

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ARTHUR NADEL,
SCOOP CAPITAL, LLC,
SCOOP MANAGEMENT, INC.,

Defendants.

CASE NO.: 8:09-cv-0087-T-26TBM

SCOOP REAL ESTATE, L.P.,
VALHALLA INVESTMENT PARTNERS, L.P.,
VALHALLA MANAGEMENT, INC.,
VICTORY IRA FUND, LTD,
VICTORY FUND, LTD,
VIKING IRA FUND, LLC,
VIKING FUND, LLC, AND
VIKING MANAGEMENT, LLC.

Relief Defendants.

_____ /

**RECEIVER'S VERIFIED MOTION FOR
APPROVAL OF SALE OF REAL PROPERTY LOCATED
IN FAIRVIEW, BUNCOMBE COUNTY, NORTH CAROLINA**

Pursuant to 28 U.S.C. § 754, 28 U.S.C. § 2001, Fed. R. Civ. P. 66, and Rule 3.01 of the Local Rules of the Middle District of Florida, Burton W. Wiand, as Receiver (the “**Receiver**”), respectfully moves the Court for an order, in substantially the form attached as **Exhibit 1**, (a) authorizing him to sell certain real property free and clear of all claims, liens, and encumbrances, and (b) relieving him from certain provisions of 28 U.S.C. § 2001. There

is some urgency to this motion because the purchaser's loan commitment expires on November 20, 2014.

INTRODUCTION

The Receivership estate holds title to residential real property located at 131 Garren Creek Road, Fairview, Buncombe County, North Carolina (the “**Fairview Property**”) pursuant to an order of this Court dated March 30, 2009 (Doc. 146). The Receiver has listed the Fairview Property for sale through a real estate broker for several years and has finally received a fair offer to purchase the Fairview Property for \$287,500. As explained below, there is a lien on the property, but the offer far exceeds the lien amount, and thus the validity of the lien can be resolved after the Court grants this motion. The offer is also consistent with an appraisal (the “**Appraisal**”) obtained by the purchaser, Sarah Z. Pearsall (the “**Purchaser**”), in connection with her efforts to obtain financing for the purchase, which most recently valued the Fairview Property at \$295,000. The Appraisal is attached as **Exhibit 2**. As mentioned above, the Purchaser's loan commitment expires on November 20, 2014.

In light of the current state of the real estate market in Buncombe County and the fact that there has been minimal interest in the Fairview Property since it was first listed for sale in 2009, the Receiver believes the current offer represents a fair and reasonable price for the Fairview Property and believes it is in the Receivership estate's best interests to proceed with the sale of the Fairview Property without obtaining any additional appraisals or advertising the terms of the sale as contemplated by 28 U.S.C. § 2001(b). Thus, the Receiver requests that the Court waive, or find that the Receiver has substantially complied with, the

procedures in 28 U.S.C. § 2001(b) governing the private sale of real property by a receiver. As explained below, the Receiver also requests the Court grant this motion before resolving the disputed lien on the Fairview Property. The encumbrance will simply transfer to the sale proceeds, which the Receiver will hold in trust pending the Court's determination of the validity of the lien. This procedure will protect the lien holder's potential interest in the Fairview Property while also allowing the sale to close in a timely manner before the Purchaser's loan commitment expires. Importantly, the Court has previously followed this procedure at least once before in this Receivership in connection with another real estate sale. *See* Doc. 842 (granting motion to approve sale and transferring lien to sale proceeds).

BACKGROUND

On January 21, 2009, the Securities and Exchange Commission (the “**Commission**”) initiated this action to prevent the defendants from further defrauding investors of hedge funds operated by them. That same day, the Court entered an order appointing Burton W. Wiand as Receiver for Defendants Scoop Capital, LLC, and Scoop Management, Inc., and Relief Defendants Scoop Real Estate, L.P.; Valhalla Investment Partners, L.P.; Valhalla Management, Inc.; Victory Fund, Ltd.; Victory IRA Fund, Ltd.; Viking IRA Fund, LLC; Viking Fund, LLC; and Viking Management, LLC (Doc. 8) (the “**Order Appointing Receiver**”). The Court subsequently granted several motions to expand the scope of the Receivership to include other entities owned or controlled by Arthur Nadel (“**Nadel**”). *See generally* Docs. 17, 44, 68, 81, 153, 172, 454, 911, 916, 1024. All of the entities in receivership are collectively referred to as the “**Receivership Entities.**” Pursuant to the Order Appointing Receiver, the Receiver was directed to, *inter alia*, administer and manage

the business affairs, funds, assets, choses in action, and any other property of the Receivership Entities.

The Fairview Property

Shortly after his appointment, the Receiver learned that proceeds of Nadel's fraud had been used to purchase various assets, including the Fairview Property. Arthur and Peg Nadel (collectively, the "**Nadels**") purchased the Fairview Property for approximately \$335,000 in June 2004. A portion of the purchase price was paid in cash by the Nadels and Scoop Capital at closing, and they obtained a loan (the "**Loan**") through Branch Banking and Trust Company ("**BB&T**") for the remaining \$268,000. The Receiver filed a motion for possession of and title to the Fairview Property. Docs. 98, 99. The Court granted the Receiver's motion on March 30, 2009. Doc. 100.

The Fairview Property consists of approximately 3.62 acres. The main house is a 200 year-old farm house with over 2,500 square feet of living space. There is an efficiency-style guest house on the property with approximately 300 square feet of living space. There is also a detached two-car garage with unfinished living or storage space on the second level. The Fairview Property has received no significant improvements since it has been in the Receiver's possession. The Buncombe County Tax Department lists the taxable and real value of the Fairview Property as \$311,500.

The Encumbrance On The Property

The Fairview Property is encumbered by an Adjustable Rate Note and Deed of Trust, which was given to BB&T to secure the Loan. As of October 21, 2014, the balance due on the loan was \$101,710.77, including principal and interest. BB&T, however, failed to submit

a timely proof of claim form for the Loan, despite receiving notice of the claims process established in this action and filing a claim related to another encumbered Receivership property. Further, after the Court entered an order on the Receiver's motion for claim determination (Doc. 776), which reflected no filed claim for the Loan, BB&T did not file an objection or otherwise move the Court for relief. Instead, in early 2012, BB&T, through outside counsel, contacted the Receiver's counsel to inquire about the Loan. BB&T's counsel then claimed it had, in fact, prepared and timely submitted a proof of claim for the Loan, but the Receiver has no record of any such submission, and BB&T has not provided any evidence of its delivery of a proof of claim form to the Receiver. Since its communications with the Receiver in early 2012, BB&T has never sought any relief from the Court. With the exception of BB&T, the Receiver is unaware of any other interests in the Fairview Property, and no claim has been submitted relating to that property.

While the Receiver intends to convey title free and clear of all claims, liens, and encumbrances, including BB&T's encumbrance, as discussed below, if the sale underlying this motion is approved, BB&T's interests still will be protected (assuming it attempts prove it submitted a timely proof of claim form) because its encumbrance will shift to the proceeds of the sale, which will be held by the Receiver pending further order of the Court. Because the sale price exceeds BB&T's encumbrance by more than \$185,000, it is not necessary to resolve any potential opposition or purported claim by BB&T before granting the relief requested in this motion. This is important because the Purchaser's loan commitment expires on November 20, 2014, and consequently there is some urgency to this motion.

The Receiver's Marketing Efforts and the Offer to Purchase the Fairview Property

The Receiver began marketing the Fairview Property in 2009, listing the property for sale through his website, www.nadelreceivership, in a specific "Assets for Sale" section. The Receiver also engaged the services of Keller Williams Professionals to market the Fairview Property, which was initially listed for sale for \$425,000. One offer to purchase the property was presented to the Receiver in late 2009, but the buyer was unable to obtain financing, and the offer was withdrawn. After the Receiver did not receive any other offers to purchase the Fairview Property, the list price was reduced to \$399,900 in September 2009. The list price was further reduced numerous times between 2011 and 2012 because of a lack of interest in the property: to \$359,000 in June 2011; \$349,000 in December 2011; and \$343,000 in March 2012. In early 2013, the Receiver engaged Town and Mountain Realty as the new listing broker, and the price was again reduced to \$340,000. In late 2013, the Receiver engaged a different agent at Keller Williams Professionals, and the property was listed for \$320,000.

The Receiver has received an offer from the Purchaser, who has provided proof of funds in the form of a loan commitment letter to purchase the Fairview Property for \$287,500. The Purchaser has indicated she may not proceed with the sale if Court approval is not obtained by November 20, 2014. The Receiver has accepted this offer, subject to the Court's approval. As such, the Receiver entered into a Purchase and Sale Agreement with Purchaser, a copy of which is attached hereto as **Exhibit 3**. The Receiver intends to convey title, free and clear of all claims, liens, and encumbrances, by Receiver's Deed in substantially the form as attached as **Exhibit 4**.

The Receiver believes the proposed offer is reasonable in light of the current market conditions, the appraised value of the property, and the length of time the property has sat on the market. In the five-year period since the Receiver began marketing the Fairview Property, he has received only one viable offer, which ultimately fell through due to the buyer's inability to obtain a loan. Any other offers were for less than the Receiver's estimated fair market value. Thus, the Receiver believes that obtaining any additional appraisals would result in the unwarranted expenditure of funds and resources of the Receivership estate. Pursuant to the Purchase and Sale Agreement, the Receivership estate will net approximately \$268,301.64 from the sale after deducting the commission and normal closing costs (and not taking into account the Loan).

MEMORANDUM OF LAW

I. THE COURT HAS BROAD POWERS OVER THIS RECEIVERSHIP'S ADMINISTRATION

The Court's power to supervise an equity receivership and to determine the appropriate actions to be taken in the administration of the receivership is extremely broad. *S.E.C. v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *S.E.C. v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). The Court's wide discretion derives from the inherent powers of an equity court to fashion relief. *Elliott*, 953 F.2d at 1566; *S.E.C. v. Safety Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982). A court imposing a receivership assumes custody and control of all assets and property of the receivership, and it has broad equitable authority to issue all orders necessary for the proper administration of the receivership estate. *See S.E.C. v. Credit Bancorp Ltd.*, 290 F.3d 80, 82-83 (2d Cir. 2002); *S.E.C. v. Wencke*, 622 F.2d 1363, 1370 (9th Cir. 1980). The court may enter such orders as may be appropriate and necessary for a

receiver to fulfill his duty to preserve and maintain the property and funds within the receivership estate. *See, e.g. Official Comm. Of Unsecured Creditors of Worldcom, Inc. v. S.E.C.*, 467 F.3d 73, 81 (2d Cir. 2006). The goal of a receiver charged with liquidating assets is to obtain the best value available under the circumstances. *Fleet Nat'l Bank v. H & D Entertainment, Inc.*, 926 F. Supp. 226, 239-40 (D. Mass. 1996) (citations omitted). Further, the paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See, e.g., Four B. Corp. v. Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th Cir. 1997).

The relief sought in this motion falls squarely within the Court's powers and is in the best interests of defrauded investors and the Receivership estate. That relief is also consistent with precedent, which establishes that a court of equity – like this one in these proceedings – may authorize the sale of property free and clear of all claims, liens, and encumbrances. *See, e.g., Miners' Bank of Wilkes-Barre v. Acker*, 66 F.2d 850, 853 (3d Cir. 1933); *People's-Pittsburgh Trust Co. v. Hirsch*, 65 F.2d 972, 973 (3d Cir. 1933). In part, a court has this authority because when a court of competent jurisdiction takes possession of property through its officers – like this Court has done with the Fairview Property through the Receiver – it has jurisdiction and authority to determine all questions about title, possession, and control of the property. *Isaacs v. Hobbs Tie & Timber Co.*, 282 U.S. 734, 737-38 (1931).

