User is contemplated
<b>Client:</b> Atlantic Asset Management Group, Inc. <b>Address:</b> 1195 Lance Rd, Norfolk, VA 23502
<b>Appraiser:</b> Anne H. Morrisette <b>Address:</b> 2057 Creek Rd, Kitty Hawk, NC 27949

<b>Location:</b> <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	<b>Predominant Occupancy:</b> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)	<b>One-Unit Housing:</b> PRICE (\$000) AGE (yrs) 400 Low 0 1,800+ High 50 800 Pred 20	<b>Present Land Use:</b> One-Unit 100% 2-4 Unit 0% Multi-Unit 0% Comm'l 0% 0%	<b>Change in Land Use:</b> <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process * * To: _____
<b>Built up:</b> <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	<b>Property values:</b> <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining			
<b>Growth rate:</b> <input checked="" type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	<b>Demand/supply:</b> <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply			
<b>Marketing time:</b> <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.				

**Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends):** The market area is comprised of the Ginguite Creek front and Currituck Sound front locations in the Martins Point subdivision and in the Town of Southern Shores, NC. Subject neighborhood consists of predominantly custom-built, single-family homes. Most homes range in size from 2000-5000+sf and are located on .4-1+ acre lots. Most properties have at least 100' of water frontage and many have good water views. Shopping, restaurants, schools, employment and recreational activities are convenient to subject. A reasonable, expected marketing time for upscale, higher-end homes priced appropriately is expected to be approximately 3-7+ months currently.

<b>Dimensions:</b> 100x426 (Approximate Dimensions)	<b>Site Area:</b> 41696 sf
<b>Zoning Classification:</b> MP-1	<b>Description:</b> Single Family Residential
<b>Zoning Compliance:</b> <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning	
<b>Are CC&amp;Rs applicable?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown	<b>Have the documents been reviewed?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Highest &amp; Best Use as improved:</b> <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)	<b>Analysis of subject area reveals that subject is surrounded by and zoned for residential use and present use as residential property is highest &amp; best use.</b>
<b>Actual Use as of Effective Date:</b> Single Family Residential	<b>Use as appraised in this report:</b> Single Family Residential
<b>Summary of Highest &amp; Best Use:</b> Subject is zoned for and surrounded by single family residential use; therefore, residential use is its highest and best use. See zoning comments in the addendum regarding the lack of fencing around the swimming pool area and septic capacity.	

<b>Utilities</b>	<b>Off-site Improvements</b>	<b>Topography</b>	<b>Level then Slopes to Creek</b>
Electricity <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other	Street Asphalt	Size	41,696 Square Feet
Gas <input type="checkbox"/> LP/NatGas Available	Curb/Gutter None	Shape	Generally Rectangular
Water <input checked="" type="checkbox"/> Private Septic	Sidewalk None	Drainage	Appears Adequate
Sanitary Sewer <input type="checkbox"/> None	Street Lights None	View	Creek
Storm Sewer <input type="checkbox"/> None	Alley None	<b>Other site elements:</b> <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input checked="" type="checkbox"/> Underground Utilities <input checked="" type="checkbox"/> Other (describe) Creek Front	

<b>FEMA Spec'l Flood Hazard Area</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>FEMA Flood Zone</b> AE	<b>FEMA Map #</b> 37055C9867J	<b>FEMA Map Date</b> 09/20/2006
<b>Site Comments:</b> Subject lot is typical in size for creek front lots in the neighborhood and has approximately 100' of frontage along Ginguite Creek. This creek provides easy boating access to Currituck Sound. Septic systems are also common in this area since no public sewer is available for connection. Subject septic system has a maximum capacity for three bedrooms according to Dare County. Subject is located in a gated subdivision that has private roads and a marina. 2018 HOA dues were \$895/lot.			

<b>General Description</b>	<b>Exterior Description</b>	<b>Foundation</b>	<b>Basement</b>	<b>Heating</b>
# of Units 1 <input type="checkbox"/> Acc. Unit	Foundation Brick/Block	Slab No	Area Sq. Ft. 0	Type FWA
# of Stories 1.5	Exterior Walls Wood	Crawl Space Yes	% Finished 0	Fuel Geothermal
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>	Roof Surface Shingle	Basement No	Ceiling	
Design (Style) Contemporary	Gutters & Dwnspts. None	Sump Pump <input type="checkbox"/> None	Walls	<b>Cooling</b>
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.	Window Type Csm't/DbleHng	Dampness <input type="checkbox"/> Unknown	Floor	Central Yes
Actual Age (Yrs.) 34	Storm/Screens No	Settlement Unknown	Outside Entry	Other Geothermal
Effective Age (Yrs.) 12		Infestation Unknown		
<b>Interior Description</b>	<b>Appliances</b>	<b>Attic</b> <input type="checkbox"/> None	<b>Amenities</b>	<b>Car Storage</b> <input type="checkbox"/> None
Floors Wood/Tile	Refrigerator <input checked="" type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # 1	Garage # of cars ( 5 Tot.)
Walls Drywall	Range/Oven <input checked="" type="checkbox"/>	Drop Stair <input checked="" type="checkbox"/>	Woodstove(s) # 0	Attach. 1
Trim/Finish Wood/Paint	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Pool Area	Detach. 2
Bath Floor Tile	Dishwasher <input checked="" type="checkbox"/>	Doorway <input type="checkbox"/>	Upper Level	Blt.-In 0
Bath Wainscot Tile/FG/Drywall	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Open & Screen	Carport 0
Doors 6-Panel	Microwave <input checked="" type="checkbox"/>	Heated <input type="checkbox"/>	No	Driveway 2
	Washer/Dryer <input checked="" type="checkbox"/>	Finished <input type="checkbox"/>	20'x32' Vinyl	Surface Rock/Concrete

**Finished area above grade contains:** 11 Rooms 3 Bedrooms 4.1 Bath(s) 4,452 Square Feet of Gross Living Area Above Grade

**Additional features:** Geothermal heat/air system, fireplace, private swimming pool with stone patio, stamped concrete parking pad, bulkhead, dock, sauna, open porch, screened porch, upper deck and attached & detached garages.

**Describe the condition of the property (including physical, functional and external obsolescence):** C4;Kitchen-remodeled-six to ten years ago;Bathrooms-remodeled-six to ten years ago;The subject was constructed in 1984 according to Dare County tax records. Subject was purchased by current owner in 2004 for \$560,000 and was expanded and substantially renovated as more fully described herein. The detached garage and workshop/storage building (climate controlled with additional bath but no sink) was also added after 2004. Subject is of above average construction quality similar to many water front homes in subject subdivision.



# RESIDENTIAL APPRAISAL REPORT

<b>TRANSFER HISTORY</b>	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
	Data Source(s): Tax Record	
	1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: Sales/transfers of the subject and comparables are as noted above and were obtained from the tax & deed records. There were no prior sales or transfers of the comparable sales for the year prior to the date of the comparable sale noted herein.
	Date: 2004	
	Price: \$560,000	
	Source(s): Tax Record	
2nd Prior Subject Sale/Transfer		
Date: Unknown		
Price:		
Source(s):		

