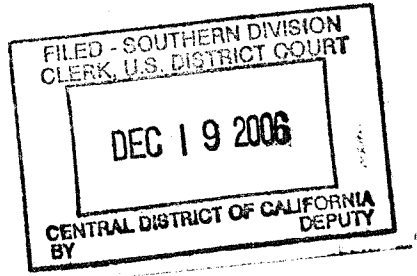


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6 Attorneys for THOMAS A. SEAMAN,
RECEIVER



8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 v.

13 LAMBERT VANDER TUIG (a/k/a/
14 LAMBERT VANDER TAG a/k/a
DEAN I. VANDER TAG), THE
15 CAROLINA DEVELOPMENT
COMPANY, INC. (a/k/a THE
16 CAROLINA COMPANY AT
PINEHURST, INC.), AND
17 JONATHAN CARMAN,

18 Defendants.

Case No. SACV06-172 AHS(ANx)

Complaint Filed: February 16, 2006

- (1) RENEWED MOTION FOR APPROVAL TO SELL REAL ESTATE IN MOORE COUNTY, NORTH CAROLINA;
- (2) DECLARATION OF THOMAS A. SEAMAN;
- (3) DECLARATION OF MARTHA GENTRY;
- (4) DECLARATION OF ANN BALLARD;
- (5) DECLARATION OF JERRELL D. COLEMAN;
- (6) DECLARATION OF JAMES M. MYRICK; and
- (7) DECLARATION OF LOUISE R. THOMAS

[Notice Of Motion for Approval to Sell Real Estate and Proposed Order Filed Concurrently Herewith]

Hearing:
Date: January 22, 2007
Time: 10:00 a.m.
Place: Courtroom 10A
411 W. Fourth Street
Santa Ana, California

1 The court-appointed Receiver for The Carolina Development
 2 Company, Inc. (the "Company"), Thomas A. Seaman ("Receiver"), hereby submits
 3 this motion seeking approval to sell the Company's fee interest in ten (10) single
 4 family residential lots located in the village of Pinehurst, North Carolina (the
 5 "Lots"). Specifically, the Receiver seeks approval to sell the following Lots for the
 6 following amounts:

Lot	Street	Address	Golf Course	Sales Price
Lot 242	2	Deacon Palmer	Midsouth	\$40,000
Lot 2133	2	Weaver	Midsouth	\$74,000
Lot 2153	31	E. Augusta Lane	Midsouth	\$70,000
Lot 2185	17	E. Augusta Lane	Midsouth	\$65,000
Lot 2187	13	E. Augusta Lane	Midsouth	\$68,000
Lot 2198	11	E. Augusta Lane	Midsouth	\$59,000
Lot 2521	17	Kings Ridge Court	Midsouth	\$51,000
Lot 1114	222	Plantation Drive	Midsouth	\$74,000
Lot 231	100	Woodenbridge Lane	National	\$78,000
Lot 234	50	Prestwick Court	National	\$91,000
Total				<u>\$670,000</u>

19
 20 The Receiver has complied with all of the requirements of 28 U.S.C.
 21 2001(b). Based on the diligence described below, the Receiver believes it is in the
 22 best interests of the Company and its investors to sell the Lots under the terms and
 23 for the prices stated herein. [Seaman Declaration, ¶ 19.]

24
 25 **I. INTRODUCTION.**

26 **A. The Court Appoints a Receiver.**

27 On February 16, 2006, the Court ordered that Thomas A. Seaman be
 28 appointed Receiver of the Company "and all subsidiaries and affiliated entities" (the

1 "Order"). Pursuant to the Order, "[t]he Receiver shall take control of the
2 Companies' funds, assets and property wherever situated ... including powers over
3 all funds, assets, premises ... choses in action, books, records, and other property
4 belonging to or in the possession or control of the Companies." In addition, the
5 Order states:

6
7 "The Receiver is authorized, empowered, and directed
8 without further leave of the Court, to liquidate and convert
9 into money all of the assets, property, estate, effects and
10 interests of every nature held in his possession and control
11 pursuant to this Order, by selling, conveying, and
12 disposing of the property, either at public or private sale,
13 on terms and in the manner the Receiver deems most
14 beneficial to the persons or parties entitled to the proceeds,
15 and with due regard to the realization of their true and
16 proper value and to deposit such proceeds into an account,
17 pending further order of the Court." [Order, p. 5,
18 ¶¶ 14-21.]