Generally, courts authorize a sale of encumbered property when there is a reasonable prospect that a surplus will be left for distribution among creditors. *See Bogosian v. Foederer Tract Comm., Inc.*, 399 A.2d 408, 414 (Pa. Super. Ct. 1979). Here, the Receiver

believes BB&T has no right to any proceeds from the sale of the Fairview Property because it failed to file a timely proof of claim form¹, but even if BB&T had a claim in the full amount of its encumbrance, the proposed sale price exceeds the value of BB&T's encumbrance by more than \$185,000. Importantly for BB&T, although the Court can order the Fairview Property's sale free and clear of all claims, liens, and encumbrances, those claims, liens, and encumbrances do not evaporate. Rather, upon sale of the Fairview Property, BB&T's encumbrance will transfer to the sale's proceeds. *Bogosian*, 399 A.2d at 414 (citing *Buss Mach. Works v. Watsonstown Door and Sash Co.*, 2 F. Supp. 757 (M.D. Pa. 1933)) ("Under the broad equity powers of the court, it can, under proper circumstances, order a sale of property free and divested of liens by transferring the liens to the fund derived from the sale."); *In re Franklin Brewing Co.*, 249 F. at 335 (noting transfer of liens to proceeds of sale of collateral); *see also Acker*, 66 F.2d at 852; *Novor v. Fourth Street Bargain Store Co.*, 145 A. 119, 120 (Del. Ch. 1929) ("[L]ien claimants ought to be permitted to look to the proceeds as a substitute for the property."). As such, a sale of the Fairview Property free and clear of all claims, liens, and encumbrances will not prejudice BB&T's potential interest (assuming it eventually seek relief from the Court); rather, granting the relief requested herein will simply shift BB&T's encumbrance from the Fairview Property to the sale proceeds, which the Receiver will then hold pending further order from the Court. This will then allow for a full resolution of any argument BB&T might have in pursuit of this interest, while still allowing the sale to close before the Purchaser's loan commitment expires and

¹ This Court has previously refused to recognize late claims. *See* Doc. 1002 (denying motion to modify order disallowing late claim).

without further impairing the Fairview Property's value for the Receivership Estate. Importantly, the Court has previously followed this procedure at least once before in this Receivership in connection with another real estate sale. *See* Doc. 842 (granting motion to approve sale and transferring lien to sale proceeds).

II. THE COURT HAS THE POWER TO DEVIATE FROM THE REQUIREMENTS OF 28 U.S.C. § 2001, AND THAT IS WARRANTED UNDER THE CIRCUMSTANCES HERE

Pursuant to 28 U.S.C. § 2001, property in the possession of a receiver may be sold by private or public sale. 28 U.S.C. § 2001. Specifically, subsection (b) establishes the following procedures for a private sale of real property:

(b) After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

28 U.S.C. § 2001(b) (“**Section 2001(b)**”).

Notwithstanding the language of Section 2001, district courts are afforded wide discretion in overseeing the sale of real and personal property in equity receiverships. Any action taken by the district court in the exercise of this discretion is subject to great deference by appellate courts. *See United States v. Branch Coal*, 390 F.2d 7, 10 (3d Cir. 1969). Such

discretion is especially important considering that one of the ultimate purposes of a receiver's appointment is to provide a method of gathering, preserving, and ultimately liquidating assets to return funds to defrauded investors. *See S.E.C. v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 372 (5th Cir. 1982) (court overseeing equity receivership enjoys "wide discretionary power" related to its "concern for orderly administration") (citations omitted).

A. Waiver Of The Statutory Appraisal Requirements Under Section 2001(b) Is Warranted

Pursuant to Section 2001(b), a court may order the sale of real estate after (i) the completion of three appraisals, of which the proposed sale price may not occur at less than two-thirds of the average appraised value; and (ii) the advertisement of the terms of the proposed sale in such newspaper(s) of general circulation as directed by the court. 28 U.S.C. § 2001(b). Here, the Purchaser has obtained an appraisal of \$295,000. The proposed sale price of \$287,500 is well in excess of two-thirds of the appraised value as required by 28 U.S.C. § 2001(b). The Receiver is unaware of any actual or potential claims to the Fairview Property other than BB&T's interest, nor has he received any indication that any interested party plans to object to the proposed sale.

Courts have utilized their wide discretion to authorize deviations from the requirements of Section 2001(b) to approve sales of real property in equity receiverships. *See S.E.C. v. Global Online Direct, Inc.*, Case No. 1:07-CV-0767-WSD, Order Granting Receiver's Mot. For Order Authorizing the Sale of Certain Property (N.D. Ga. 2009) ("The Court hereby relieves the Receiver from the provisions of 28 U.S.C. §§2001-2002"); *S.E.C. v. Stanley J. Kowalewski et. al.*, Case No. 1:11-cv-0056-TCB, Order Granting Receiver's Motion for Approval of Private Sale of Real Property (N.D. Ga. 2012) (finding compliance

with 28 U.S.C. § 2001(b) despite receiver not obtaining three appraisals for the property). In fact, this Court has previously authorized the Receiver's deviation from the requirements of Section 2001(b) where the Receiver obtained only one appraisal and expressed belief that any additional appraisals would only result in unwarranted expense to the Receivership estate. *See* Doc. 811. These orders are attached hereto as “**Composite Exhibit 5**”.

At least one court authorized a receiver's private sale of real property under 28 U.S.C. § 2001 without requiring any appraisals. In *S.E.C. v. Billion Coupons, Inc.*, the receiver proposed that the court deviate from the appraisal requirements of Section 2001(b) and instead authorize the receiver to retain a licensed real estate broker to market and sell the property for the highest and best price obtained. 2009 WL 2143531, *3 (D. Hawaii 2009). Concluding that the proposed plan contained sufficient safeguards for maximizing the sales price, as well as an efficient process to minimize carrying costs and other expenses, the court granted the receiver's request to deviate from Section 2001(b). *Id.* at *4. Similarly, in *S.E.C. v. Patrick Kirkland et al.*, the receiver requested that the court find substantial compliance with the appraisal requirements in Section 2001(b) based on a single appraisal and the uniqueness of the subject property. 2009 WL 1439087 (M.D. Fla. 2009). Citing the receiver's belief that the proposed sale was in the best interest of the receivership estate and that no benefit would be realized in obtaining additional appraisals, the court granted – over the defendant's objection – the waiver of the requirements of Section 2001(b). *Id.* at *3.

Importantly, neither the receiver in *Kirkland* nor in *Billion Coupons* obtained both an appraisal and the services of a realtor in listing the property for sale, as the Receiver has done here, but they still received court approval of their deviation from the Section 2001(b)

requirements. Not only do the Receiver's efforts here exceed those in *Kirkland* and *Billion Coupons*, but full compliance with the statutory procedures enumerated in Section 2001(b) here would result in the unwarranted depletion of funds and resources of the Receivership estate. Given the existence of (1) a ready and willing buyer and (2) an appraisal supporting the proposed sales price, the Receiver requests that the Court authorize deviation from the statutory requirements associated with the proposed sale of the Fairview Property.

B. Waiver Of The Statutory Notice Provisions Under Section 2001(b) Is Warranted

Section 2001(b) also contemplates that the terms of a proposed sale will be advertised in such newspaper(s) of general circulation as directed by the Court. 28 U.S.C. § 2001(b). Here, because the Purchaser's loan commitment expires on November 20, 2014, the Receiver believes that full compliance with the statutory notice procedure set forth in Section 2001(b) could derail the sale of the Fairview Property and result in the unwarranted expenditure of funds and resources of the Receivership estate. Given the existence of a ready and willing buyer, as well as the lack of any actual or potential claims to the Fairview Property other than BB&T's, which will transfer to the sale proceeds, or knowledge that any interested party plans to object to the proposed sale, the Receiver requests that the Court authorize deviation from the statutory notice requirement associated with the proposed sale of the Fairview Property. *See Billion Coupons, Inc.*, 2009 WL 2143531 at *3 (relieving receiver of compliance with statutory provisions of 28 U.S.C. § 2001 where sufficient safeguards existed and proposed procedure would maximize net sales proceeds).

Further, the Receiver believes that full compliance with the statutory notice requirement of Section 2001(b) is unnecessary in light of the substantial marketing and

advertising efforts undertaken by the Receiver and his listing agents for approximately five years, which have resulted in minimal interest in the Fairview Property. The Receiver will be posting a copy of this motion on his website, www.nadelreceivership.com, immediately after filing, which will be publicly available. Thus, the Receiver requests that the Court either waive Section 2001(b)'s notice provision, or in the alternative find that the Receiver's efforts in marketing and listing the Fairview Property are in compliance with Section 2001(b). Again, such deviation is necessary in part because compliance would cause the Purchaser's loan commitment at earlier low interest rates to expire which, in turn, could cause her to walk away from this transaction.

CONCLUSION

The Receiver moves the Court for entry of an order in substantially the form of the proposed Order attached as Exhibit 1 to (1) sell the real property located in Fairview, Buncombe County, North Carolina by private sale in accordance with the terms and conditions set forth in the Purchase and Sale Agreement attached hereto as Exhibit 3 and free and clear of all claims, liens, and encumbrances; (2) approve the appointment *nunc pro tunc* of appraiser Devin Chapman as an appraiser under 28 U.S.C. § 2001(b); and (3) waive the statutory notice and appraisal requirements of 28 U.S.C. § 2001(b). The Receiver will hold the proceeds of the sale in trust until BB&T has an opportunity to address (should it choose to do so) its failure to file a proof of claim for the Loan.

CERTIFICATE UNDER LOCAL RULE 3.01(g)

Undersigned counsel has conferred with counsel for the SEC and is authorized to represent to the Court that the SEC does not oppose the relief requested in this motion. Counsel for the Receiver has also conferred with the attorney who represented BB&T in early 2012 in connection with the claims process, and that attorney has contacted BB&T, but BB&T's position on the relief requested in this motion is presently unknown. The Receiver is filing the motion now because of the Purchaser's impending deadline and because the Court can resolve the motion in any event by transferring BB&T's lien to the sale proceeds, but the Receiver's counsel will immediately update this certification once counsel ascertains BB&T's position.

VERIFICATION OF RECEIVER

I, Burton W. Wiand, Court-Appointed Receiver in the above-styled matter, hereby certify that the information contained in this Motion is true and correct to the best of my knowledge and belief.

s/ Burton W. Wiand

Burton W. Wiand, Court-Appointed Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 17, 2014, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

I FURTHER CERTIFY that on November 17, 2014, a true and correct copy of the foregoing has been sent via facsimile: (336) 291-4439 and certified mail return receipt delivery to:

Branch Banking and Trust Company
P.O. Box 2027
Greenville, SC 29602-2027

s/Gianluca Morello

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Attorneys for the Receiver, Burton W. Wiand

Exhibit 1

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ARTHUR NADEL,
SCOOP CAPITAL, LLC,
SCOOP MANAGEMENT, INC.,

Defendants.

CASE NO.: 8:09-cv-0087-T-26TBM

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VICTORY IRA FUND, LTD,
VICTORY FUND, LTD,
VIKING IRA FUND, LLC,
VIKING FUND, LLC, AND
VIKING MANAGEMENT, LLC.

Relief Defendants.

_____ /

ORDER

Before the Court is the Receiver's Verified Motion for Approval of Sale of Real Property Located in Fairview, Buncombe County, North Carolina (the "Motion") (Dkt. ____). Upon due consideration of the Receiver's powers as set forth in the Order Appointing Receiver (Dkt. 8), the Orders Reappointing Receiver (Dkts. 140, 316, 493 and 935), and applicable law, it is **ORDERED AND ADJUDGED** that the Motion is **GRANTED**.

The sale of the real property located at 131 Garren Creek Road, Fairview, Buncombe

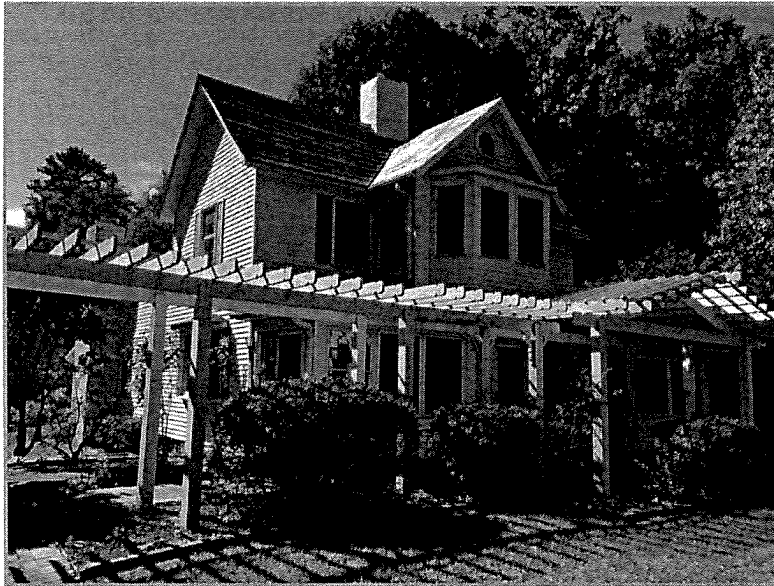
County, North Carolina, pursuant to the Purchase and Sale Agreement attached as Exhibit 3 to the Motion, is hereby approved. The Court finds that the Receiver has substantially complied with the provisions of 28 U.S.C. §2001, and the Receiver is hereby directed to transfer free and clear of all claims, liens, and encumbrances to Sarah Z. Pearsall, by way of Receiver's Deed, pursuant to Purchase and Sale Agreement, title to the real property located in Fairview, Buncombe County, North Carolina.

