

TAX PRORATION AGREEMENT

DATE: February 15, 2007

GF NO. 004-0102876

SELLERS: Sam Smith and wife, Julie Smith

BUYERS: John Thomas and wife, Alice Thomas

PROPERTY:

Being Lot No. 1, Block No. 1, Smith Addition to the City of Star, North Carolina, according to the map or plat of said Addition now in general use and of record in Volume 1, Page 3, Deed Records Wake County of North Carolina.

We, the undersigned Sellers and Buyers in the above referenced transaction, acknowledge that the exact figures for 2007 taxes are not available at this time. Since the exact figures are not known, the prorations for the 2007 taxes are based on estimates or the prior year=s taxes.

We consent to the proration of taxes on the estimated or prior year's figures and understand that neither the lender, Donald Legal Eye, real estate agent(s) or Star Abstract & Title, Inc. are responsible for future adjustments between the Sellers and the Buyers.

Sellers acknowledge the current tax exemptions filed for and received for the property are for the prior tax year.

We acknowledge that in those instances in which the subject property has received the General Homestead Exemption, the taxing authorities generally allow the exemptions if the Sellers were occupying the property as of January 1 of the year at issue. However, Star Abstract & Title, Inc. and Donald Legal Eye cannot guarantee that the Buyers will receive the benefits of that exemption for the current year.

The undersigned, Sellers and Buyers, further acknowledge the taxes assessed to the property for prior years were based on exemption status filed with the appraisal district at the time of assessment. Taxes for prior years are subject to change should the appraisal district determine the property was not eligible for any particular exemption.

Sellers recognize their responsibility for all taxes which have accrued or may be assessed to the property for the time periods prior to the date of closing on the property. Taxes for subsequent assessments or changes in use or ownership of the property (sometimes called rollback taxes) and supplemental taxes assessed due to proper removal of the exemptions are the responsibility of the Buyer. Sellers, Star Abstract & Title, Inc. and Donald Legal Eye shall have no responsibility for the payment or collection of such rollback taxes.

Buyers recognize their responsibility for the taxes to the current and subsequent years. Buyers agree to notify all taxing authorities of the change in ownership to assure proper receipt of future tax notices. It is the responsibility of the Buyers to apply for any tax exemption in the

nature of homestead, agricultural use or otherwise.

Signatures

Sellers



Sam Smith



Julie Smith

Buyers



John Thomas



Alice Thomas