19 Pursuant to his duties as set forth in the Order, the Receiver seeks an
20 order approving the sale of the Lots.

21 **II. BACKGROUND INFORMATION.**

22 **A. The Company's Moore County, North Carolina Real Estate.**

23 The Company owns real estate in Moore County, North Carolina.
24 Most of the land, which is comprised of approximately 86 single family home sites,
25 and approximately 240 acres of undeveloped land, is adjacent to three golf courses
26 in Pinehurst, North Carolina, an area renowned for its golf courses. These three golf
27 courses are The National, The Midsouth, and The Carolina. [Seaman Declaration,
28 ¶ 3.]

The Receiver has performed a significant amount of due diligence
including visiting the properties, meeting with four prominent local real estate

1 brokers, engaging three appraisers, and conducting title research. This diligence
2 was performed in order to: (1) identify all real property owned by the Company in
3 Moore County; (2) determine the encumbrances on the properties; (3) properly
4 market the Lots for sale; and (4) to sell the Lots for the appropriate market value.
5 [Seaman Declaration, ¶ 4.] The analysis revealed that many of the parcels and lots
6 of land purchased by the Company with investor funds were vested in the names of
7 persons and entities other than the Company. For example, the Company took title
8 to several of the lots in the name of Lambert Vander Tuig and Jonathan Carman.
9 However, the Receiver facilitated the transfer of these assets to the Company so that
10 all lots are now vested in the Company's name. [Seaman Declaration, ¶ 4.]

11
12 In addition, the majority of lots owned by the Company in Moore
13 County are encumbered by investor deeds of trust that substantially exceed the
14 market value of these lots. The Receiver is currently assessing strategies for the
15 proper disposition of these encumbered lots. However, the Lots that are the subject
16 of this motion are not encumbered by investor deeds of trust or any other monetary
17 liens that the Receiver is aware. [Seaman Declaration, ¶ 5.]

18
19 **B. The Terms Of The Proposed Sales**

20 The Receiver seeks approval to sell the following Lots for the
21 following amounts:
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23
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Lot	Street	Address	Golf Course	Sales Price
Lot 242	2	Deacon Palmer	Midsouth	\$40,000
Lot 2133	2	Weaver	Midsouth	\$74,000
Lot 2153	31	E. Augusta Lane	Midsouth	\$70,000
Lot 2185	17	E. Augusta Lane	Midsouth	\$65,000
Lot 2187	13	E. Augusta Lane	Midsouth	\$68,000
Lot 2198	11	E. Augusta Lane	Midsouth	\$59,000
Lot 2521	17	Kings Ridge Court	Midsouth	\$51,000
Lot 1114	222	Plantation Drive	Midsouth	\$74,000
Lot 231	100	Woodenbridge Lane	National	\$78,000
Lot 234	50	Prestwick Court	National	\$91,000
Total				<u>\$670,000</u>

The Receiver's listing agreements with real estate brokers Martha Gentry and Ann Ballard provide for a total commission of 10% of the sales prices. For lot 242, as part of the sales negotiations, the procuring broker waived the commission. Therefore the total commission payable on the sale of the ten lots is \$65,000. In addition, the Receiver estimates that the Company will be responsible for approximately \$4,087.19 in recording, escrow, and title insurance costs in connection with the sale. [Seaman Declaration, ¶ 7.] If the sale of the Lots is approved by the Court, after subtracting all costs, the Receiver estimates the net gain to the receivership estate to be approximately \$600,912.81.

C. The Receiver Has Complied With The Requirements Of 28 U.S.C. § 2001(b)

As detailed below, the Receiver has complied with the requirements of 28 U.S.C. § 2001(b). The text of 28 U.S.C. § 2001(b) states:

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

21 The Receiver has satisfied each of the four requirements of Section
22 2001(b), as shown below.

23 **(1) Three disinterested appraisals**

24 The Receiver caused the following three appraisals of the Lots to be
25 performed: (a) Louise Thomas appraisals dated November 27, 2006, (b) Jerrell
26 Coleman appraisals dated November 28, 2006, and (c) James Myrick appraisals
27 dated December 5, 2006. [Seaman Declaration, ¶ 8.] All three appraisals were
28 performed by "disinterested" appraisers in that, among other reasons: (A) none of
the appraisers are creditors, equity security holders, or insiders of the Company;
(B) none of the appraisers are currently or ever have been a director, officer, or
employee of the Company; and (C) none of the appraisers have an interest
materially adverse to the interest of the Company by reason of any direct or indirect
relationship to, connection with, or interest in, the Company, or for any other reason.
[Thomas Declaration, ¶ 4; Coleman Declaration, ¶ 4; Myrick Declaration, ¶ 4.] For
these reasons, among others, none of the appraisers have any vested interest in the