DONE and **ORDERED** in chambers in Tampa, Florida this ____ day of _____, 2014.

RICHARD A. LAZZARA
UNITED STATES DISTRICT JUDGE

COPIES FURNISHED TO:
Counsel of Record

Exhibit 2



APPRAISAL OF REAL PROPERTY

LOCATED AT:

131 Garren Creek Rd
See Attached
Fairview, NC 28730

FOR:

USAA Federal Savings Bank
10750 McDermott Freeway
San Antonio, TX 78288

AS OF:

10/09/2014

BY:

Devin Chapman

Uniform Residential Appraisal Report

13392292-10003758255012

File # 1410061508

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		131 Garren Creek Rd				City		Fairview																																																																																																																																																	
Borrower		Sarah G Z Pearshall				Owner of Public Record		Burton W Wiand																																																																																																																																																	
Legal Description		See Attached				State		NC																																																																																																																																																	
Assessor's Parcel #		9696-12-9070-00000				Tax Year		2014																																																																																																																																																	
Neighborhood Name		Fairview				Map Reference		9696																																																																																																																																																	
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Lender/Client		USAA Federal Savings Bank				Address		10750 McDermott Freeway, San Antonio, TX 78288																																																																																																																																																	
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). DOM 576; Per NCMMLS 553064, the subject was listed on 02/28/2013 for \$340,000. It expired on 12/01/2013 with no price changes. It was listed again on 12/17/2013 for \$320,000.																																																																																																																																																									
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Arms length sale; The terms of the contract are typical for the area.																																																																																																																																																									
Contract Price \$		287,500		Date of Contract		10/03/2014		Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																																																																																																																																	
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Uniform Residential Appraisal Report

13392292-10003758255012

File # 1410061508

There are 3 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 275,000 to \$ 469,000	
There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 235,000 to \$ 440,000	
FEATURE	SUBJECT
Address	131 Garren Creek Rd Fairview, NC 28730
Proximity to Subject	178 Sunset Dr Black Mountain, NC 28711
Sale Price	\$ 287,500
Sale Price/Gross Liv. Area	\$ 100.74 sq.ft.
Data Source(s)	NCMMLS 553171;DOM 69
Verification Source(s)	Buncombe County
VALUE ADJUSTMENTS	DESCRIPTION
Sales or Financing	ArmLth
Concessions	Conv;1000
Date of Sale/Time	s02/14;Unk
Location	N;Res;
Leasehold/Fee Simple	Fee Simple
Site	3.26 ac
View	N;Woods;
Design (Style)	DT2;Trdtnl
Quality of Construction	Q4
Actual Age	218
Condition	C4
Above Grade	Total Bdrms. Baths
Room Count	11 3 2.0
Gross Living Area	2,854 sq.ft.
Basement & Finished	0sf
Rooms Below Grade	0sf
Functional Utility	Average
Heating/Cooling	Fa/-
Energy Efficient Items	None
Garage/Carport	2gd4dw
Porch/Patio/Deck	0,2,1
Extras	3 Fireplaces
Extras	Gst Hs-768 sf
Extras	None
Net Adjustment (Total)	\$ 59,520
Adjusted Sale Price	\$ 307,520
of Comparables	
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 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) Buncombe County Records, NCM MLS	
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) Buncombe County Records, NCM MLS	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	
Price of Prior Sale/Transfer	
Data Source(s)	Buncombe County Records
Effective Date of Data Source(s)	10/09/2014
Analysis of prior sale or transfer history of the subject property and comparable sales	
No known prior sales of the subject or comparables except where noted.	
Summary of Sales Comparison Approach See attached addenda.	
Indicated Value by Sales Comparison Approach \$ 295,000	
Indicated Value by: Sales Comparison Approach \$ 295,000 Cost Approach (if developed) \$ 298,880 Income Approach (if developed) \$	
See attached addenda.	
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, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No conditions known or made available to the appraiser.	
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 \$ 295,000 as of 10/09/2014, which is the date of inspection and the effective date of this appraisal.	

Uniform Residential Appraisal Report

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File # 1410061508

The appraiser is not a licensed home inspector. Unless otherwise noted, all mechanicals (HVAC, plumbing, wiring, fixtures, appliances and any other mechanical systems) are assumed to be in working order. The appraisal also assumes adequate legal means of ingress and egress to and from the property.

The roof covering of existing homes is inspected visually from the ground level. Any know or indicated (by sight) roof problems are included in the report. The lack of any problems being noted in the report does not guarantee that the roof is not leaking or will lead in the near future. Any assurance of the integrity of the roof or roof covering against failure or leaking would be determined by a roof inspection by a qualified home inspector or roof specialist.

If any sketches or measurements are shown in this report, they may be rounded and are approximate measurements not intended to be exact or drawn to scale.

I have no current or prospective interest in the subject property or the parties involved; and no services were performed by the appraiser within the 3 year period immediately preceding acceptance of this assignment, as an appraiser or in any capacity.

The subject is in C4 condition. Part of the consideration of that condition rating was the fact that there are no kitchen appliances. The missing appliances have minimal effect on the marketability of the subject because the fact that they are missing is consistent with the condition of the rest of the house.

The subject was vacant at the time of inspection. The utilities were on and working at the time of inspection.

Public utilities are not available at the subject site.

The retaining wall did not appear to be of any structural or safety concern for the house.

ADDITIONAL COMMENTS

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)

Comparable land sales in the area were used to

establish an estimate for site value for the subject property. A combination of matched pairs and realtor data was used to estimate the site value for the subject property.

COST APPROACH

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	81,500
Source of cost data	Local Contractors		DWELLING	2,854 Sq.Ft. @ \$ 110.00	= \$ 313,940
Quality rating from cost service	Average	Effective date of cost data 10/01/2014		0 Sq.Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			ca, W, S, Dck, Fps, GH		= \$ 105,000
Cost data provided by local contractors.			Garage/Carport	672 Sq.Ft. @ \$ 20.00	= \$ 13,440
Site value based on land sales, extraction or % allocation method.			Total Estimate of Cost-New		= \$ 432,380
Land to improvement ratio is typical for the area.			Less Physical	Functional	External
No functional or external depreciation noted.			Depreciation	227,000	= \$(227,000)
Physical depreciation calculated using effective age/life method.			Depreciated Cost of Improvements		= \$ 205,380
			As-is Value of Site Improvements		= \$ 12,000
Estimated Remaining Economic Life (HUD and VA only)			38 Years	INDICATED VALUE BY COST APPROACH	= \$ 298,880

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

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 INFORMATION

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

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

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

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

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File # 1410061508

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.

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

Signature

Name Devin Chapman

Company Name

Mountain Appraisal Service, Inc.

Company Address

30 Westgate Parkway #153Asheville, NC 28806

Telephone Number

8287134494

Email Address

mountainappraisal@gmail.com

Date of Signature and Report

10/13/2014

Effective Date of Appraisal

10/09/2014

State Certification #

A6922

or State License #

or Other (describe)

State #

State

NC

Expiration Date of Certification or License

06/30/2015

ADDRESS OF PROPERTY APPRAISED

131 Garren Creek RdFairview, NC 28730

APPRAISED VALUE OF SUBJECT PROPERTY \$

295,000

LENDER/CLIENT

Name United Lender Services

Company Name

USAA Federal Savings Bank

Company Address

10750 McDermott Freeway, San Antonio, TX78288

Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature

Name

Company Name

Company Address

Telephone Number

Email Address

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

SUBJECT PROPERTY

☐ Did not inspect subject property☐ Did inspect exterior of subject property from street

Date of Inspection

☐ Did inspect interior and exterior of subject property

Date of Inspection

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street☐ Did inspect exterior of comparable sales from street

Date of Inspection

Uniform Residential Appraisal Report

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File # 1410061508

FEATURE		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address		131 Garren Creek Rd Fairview, NC 28730		1006 Reems Creek Rd Weaverville, NC 28787		10 Whiteash Farm Trl Fairview, NC 28730		1615 Charlotte Hwy Fairview, NC 28730	
Proximity to Subject				14.02 miles NW		1.61 miles SW		0.71 miles SW	
Sale Price		\$ 287,500		\$ 440,000		\$ 469,000		\$ 364,200	
Sale Price/Gross Liv. Area		\$ 100.74 sq.ft.		\$ 133.37 sq.ft.		\$ 187.75 sq.ft.		\$ 175.18 sq.ft.	
Data Source(s)		NCMMLS 538709;DOM 402		NCMMLS 551381;DOM 340		NCMMLS 551381;DOM 340		NCMMLS 563067;DOM 134	
Verification Source(s)		Buncombe County		Buncombe County		Buncombe County		Buncombe County	
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
		+(-) \$ Adjustment		+(-) \$ Adjustment		+(-) \$ Adjustment		+(-) \$ Adjustment	
Sales or Financing		REO		Listing		Listing		Listing	
Concessions		Conv;0				-23,450		-18,210	
Date of Sale/Time		s08/14;c06/14		Active		Active		Active	
Location		N;Res;		N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site		3.26 ac		3.73 ac		20.67 ac		5.25 ac	
View		N;Woods;		B;Woods;Mtn		N;Woods;		N;Creek;Mtn	
Design (Style)		DT2;Trdtnl		DT2;Victorian		DT2;Victorian		DT1;Ranch	
Quality of Construction		Q4		Q4		Q4		Q4	
Actual Age		218		169		124		47	
Condition		C4		C3		C4		C4	
		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Above Grade		11 3 2.0		10 4 4.1		9 4 2.0		8 3 2.1	
Room Count		11 3 2.0		10 4 4.1		9 4 2.0		8 3 2.1	
Gross Living Area		2,854 sq.ft.		3,299 sq.ft.		2,498 sq.ft.		2,079 sq.ft.	
Basement & Finished		0sf		0sf		0sf		2079sf1579sfwo	
Rooms Below Grade								1rr2br1.0ba1o	
Functional Utility		Average		Average		Average		Average	
Heating/Cooling		Fa/-		Hpump/Ca		Mntr/-		Rdtr/Ca	
Energy Efficient Items		None		None		None		None	
Garage/Carport		2gd4dw		4dw		1gd4dw		1gd2cp4dw	
Porch/Patio/Deck		0,2,1		6,0,0		4,0,1		1,1,1	
Extras		3 Fireplaces		8 Fireplaces		2 Fireplaces		2 Fireplaces	
Extras		Gst Hs-768 sf		Gst Hs-1,200 sf		None		Gst Hs-486 sf	
Extras		None		None		Barns, Sheds		Workshop	
Net Adjustment (Total)				+ - \$ -139,140		+ - \$ -188,850		+ - \$ -73,041	
Adjusted Sale Price				Net Adj. 31.6 %		Net Adj. 40.3 %		Net Adj. 20.1 %	
of Comparables				Gross Adj. 37.1 %		Gross Adj. 64.8 %		Gross Adj. 38.5 %	
				300,860		280,150		291,159	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).									
ITEM		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Date of Prior Sale/Transfer									
Price of Prior Sale/Transfer									
Data Source(s)		Buncombe County Records		Buncombe County Records		Buncombe County Records		Buncombe County Records	
Effective Date of Data Source(s)		10/09/2014		10/09/2014		10/09/2014		10/09/2014	
Analysis of prior sale or transfer history of the subject property and comparable sales									
Analysis/Comments									

Supplemental Addendum

File No. 1410061508

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

SCOPE OF WORK STATEMENT

At the request of the client, this appraisal report has been prepared in compliance with the Uniform Appraisal Dataset (UAD) from Fannie Mae and Freddie Mac. The UAD requires the appraiser to use standardized responses that include specific formats, definitions, abbreviations, and acronyms. The appraiser attempted to obtain an adequate amount of information in the normal course of business regarding the subject and comparable properties. Some of the standardized responses required by the UAD, especially those in which the appraiser has NOT had the opportunity to verify personally or measure, could mistakenly imply greater precision and reliability in the data than is factually correct or typical in the normal course of business. Examples include condition and quality ratings as well as comparable sales and listing data. The appraiser makes no representations, guarantees or warranties, express or implied, regarding building materials, their fitness, quality, condition or remaining economic life. Not every element of the subject property was viewable. The appraiser did not move any personal property, due to liability concerns for potential damage to the property, to disclose or reveal any unapparent or hidden defects to the structure, nor did the appraiser dismantle or probe the structure to observe enclosed, encased, or otherwise concealed areas. Comparable data was generally obtained from third-party sources including but not limited to the local MLS, County Assessor, Township Assessor, online resources and additional public data sources. Consequently, this information should be considered an "estimate" unless otherwise noted by the appraiser.