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

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	5021 Martins Point Rd Kitty Hawk, NC 27949	2000 Martins Point Rd Kitty Hawk, NC 27949		1040 Martins Point Rd Kitty Hawk, NC 27949		2001 Creek Rd Kitty Hawk, NC 27949	
Proximity to Subject		1.03 miles S		1.14 miles S		1.03 miles SE	
Sale Price	\$	\$ 888,000		\$ 805,000		\$ 825,000	
Sale Price/GLA	\$ /sq.ft.	\$ 254.88 /sq.ft.		\$ 208.12 /sq.ft.		\$ 171.88 /sq.ft.	
Data Source(s)	Site Visit	OBAR MLS #98471		OBAR MLS #95984		OBAR MLS #94287	
Verification Source(s)	Public Records	Public Records, Ext Inspection		Public Records, Ext Inspection		Public Records, Ext Inspection	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing Concessions	n/a	Conventional \$10,000 Credit	-10,000	Conventional \$1,316 Credit	-1,316	Conventional \$1,000 Credit	-1,000
Date of Sale/Time	n/a	03/29/2018	0	02/14/2018	0	01/26/2018	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Creek Front	Sound Front	0	Sound Front	0	Marsh Front	+45,000
Site	.96 Acre	1.13 Acre	0	1.29 Acre	0	1.75 ac	0
View	Creek	Sound	0	Sound	0	Marsh	+30,000
Design (Style)	Contemporary	Traditional	0	Traditional	0	Traditional	0
Quality of Construction	Very Good	Very Good		Very Good		Very Good	
Age	34	14	0	28	0	14	0
Condition	Good	Very Good	-25,000	Good		Very Good	-25,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	11 3 4.1	9 4 3.1	+5,000	8 4 3.2	+2,500	9 5 3.1	+5,000
Gross Living Area	4,452 sq.ft.	3,484 sq.ft.	+48,400	3,868 sq.ft.	+29,200	4,800 sq.ft.	
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA/CAC	FWA/CAC		FWA/CAC		FWA/CAC	
Energy Efficient Items	Geothermal	Average	0	Average	0	Average	0
Garage/Carport	Garage-Att-1/Det-2	Garage-Att-2	0	Garage-Det-2	0	Garage-Blt-In-2	0
Porch/Patio/Deck	ScPor/Porch/Deck	Porch/Patio	0	ScrPorch/Patio	0	Porches/Patio	0
Extras	Dock/Sauna	Dock	0	None	+10,000	Dock/Elevator	-15,000
Extras	Private Pool	Private Pool		None	+25,000	Private Pool	
Other	None	None		In-Law Ste-Garage	-15,000	Boat Lift/Gen	-10,000
Water Frontage	100' +/-	100' +/-		100' +/-		100' +/-	
Safety/Liability Item	No Fence For Pool	Fenced Pool Area	-10,000	n/a	0	Fenced Pool Area	-10,000
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 8,400	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 50,384	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 19,000
Adjusted Sale Price of Comparables		Net 0.9 % Gross 11.1 %	\$ 896,400	Net 6.3 % Gross 10.3 %	\$ 855,384	Net 2.3 % Gross 17.1 %	\$ 844,000

**Summary of Sales Comparison Approach** Subject was constructed in 1984 according to Dare County tax records. Subject was purchased by the current owner in April of 2004 for \$560,000 and was expanded and substantially renovated. The home was enlarged, adding square footage/additional rooms on both the first and second floors as well as porches and a deck. The detached 2-car garage and workshop/storage building (with additional bath without a sink) was also added by the current owners. Subject has a geothermal system for heating and cooling, a fireplace, an open front porch, a screened porch, upper level deck, attached 1-car garage, detached 2-car garage & workshop, private swimming pool, a sauna and a concrete and rock driveway, bulkhead, dock, granite counters, custom kitchen cabinets, custom light fixtures & trim and cedar closets. Subject is rated "Good" in Condition overall even though repairs/alterations are needed based on a visual inspection. There is sheet rock damage to the ceiling of the sunroom (see photo) that will need repair. It did not appear to be wet at the time of site visit but if there is a leak, it will need to be repaired as well. Additionally, the swimming pool that was installed in 2000 per Dare County tax records does not have a proper fence/barrier enclosure required by 2006 North Carolina Residential Code. Therefore, Zoning Compliance is noted as non-conforming on the first page of this form since this is both a safety and liability issue. A fence will most likely need to be installed for any new owner of this property to be able to obtain a homeowner's insurance policy.

Subject is located on Ginguite Creek with good creek views. The creek provides easy boating access to Currituck Sound. Comps 1, 2, 4 & 5 are sound front locations where these properties border Currituck Sound and have good sound views. There are no location or view adjustments made to these Comps since there does not seem to be a market reaction based on these factors between the wide creek front locations (like subject) and sound front locations based on an analysis of similar homes in these locations over the past few years. Comp 3 is located on the creek where it is marshy and narrow and views are much more limited. Comp 3 is also a mile or more further from the sound by boat than subject. Lot sales on the marshy part of the creek tend to have lower sales prices than creek front properties on the wider section with open creek views closer to the sound like subject. Comps 5 & 6 have smaller sites and are inferior in construction quality to subject and are adjusted accordingly. Age adjustments are not made since subject has a much lower effective age than its actual age and most Comps appear to have been well-maintained as well. The Condition adjustment takes into account any age differences between subject and the Comps. Docks, private pools and elevators are popular features in this resort market.

Comp 1 is a recent sale of a smaller home in superior condition to subject. Comp 2 is a sale of a slightly smaller home than subject similar in condition. It did not have a private pool or dock. It does have a detached 2-car garage with a bedroom/bath/office area that is finished above the garage. Comp 3 is a similar-sized home with an elevator. Comp 4 is a slightly smaller home in excellent condition located across the street from subject. Comp 5 is the only Comp not located in subject subdivision. It is located on the sound front in the Town of Southern Shores which is considered similar to subject. Comp 6 is a dated home and this is reflected in the condition adjustment.

**Indicated Value by Sales Comparison Approach \$ 888,000**



# ADDITIONAL COMPARABLE SALES

File No.: Martins Pt

FEATURE		SUBJECT		COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6			
Address		5021 Martins Point Rd Kitty Hawk, NC 27949		5004 Martins Point Rd Southern Shores, NC 27949			285 N Dogwood Trl Southern Shores, NC 27949			3033 Creek Rd Kitty Hawk, NC 27949			
Proximity to Subject				0.11 miles SW			1.61 miles N			0.57 miles SE			
Sale Price		\$		\$ 1,085,000			\$ 800,000			\$ 700,000			
Sale Price/GLA		\$/sq.ft.		\$ 280.58 /sq.ft.			\$ 249.92 /sq.ft.			\$ 169.90 /sq.ft.			
Data Source(s)		Site Visit		OBAR MLS #93784			OBAR MLS #97622			OBAR MLS #98047			
Verification Source(s)		Public Records		Public Records, Ext. Inspection			Public Records, Ext. Inspection			Public Records, Ext. Inspection			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION			+			+			
Sales or Financing				Conventional			Conventional			Conventional			
Concessions		n/a		None Known			\$11,650 Credit			None Known			
Date of Sale/Time		n/a		10/06/2017			05/29/2018			04/06/2018			
Rights Appraised		Fee Simple		Fee Simple			Fee Simple			Fee Simple			
Location		Creek Front		Sound Front			Sound Front			Creek Front			
Site		.96 Acre		1.31 Acre			.39 Acre			.69 Acre			
View		Creek		Sound			Sound			Creek			
Design (Style)		Contemporary		Traditional			Contemporary			Cape Cod			
Quality of Construction		Very Good		Very Good			Good			Good			
Age		34		16			29			24			
Condition		Good		Excellent			Good			Average (Dated)			
Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths
Room Count		11	3	4.1	9	4	3.1	9	4	4.1	8	4	4.1
Gross Living Area		4,452 sq.ft.		3,867 sq.ft.			3,201 sq.ft.			4,120 sq.ft.			
Basement & Finished Rooms Below Grade		0sf		0sf			0sf			0sf			
Functional Utility		Average		Average			Average			Average			
Heating/Cooling		FWA/CAC		FWA/CAC			FWA/CAC			FWA/CAC			
Energy Efficient Items		Geothermal		Average			Average			Average			
Garage/Carport		Garage-Att-1/Det-2		Garage-Att-2			Garage-Att-2			Garage-Blt-In-2			
Porch/Patio/Deck		ScPor/Porch/Deck		Porch/Patio/Deck			ScrPorch/Deck			Porch/Deck			
Extras		Dock/Sauna		Dock			None			Dock			
Extras		Private Pool		Private Pool			None			Private Pool			
Other		None		None			None			None			
Water Frontage		100' +/-		150' +/-			100' +/-			100' +/-			
Safety/Liability Item		No Fence For Pool		Fenced Pool Area			n/a			Fenced Pool Area			
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -100,750			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 155,900			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 95,000			
Adjusted Sale Price of Comparables				Net 9.3 %			Net 19.5 %			Net 13.6 %			
				Gross 15.6 % \$ 984,250			Gross 22.4 % \$ 955,900			Gross 16.4 % \$ 795,000			

SALES COMPARISON APPROACH

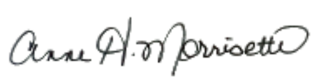

Summary of Sales Comparison Approach See previous page for comments on this section.

Square footage adjustments were made to the Comps when the difference in square footage as compared to subject is more than 400 square feet. Comps 1 & 2 are weighted just slightly more (18% each) than other Comps due to these Comps being more similar to subject in terms of location, view, construction quality, condition and site size. Comp 5 was weighted slightly less in the final reconciliation of value due to it being a smaller home inferior in site size and construction quality and not having a private pool or dock. Some Comps are located more than one mile from subject due to the unique geography of the area (being a narrow strip of land located between large bodies of water-see map). The water front locations of subject and all Comps that have boating access and water views are what makes the Comps used herein the most competitive sales available.