1 valuation of the Lots or the Lots's sales price. [Seaman Declaration, ¶ 8; Thomas
 2 Declaration, ¶ 4; Coleman Declaration, ¶ 4; Myrick Declaration, ¶ 4.]

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(2) The Property must be sold for at least two-thirds of the appraised value

The appraisals performed by Louise Thomas, Jerrell Coleman, and James Myrick estimate the value of the Lots as follows:

Lot	CDC Paid	Contract Price	Appraisals			Average of Appraised Values
			Coleman	Thomas	Myrick	
1114	\$74,000	\$74,000	\$91,000	\$80,000	\$85,000	\$85,333
2133, Ph 1B	\$74,000	\$74,000	\$75,000	\$75,000	\$76,000	\$75,333
2153, Ph 1A	\$64,000	\$70,000	\$76,000	\$70,000	\$72,000	\$72,666
2185, Ph 1A	\$65,000	\$65,000	\$76,000	\$70,000	\$72,000	\$72,666
2187	\$68,000	\$68,000	\$76,000	\$70,000	\$72,000	\$72,666
2198	\$58,000	\$59,000	\$76,000	\$70,000	\$65,000	\$70,333
231, Sec 2A	\$69,500	\$78,000	\$82,000	\$86,000	\$80,000	\$82,666
234, Sec 2A	\$86,000	\$91,000	\$86,000	\$86,000	\$91,000	\$87,666
242	\$42,500	\$40,000	\$46,000	\$41,000	\$41,000	\$42,666
2521	\$53,000	\$51,000	\$56,000	\$50,000	\$53,000	\$53,000

[Seaman Declaration, ¶ 8.]

1 As the chart above indicates, the proposed purchase price of each lot is
 2 far greater than two-thirds of each lot's appraised value. In addition, the total
 3 purchase price of \$670,000 for the Lots is 93.7% of the total average appraised
 4 value of the Lots (approximately \$715,000). Therefore, the proposed sale price is
 5 far greater than two-thirds of the appraised value.

6
 7 **(3) Publication**

8
 9 The Receiver has thoroughly published notice of the proposed sale of
 10 the Lots. Beginning on December 20, 2006, the Receiver will publish notice of the
 11 sale in The Pilot, the only newspaper of wide circulation in the Moore County,
 12 North Carolina area. [Seaman Declaration, ¶ 9.] This notice will be published on
 13 December 20, 22, 24, 27, and 29, 2006. The notice will include the following text:

14
 15 ***NOTICE OF PRIVATE SALE OF REAL PROPERTY***

16
 17 In the action pending in U.S. District Court for the Central
 18 District of California Case No. SACV06-172 AHS(ANx),
 19 SEC vs. Lambert Vander Tuig, et.al., notice is hereby
 20 given pursuant to 28 U.S.C. 2001(b) that the Court-
 appointed Receiver for plaintiff has contracted to sell the
 following single family home sites in Pinehurst, North
 Carolina for the Purchase Prices set forth below:

21	Lot 1114	222	Plantation Drive	\$74,000
22	Lot 2133	2	Weaver	\$74,000
23	Lot 2153	31	E. Augusta Ln	\$70,000
24	Lot 2185	17	E. Augusta Ln	\$65,000
25	Lot 2187	13	E. Augusta Ln	\$68,000
26	Lot 2198	11	E. Augusta Ln	\$59,000
27	Lot 231	100	Woodenbridge Ln	\$78,000
28	Lot 234	50	Prestwick Ct	\$91,000
	Lot 242	2	Deacon Palmer	\$40,000
	Lot 2521	17	Kings Ridge Ct.	\$51,000

1 Closing within three days of entry of an order of the U.S.
2 District Court approving the sale. Sale subject to
3 confirmation by Court. Hearing set for January 8, 2007 at
4 10 a.m., Courtroom 10A, 411 W. Fourth Street, Santa
5 Ana, CA. If interested in submitting an overbid, please
6 contact the Receiver, Tom Seaman at (949) 222-0551 or at
7 tom@thomasseaman.com for the form of Purchase and
8 Sale Agreement and other information. [Seaman
9 Declaration, ¶ 9.]