• URAR : Neighborhood - Market Conditions

All neighborhood related data is based on information gathered from local markets, realtors and lenders. The subject area appears to be stable with supply and demand in relative balance. Current marketing time in the subject area appears to fluctuate between 3 and 12 months. Sales in the subject market area appear to be primarily conventional with some cash, va, fha and land contracts. Homes in the area vary in style, size, age and value.

• URAR : Sales Comparison Analysis - Summary of Sales Comparison Approach

A comprehensive search for comparables was conducted in the immediate subject area.

Due to a lack of similar comparable sales the search area was expanded to included similar market areas further away from the subject.

The comparables used appear to be the best available at the time of the appraisal.

Comparable #4 was added for support of the estimated market value.

Comparables #1 and #2 are not as recent as desired.

Comparables #2 and #4 are more distant than desired.

It was necessary to exceed the time and/or distance guidelines because of the volume of sales in the area. A limited number of properties were transferred within the subject area and therefore the 6 month and/or 1 mile guideline had to be expanded.

The sales adjustments were derived from observing how certain amenities affect similar sales in the area. A method using a combination of matched pairs and an understanding of what factors drive market values in the area was also used to determine the value of the adjustments.

A weighted, gross adjustment percentage method, was used in determining the final value.

The site area was adjusted on a per acre basis and then rounded.

The subject age was adjusted on a per year basis and then rounded.

No adjustment is necessary for design/style due to the fact that the market does not recognize the differences in design/style.

Comparables #1, #3, #4 and #5 exceed the standard line item, net and gross adjustment percentages due to the necessary adjustments.

Comparables #2 and #6 exceed the standard line item and gross adjustment percentage due to the necessary adjustments.

Exposure Time: 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 of the subject property at the appraised value is estimated to be 180-365 days.

The subject property varies from the predominant neighborhood value by more than 25%. The market value of the subject property is well within the neighborhood price range and is not considered an over or under improvement. The subject variance from the predominant value does not have a negative impact on its marketability. The subject does not suffer functional obsolescence. The subject is sufficiently appealing to the typical buyer in this market and price range.

The subject was not appraised at the predominant price for homes in this area. It is not uncommon for this type of home to be in the lower or upper range of market value and should not be considered an under or over-improvement. This had no adverse effect on the subject's value or marketability.

No comparables were available to bracket the subject's age. The best, oldest, sales in the county were used as comparables. This is the oldest house that I have ever appraised. It is unknown how the subject's age could effect it's marketability. Because the subject has been updated over the years, similarly to the other older comparables that have also been updated that were used as comparables, there is no market indication that the subject's age would adversely effect it's marketability in relation of other similar comparable sales and listings.

All of the comparables are from similar rural areas. No location adjustments are necessary.

Age adjustments were based on the effective age of the subject and the comparables. These adjustments were determined by analyzing market data.

The sun room is heated (see the heating vents on the floor) and finished to a similar quality as the rest of the house. Therefore, it was included in the GLA.

Supplemental Addendum

File No. 1410061508

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

• **URAR : Reconciliation - Reconciliation and Final Value Conclusion**

The cost approach was considered only for support of the estimated value.

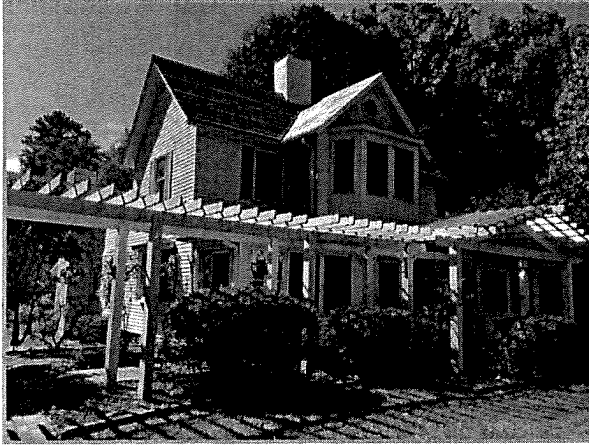
The income approach was considered but not developed due to the fact that a majority of the homes in the market area are owner occupied.

The sales comparison approach is considered the most reliable indicator of market value.

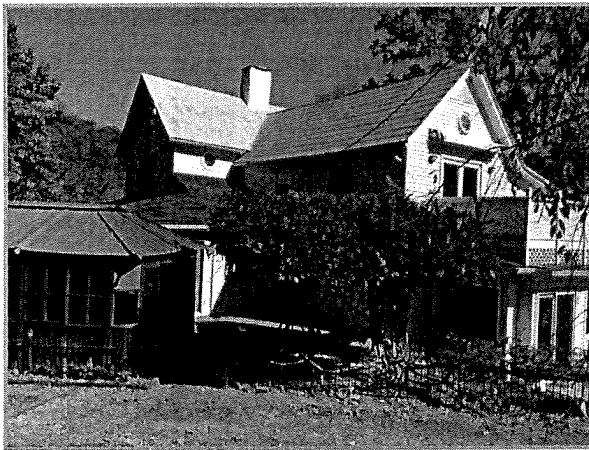
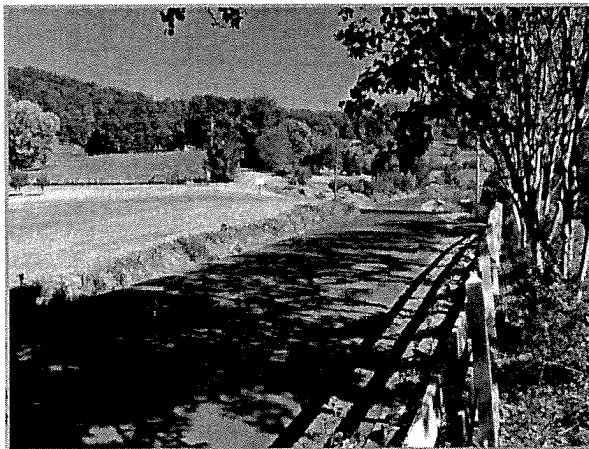
The intended user of this appraisal report is the lender/client. The intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated scope of work, purpose of the appraisal, reporting requirements of this appraisal report form, and definitions of market value. No additional intended users are identified by the appraiser.

Subject Photo Page

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

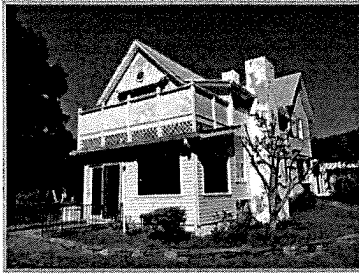
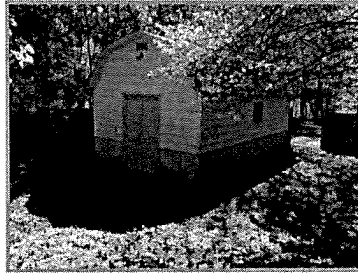
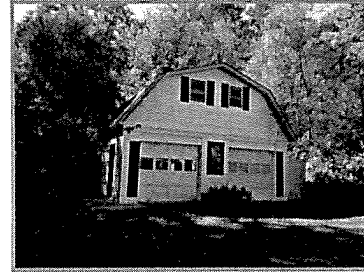
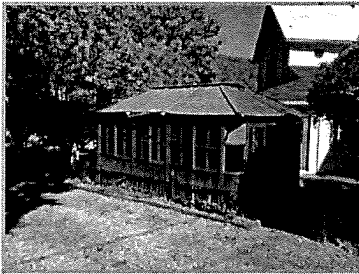
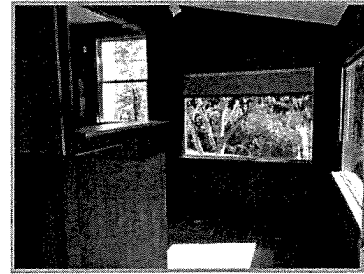
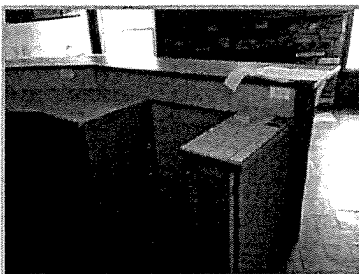
**Subject Front**

131 Garren Creek Rd
 Sales Price 287,500
 Gross Living Area 2,854
 Total Rooms 11
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location N;Res;
 View N;Woods;
 Site 3.26 ac
 Quality Q4
 Age 218

**Subject Rear****Subject Street**

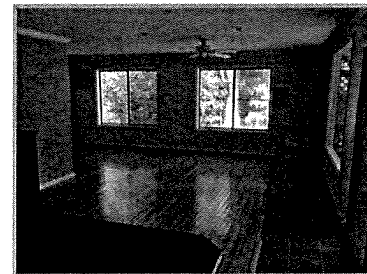
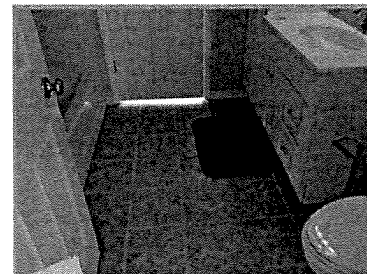
Photograph Addendum

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

**Rear****Shed****Detached Garage****Hot Tub House****Garage Interior****Mud Room****Kitchen****Missing Fixtures****Missing Appliances****Missing Appliances****Dining Area****Dining Room****Living Room****Bathroom****Sun Room**

Photograph Addendum

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

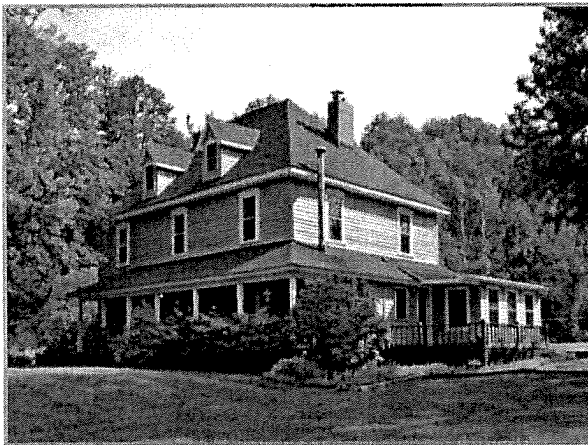
**Sun Room Alt****Sitting Area****Family Room****Bedroom 1****Bedroom 2****Den****Bathroom 2****Bedroom 3****Cellar****Guest House****Guest House Rear****Guest House Living Room****Guest House Kitchen****Guest House Bedroom****Guest House Bathroom**

Comparable Photo Page

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

**Comparable 1**

178 Sunset Dr
Prox. to Subject 7.75 miles NE
Sales Price 248,000
Gross Living Area 2,830
Total Rooms 10
Total Bedrooms 4
Total Bathrooms 2.0
Location N;Res;
View N;Woods;
Site 2.00 ac
Quality Q4
Age 119

**Comparable 2**

1125 Reems Creek Rd
Prox. to Subject 14.04 miles NW
Sales Price 358,000
Gross Living Area 2,858
Total Rooms 9
Total Bedrooms 4
Total Bathrooms 2.1
Location N;Res;
View B;Mtn;Creek
Site 5.85 ac
Quality Q4
Age 122

**Comparable 3**

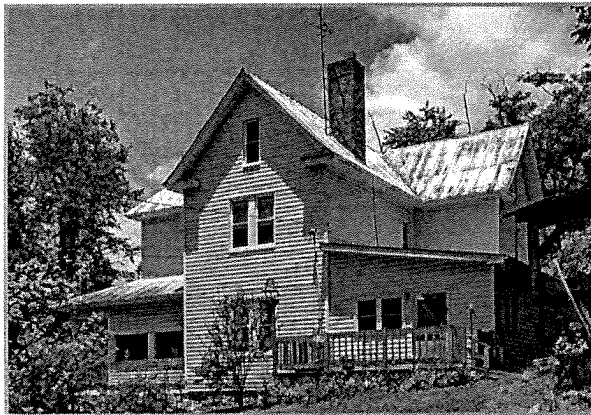
1935 Charlotte Hwy
Prox. to Subject 1.42 miles SE
Sales Price 365,000
Gross Living Area 2,038
Total Rooms 7
Total Bedrooms 3
Total Bathrooms 3.0
Location N;Res;
View B;Woods;Mtn
Site 1.90 ac
Quality Q4
Age 18