There are approximately eight competitive active listings (sound and creek front properties in the neighborhood with asking prices between \$650,000-\$1,250,000) in OBAR MLS currently with their asking prices ranging from \$659,900-\$1,195,000. There are two additional competitive listings that are under contract according to OBAR MLS with asking prices ranging from \$689,000-\$850,000. In the past 12 months, there have been sales of 15 competitive properties meeting this criteria.

# RESIDENTIAL APPRAISAL REPORT

Atlantic Asset Mgmt Grp  
File No.: Martins Pt

COST APPROACH	<b>COST APPROACH TO VALUE (if developed)</b> <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal. Provide adequate information for replication of the following cost figures and calculations. Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): _____ _____ _____			
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE _____ = \$		
	Source of cost data:	DWELLING	Sq.Ft. @ \$	_____ = \$
	Quality rating from cost service: _____ Effective date of cost data: _____		Sq.Ft. @ \$	_____ = \$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):		Sq.Ft. @ \$	_____ = \$
			Sq.Ft. @ \$	_____ = \$
			Sq.Ft. @ \$	_____ = \$
			Sq.Ft. @ \$	_____ = \$
			Sq.Ft. @ \$	_____ = \$
			Sq.Ft. @ \$	_____ = \$
	Garage/Carport	Sq.Ft. @ \$	_____ = \$	
	Total Estimate of Cost-New _____ = \$			
	Less Physical	Functional	External	
	Depreciation		_____ = \$( )	
	Depreciated Cost of Improvements _____ = \$			
	"As-is" Value of Site Improvements _____ = \$			
	_____ = \$			
	_____ = \$			
	Estimated Remaining Economic Life (if required): _____ Years	<b>INDICATED VALUE BY COST APPROACH</b> _____ = \$		
INCOME APPROACH	<b>INCOME APPROACH TO VALUE (if developed)</b> <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.			
	Estimated Monthly Market Rent \$ _____ X Gross Rent Multiplier _____ = \$ _____	Indicated Value by Income Approach		
	Summary of Income Approach (including support for market rent and GRM): _____ _____ _____			
PUD	<b>PROJECT INFORMATION FOR PUDs (if applicable)</b> <input checked="" type="checkbox"/> The Subject is part of a Planned Unit Development.			
	Legal Name of Project: Martins Point			
	Describe common elements and recreational facilities: Private roads, gated entrance with 24-hour manned security, community playground, marina with boat slips for rent, community mail and trash center.			
RECONCILIATION	<b>Indicated Value by: Sales Comparison Approach</b> \$ 888,000 <b>Cost Approach (if developed)</b> \$ _____ <b>Income Approach (if developed)</b> \$ _____			
	Final Reconciliation Market actions of buyers and sellers are best analyzed by the Sales Comparison Approach. That Approach is given full (100%) weight in the final reconciliation of value. The Cost Approach was not developed due to the age of subject. The Income Approach was not developed due to subject being located in a gated community which is more of a year-round/second home residential area.			
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: _____			
	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.			
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 888,000 , as of: 06/26/2018 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.			
ATTACHMENTS	A true and complete copy of this report contains 29 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.			
	Attached Exhibits:			
	<input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input checked="" type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input checked="" type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input checked="" type="checkbox"/> Hypothetical Conditions <input checked="" type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> _____ <input type="checkbox"/> _____			
SIGNATURES	Client Contact: Susan Sims Client Name: Atlantic Asset Management Group, Inc.			
	E-Mail: susan@atlanticremarketing.com Address: 1195 Lance Rd, Norfolk, VA 23502			
	<b>APPRAISER</b>	<b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b>		
	 Appraiser Name: Anne H. Morrisette	Supervisory or Co-Appraiser Name: _____		
	 Company: HODGES APPRAISALS	Company: _____		
	Phone: 252-256-1509 Fax: 252-301-6331	Phone: _____ Fax: _____		
	E-Mail: morrisette@live.com Date of Report (Signature): 07/02/2018 License or Certification #: A5736 State: NC Designation: Coalition Designated Appraiser #16 - NCPAC Expiration Date of License or Certification: 06/30/2019 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 06/26/2018	Date of Report (Signature): _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: _____		

# Assumptions, Limiting Conditions & Scope of Work

Atlantic Asset Mgmt Grp

File No.: Martins Pt

Property Address: 5021 Martins Point Rd

City: Kitty Hawk

State: NC

Zip Code: 27949

Client: Atlantic Asset Management Group, Inc.

Address: 1195 Lance Rd, Norfolk, VA 23502

Appraiser: Anne H. Morrisette

Address: 2057 Creek Rd, Kitty Hawk, NC 27949

## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, 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 the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, she makes no guarantees, express or implied, regarding this determination.
- 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.
- If the Cost Approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the Cost Approach value is not an insurance value and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice and any applicable federal, state or local laws.
- An appraiser's client is the party who engages an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales or by means of any other media or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use other than those specified in this report by the Appraiser is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended Users, the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions and the Type of Value as defined herein. The appraiser, appraisal firm and related parties assume no obligation, liability or accountability and will not be responsible for any unauthorized use of this report or its conclusions.

An extraordinary assumption is defined by the 2018-2019 version of USPAP as follows: "An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."

If any extraordinary assumption used herein is found to be false, the appraiser reserves the right to alter and/or amend this appraisal report accordingly.

A hypothetical condition is defined by the 2018-2019 version of USPAP as follows: "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."



# Certifications

Property Address: 5021 Martins Point Rd City: Kitty Hawk State: NC Zip Code: 27949  
 Client: Atlantic Asset Management Group, Inc. Address: 1195 Lance Rd, Norfolk, VA 23502  
 Appraiser: Anne H. Morrisette Address: 2057 Creek Rd, Kitty Hawk, NC 27949

**APPRAISER'S CERTIFICATION**

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated users of the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I appraised subject property in February 2018 and also in January 2017 but I have not performed any other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, 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.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.

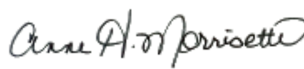

**DEFINITION OF MARKET VALUE \*:**

Market value means 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 and 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 acting in what they consider their own best interests;
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.

\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994 and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Susan Sims Client Name: Atlantic Asset Management Group, Inc.  
 E-Mail: susan@atlanticremarketing.com Address: 1195 Lance Rd, Norfolk, VA 23502

<p>APPRAISER</p> <div style="text-align: center;">   </div> <p>Appraiser Name: Anne H. Morrisette                  Company: HODGES APPRAISALS                  Phone: 252-256-1509 Fax: 252-301-6331                  E-Mail: morrisette@live.com                  Date Report Signed: 07/02/2018                  License or Certification #: A5736 State: NC                  Designation: Coalition Designated Appraiser #16 - NCPAC                  Expiration Date of License or Certification: 06/30/2019                  Inspection of Subject: <input checked="" type="checkbox"/> Interior &amp; Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None                  Date of Inspection: 06/26/2018</p>	<p>SUPERVISORY APPRAISER (if required)                  or CO-APPRAISER (if applicable)</p> <p>Supervisory or                  Co-Appraiser Name: _____                  Company: _____                  Phone: _____ Fax: _____                  E-Mail: _____                  Date Report Signed: _____                  License or Certification #: _____ State: _____                  Designation: _____                  Expiration Date of License or Certification: _____                  Inspection of Subject: <input type="checkbox"/> Interior &amp; Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None                  Date of Inspection: _____</p>
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SIGNATURES

## Supplemental Addendum

File No. Martins Pt

Borrower	n/a						
Property Address	5021 Martins Point Rd						
City	Kitty Hawk	County	Dare	State	NC	Zip Code	27949
Client	Atlantic Asset Management Group, Inc.						

This is an APPRAISAL REPORT.

• **GP Residential : Additional Comments**

**Intended Use and Intended User**

The intended use of this report is specified on the first page of this Residential Appraisal Report. The intended user is Atlantic Asset Management Group, Inc. The appraiser has not identified any other intended users or intended uses at the time of this assignment. No other parties other than the intended user may use this report for any purpose. Any other party receiving a copy of this report is not an intended user. Anyone receiving a copy of this report does not have an appraiser-client relationship with the appraiser as a result of receiving same. Use of this report for any reason whatsoever by any other party besides Atlantic Asset Management Group, Inc is not intended by the appraiser.