6 (4) Overbid

7
8 Section 2001(b) provides that notice must be published "at least ten
9 days before confirmation" and that the "sale shall not be confirmed if a bona fide
10 offer is made, under conditions prescribed by the court, which guarantees at least a
11 10 per centum increase over the price offered in the private sale." The Receiver will
12 publish notice of the sale on December 20, 22, 24, 27, and 29, 2006 in The Pilot. As
13 of the time of the Receiver's filing of this motion, the Receiver has not been
14 contacted by any parties interested in making an overbid to purchase any of the
15 Lots. [Seaman Declaration, ¶ 10.] The Receiver will allow for open communication
16 with any parties interested in making an overbid prior to the time of the January 22,
17 2007 hearing. [Seaman Declaration, ¶ 10.] **On January 18, 2007, the Receiver**
18 **will file a supplemental declaration with this Court explaining (1) whether any**
19 **overbids were made and, if so, the material terms of those overbids; and (2)**
20 **whether the Receiver is recommending that one or more of the overbids be**
21 **approved by the Court at the January 22 hearing. This supplemental**
22 **declaration will allow the Court to determine, among other things, whether an**
23 **overbid offer has been made "which guarantees at least a 10 per centum**
24 **increase over the price offered in the private sale."** [Seaman Declaration, ¶ 11.]
25 If no such offer has been made, then this final requirement of 28 U.S.C. § 2001(b)
26 will have been satisfied.
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1 **D. The Proposed Sale Is In The Best Interests Of The Company And**
2 **Its Investors**

3 The Receiver has acted diligently to ensure that he has sold the Lots for
4 a fair and reasonable price. First, the Receiver caused Chicago Title Insurance
5 Company to issue title commitments for the Lots. [Seaman Declaration, ¶ 12].
6 These title commitments, among other things, confirm that the Lots are not
7 financially encumbered. In addition, the Receiver consulted with four prominent
8 brokers in the area, and engaged Martha Gentry of Remax and Ann Ballard of
9 National Realty, both experienced real estate brokers in the Moore County area, to
10 help assess the value of each Lot and find potential buyers for each Lot.¹ [Seaman
11 Declaration, ¶ 13.] Ms. Gentry and Ms. Ballard provided the Receiver with recent
12 sales information for Moore County real estate transactions comparable to the Lots.
13 The Receiver also obtained comparable sales information from the Moore County
14 tax records. The comparable sales reveal that the purchase prices agreed upon in the
15 proposed sale contracts are reasonable and are favorable to the Company and its
16 investors. [Seaman Declaration, ¶ 14; Gentry Declaration, ¶ 3; Ballard Declaration,
17 ¶ 3.]

18
19 All of the proposed purchasers have been pre-approved by a qualified
20 lending institution. [Seaman Declaration, ¶ 15.] The Receiver and the Receiver's
21 real estate agents, Ms. Gentry and Ms. Ballard, are confident that all of the proposed
22 purchasers are willing and able to close the lot sales as set forth in the respective
23 proposed sale contracts. [Seaman Declaration, ¶ 15.] If the proposed sales are

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25 ¹ Ms. Gentry was hired to sell Lots 242, 1114, 2133, 2153, 2185, 2187, 2198 and
26 2521. Ms. Ballard was hired to sell Lots 231 and 234. Pursuant to the
27 Receiver's contract with Ms. Gentry and Ms. Ballard, each broker is to receive
28 5% of the gross sales price of each lot. A true and correct copy of one of the
Receiver's listing contracts with Ms. Ballard and Ms. Gentry is attached hereto
as Exhibits "B" and "C," respectively. The terms of the listing contracts for all
of the Lots are identical to the listing contracts attached as Exhibits "A" and "B."

1 approved by the Court, the Receiver anticipates closing the sales transactions as
2 soon as reasonably possible. [Seaman Declaration, ¶ 16].

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E. Additional Due Diligence Performed By The Receiver.