Comparable Photo Page

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

**Comparable 4**

1006 Reems Creek Rd
Prox. to Subject 14.02 miles NW
Sale Price 440,000
Gross Living Area 3,299
Total Rooms 10
Total Bedrooms 4
Total Bathrooms 4.1
Location N;Res;
View B;Woods;Mtn
Site 3.73 ac
Quality Q4
Age 169

**Comparable 5**

10 Whiteash Farm Trl
Prox. to Subject 1.61 miles SW
Sale Price 469,000
Gross Living Area 2,498
Total Rooms 9
Total Bedrooms 4
Total Bathrooms 2.0
Location N;Res;
View N;Woods;
Site 20.67 ac
Quality Q4
Age 124

**Comparable 6**

1615 Charlotte Hwy
Prox. to Subject 0.71 miles SW
Sale Price 364,200
Gross Living Area 2,079
Total Rooms 8
Total Bedrooms 3
Total Bathrooms 2.1
Location N;Res;
View N;Creek;Mtn
Site 5.25 ac
Quality Q4
Age 47

Market Conditions Addendum to the Appraisal Report

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

Property Address **131 Garren Creek Rd** City **Fairview** State **NC** ZIP Code **28730**

Borrower **Sarah G Z Pearshall**

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

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	3	1	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.50	0.33	0.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	Unavailable	Unavailable	3	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	Unavailable	Unavailable	9.1	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	265,000	418,500	440,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	101	86	402	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	248,000	450,000	449,900	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	Unavailable	Unavailable	343	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	106.85	93.00	97.80	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining

Seller (developer, builder, etc.) paid financial assistance prevalent? ☐ Yes ☒ No

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **Seller paid closing costs and bonuses to agents have become more common in the last 12 months.**

Are foreclosure sales (REO sales) a factor in the market? ☒ Yes ☐ No If yes, explain (including the trends in listings and sales of foreclosed properties). **Foreclosure sales have become more prevalent in the subject's greater market area in the last 12 months. For competing properties in the subject's general price range, buyers have had more options and the sales to list price ratio for non foreclosures has dropped.**

Cite data sources for above information. **MLS, County Auditor**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. **The local market area is strongly influenced by seasonal trends. Historically, fewer properties transfer in the winter months and the majority of the sales take place in the warmer months. The total number of active listings for the required time frames was provided but is not considered relevant due to the ambiguous nature of the criteria and the limitations of the MLS data search. The median days on market is not available for current listings so the average days on market was used. Only current listings can be searched, so in the time frames provided, only listings that are still currently active can be quantified.**

If the subject is a unit in a condominium or cooperative project, complete the following:

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

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties. **N/A**

Summarize the above trends and address the impact on the subject unit and project. **N/A**

Signature **Devin Chapman** Signature **Devin Chapman**

Appraiser Name **Devin Chapman** Supervisory Appraiser Name

Company Name **Mountain Appraisal Services, LLC** Company Name

Company Address **30 Westgate Parkway, Asheville, NC 28806** Company Address

State License/Certification # **A6922** State **NC** State License/Certification # State

Email Address **mountainappraisal@gmail.com** Email Address

Borrower/Client	Sarah G Z Pearshall			File No.	1410061508
Property Address	131 Garren Creek Rd				
City	Fairview	County	Buncombe	State	NC Zip Code 28730
Lender	USAA Federal Savings Bank				

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- ☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a) pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b) pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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

- 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.
- Unless otherwise indicated, 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.
- Unless otherwise indicated, I have performed no 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 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.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time

(USPAP defines Exposure Time as 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.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: _____

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

APPRAISER:

Signature: _____

Name: Devin Chapman

State Certification #: A6922

or State License #:

State: NC

Expiration Date of Certification or License: 06/30/2015

Date of Signature and Report: 10/13/2014

Effective Date of Appraisal: 10/09/2014

Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): 10/09/2014

**SUPERVISORY or CO-APPRAISER (if applicable):**

Signature: _____

Name: _____

State Certification #: _____

or State License #:

State: _____

Expiration Date of Certification or License: _____

Date of Signature: _____

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): _____

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation. *

*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes. Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost. An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion. A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

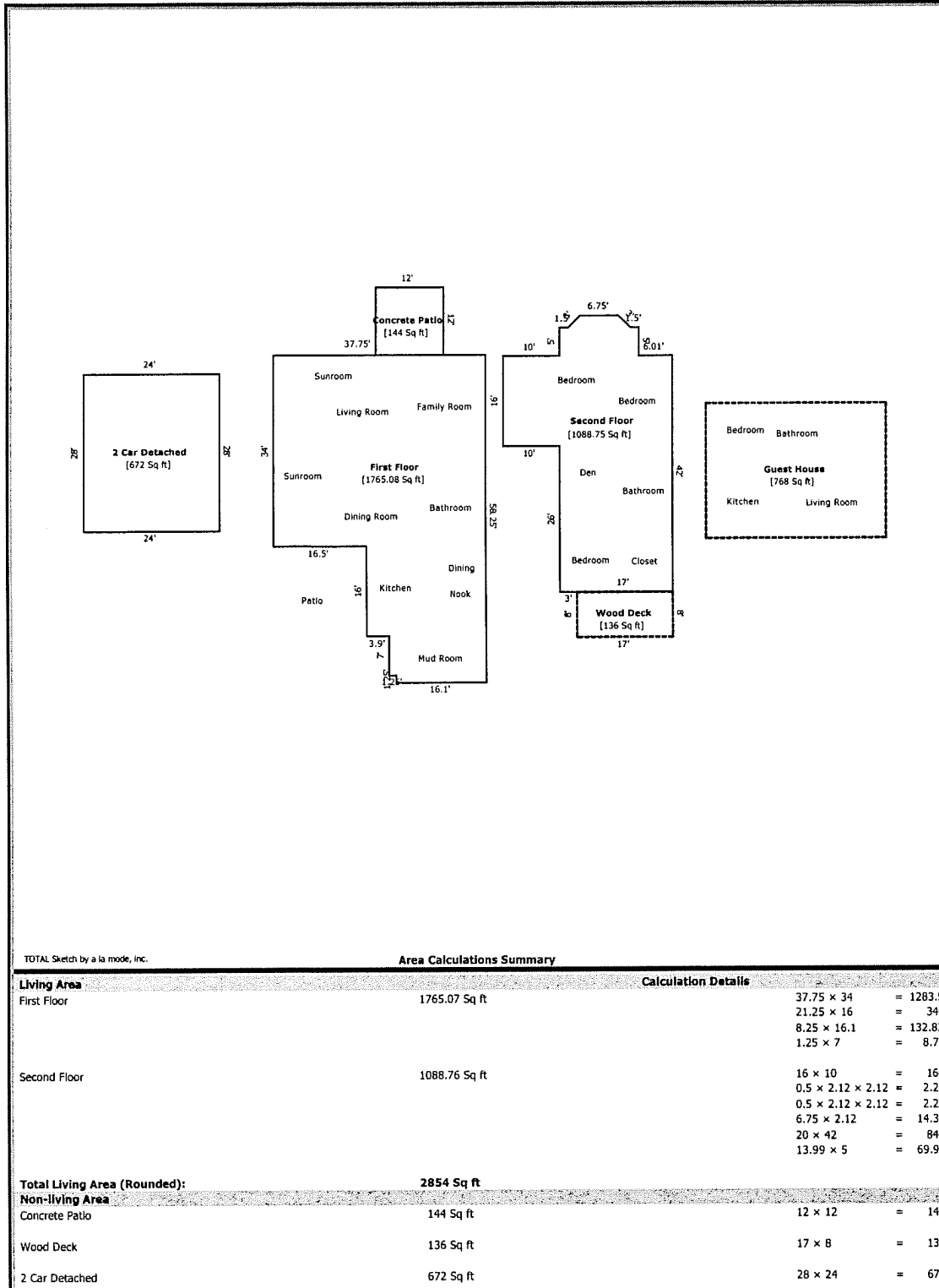
(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Abbreviation	Full Name	Fields Where This Abbreviation May Appear
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
GlCse	Golf Course	Location
GlFvw	Golf Course View	View
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
BsyRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rac) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA - Rural Housing	Sale or Financing Concessions
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
Woods	Woods View	View

[illegible]

Building Sketch

Borrower/Client	Sarah G Z Pearshall				
Property Address	131 Garren Creek Rd				
City	Fairview	County	Buncombe	State	NC Zip Code 28730
Lender	USAA Federal Savings Bank				



Legal Description and Lot Dimensions

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

3

EXHIBIT A

BEGINNING at an iron pin set in the center of the sixty (60) foot right of way of Garren Creek Road (NCSR 2806) and from the point and place thus established; runs with the right of way of Garren Creek Road, North 52 deg. 10' 53" East 194.22 feet to an iron pin set, thence North 49 deg. 39'02" East 62.33 feet to an iron pin set; thence leaving the center line of Garren Creek Road and runs North 71 deg. 27'40" East 52.91 feet to and iron pin set in the right of way of a gravel drive, as more particularly described in Deed Book 2018 at Page 367 of the Buncombe County, North Carolina Register's Office; thence continuing within said right of way of a gravel drive North 54 deg. 11' 40" East 26.53 feet to an iron pin, thence North 42 deg. 07' 20" East 41.12 feet to a rebar set in the center of that twenty (20) foot existing gravel right of way as described in Deed Book 1325 at Page 165 of the Buncombe County, North Carolina Register's Office; thence continuing within that said twenty (20) foot right of way the following three (3) calls and distances: South 74 deg. 14' 10" East 111.11 feet to an iron pin; thence South 47 deg. 54' 10" East 74.41 feet to an iron pin set; thence South 27 deg. 34' 10" East 91.13 feet to an iron pin set in the common line of the Patricia R. Myers property as described in Deed Book 1325 at Page 0165 of the Buncombe County, North Carolina Register's Office; thence continuing with the commonline of the said Myers property, North 53 deg. 54'30" West 55.41 feet to an iron pin set; thence continuing along the commonline of the said Myers property, North 53 deg. 54' 30" West 194.09 feet to a 14" chestnut oak snag, said point being the southernmost corner of the said Myers property; thence leaving said Myers property and running along the commonline of the Ted E. Linn property as described in Deed Book 1088 at Page 0133 of the Buncombe County, North Carolina Register's Office, South 18 deg. 22' 50" West 39.26 feet to an iron pin set; thence continuing along the said Linn line, South 24 deg. 31' 06" West 103.10 feet to an iron pin set; thence leaving the said Linn line and runs along the commonline of the Alan McNab property as described in Deed Book 2018 at Page 0367 of the Buncombe County, North Carolina Register's Office, North 52 deg. 01' 25" West 365.42 feet to a pin set in the eastern margin of that 30 foot gravel right of way as described in Deed Book 2018 at Page 0367; thence crossing said 30 foot gravel right of way, North 52 deg. 01' 25" West 40.05 feet to a pin set in the western margin of said 30 foot gravel right of way; thence running with the western margin of said 30 foot gravel right of way the following four (4) calls and distances: South 2 deg. 30' 02" East 93.22 feet; thence South 0.0 deg. 24' 41" West 55.07 feet; thence South 3 deg. 48' 07" West 68.57 feet; thence South 3 deg. 23'38" East 48.36 feet to an iron pin set in the line of the above described McNab property; thence leaving said gravel right of way; runs North 51 deg. 16' 10" West 111.63 feet to an iron pin set in the northeasternmost corner of the Margaret K. Roberts property, as described in Deed Book 1533 at Page 295 of the Buncombe County, North Carolina Register's Office and runs with the commonline of the said Roberts property North 56 deg. 38' 05" West through an iron pin set a total of 294.84 feet to the point and place of the BEGINNING; containing 3.26 acres, more or less, as shown on an unrecorded survey performed by Wallace S. McAbee, PLS, of McAbee and Associates, PA, entitled Survey for William P. Ayers and wife, Judith K. Ayers, dated May 21, 2002.