**Miscellaneous**

No apparent adverse environmental conditions were observed at the time of inspection unless otherwise stated in this report. The appraiser is not an environmental expert or a licensed home inspector and is not qualified to test for, or in any way evaluate, environmental adverse conditions or other conditions that are normally evaluated in an actual environmental and/or home inspection by such professional, licensed inspectors. The value estimate herein is predicated on the extraordinary assumption that there are no such hidden environmental hazards or conditions which would adversely affect subject's marketability or value.

**2017 Property Taxes:** Real estate property taxes for 2017 are unpaid, past due and accruing interest. Tax bills for 2018 taxes will be issued by July 31, 2018 and will be considered past due in the first week of January 2019..

**ZONING:** The extraordinary assumption is also made that this original construction in 1984 and all subsequent improvements and additions were all properly permitted and approved through Dare County, Dare County Environmental Health Dept., FEMA, CAMA and/or any other governmental authority having jurisdiction over same. Dare County Environmental Health Department has advised that the septic system for subject property is designed for a maximum of a three-bedroom home and sleeping capacity of six persons. Any use or advertising of subject as having more than three bedrooms or sleeping more than six persons could be considered a zoning violation. Additionally, Dare County GIS website indicates that the private swimming pool was added in 2000. Currently, there is no barrier or fence surrounding the pool area and installation of a proper fence (with appropriate permits) will most likely be required to minimize safety and liability issues in this regard. Installation of the fence will also be a requirement for the issuance of any future homeowner's insurance policy according to several local agents. A copy of Appendix G of the 2006 North Carolina Residential Code is included herein and provides requirements and specifications for the fence/barrier mandate. Subject's use as a single family residential use is a legal use according to the current zoning.

The term "Inspection", as used in this report, is not the same level of inspection that is required for a professional home inspection. The appraiser does not fully inspect, or in any way evaluate, the electrical system, plumbing system, mechanical systems, foundation system, floor structure or sub floor. The appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property. If Atlantic Asset Management Group, Inc needs a more detailed inspection of the property, a home inspection by a Licensed Professional Home Inspector is suggested.

The Definition of Market Value herein is from the Code of Federal Regulation, Office of Comptroller of the Currency 12-CFR 34.42(a).

**ADDITIONAL CERTIFICATION:** I previously appraised this property in February 2018 and also in January 2017 but have not performed any other services relating to this property in the three years prior to this assignment. I have no current or prospective interest in the subject property or the parties involved.

Reporting of concessions in OBAR MLS is sporadic and many times lacks adequate detail to tell what the concessions are for and what the amount actually was. When a concession is noted in OBAR MLS, this appraiser attempts to contact the agents involved so the amount(s) can be verified. Information that this appraiser has regarding concessions comes solely from OBAR MLS and/or information that agents provided and may or may not be correct and/or inclusive of all concessions depending on whether agents are correctly reporting same.

Flood maps for Dare County are expected to be approved in the next 12+ months. There have been changes made to the National Flood Insurance Program which may increase the costs of flood insurance to homeowners in future years in this area. Other types of insurance (including, but not limited to, homeowners and wind insurance policies) may also increase in cost in this area in future years. Flood data herein is provided for informational purposes only and should be independently verified. Tax amount shown herein is the actual property taxes for subject property for 2017 and does not include the accrued interest from the unpaid 2017 taxes.

Subject has not been listed for sale in OBAR MLS at any time in the past twelve months. There were no prior sales or transfers of the comparable sales for the year prior to the date of the comparable sale date shown in the grids.

APPENDIX G

SWIMMING POOLS, SPAS AND HOT TUBS

SECTION AG101  
GENERAL

**AG101.1 General.** The provisions of this appendix shall control the design and construction of swimming pools, spas and hot tubs installed in or on the lot of a one- and two-family dwelling.

SECTION AG102  
DEFINITIONS

**AG102.1 General.** For the purposes of these requirements, the terms used shall be defined as follows and as set forth in Chapter 2.

**ABOVE-GROUND/ON-GROUND POOL.** See "Swimming pool."

**BARRIER.** A fence, wall, building wall or combination thereof which completely surrounds the swimming pool and obstructs access to the swimming pool.

**HOT TUB.** See "Swimming pool."

**IN-GROUND POOL.** See "Swimming pool."

**RESIDENTIAL.** That which is situated on the premises of a detached one- or two-family dwelling or a one-family townhouse not more than three stories in height.

**SPA, NONPORTABLE.** See "Swimming pool."

**SPA, PORTABLE.** A nonpermanent structure intended for recreational bathing, in which all controls, water-heating and water-circulating equipment are an integral part of the product.

**SWIMMING POOL.** Any structure intended for swimming or recreational bathing that contains water over 24 inches (610 mm) deep. This includes in-ground, aboveground and on-ground swimming pools, hot tubs and spas.

**SWIMMING POOL, INDOOR.** A swimming pool which is totally contained within a structure and surrounded on all four sides by walls of said structure.

**SWIMMING POOL, OUTDOOR.** Any swimming pool which is not an indoor pool.

SECTION AG103  
SWIMMING POOLS

**AG103.1 In-ground pools.** In-ground pools shall be designed and constructed in conformance with ANSI/NSPI-5 as listed in Section AG108.

**AG103.2 Above-ground and on-ground pools.** Above-ground and on-ground pools shall be designed and constructed in conformance with ANSI/NSPI-4 as listed in Section AG108.

SECTION AG104  
SPAS AND HOT TUBS

**AG104.1 Permanently installed spas and hot tubs.** Permanently installed spas and hot tubs shall be designed and constructed in conformance with ANSI/NSPI-3 as listed in Section AG108.

**AG104.2 Portable spas and hot tubs.** Portable spas and hot tubs shall be designed and constructed in conformance with ANSI/NSPI-6 as listed in Section AG108.

SECTION AG105  
BARRIER REQUIREMENTS

**AG105.1 Application.** The provisions of this chapter shall control the design of barriers for residential swimming pools, spas and hot tubs. These design controls are intended to provide protection against potential drownings and near-drownings by restricting access to swimming pools, spas and hot tubs.

**AG105.2 Outdoor swimming pool.** An outdoor swimming pool, including an in-ground, aboveground or on-ground pool, hot tub or spa shall be provided with a barrier which shall comply with the following:

1. The top of the barrier shall be at least 48 inches (1219 mm) above grade measured on the side of the barrier which faces away from the swimming pool. The maximum vertical clearance between grade and the bottom of the barrier shall be 2 inches (51 mm) measured on the side of the barrier which faces away from the swimming pool. Where the top of the pool structure is above grade, such as an aboveground pool, the barrier may be at ground level, such as the pool structure, or mounted on top of the pool structure. Where the barrier is mounted on top of the pool structure, the maximum vertical clearance between the top of the pool structure and the bottom of the barrier shall be 4 inches (102 mm).
2. Openings in the barrier shall not allow passage of a 4-inch-diameter (102 mm) sphere.
3. Solid barriers which do not have openings, such as a masonry or stone wall, shall not contain indentations or protrusions except for normal construction tolerances and tooled masonry joints.
4. Where the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is less than 45 inches (1143 mm), the horizontal members shall be located on the swimming pool side of the fence. Spacing between vertical members shall not exceed 1.75 inches (44 mm) in width. Where there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed 1.75 inches (44 mm) in width.

APPENDIX G

5. Where the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is 45 inches (1 143 mm) or more, spacing between vertical members shall not exceed 4 inches (102 mm). Where there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed 1.75 inches (44 mm) in width.
6. Maximum mesh size for chain link fences shall be a 2.25-inch (57 mm) square unless the fence is provided with slats fastened at the top or the bottom which reduce the openings to not more than 1.75 inches (44 mm).
7. Where the barrier is composed of diagonal members, such as a lattice fence, the maximum opening formed by the diagonal members shall not be more than 1.75 inches (44 mm).
8. Access gates shall comply with the requirements of Section AG105.2, Items 1 through 7, and shall be equipped to accommodate a locking device. Pedestrian access gates shall open outward away from the pool and shall be self-closing and have a self-latching device. Gates other than pedestrian access gates shall have a self-latching device. Where the release mechanism of the self-latching device is located less than 54 inches (1372 mm) from the bottom of the gate, the release mechanism and openings shall comply with the following:
  - 8.1. The release mechanism shall be located on the pool side of the gate at least 3 inches (76 mm) below the top of the gate, and
  - 8.2. The gate and barrier shall have no opening greater than 0.5 inch (12.7 mm) within 18 inches (457 mm) of the release mechanism.
9. Where a wall of a dwelling serves as part of the barrier one of the following conditions shall be met:
  - 9.1. The pool shall be equipped with a powered safety cover in compliance with ASTM F1346; or
  - 9.2. All doors with direct access to the pool through that wall shall be equipped with an alarm which produces an audible warning when the door and its screen, if present, are opened. The alarm shall sound continuously for a minimum of 30 seconds immediately after the door is opened and be capable of being heard throughout the house during normal household activities. The alarm shall automatically reset under all conditions. The alarm system shall be equipped with a manual means, such as touchpad or switch, to temporarily deactivate the alarm for a single opening. Such deactivation shall last for not more than 15 seconds. The deactivation switch(es) shall be located at least 54 inches (1372 mm) above the threshold of the door; or
  - 9.3. Other means of protection, such as self-closing doors with self-latching devices, which are approved by the governing body, shall be acceptable so long as the degree of protection afforded is not less than the protection afforded by Item 9.1 or 9.2 described above.