In addition to analyzing the Comps provided by Ms. Gentry and Ms. Ballard, the Receiver also consulted with other individuals familiar with the Moore County, North Carolina real estate market. Moreover, the Receiver has engaged in several lengthy discussions with William Cannon, a real estate attorney in Moore County who represented the Company prior to the receivership and who is knowledgeable as to the value of lots in The Carolina, The National, and the Mid South. [Seaman Declaration, ¶ 17.]

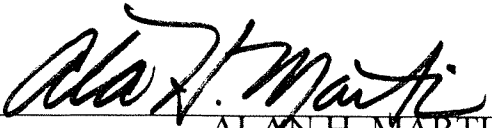
As explained earlier, the Receiver obtained three appraisals for each of the lots. As the proposed prices for the Lot sales exceed two-thirds of the appraised values, the Receiver believes that he is in substantial compliance with 28 U.S.C. § 2001(b).

1 **III. CONCLUSION**

2 The Receiver believes that the sale of the Lots as outlined in this
3 motion is in the best interests of the Company and its investors. [Seaman
4 Declaration, ¶ 19.] For all of the reasons set forth above, the Receiver seeks the
5 Court's permission to sell the Lots for the prices stated above, unless the Receiver
6 receives an acceptable higher offer prior to the scheduled January 8 hearing.

7
8 Dated: December 19, 2006

9 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

10
11 By 
12 ALAN H. MARTIN
13 Attorneys for
14 THOMAS A. SEAMAN, RECEIVER
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1 transfer of these assets to the Company so that all lots are now vested in the
2 Company's name.

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4 5. The Lots that are the subject of the attached motion are not
5 encumbered by investor deeds of trust or any other monetary liens that I am aware.

6
7 6. My listing agreements with real estate brokers Martha Gentry
8 and Ann Ballard provide for a total commission of 10% of the sales prices. For lot
9 242, as part of the sales negotiations, the procuring broker waived the commission.
10 Therefore the total commission payable on the sale of the ten lots is \$65,000. In
11 addition, Attached hereto as Exhibits "A" and "B" are true and correct copies of my
12 listing agreements with Ms. Ballard and Ms. Gentry, respectively.

13
14 7. In addition, I estimate that the Company will be responsible for
15 approximately \$4,087.19 in recording, escrow, and title insurance costs in
16 connection with the sale.

17
18 8. I caused the following three appraisals of the Lots to be
19 performed: (a) Louise Thomas appraisals dated November 27, 2006, (b) Jerrell
20 Coleman appraisals dated November 28, 2006, and (c) James Myrick appraisals
21 dated December 5, 2006. To the best of my knowledge, none of the appraisers have
22 any vested interest in the valuation of the Lots or the Lots' sales price. The
23 appraisals estimate the value of the Lots as follows:

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Lot	CDC Paid	Contract Price	Appraisals			Average of Appraised Values
			Coleman	Thomas	Myrick	
1114	\$74,000	\$74,000	\$91,000	\$80,000	\$85,000	\$85,333
2133, Ph 1B	\$74,000	\$74,000	\$75,000	\$75,000	\$76,000	\$75,333
2153, Ph 1A	\$64,000	\$70,000	\$76,000	\$70,000	\$72,000	\$72,666
2185, Ph 1A	\$65,000	\$65,000	\$76,000	\$70,000	\$72,000	\$72,666
2187	\$68,000	\$68,000	\$76,000	\$70,000	\$72,000	\$72,666
2198	\$58,000	\$59,000	\$76,000	\$70,000	\$65,000	\$70,333
231, Sec 2A	\$69,500	\$78,000	\$82,000	\$86,000	\$80,000	\$82,666
234, Sec 2A	\$86,000	\$91,000	\$86,000	\$86,000	\$91,000	\$87,666
242	\$42,500	\$40,000	\$46,000	\$41,000	\$41,000	\$42,666
2521	\$53,000	\$51,000	\$56,000	\$50,000	\$53,000	\$53,000

True and correct copies of the appraisals I obtained from Louise Thomas, Jerrell Coleman, and James Myrick are attached hereto as Exhibits "M," "N," and "O," respectively.

The above chart also includes the proposed sale price of each lot. Attached hereto as Exhibits "C" through "L" are the fully executed proposed sale contracts for the Lots.