Together With and Subject To a perpetual and nonexclusive easement and right of way for ingress, egress, and regress and installation of utilities, as shown on the above referenced survey, and described in Deed Book 2018 at page 368 of the Buncombe County, North Carolina Register's Office, 30 feet in width for the existing private road as it leads from the above described property to and across lands of Alan L. McNab, and others to Garren Creek Road (NCSR 2806); together with the right to maintain and improve said private road.

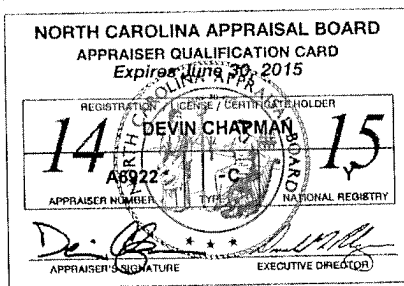
Together With and Subject To is a perpetual and nonexclusive easement and right of way for ingress, egress, and regress and installation of utilities, as shown on the above referenced survey, and described in Deed Book 1325 at Page 165 of the Buncombe County, North Carolina Register's Office, 20 feet in width for the existing private road as it leads from the above described property to and across lands of Patricia R. Myers, and others to Garren Creek Road (NCSR 2806); together with the right to maintain and improve said private road.

Together With and Subject To any and all existing rights of way and easements of record or as shown on the aforesaid unrecorded survey, including those restrictive covenants recorded in Deed Book 2018 at Page 367 of the Buncombe County, North Carolina Register's Office.

And being all of that property described in Deed Book 2811 at Page 220 of the Buncombe County, North Carolina Register's Office; reference to which is hereby made and incorporated for a more particular description of said property.

License

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					



E&O Insurance

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

LEXINGTON INSURANCE COMPANY**WILMINGTON, DELAWARE**

Administrative Offices - 100 Summer Street, Boston, Massachusetts 02110

Certificate Number: 018390083-01

This Certificate forms a part of Master Policy Number: 018389876-01

Renewal of Master Policy Number: 018389876

**YOUR RISK PURCHASING GROUP MASTER POLICY IS A CLAIMS MADE POLICY.
READ THE ATTACHED MASTER POLICY CAREFULLY**

THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS

CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder Mountain Appraisal Service, LLC
30 Westgate Plaza #153
Asheville NC 28806
2. Certificate Period: Effective Date: 10/11/13 to Expiration Date: 10/11/14
12:01 a.m. Local Time at the Address of the Insured.
- 2a. Retroactive Date: 10/11/10
12:01 a.m. Local Time at the Address of the Insured.
3. Limit of Liability: \$ 1,000,000 each claim
\$ 1,000,000 aggregate limit
4. Deductible: \$ 1,000 each claim
5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES
6. Advance Certificate Holder Premium: \$ 2,018
7. Minimum Earned Premium: 25% or \$ 505

Forms and Endorsements:

PRG 3150 (10/05) Real Estate Appraisers Professional Liability Declarations, PRG 3512 (07/12) Real Estate Appraisers Professional Liability Coverage Form, 78713 (07/12) Addendum to the Declarations

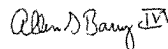
Additional Endorsements applicable to this Certificate only:

None

Agency Name and Address INTERCORP, INC.
1438-F West Main Street
Ephrata, PA 17522-1345

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.

THIS POLICY IS ISSUED BY YOUR RISK PURCHASING GROUP. YOUR RISK PURCHASING GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK PURCHASING GROUP.



Authorized Representative OR
Countersignature (in states where applicable)

Date: August 1, 2013

PRG 3152 (10/05)

Location Map

Borrower/Client	Sarah G Z Pearshall				
Property Address	131 Garren Creek Rd				
City	Fairview	County	Buncombe	State	NC
				Zip Code	28730
Lender	USAA Federal Savings Bank				

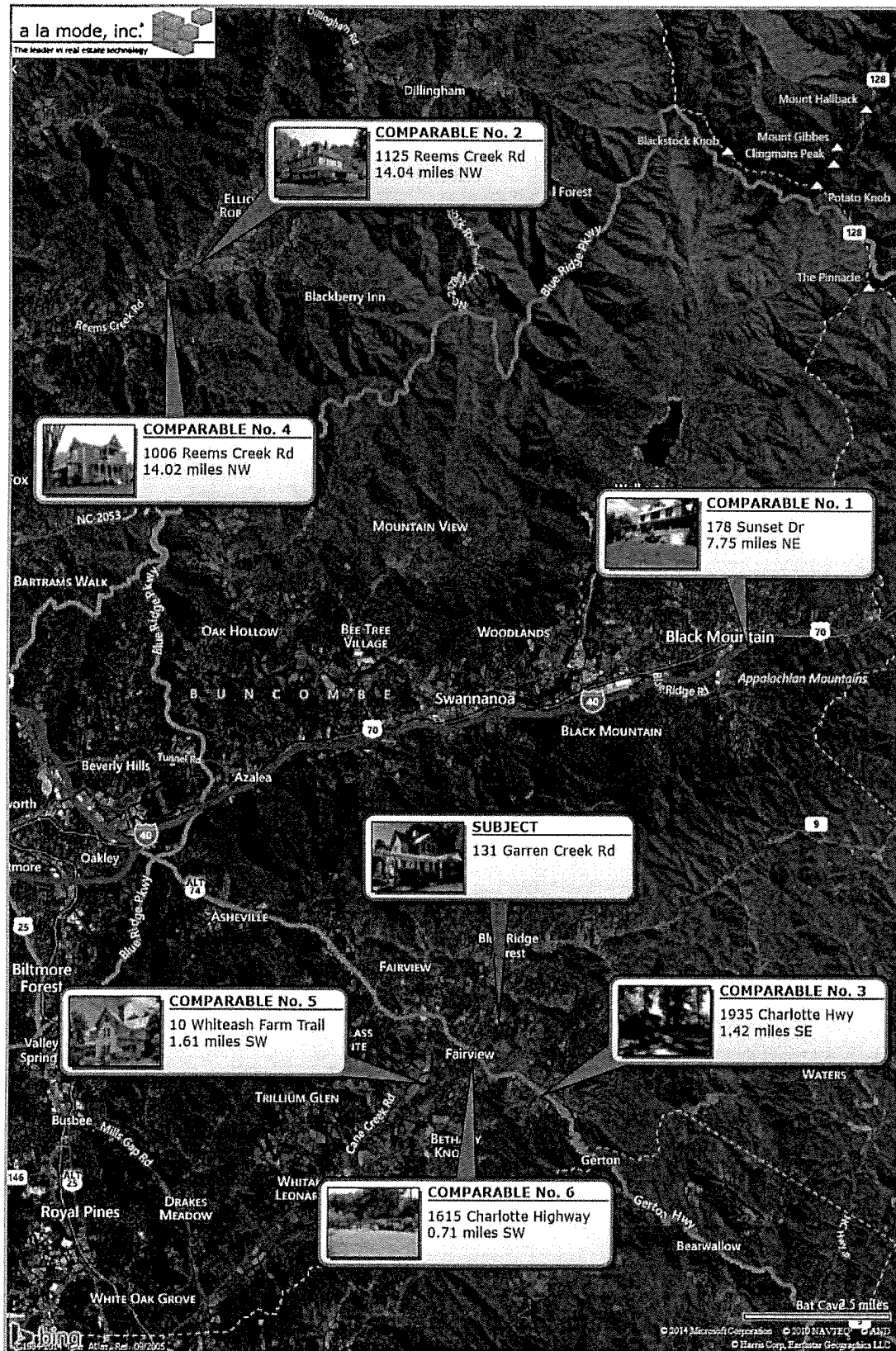


Exhibit 3

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (hereinafter "**Agreement**"), is entered into this 6th day of October 2014, by and between **Sarah Z. Pearsall** (hereinafter, the "**Buyer**") and **Burton W. Wiand**, in his capacity as **Receiver** (hereinafter, the "**Receiver**" or "**Seller**", and collectively with Buyer, the "**Parties**") appointed in Securities and Exchange Commission v. Arthur Nadel et al., U.S.D.C., M.D. Fla., Tampa Division, Case No. 8:09-cv-87-T-26TBM (hereinafter, the "**Receivership Action**").

BACKGROUND

WHEREAS, the Receiver was appointed pursuant to a certain Order Appointing Receiver entered on January 21, 2009, in the Receivership Action; and

WHEREAS, the Receiver took possession of real property located at 131 Garren Creek Road, Fairview, North Carolina 28730 (hereinafter the "**Property**") on or about March 30, 2009, and has full power and authority to market and enter into an agreement to sell the Property, subject to court-approval and as otherwise defined below; and

WHEREAS, the Buyer desires to purchase the Property and Seller desires to sell the Property, all on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. **Property:** The Seller agrees to sell and convey and Buyer agrees to purchase and pay for, all pursuant to the terms and conditions hereinafter set forth, the property consisting of all of Seller's right, title, and interest in and to the Property, more particularly described on Exhibit "A" attached hereto, together with any of the following items or fixtures which may be now located in or which may be a part of the Property: all appliances and fixtures presently located on the Property, the window unit and heat monitor in the cottage and the hot tub. The Property shall include all appurtenant rights, privileges, and easements, all buildings and improvements, free from all encumbrances whatsoever, except restrictions and easements of record, zoning ordinances, and taxes and assessments, both general and special, not currently due and payable.

2. **Purchase Price:** The Purchase Price shall be Two Hundred Eighty Seven Thousand Five Hundred and no/100 Dollars (\$287,500.00).

3. **Escrow Agent and Earnest Money:** An escrow shall be opened pursuant to this Agreement with the Escrow Agent. Seller and Buyer mutually agree that Keller Williams Professional Trust shall serve as the Escrow Agent. Within three (3) days after the execution of this Agreement by both Parties, the Buyer will deposit with the Escrow Agent the sum of One Thousand and no/100 Dollars (\$1,000.00) in readily available funds as an earnest money deposit ("**Earnest Money Deposit**"). The Earnest Money Deposit shall be credited at Closing towards the Purchase Price to be paid to Seller by Buyer for the Property under the terms of this Agreement. The



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terms of this Agreement shall serve as the escrow instructions for this transaction.

4. **Conditions of Escrow:** Seller shall, on or before the date of Closing, make reasonable efforts to obtain approval from the United States District Court for the Middle District of Florida to sell the Property pursuant to the terms of this Agreement. If the Court approves the sale of the Property pursuant to the terms of this Agreement and the Buyer fails to perform under this Agreement except as to any rights the Buyer may have under paragraphs 7, 8, and 9, the Earnest Money Deposit shall be delivered immediately to Seller as liquidated damages for Buyer's failure to perform. In the event that the Court fails to approve this Agreement or the Buyer terminates the Agreement pursuant to paragraphs 7, 8, or 9, this Agreement shall be null and void and of no further force and effect and neither Seller nor the Buyer shall have any further obligations hereunder to the other and the Earnest Money Deposit shall be delivered immediately to Buyer. Should Seller fail to perform any obligation under this Agreement for any other reason, the Buyer's sole remedy shall be to seek return of all funds deposited in connection with this Agreement.

5. **Closing:** Unless extended by mutual agreement of the Parties, Closing shall take place within forty-five (45) days after the United States District Court's approval of the sale. All funds and documents required to be deposited hereunder shall be deposited into escrow prior to Closing. The term "Closing" as used herein shall mean the date all contingencies provided in this Agreement shall be satisfied or waived by written instrument and the date the Receiver's Deed in substantially the form as Exhibit "B" attached hereto has been recorded by the escrow agent as provided herein. The Closing will be held in Buncombe County, North Carolina.

6. **Conveyance of Title:** When the funds to be paid by Buyer together with all documents required to be deposited by Buyer pursuant to this Agreement have been deposited into escrow, then Seller shall deliver into escrow title to the Property. Seller will convey title via Receiver's Deed in substantially the form as Exhibit "B" attached hereto.

7. **Evidence of Title, Survey and Closing Costs:** Buyer, at Buyer's cost and expense, may obtain evidence of title, a title abstract, title insurance and/or a survey of the Property. At Closing, Buyer shall pay: (i) all title examination fees; (ii) survey costs or any costs to update surveys; (iii) to update recording costs on documents necessary for Seller to clear title (to the extent such action is required); (iv) any premiums for a title insurance policy; (v) all transfer taxes payable in connection with the delivery for recording of any title transfer instrument or document by Seller provided in or contemplated by this Agreement; (vi) all charges by the Escrow Agent for escrow services; (vii) all survey and appraisal costs; (viii) mortgage taxes (if any); (ix) the cost of any environmental reports; and (x) Buyer's legal, accounting and other professional fees and expenses and the cost of all certificates, instruments, documents and papers required to be delivered, or to cause to be delivered, by Buyer hereunder, including without limitation, the cost of performance by Buyer of her obligations hereunder.