10. Where an aboveground pool structure is used as a barrier or where the barrier is mounted on top of the pool structure, and the means of access is a ladder or steps, then:
  - 10.1. The ladder or steps shall be capable of being secured, locked or removed to prevent access, or
  - 10.2. The ladder or steps shall be surrounded by a barrier which meets the requirements of Section AG105.2, Items 1 through 9. When the ladder or steps are secured, locked or removed, any opening created shall not allow the passage of a 4-inch-diameter (102 mm) sphere.

**AG105.3 Indoor swimming pool.** All walls surrounding an indoor swimming pool shall comply with Section AG105.2, Item 9.

**AG105.4 Prohibited locations.** Barriers shall be located so as to prohibit permanent structures, equipment or similar objects from being used to climb the barriers.

**AG105.5 Barrier exceptions.** Spas or hot tubs with a safety cover which complies with ASTM F 1346, as listed in Section AG107, shall be exempt from the provisions of this appendix.

**SECTION AG106  
ENTRAPMENT PROTECTION FOR SWIMMING  
POOL AND SPA SUCTION OUTLETS**

**AG106.1 General.** Suction outlets shall be designed to produce circulation throughout the pool or spa. Single outlet systems, such as automatic vacuum cleaner systems, or other such multiple suction outlets whether isolated by valves or otherwise shall be protected against user entrapment.

**AG106.2 Suction fittings.** All Pool and Spa suction outlets shall be provided with a cover that conforms with ANSI/ASME A112.19.8M, or a 12" x 12" drain grate or larger, or an approved channel drain system.

**Exception:** Surface skimmers

**AG106.3 Atmospheric vacuum relief system required.** All pool and spa single or multiple outlet circulation systems shall be equipped with atmospheric vacuum relief should grate covers located therein become missing or broken. Such vacuum relief systems shall include at least one approved or engineered method of the type specified herein, as follows:

1. Safety vacuum release system conforming to ASME A112.19.17, or
2. An approved gravity drainage system

**AG106.4 Dual drain separation.** Single or multiple pump circulation systems shall be provided with a minimum of two (2) suction outlets of the approved type. A minimum horizontal or vertical distance of three (3) feet shall separate such outlets. These suction outlets shall be piped so that water is drawn through them simultaneously through a vacuum relief-protected line to the pump or pumps.

**AG106.5 Pool cleaner fittings.** Where provided, vacuum or pressure cleaner fitting(s) shall be located in an accessible position(s) at least (6) inches and not greater than twelve (12)



inches below the minimum operational water level or as an attachment to the skimmer(s).

**SECTION AG107  
ABBREVIATIONS**

**AG107.1 General.**

ANSI—American National Standards Institute  
11 West 42nd Street, New York, NY 10036

ASTM—ASTM International  
100 Barr Harbor Drive, West Conshohocken, PA 19428

NSPI—National Spa and Pool Institute  
2111 Eisenhower Avenue, Alexandria, VA 22314

**SECTION AG108  
STANDARDS**

**AG108.1 General.**

**ANSI/NSPI**

ANSI/NSPI-3-99 Standard for Permanently Installed Residential Spas . . . . . AG104.1

ANSI/NSPI-4-99 Standard for Above-ground/On-ground Residential Swimming Pools . . . . . AG103.2

ANSI/NSPI-5-99 Standard for Residential In-ground Swimming Pools . . . . . AG103.1

ANSI/NSPI-6-99 Standard for Residential Portable Spas . . . . . AG104.2

ANSI/ASME A112.19.8M-1987 Suction Fittings for Use in Swimming Pools, Wading Pools, Spas, Hot Tubs and Whirlpool Bathing Appliances . . . . . AG106.2

**ASTM**

ASTM F 1346-91 (1996) Performance Specification for Safety Covers and Labeling Requirements for All Covers for Swimming Pools, Spas and Hot Tubs . . . . . AG105.2, AG105.5

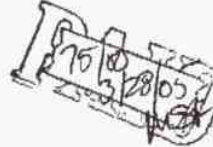
**ASME**

ASME A112.19.17 Manufacturers Safety Vacuum Release Systems (SVRS) for Residential and Commercial Swimming Pool, Spa, Hot Tub and Wading Pool . . . . . AG106.3

Jun. 28. 2018 2:09PM

No. 9679 P. 2

**Improvement Permit**  
 County of Dare  
 PO Box Drawer 1000  
 Manteo, North Carolina 27954



**10787**

Phone: (252) 475-5080

**Dare County Health Department**  
**Improvement Permit (Septic Tank Sewage Disposal)**  
**Non-Transferable**

PIN: 986709059927

Parcel: 005930000

Permit#: 10787

Owner Name: RYAN, GEORGE R JR  
 Owner Address: P O BOX 1470

Permit Date: 3/28/2005  
 Comm / Res: Residential  
 Owner Phone: (000)000-0000

WHITE PLAINS MD 20695

DBA: Beach Realty and Construction

Location: 5021 MARTIN'S POINT RD  
 Subdivision: MARTIN'S PT BLK 6 SEC 1

LotBlockSect: Lot: 23 Blk: 6 Sec: 1

Category of System:	Rewrite	Size of Tank:	1,250
Type of Tank:	Precast	Width of Ditch:	3 on 9 centers
Type of System:	Type II-A	Rock Above (inches):	2
Amount of Tile (feet):	167	Gallons per Day:	360
Rock Under (inches):	6	Previous Permit#:	0942
No. of Bedrooms:	3	Feet from Body of Water:	100
Sleeping Capacity (persons):	6	Feet from Building:	5
Type of Water:	Public		
Feet from Water Supply:	10		
Feet from Property Line:	10		

**Comments:** Install new system with bottom of trenches no deeper than 18" below finished grade. Must maintain 5' from all parts of house, including addition.

Note: This Permit is issued subject to all provisions of the ordinance governing the installation of septic systems. The person making the installation must notify the Health Department when the septic tank system is ready for inspection. If any septic tank system or part thereof is covered before being inspected and approved, it shall be uncovered at the direction of the Health Officer at the expense of the one responsible for making the installation.

Issued By:

Sewer Permit Fee: \$75

3/28/2005

*Molly Fullwood*  
 Environmental Health Specialist  
 Molly Fullwood

*3/28/05*  
 Date

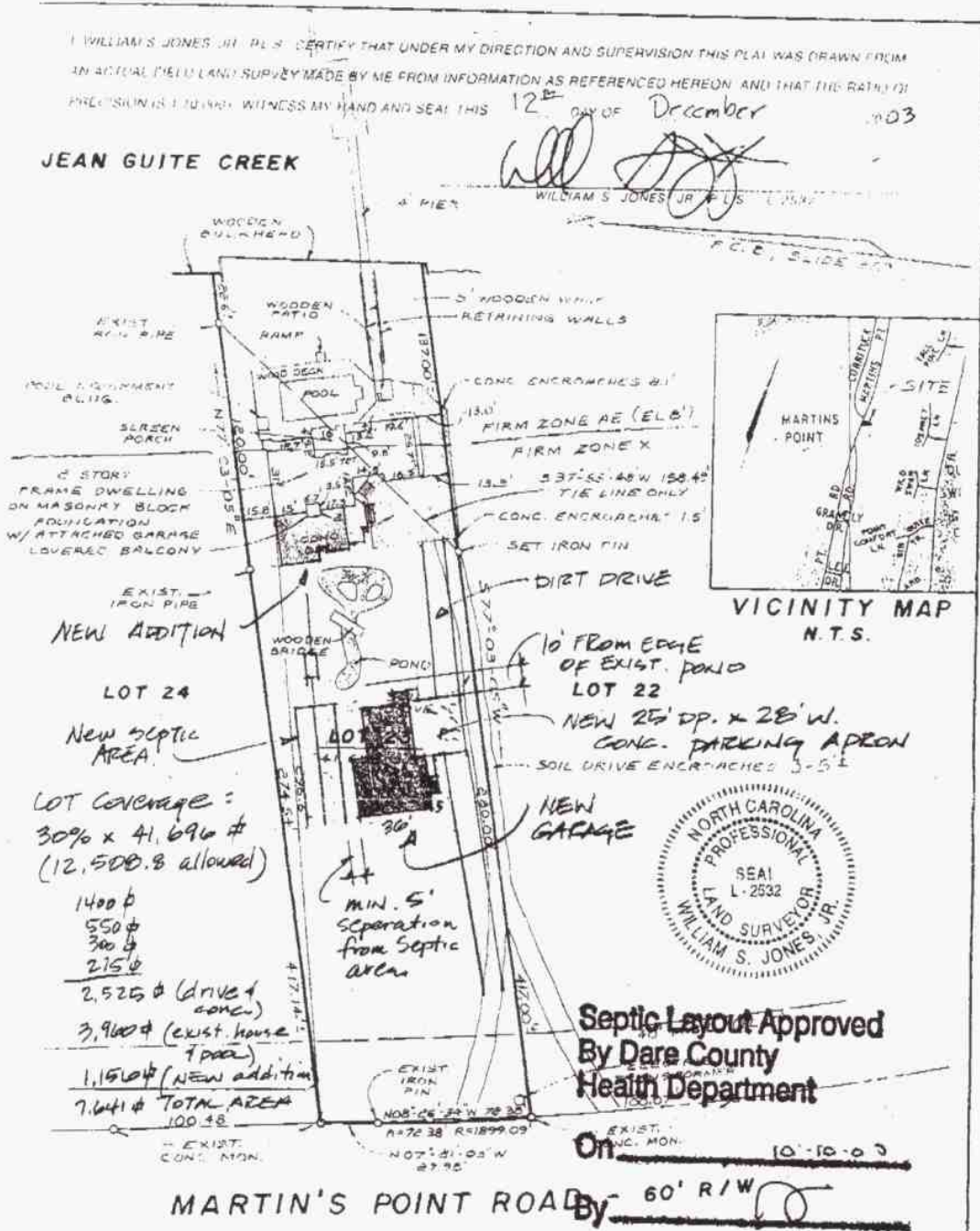
*[Signature]*  
 Applicant  
 BEACH REALTY & CONSTRUCTION  
*3/28/05*  
 Date

OFFICE COPY

**Survey - Provided By Dare County**

Jun. 28. 2018 2:09PM

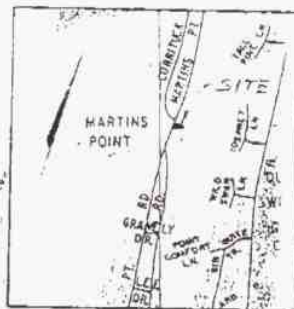
No. 3679 P. 3



I WILLIAM S. JONES JR. P.L.S. CERTIFY THAT UNDER MY DIRECTION AND SUPERVISION THIS PLAN WAS DRAWN FROM AN ACTUAL FIELD LAND SURVEY MADE BY ME FROM INFORMATION AS REFERENCED HEREON AND THAT THE RATE OF PRECISION IS TO THE BEST OF MY KNOWLEDGE AND BELIEF. WITNESS MY HAND AND SEAL THIS 12<sup>th</sup> DAY OF December 2003

*William S. Jones Jr.*  
WILLIAM S. JONES JR. P.L.S.

**JEAN GUITE CREEK**



LOT Coverage =  
30% x 41,696 #  
(12,500.8 allowed)

1400 #  
550 #  
300 #  
215 #  
-----  
2,525 # (drive + conc.)  
3,900 # (exist. house + pool)  
1,150 # (NEW addition)  
7,641 # TOTAL AREA  
100.48



**Septic Layout Approved  
By Dare County  
Health Department**

**MARTIN'S POINT ROAD** On 10'-10'-0" By 60' R/W

**PHYSICAL SURVEY FOR  
GEORGE R. RYAN, JR. & WIFE JOYCE ELAINE RYAN  
LOT 23, BLOCK 6, SECTION 1, MARTIN'S POINT**

**NEW GARAGE:** PLAT CAB. B, SLIDE 329  
GAR. 1,100 S.F. ATLANTIC TOWNSHIP  
CONC. 759 S.F. DARE COUNTY, NORTH CAROLINA  
SURVEYED 12-10-03

**NEW ADDITION**  
Coverage = 2,419 S.F.  
+ 7,641 S.F.  
**10,060 S.F. TOTAL**

WILLIAM S. JONES, JR. P.L.S., P.A.  
303 WEST ARCHDALE STREET  
KILL DEVIL HILLS, N.C. 27948  
P (252) 441-3673 F (252) 441-0925

DATE: 12-10-03 SCALE: 1" = 40' OWN BY: RYAN, JR. & WIFE FILE NO: 3679  
P. 01 Sep-30-05 01:49P Sea Swept Design J. Sawyer 252-261-5798





## Building Sketch (Page - 2)

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC
Client	Atlantic Asset Management Group, Inc.				
				Zip Code	27949

TOTAL Sketch by a la mode, inc.

### Area Calculations Summary

Living Area	Calculation Details		
First Floor	2469.88 Sq ft		
		10 × 2 =	20
		16 × 4 =	64
		20 × 4 =	80
		18 × 16.25 =	292.5
		4.5 × 1.75 =	7.88
		2.25 × 1.5 =	3.38
		44.75 × 31 =	1387.25
		4 × 12.75 =	51
		22.5 × 20.75 =	466.88
		7.5 × 10 =	75
		4 × 3.5 =	14
		0.5 × 4 × 4 =	8
Second Floor	1981.88 Sq ft		
		20.75 × 17 =	352.75
		24.75 × 3.5 =	86.62
		49 × 12.5 =	612.5
		39 × 4 =	156
		43 × 18 =	774
<b>Total Living Area (Rounded):</b>	<b>4452 Sq ft</b>		
<b>Non-living Area</b>			
Screened Porch	227.13 Sq ft		
		14.25 × 12.5 =	178.12
		12.25 × 4 =	49
Porch	261.25 Sq ft		
		10 × 3.5 =	35
		8 × 5.5 =	44
		10.5 × 16.5 =	173.25
		4 × 0.25 =	1
		0.5 × 4 × 4 =	8
Porch	52 Sq ft		
		4 × 13 =	52
1 Car Attached	359.38 Sq ft		
		4 × 4 =	16
		16.75 × 20.5 =	343.38
Deck	181.5 Sq ft		
		16.5 × 11 =	181.5
Detached 2-Car Garage & Workshop/Storage Area	1584 Sq ft		
		24 × 22 =	528
		30 × 32 =	960
		4 × 24 =	96

## Subject Photo Page

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



### Subject Front View

5021 Martins Point Rd  
Sales Price  
Gross Living Area 4,452  
Total Rooms 11  
Total Bedrooms 3  
Total Bathrooms 4.1  
Location Creek Front  
View Creek  
Site .96 Acre  
Quality Very Good  
Age 34



### Subject Rear View



### Subject Street

Looking North

## Photograph Addendum

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



Alternate Street Scene - Looking South



Private Swimming Pool - There is no fence around the pool area as currently required by NC Residential Code. Note there is a missing tile in the photo and a few of the tiles appeared loose when walking on them.