1 9. Beginning on December 20, 2006, I will publish notice of the
2 sale in The Pilot. This notice will be published on December 20, 22, 24, 27, and 29,
3 2006. The notice will include the following text:

4
5 In the action pending in U.S. District Court for the Central
6 District of California Case No. SACV06-172 AHS(ANx),
7 SEC vs. Lambert Vander Tuig, et.al., notice is hereby
8 given pursuant to 28 U.S.C. 2001(b) that the Court-
appointed Receiver for plaintiff has contracted to sell the
following single family home sites in Pinehurst, North
Carolina for the Purchase Prices set forth below:

9

10	Lot 1114	222	Plantation Drive	\$74,000
	Lot 2133	2	Weaver	\$74,000
	Lot 2153	31	E. Augusta Ln	\$70,000
11	Lot 2185	17	E. Augusta Ln	\$65,000
	Lot 2187	13	E. Augusta Ln	\$68,000
12	Lot 2198	11	E. Augusta Ln	\$59,000
	Lot 231	100	Woodenbridge Ln	\$78,000
13	Lot 234	50	Prestwick Ct	\$91,000
	Lot 242	2	Deacon Palmer	\$40,000
14	Lot 2521	17	Kings Ridge Ct.	\$51,000

15
16 Closing within three days of entry of an order
17 of the U.S. District Court approving the sale.
18 Sale subject to confirmation by Court. Hearing
19 set for January 8, 2007 at 10 a.m., Courtroom
20 10A, 411 W. Fourth Street, Santa Ana, CA. If
21 interested in submitting an overbid, please
22 contact the Receiver, Tom Seaman at (949)
23 222-0551 or at tom@thomasseaman.com for
24 the form of Purchase and Sale Agreement and
25 other information.

26 10. As of the time of the filing of the attached motion, I have not
27 been contacted by any parties interested in making an overbid to purchase any of the
28 lots. I will allow for open communication with any parties interested in making an
overbid prior to the time of the January 22, 2007 hearing.

1 11. On January 18, 2006, the Receiver will file a supplemental
2 declaration with this Court explaining (1) whether any overbids were made and, if
3 so, the material terms of those overbids; and (2) whether the Receiver is
4 recommending that one or more of the overbids be approved by the Court at the
5 January 8 hearing. This supplemental declaration will allow the Court to determine,
6 among other things, whether an overbid offer has been made "which guarantees at
7 least a 10 per centum increase over the price offered in the private sale."
8

9 12. I caused Chicago Title Insurance Company to issue title
10 commitments for the Lots.
11

12 13. I consulted with four prominent brokers in the area, and engaged
13 Martha Gentry of Remax and Ann Ballard of National Realty, both experienced real
14 estate brokers in the Moore County area, to help assess the value of the Lots and
15 find potential buyers for the Lots.
16

17 14. The comparable sales reveal that the purchase prices agreed upon
18 in the proposed sale contracts are reasonable and are favorable to the Company and
19 its investors.
20

21 15. To the best of my knowledge, all of the proposed purchasers
22 have been pre-approved by a qualified lending institution. I am confident that all of
23 the proposed purchasers are willing and able to close the lot sales as set forth in the
24 respective proposed sale contracts.
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26 16. If the proposed sales are approved by the Court, I anticipate
27 closing the sales transactions as soon as reasonably possible.
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DECLARATION OF MARTHA GENTRY

I, Martha Gentry, hereby declare and say that:


1. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

2. I represented Thomas A. Seaman in the sale of Lots 242, 1114, 2133, 2153, 2185, 2187, 2198 and 2321.

3. I provided the Receiver with recent sales information for Moore County real estate transactions comparable to the Lots. The comparable sales reveal that the purchase prices agreed upon in the proposed sale contracts are reasonable and are favorable to the Company and its investors.

4. A description of my qualifications is attached hereto as Exhibit "S."

I declare under penalty of perjury pursuant to the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on December 15, 2006.


MARTHA GENTRY

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DECLARATION OF ANN BALLARD

I, Ann Ballard, hereby declare and say that:

1. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

2. I represented Thomas A. Seaman in the sale of Lots 231 and 234.

3. I provided the Receiver with recent sales information for Moore County real estate transactions comparable to the Lots. The comparable sales reveal that the purchase prices agreed upon in the proposed sale contracts are reasonable and are favorable to the Company and its investors.

4. A description of my qualifications is attached hereto as Exhibit "T."

I declare under penalty of perjury pursuant to the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on December 15, 2006.