At Closing, Seller shall pay: (i) Seller's legal, accounting and other professional fees and expenses and the cost of all certificates, instruments, documents and papers required to be delivered, or to cause to be delivered, by Seller hereunder, including without limitation, the cost of performance by Seller of its obligations hereunder.



fdw

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Except as otherwise expressly provided for in this Agreement, Buyer shall be responsible for any and all other costs and expenses, regardless of custom or practice in the county where the Property is located, in connection with the consummation of this Agreement.

8. **Condition of Premises and Inspection Period:** Buyer acknowledges and agrees to purchase the property on an "As Is" "Where Is" basis, with all faults and without representations, express or implied, of any type, kind, character or nature, including but not limited to the suitability of the Property for any use, and without warranties, express or implied, of any type, kind, character or nature, including but not limited to, suitability of the Property for any use, and without recourse, express or implied, of any type, kind, character or nature.

Seller will repair or rebuild the retaining wall on the Property.

With prior notice to and approval from Seller, Seller does hereby grant to Buyer and her authorized agents the right, at Buyer's sole risk, cost and expense, for a period of thirty (30) days from the date of this Agreement (the "Inspection Period") to enter the Property to inspect, examine, and survey the Property and otherwise do that which, in the opinion of Buyer, is reasonably necessary to determine the boundaries and acreage of the Property, the suitability of the Property for the uses intended by Buyer, and to determine the physical condition of the Property. Buyer agrees to indemnify and hold Seller harmless from and against any and all liabilities, claims, losses or damages arising directly or indirectly from negligence in conducting Buyer's inspection and examination of the Property (but not from any effect upon value or marketability of the Property), and this indemnity and hold harmless provision shall survive Closing or the termination of this Agreement. Buyer shall promptly deliver to Seller copies of the results of all of Buyer's inspections, appraisals and/or examinations. If, at the conclusion of the Inspection Period, Buyer should notify Seller in writing that Buyer, for whatever reason, desires not to proceed with this purchase, this Agreement shall be deemed null and void, escrow shall be canceled, and the full Earnest Money Deposit with no deductions shall be returned to Buyer without any interference or further instruction or authorization from Seller. After the thirtieth (30th) day, the Earnest Money Deposit is non-refundable except as otherwise provided for in this Agreement.

9. **Damage or Destruction:** In the event the Property, or any portion thereof, is damaged or destroyed by fire or other cause prior to the date of transfer of title, Buyer may declare this Agreement null and void or Buyer may complete the purchase and receive the proceeds from any insurance otherwise payable to or for the benefit of Seller with respect to such destruction, together with a credit against the purchase price for any "deductible" under such insurance. If Buyer declares this Agreement null and void due to damage or destruction as described in this paragraph 9, the Earnest Money Deposit shall be delivered immediately to Buyer.

10. **Taxes, Assessments & Utilities:** Real Estate Taxes, assessments, if any, and any assessments, insurance premiums, charges, and other items attributable to the Property shall be prorated as of the date of Closing, based upon an actual three hundred and sixty five (365) day year, as is customary. Meters for all public utilities (including water) being used on the Property shall



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be ordered read on the day prior to closing and all charges to said date shall be paid by Seller.

11. General Provisions:

- (a) This Agreement shall be governed by the laws of North Carolina.
- (b) Buyer and Seller hereby (i) agree that all disputes and matters whatsoever arising under, in connection with, or incident to this Agreement shall be exclusively litigated as a summary proceeding in *SECURITIES AND EXCHANGE COMMISSION V. ARTHUR NADEL, ET AL.*, CASE NO: 8:09-CV-87-T-26TBM, IN AND BEFORE THE UNITED STATES DISTRICT COURT, MIDDLE DISTRICT OF FLORIDA, TAMPA DIVISION, in Hillsborough County in the State of Florida, to the exclusion of the courts of or in any other state or country, and (ii) irrevocably submit to the exclusive jurisdiction of the UNITED STATES DISTRICT COURT, MIDDLE DISTRICT OF FLORIDA, TAMPA DIVISION, in Hillsborough County in the State of Florida, in any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably waive any objection to the laying of venue of any such action or proceeding in any such court and any claim that any such action or proceeding has been brought in an inconvenient forum. A final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.
- (c) Captions of the several items of this Agreement are not a part of the context hereof and shall not be used in construing this Agreement, being intended only as aids in locating the various provisions hereof.
- (d) This Agreement shall inure to the benefit of, and be binding upon, the Seller's successors and assigns, executors and administrators.
- (e) In the event that this Agreement shall terminate in accordance with the provisions hereof, and in the absence of breach, all funds and documents deposited shall be returned to the depositor thereof and neither party shall be under any further obligation to the other by reason of this Agreement.
- (f) This offer is open for acceptance by delivery of a fully executed original hereof, up to and including 5:00 p.m. EST on Monday October 6, 2014, and shall thereafter be withdrawn without notice. This Agreement, and any notices required or permitted to be given pursuant to this Agreement, shall be in writing and sent by overnight courier, prepaid, or hand delivered, transmitted by facsimile or e-mail, delivered personally or served by certified or registered mail, return receipt requested. Any facsimile or electronic signature shall be deemed to be an original.
- (g) This Agreement contains the entire agreement between the parties hereto and they shall not be bound by any terms, warranties or representations, oral or written, not herein contained. Notices to Seller may be mailed to 5505 West Gray Street,



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Tampa, Florida 33609 and to Buyer at 15 Castleknock Drive, Apt. 104, Asheville, NC 28803.

BUYER

Sarah Z Pearsall

Sarah Z. Pearsall

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SELLER

Burton W. Wiand
Burton W. Wiand, Receiver

BROKERS' ACKNOWLEDGEMENT

Jeff Baldwin of Keller Williams – Waynesville, and Nona Armour of Keller Williams Professionals - Asheville hereby acknowledge receipt of this Agreement and agree to be joined to this Agreement to the extent the compensation structure is discussed. Jeff Baldwin of Keller Williams – Waynesville, and Nona Armour of Keller Williams Professionals - Asheville hereby agrees to the compensation structure set forth in a separate written agreement between Jeff Baldwin of Keller Williams – Waynesville and the Seller. Any dispute concerning the compensation shall be resolved pursuant to paragraph 11(b) herein.

Jeff Baldwin
Keller Williams – Waynesville

Nona Armour

Nona Armour
Keller Williams

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EXHIBIT A TO PURCHASE AND SALE AGREEMENT

LEGAL DESCRIPTION

(c) "Property": The Property shall include all that real estate described below together with all appurtenances thereto including the improvements located thereon and the fixtures and personal property listed in Paragraphs 2 and 3 below.

Street Address: 131 Garren Creek Road

City: Fairview Zip: 28730; County: Buncombe, North Carolina

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.

Legal Description: (Complete ALL applicable)

Plat Reference: Lot/Unit: N/A, Block/Section: N/A, Subdivision/Condominium: N/A, as shown on Plat Book/Slide N/A at Page(s) N/A

The PIN/PID or other identification number of the Property is: 9696-12-9070-00000

Other description: 2 story home, detached garage, 1 bedroom cottage, outbuilding on 3.26 acres MOL as per survey. Some or all of the Property may be described in Deed Book CV87 at Page T26T



fw

EXHIBIT A

Nadel Receivership
BBT000133

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EXHIBIT B TO PURCHASE AND SALE AGREEMENT

RECEIVER'S DEED

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

RECEIVER'S DEED

THIS INDENTURE, made as of the ____ day of _____ 2014, by and between **Burton W. Wiand, Receiver** (hereinafter referred to as the "Grantor"), having a mailing address of 5505 West Gray Street, Tampa, Florida 36609, and **Sarah Z. Pearsall** having an address of _____ (hereinafter referred to as the "Grantees");

WITNESSETH:

That Burton W. Wiand was appointed as receiver for the Property, as hereinafter described, pursuant to that certain Order Reappointing Receiver in Securities and Exchange Commission v. Arthur Nadel, et al, United States District Court Middle, District of Florida, Tampa Division, Case No.: 8:09-cv-87-T-26TBM. The sale having been duly approved by Order of the United States District Court, Middle District of Florida, Tampa Division, entered _____, 2014 (hereinafter referred to as the "Order" and attached hereto as Exhibit A and incorporated herein by this reference).

That for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Grantor has granted, bargained, sold, aliened, conveyed and confirmed and does hereby grant, bargain, sell, alien, convey and confirm unto Grantee all of Grantor's right, title and interest in and to all that certain tract or parcel of land lying and being in Buncombe County, North Carolina, being more particularly described in Exhibit B attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property").

TO HAVE AND TO HOLD said Property, together with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of Grantee forever, in as full and ample a manner as the same was held by Grantor.



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IN WITNESS WHEREOF, Grantor has signed and sealed this Receiver's Deed, the day and year first above written.

GRANTOR:

Signed, sealed and delivered
in the presence of:

Witness

Burton W. Wiand, Receiver

Witness

Notary Public

My Commission Expires:

[NOTARIAL SEAL]



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W

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The sale of the real property located at 131 Garren Creek Road, Fairview, Buncombe County, North Carolina, pursuant to the Purchase and Sale Agreement attached as Exhibit ____ to the Motion, is hereby approved. The Court finds that the Receiver has substantially complied with the provisions of 28 U.S.C. §2001, and the Receiver is hereby directed to transfer free and clear of all claims, liens, and encumbrances to Sarah Z. Pearsall, by way of Receiver's Deed, pursuant to Purchase and Sale Agreement, title to the real property located in Fairview, Buncombe County, North Carolina.

DONE and **ORDERED** in chambers in Tampa, Florida this ____ day of _____, 2014.

RICHARD A. LAZZARA
UNITED STATES DISTRICT JUDGE

COPIES FURNISHED TO:
Counsel of Record



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EXHIBIT B TO RECEIVER'S DEED

LEGAL DESCRIPTION

(c) "Property": The Property shall include all that real estate described below together with all appurtenances thereto including the improvements located thereon and the fixtures and personal property listed in Paragraphs 2 and 3 below.

Street Address: 131 Garren Creek Road

City: Fairview Zip: 28730; County: Buncombe, North Carolina

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.

Legal Description: (Complete ALL applicable)

Plat Reference: Lot/Unit: N/A, Block/Section: N/A, Subdivision/Condominium: N/A, as shown on Plat Book/Slide N/A at Page(s) N/A

The PIN/PID or other identification number of the Property is: 9696-12-9070-00000

Other description: 2 story home, detached garage, 1 bedroom cottage, outbuilding on 3.26 acres MOL as per survey. Some or all of the Property may be described in Deed Book CV87 at Page T26T



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(Page 72 of 205)

EXHIBIT A

BEGINNING at an iron pin set in the center of the sixty (60) foot right of way of Garren Creek Road (NCSR 2806) and from the point and place thus established, runs with the right of way of Garren Creek Road, North 52 deg 10' 53" East 194 22 feet to an iron pin set, thence North 49 deg 39'02" East 62 33 feet to an iron pin set, thence leaving the center line of Garren Creek Road and runs North 71 deg 27'40" East 52 91 feet to and iron pin set in the right of way of a gravel drive, as more particularly described in Deed Book 2018 at Page 367 of the Buncombe County, North Carolina Register's Office, thence continuing within said right of way of a gravel drive North 54 deg 11' 40" East 26 53 feet to an iron pin, thence North 42 deg 07' 20" East 41 12 feet to a rebar set in the center of that twenty (20) foot existing gravel right of way as described in Deed Book 1325 at Page 165 of the Buncombe County, North Carolina Register's Office, thence continuing within that said twenty (20) foot right of way the following three (3) calls and distances South 74 deg 14' 10" East 111 11 feet to an iron pin, thence South 47 deg 54' 10" East 74 41 feet to an iron pin set, thence South 27 deg 34' 10" East 91 13 feet to an iron pin set in the common line of the Patricia R. Myers property as described in Deed Book 1325 at Page 0165 of the Buncombe County, North Carolina Register's Office, thence continuing with the commonline of the said Myers property, North 53 deg 54'30" West 55 41 feet to an iron pin set, thence continuing along the commonline of the said Myers property, North 53 deg 54' 30" West 194 09 feet to a 14" chestnut oak snag, said point being the southernmost corner of the said Myers property, thence leaving said Myers property and running along the commonline of the Ted E. Linn property as described in Deed Book 1088 at Page 0133 of the Buncombe County, North Carolina Register's Office, South 18 deg 22' 50" West 39 26 feet to an iron pin set, thence continuing along the said Linn line, South 24 deg 31' 06" West 103 10 feet to an iron pin set, thence leaving the said Linn line and runs along the commonline of the Alan McNab property as described in Deed Book 2018 at Page 0367 of the Buncombe County, North Carolina Register's Office, North 52 deg 01' 25" West 365 42 feet to a pin set in the eastern margin of that 30 foot gravel right of way as described in Deed Book 2018 at Page 0367, thence crossing said 30 foot gravel right of way, North 52 deg 01' 25" West 40 05 feet to a pin set in the western margin of said 30 foot gravel right of way, thence running with the western margin of said 30 foot gravel right of way the following four (4) calls and distances South 2 deg 30' 02" East 93 22 feet, thence South 0 0 deg 24' 41" West 55 07 feet, thence South 3 deg 48' 07" West 68 57 feet, thence South 3 deg 23'38" East 48 36 feet to an iron pin set in the line of the above described McNab property, thence leaving said gravel right of way, runs North 51 deg 16' 10" West 111 63 feet to an iron pin set in the northeasternmost corner of the Margaret K. Roberts property, as described in Deed Book 1533 at Page 295 of the Buncombe County, North Carolina Register's Office and runs with the commonline of the said Roberts property North 56 deg 38' 05" West through an iron pin set a total of 294 84 feet to the point and place of the BEGINNING, containing 3 26 acres, more or less, as shown on an unrecorded survey performed by Wallace S. McAbee, PLS, of McAbee and Associates, PA, entitled Survey for William P. Ayers and wife, Judith K. Ayers, dated May 21, 2002