Grilling Area



## Photograph Addendum

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



**Sauna**



**Private Dock & Creek View from the Pool Area**



**Looking East From the Dock**



**Looking North From the Dock**



**Looking South From the Dock**



**Living Room with Fireplace**



## Photograph Addendum

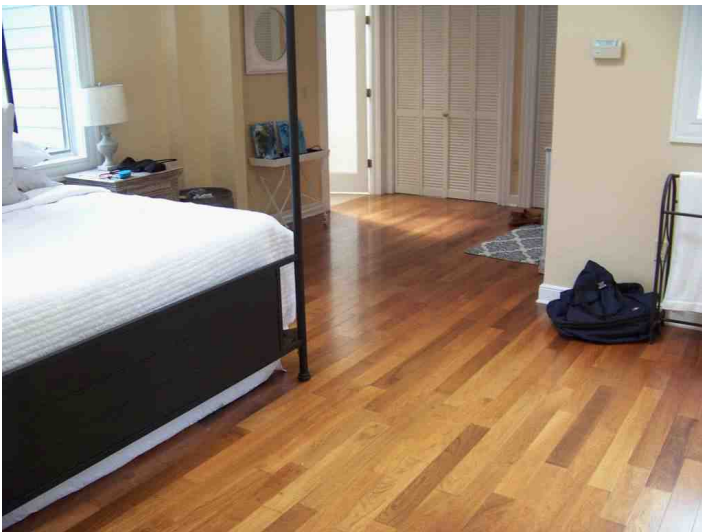
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Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



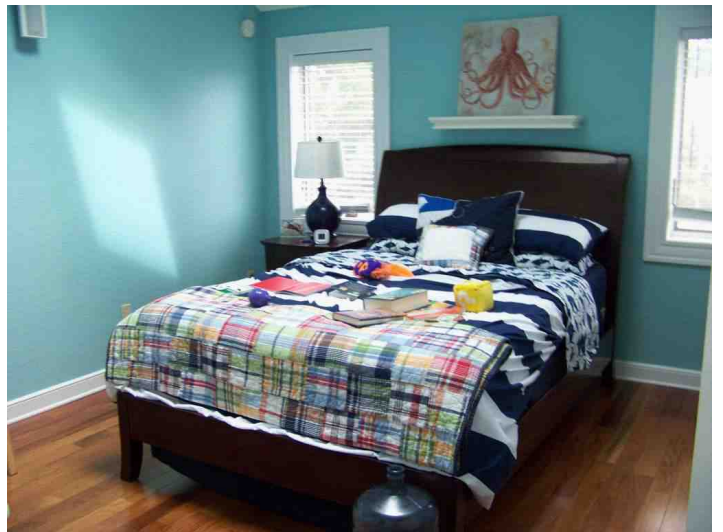
**Kitchen**



**Family / Rec Room**



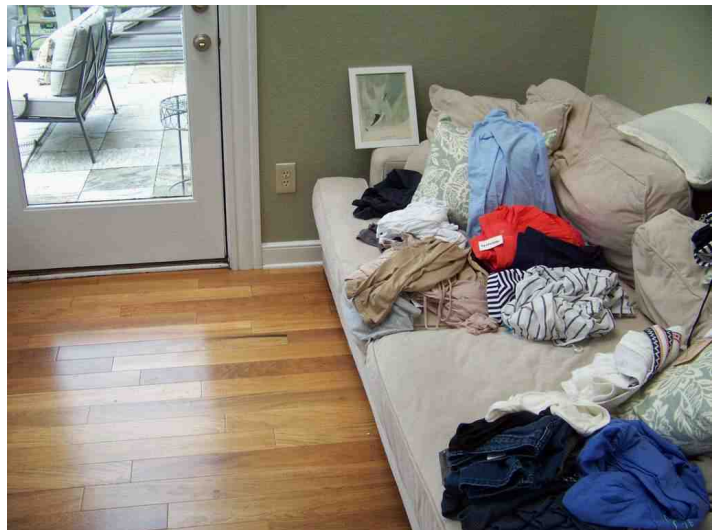
**Bedroom**



**Bedroom**



**Bedroom**



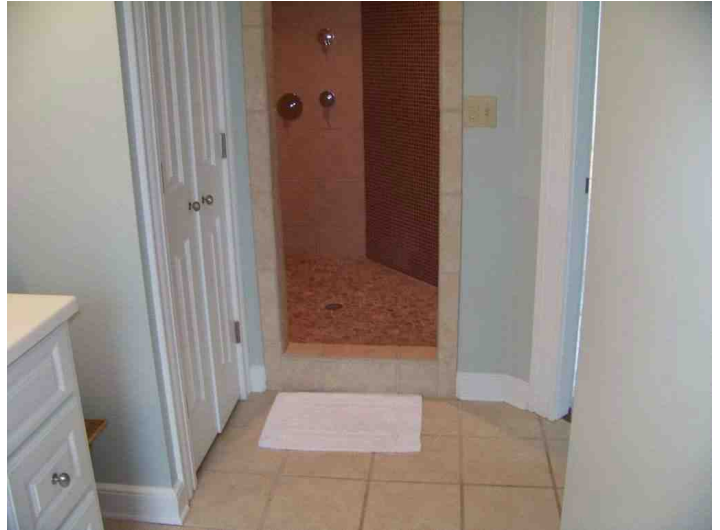
**Sitting Area**

## Photograph Addendum

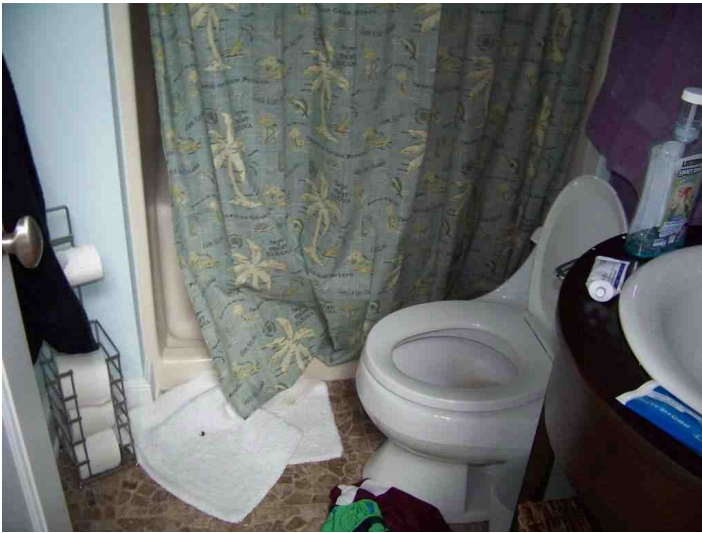
Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



**Bath**



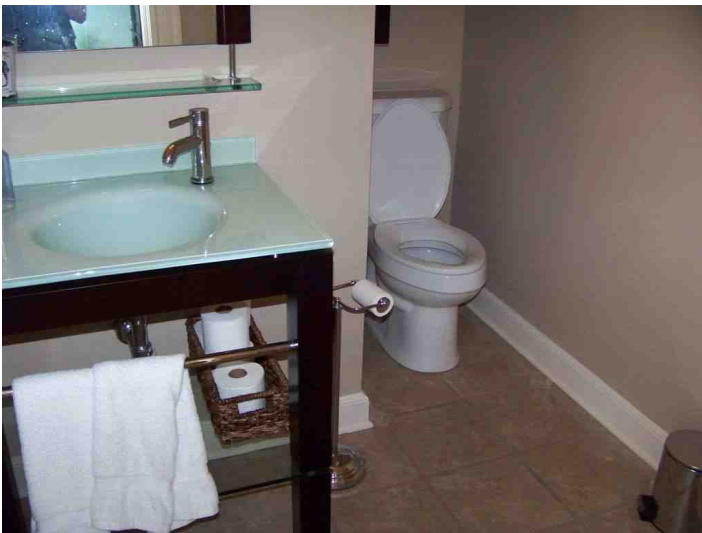
**Bath**



**Bath**



**Bath**



**Partial Bath**



**Laundry/Pantry**



## Photograph Addendum

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



**Media Room/Office**



**Screened Porch**



**Upstairs Balcony**



**Attached 1-Car Garage Interior**



**Detached Garage / Workshop Interior**



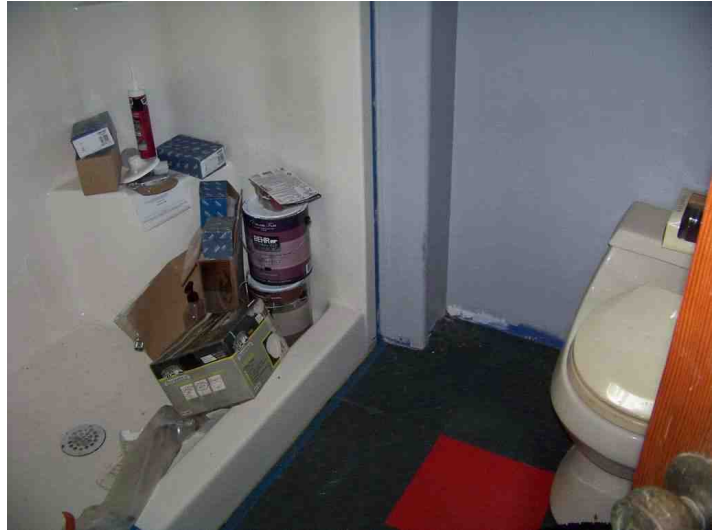
**Detached Garage / Workshop Interior**

## Photograph Addendum

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.				