Ann Ballard
ANN BALLARD

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DECLARATION OF LOUISE THOMAS

I, Louise Thomas, hereby declare and say that:

1. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

2. I was engaged by Thomas Seaman to perform an appraisal of Lots 231, 234, 242, 1114, 2133, 2153, 2185, 2187, 2198, 2521 (the "Lots").

3. Attached hereto as Exhibit "M" is a true and correct copy of the appraisal reports I prepared for the Lots. In this report, I estimate the value of the Lots as follows:

Lot	Thomas Appraised Value
1114	\$80,000
2133, Ph 1B	\$75,000
2153, Ph 1A	\$70,000
2185, Ph 1A	\$70,000
2187	\$70,000
2198	\$70,000
231, Sec 2A	\$86,000
234, Sec 2A	\$86,000
242	\$41,000
2521	\$50,000

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DECLARATION OF JERRELL COLEMAN

I, Jerrell Coleman, hereby declare and say that:

1. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

2. I was engaged by Thomas Seaman to perform an appraisal of Lots 231, 234, 242, 1114, 2133, 2153, 2185, 2187, 2198, 2521 (the "Lots").

3. Attached hereto as Exhibit "N" is a true and correct copy of the appraisal reports I prepared for the Property. In this report, I estimate the value of the Lots as follows:

Lot	Coleman Appraised Value
1114	\$91,000
2133, Ph 1B	\$75,000
2153, Ph 1A	\$76,000
2185, Ph 1A	\$76,000
2187	\$76,000
2198	\$76,000
231, Sec 2A	\$82,000
234, Sec 2A	\$86,000
242	\$46,000
2521	\$56,000

DECLARATION OF JAMES MYRICK

I, James Myrick, hereby declare and say that:

1. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

2. I was engaged by Thomas Seaman to perform an appraisal of Lots 231, 234, 242, 1114, 2133, 2153, 2185, 2187, 2198, 2521 (the "Lots").

3. Attached hereto as Exhibit "O" is a true and correct copy of the appraisal reports I prepared for the Lots. In this report, I estimate the value of the Lots as follows:

Lot	Myrick Appraised Value
1114	\$85,000
2133, Ph 1B	\$76,000
2153, Ph 1A	\$72,000
2185, Ph 1A	\$72,000
2187	\$72,000
2198	\$65,000
231, Sec 2A	\$80,000
234, Sec 2A	\$91,000
242	\$41,000
2521	\$53,000

1 4. I am a "disinterested appraiser" because, among other reasons,
 2 (A) I am not a creditor, an equity security holder, or an insider of the Company;
 3 (B) I am not currently and have never been a director, officer, or employee of the
 4 Company; and (C) I do not have an interest materially adverse to the interest of the
 5 Company by reason of any direct or indirect relationship to, connection with, or
 6 interest in, the Company, or for any other reason. For these reasons, among others, I
 7 have no vested interest in the valuation of the Property or the Property's sales price.

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 9 5. Attached hereto as Exhibit "R" is a summary of my
 10 qualifications.

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 12 I declare under penalty of perjury pursuant to the laws of the United
 13 States of America that the foregoing is true and correct and that this Declaration was
 14 executed on December 15, 2006.

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 16 
 17 JAMES MYRICK

List of Exhibits

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- Exhibit A Ann Ballard Listing Agreement
- Exhibit B Martha Gentry Listing Agreement
- Exhibit C Proposed Sale Contract – Lot 231
- Exhibit D Proposed Sale Contract – Lot 234
- Exhibit E Proposed Sale Contract – Lot 242
- Exhibit F Proposed Sale Contract – Lot 1114
- Exhibit G Proposed Sale Contract – Lot 2133
- Exhibit H Proposed Sale Contract – Lot 2153
- Exhibit I Proposed Sale Contract – Lot 2185
- Exhibit J Proposed Sale Contract – Lot 2187
- Exhibit K Proposed Sale Contract – Lot 2198
- Exhibit L Proposed Sale Contract – Lot 2521
- Exhibit M Louise Thomas Appraisals
- Exhibit N Jerrell Coleman Appraisals
- Exhibit O James Myrick Appraisals
- Exhibit P Louise Thomas Qualifications
- Exhibit Q Jerrell Coleman Qualifications
- Exhibit R James Myrick Qualifications
- Exhibit S Martha Gentry Qualifications
- Exhibit T Ann Ballard Qualifications