Together With and Subject To a perpetual and nonexclusive easement and right of way for ingress, egress, and regress and installation of utilities, as shown on the above referenced survey, and described in Deed Book 2018 at page 368 of the Buncombe County, North Carolina Register's Office, 30 feet in width for the existing private road as it leads from the above described property to and across lands of Alan L. McNab, and others to Garren Creek Road (NCSR 2806), together with the right to maintain and improve said private road

Together With and Subject To is a perpetual and nonexclusive easement and right of way for ingress, egress, and regress and installation of utilities, as shown on the above referenced survey, and described in Deed Book 1325 at Page 165 of the Buncombe County, North Carolina Register's Office, 20 feet in width for the existing private road as it leads from the above described property to and across lands of Patricia R. Myers, and others to Garren Creek Road (NCSR 2806), together with the right to maintain and improve said private road

Together With and Subject To any and all existing rights of way and easements of record or as shown on the aforesaid unrecorded survey, including those restrictive covenants recorded in Deed Book 2018 at Page 367 of the Buncombe County, North Carolina Register's Office

And being all of that property described in Deed Book 2811 at Page 220 of the Buncombe County, North Carolina Register's Office, reference to which is hereby made and incorporated for a more particular description of said property



[Handwritten signature]

Nadel Receivership
BBT000133

Exhibit 4

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

RECEIVER'S DEED

THIS INDENTURE, made as of the ____ day of _____ 2014, by and between **Burton W. Wiand, Receiver** (hereinafter referred to as the "Grantor"), having a mailing address of 5505 West Gray Street, Tampa, Florida 36609, and **Sarah Z. Pearsall** having an address of _____ (hereinafter referred to as the "Grantees");

WITNESSETH:

That Burton W. Wiand was appointed as receiver for the Property, as hereinafter described, pursuant to that certain Order Reappointing Receiver in Securities and Exchange Commission v. Arthur Nadel, et al, United States District Court Middle, District of Florida, Tampa Division, Case No.: 8:09-cv-87-T-26TBM. The sale having been duly approved by Order of the United States District Court, Middle District of Florida, Tampa Division, entered _____, 2014 (hereinafter referred to as the "Order" and attached hereto as Exhibit A and incorporated herein by this reference).

That for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Grantor has granted, bargained, sold, aliened, conveyed and confirmed and does hereby grant, bargain, sell, alien, convey and confirm unto Grantee all of Grantor's right, title and interest in and to all that certain tract or parcel of land lying and being in Buncombe County, North Carolina, being more particularly described in Exhibit B attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property").

TO HAVE AND TO HOLD said Property, together with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of Grantee forever, in as full and ample a manner as the same was held by Grantor.

IN WITNESS WHEREOF, Grantor has signed and sealed this Receiver's Deed, the day and year first above written.

GRANTOR:

Signed, sealed and delivered
in the presence of:

Witness

Burton W. Wiand, Receiver

Witness

Notary Public

My Commission Expires:

[NOTARIAL SEAL]

Composite Exhibit 5

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

STANLEY J. KOWALEWSKI and
SJK INVESTMENT MANAGEMENT, LLC,

Defendants.

CIVIL ACTION NO.
1:11-cv-0056-TCB

**ORDER APPROVING RECEIVER'S MOTION FOR
APPROVAL OF PRIVATE SALE OF REAL PROPERTY**

On January 27, 2012, S. Gregory Hays, the Court-appointed Receiver for SJK Investment Management, LLC, the SJK Special Opportunities Fund, LP, and all of their assets filed a Motion for Approval of Sale of Real Property [ECF No. 161] requesting that the Court approve the Receiver's private sales of: (1) a parcel of real property and house located at 5802 Henson Farms Road, Summerfield, North Carolina 27358 (the "Henson Farms Property") and (2) a parcel of real property and house located at 5203 Southwind Road, Greensboro, North Carolina 27455 (the "Southwind Property") (collectively, the "Properties"). No objections were filed in response to the Receiver's Motion.

Having considered the Receiver's Motion and all exhibits in support thereof, as well as previous pleadings filed by the Receiver, the Court finds that the Properties are part of the Receiver Estate.

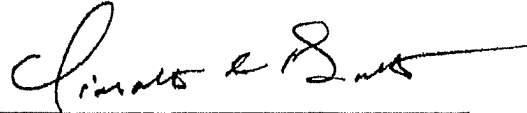
The Court further finds that the Receiver has complied with all requirements necessary for the sale of the Properties. Therefore, in accordance with 28 U.S.C. § 2001, the Receiver's Motion is hereby GRANTED. Accordingly,

IT IS HEREBY ORDERED that the Court approves the sale of the Henson Farms Property to Clinton R. Babcock and Jolinda J. Babcock for the purchase price of \$700,000, pursuant to the terms of the Purchase and Sale Agreement entered into between the Receiver and the Babcocks, effective January 19, 2009 (the "Henson Farms Agreement").

IT IS FURTHER ORDERED that the Court approves the sale of the Southwind Property to Cameron A. Cooke for the purchase price of \$165,000, pursuant to the terms of the Purchase and Sale Agreement entered into between the Receiver and Cooke, effective December 29, 2011, as amended by Agreement to Amend Contract dated January 23, 2012 (the "Southwind Agreement").

IT IS FURTHER ORDERED that the Receiver is authorized to immediately take all actions necessary to effectuate and close under the Henson Farms Agreement and Southwind Agreement.

SO ORDERED this 15th day of February, 2012.

A handwritten signature in black ink, appearing to read "Timothy C. Batten, Sr.", written over a horizontal line.

Timothy C. Batten, Sr., Judge
United States District Court for the
Northern District of Georgia
Atlanta Division

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

GLOBAL ONLINE DIRECT, INC.,
BRYANT E. BEHRMANN and
LARRY "BUCK" E. HUNTER,

Defendants.

Civil Action No. 1:07-CV-0767-WSD

**ORDER ON MOTION FOR ORDER (i) AUTHORIZING THE SALE OF
CERTAIN REAL PROPERTY FREE AND CLEAR OF ALL LIENS,
CLAIMS, INTERESTS AND ENCUMBRANCES;; (ii) AUTHORIZING THE
RECEIVER TO PAY CERTAIN LIENS AND CLAIMS FROM THE SALE
OF THE REAL PROPERTY; (iii) RELIEVING THE RECEIVER FROM
THE PROVISIONS OF 28 USC §§ 2001-2002; AND (iv) APPROVING THE
REAL ESTATE BROKER'S COMMISSION**

This Court, having reviewed the Receiver's motion for authorization to (i) sell certain real property free and clear of all liens, claims, interests and encumbrances; (ii) pay certain liens and claims from the sale of the real property; (iii) relieve the Receiver from the provisions of 28 USC §§ 2001-2002; and (iv) approve the real estate broker's commission, (the "Motion"), and good cause appearing therefore, orders as follows:

1. The Motion is granted in its entirety.
2. The Receiver is authorized to sell the receivership estate property located at 2711 Bearco Loop, La Grande, Oregon 97875 (the "Bearco Property").
3. The Receiver is authorized to sell the Bearco Property to the highest offer received for such Property. The Receiver sells such Bearco Property "AS IS," "WHERE IS," and "WITH ALL FAULTS", and the Receiver makes no representations or warranties in respect to the condition of this Property.
4. The Receiver is authorized to close the sale of the Bearco Property and record the grant deed necessary to deliver title to the subject Property to the buyer with the highest offer for the Property. The sale of the Bearco Property shall be free and clear of all liens, claims, and encumbrances, with such liens, claims and encumbrances attaching to the proceeds of each sale. The Receiver is authorized to pay the valid liens, taxes, and claims on the Property, subject to any objections to such liens, taxes, and claims by the Receiver.
5. The Court hereby relieves the Receiver from the provisions of 28 USC §§ 2001-2002.
6. The Receiver is authorized to compensate the real estate broker Mr. Roger Goodman of Century 21 Eagle Cap Realty, in accordance with the listing agreement at the applicable sales commission from the proceeds of sale of the Bearco Property, as set forth in the Motion and in the Receiver's Application to Employ Property Manager and Real Estate Broker, filed on August 20, 2007, which was approved by Court Order entered on October 30, 2007.

IT IS SO ORDERED.

Dated: _____

The Honorable William S. Duffey, Jr.
United States District Court Judge

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ARTHUR NADEL,
SCOOP CAPITAL, LLC,
SCOOP MANAGEMENT, INC.,

Defendants.

CASE NO.: 8:09-cv-0087-T-26TBM

SCOOP REAL ESTATE, L.P.,
VALHALLA INVESTMENT PARTNERS, L.P.,
VALHALLA MANAGEMENT, INC.,
VICTORY IRA FUND, LTD,
VICTORY FUND, LTD,
VIKING IRA FUND, LLC,
VIKING FUND, LLC, AND
VIKING MANAGEMENT, LLC.

Relief Defendants.

ORDER

Before the Court is the Receiver's Unopposed Verified Motion for Approval of Sale of Real Property Located in Tazewell, TN (the "Motion") (Dkt. 810). Upon due consideration of the Receiver's powers as set forth in the Order Appointing Receiver (Dkt. 8), the Orders Reappointing Receiver (Dkts. 140, 316 and 493), and applicable law, it is **ORDERED AND ADJUDGED** that the Motion is **GRANTED**.

The sale of the real property located at Lot #68, Woodlake Boulevard, in Tazewell, Tennessee 37879, pursuant to the Purchase and Sale Agreement attached as Exhibit 3 to the Motion, is hereby approved. All claims relating to the property located in Tazewell, Tennessee are hereby extinguished. The Court finds that the Receiver has substantially complied with the provisions of 28 U.S.C. §2001, and the Receiver is hereby directed to transfer free and clear of all claims, liens, and encumbrances to Barry and Joyce Stewart, by way of Receiver's Deed, pursuant to the Lot/Land Purchase and Sale Agreement, title to the real property located in Tazewell, Tennessee, which bears the following legal description:

Situate in the Fourth (4th) Civil District of Claiborne County, Tennessee, and more particularly described as follows:

BEING all of Lot Number Sixty Eight (68) in Phase I of WOODLAKE SUBDIVISION as more fully shown on that certain plat prepared by William L. Parsons and Associates, recorded in the Register's Office for Claiborne County, Tennessee, on August 7, 1997, in Plat Book 3, Page 102.

Reference is made to Restrictions for Woodlake Subdivision, recorded in Misc. Book 50, Pages 588-67167, in the Office of the Register of Deeds for Claiborne County, Tennessee, on April 16, 1997, and as shown in Plat Book 3, Page 102, recorded in said Register's Office.

DONE and ORDERED in chambers in Tampa, Florida this 5TH day of April, 2012.



RICHARD A. LAZZARA
UNITED STATES DISTRICT JUDGE

COPIES FURNISHED TO:
Counsel of Record