**Sheetrock Damage in the Ceiling to the First Floor Sunroom**



**Bath (No Sink) in the Detached Garage / Workshop**



## Comparable Photo Page

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC
Client	Atlantic Asset Management Group, Inc.				
				Zip Code	27949



### Comparable 1

2000 Martins Point Rd  
 Prox. to Subject 1.03 miles S  
 Sales Price 888,000  
 Gross Living Area 3,484  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location Sound Front  
 View Sound  
 Site 1.13 Acre  
 Quality Very Good  
 Age 14



### Comparable 2

1040 Martins Point Rd  
 Prox. to Subject 1.14 miles S  
 Sales Price 805,000  
 Gross Living Area 3,868  
 Total Rooms 8  
 Total Bedrooms 4  
 Total Bathrooms 3.2  
 Location Sound Front  
 View Sound  
 Site 1.29 Acre  
 Quality Very Good  
 Age 28



### Comparable 3

2001 Creek Rd  
 Prox. to Subject 1.03 miles SE  
 Sales Price 825,000  
 Gross Living Area 4,800  
 Total Rooms 9  
 Total Bedrooms 5  
 Total Bathrooms 3.1  
 Location Marsh Front  
 View Marsh  
 Site 1.75 ac  
 Quality Very Good  
 Age 14

## Comparable Photo Page

Borrower	n/a				
Property Address	5021 Martins Point Rd				
City	Kitty Hawk	County	Dare	State	NC
Client	Atlantic Asset Management Group, Inc.				
				Zip Code	27949



### Comparable 4

5004 Martins Point Rd  
 Prox. to Subject 0.11 miles SW  
 Sales Price 1,085,000  
 Gross Living Area 3,867  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location Sound Front  
 View Sound  
 Site 1.31 Acre  
 Quality Very Good  
 Age 16



### Comparable 5

285 N Dogwood Trl  
 Prox. to Subject 1.61 miles N  
 Sales Price 800,000  
 Gross Living Area 3,201  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 4.1  
 Location Sound Front  
 View Sound  
 Site .39 Acre  
 Quality Good  
 Age 29



### Comparable 6

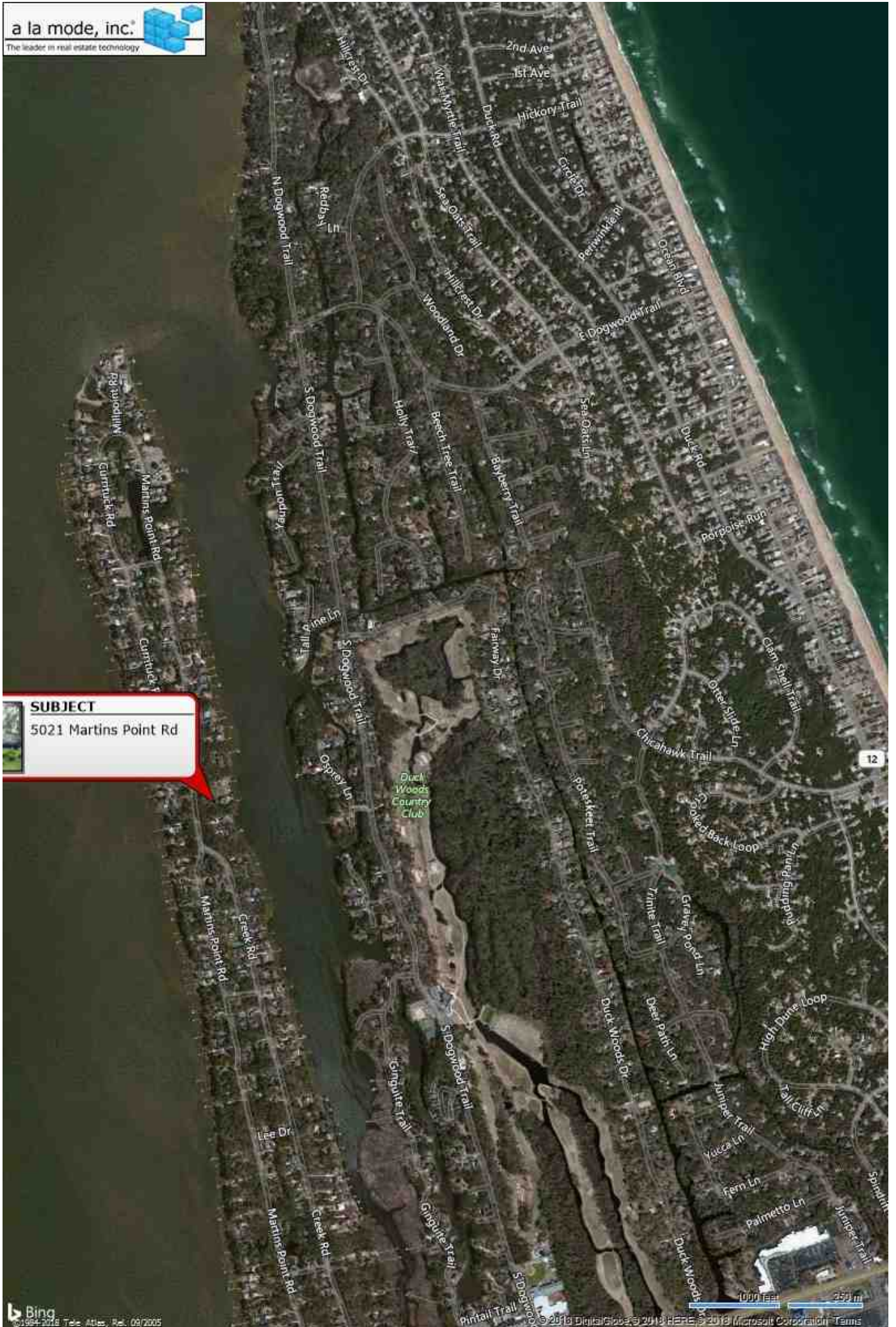
3033 Creek Rd  
 Prox. to Subject 0.57 miles SE  
 Sales Price 700,000  
 Gross Living Area 4,120  
 Total Rooms 8  
 Total Bedrooms 4  
 Total Bathrooms 4.1  
 Location Creek Front  
 View Creek  
 Site .69 Acre  
 Quality Good  
 Age 24



# Aerial Photo

Borrower	n/a			
Property Address	5021 Martins Point Rd			
City	Kitty Hawk	County	Dare	State NC Zip Code 27949
Client	Atlantic Asset Management Group, Inc.			

Date of Photo Unknown





## Location Map

Borrower	n/a		
Property Address	5021 Martins Point Rd		
City	Kitty Hawk	County	Dare
		State	NC
		Zip Code	27949
Client	Atlantic Asset Management Group, Inc.		





# Flood Map

Borrower	n/a					
Property Address	5021 Martins Point Rd					
City	Kitty Hawk	County	Dare	State	NC	
Client	Atlantic Asset Management Group, Inc.				Zip Code	27949

**InterFlood** by a la mode

Prepared for: Hodges Appraisals  
5021 Martins Point Rd  
Kitty Hawk, NC 27949



**MAP DATA**

FEMA Special Flood Hazard Area: **Yes**  
 Map Number: **37055C9867J**  
 Zone: **AE**  
 Map Date: **September 20, 2006**  
 FIPS: **37055**

**MAP LEGEND**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 20px; height: 10px; background-color: yellow; border: 1px solid black; margin-right: 5px;"></span> Areas inundated by 500-year flooding</li> <li><span style="display: inline-block; width: 20px; height: 10px; background-color: lightblue; border: 1px solid black; margin-right: 5px;"></span> Areas inundated by 100-year flooding</li> <li><span style="display: inline-block; width: 20px; height: 10px; background-color: lightgreen; border: 1px solid black; margin-right: 5px;"></span> Velocity Hazard</li> </ul> | <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 20px; height: 10px; background: repeating-linear-gradient(45deg, transparent, transparent 2px, red 2px, red 4px); border: 1px solid black; margin-right: 5px;"></span> Protected Areas</li> <li><span style="display: inline-block; width: 20px; height: 10px; background: repeating-linear-gradient(-45deg, transparent, transparent 2px, red 2px, red 4px); border: 1px solid black; margin-right: 5px;"></span> Floodway</li> <li><span style="display: inline-block; width: 20px; height: 10px; border: 1px solid red; border-radius: 50%; margin-right: 5px;"></span> Subject Area</li> </ul> |
|--|--|

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