

APPRAISAL OF



REAL PROPERTY

LOCATED AT:

1361 IBERIS ROAD
LANCASTER, VA 22503

FOR:

EVB
9712 ATLEE COMMONS DRIVE
ASHLAND, VA 23006

BORROWER:

BRADLEY & DANIELLE GRINNEN

AS OF:

DECEMBER 14, 2011

BY:

ISMAEL LASO

EVB
9712 ATLEE COMMONS DRIVE
ASHLAND, VA 23006

File Number: 01211E1314

DEAR SIR OR MADAM:

In accordance with your request, I have appraised the real property at:

1361 IBERIS ROAD
LANCASTER, VA 22503

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of DECEMBER 14, 2011 is:

\$190,000
One Hundred Ninety Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

SINCERELY,



ISMAEL LASO

Exterior-Only Inspection Residential Appraisal Report

File No. 01211E1314

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 **1361 IBERIS ROAD** City **LANCASTER** State **VA** Zip Code **22503**
 Borrower **BRADLEY & DANIELLE GRINNEN** Owner of Public Record **BRADLEY B & DANIELLE D GRINNEN** County **LANCASTER**
 Legal Description **E BRANCH 2.857 AC LR08/198 LR07/2863 PC7/156C PLAT-P 7 156 C**
 Assessor's Parcel # **22-39E** Tax Year **2011** R.E. Taxes \$ **904.00**
 Neighborhood Name **NONE** Map Reference **V DOT/LANCASTER** Census Tract **9902.00**
 Occupant Owner Tenant Vacant Special Assessments \$ **NONE** PUD HOA \$ **NONE** per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) **PRE-FORECLOSURE**
 Lender/Client **EVB** Address **9712 ATLEE COMMONS DRIVE, ASHLAND, VA 23006**
 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? Yes No
 Report data source(s) used, offering price(s), and date(s). **COURTHOUSE RECORDS AND MLS. THE SUBJECT WAS LISTED IN THE LOCAL MLS ON DECEMBER 8, 2011 FOR \$129,000. THE NAVICA MLS #89047.**

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
N/A
 Contract Price \$ **N/A** Date of Contract **N/A** Is the property seller the owner of public record? Yes No Data Source(s)
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. **N/A** **N/A**

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	71 %		
Built-Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	1 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	80 Low	NEW	Multi-Family	1 %		
Neighborhood Boundaries SEE ATTACHED ADDENDUM.		450 High	75	Commercial	2 %		
		175 Pred.	15	Other VACANT	25 %		
Neighborhood Description SEE ATTACHED ADDENDUM.							

Market Conditions (including support for the above conclusions) **SEE ATTACHED ADDENDUM.**

Dimensions **NO PLAT PROVIDED** Area **2.85 ACRES** Shape **IRREGULAR** View **HOMES/AVG.**
 Specific Zoning Classification **A2** Zoning Description **AGRICULTURAL**
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.

Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
 Electricity Water DEEP WELL/TYP Street **PAVED**
 Gas NONE Sanitary Sewer SEPTIC TANK TYP Alley **NONE**
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone **X** FEMA Map # **51103C0130C** FEMA Map Date **09/17/2010**
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe.
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe. **NONE WERE OBSERVED AT TIME OF INSPECTION.**

Source(s) Used for Physical Characteristics of Property Appraisal Files MLS Assessment and Tax Records Prior Inspection Property Owner
 Other (describe) **INSPECTION** Data Source(s) for Gross Living Area **C H RECORDS**

GENERAL DESCRIPTION	GENERAL DESCRIPTION	Heating / Cooling	Amenities	Car Storage
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> None
# of Stories 1.50	<input type="checkbox"/> Full Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Radiant	<input type="checkbox"/> WoodStove(s) #	<input checked="" type="checkbox"/> Driveway # of Cars 6
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	<input type="checkbox"/> Partial Basement <input type="checkbox"/> Finished	<input checked="" type="checkbox"/> Other HP	<input checked="" type="checkbox"/> Patio/Deck REAR	Driveway Surface GRAVEL
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls VINYL SIDING/AVG	Fuel ELECTRIC	<input checked="" type="checkbox"/> Porch STOOP	<input type="checkbox"/> Garage # of Cars
Design (Style) CAPE COD	Roof Surface DIM/SHINGLE/AVG	<input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input type="checkbox"/> Carport # of Cars
Year Built 2008	Gutters & Downspouts ALUMINUM/AVG	<input type="checkbox"/> Individual	<input type="checkbox"/> Fence	<input type="checkbox"/> Attached <input type="checkbox"/> Detached
Effective Age (Yrs) 2	Window Type DBHG/VINYL/AVG	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> Other (describe) UNKNOWN-EXT. INSP.				

Finished area above grade contains: **6 Rooms 3 Bedrooms 3 Bath(s) 1,764 Square Feet of Gross Living Area Above Grade**
 Additional features (special energy efficient items, etc.) **THE SUBJECT PROPERTY HAS ADDITIONAL FEATURES LISTED SUCH AS MATURE LANDSCAPING, EXTERIOR LIGHTING.**
 Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). **THE SUBJECT APPEARS TO BE IN OVERALL AVERAGE CONDITION FOR A HOME OF THIS AGE. NO DEFERRED MAINTENANCE NOTED FROM AN EXTERIOR INSPECTION ONLY. FUNCTIONAL UTILITY IS ASSUMED AVERAGE WITH LARGE ROOMS AND ADEQUATE CLOSET SPACE. NO EXTERNAL DEPRECIATION NOTED.**

Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe.
NO ADVERSE ENVIRONMENTAL CONDITIONS WERE NOTED DURING THE PROPERTY INSPECTION AFFECTING THE SUBJECT OR SURROUNDING PROPERTY.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe. **THE SUBJECT CONFORMS TO THE NEIGHBORHOOD IN TERMS OF STYLE, CONDITION, USE AND CONSTRUCTION.**

Exterior-Only Inspection Residential Appraisal Report

File No. 01211E1314

There are 2 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 160,000 to \$ 225,000
 There are 3 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 160,000 to \$ 225,000

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
1361 IBERIS ROAD Address LANCASTER		385 W. HIGHVIEW DRIVE LANCASTER, VA 22503		719 CORROTOMAN CIRCLE KILMARNOCK, VA 22482		390 BRENT PLACE KILMARNOCK, VA 22482	
Proximity to Subject		3.65 MILES W		3.17 MILES E		4.40 MILES E	
Sale Price	\$	\$ 164,000		\$ 184,000		\$ 225,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 101.67 sq. ft.		\$ 107.41 sq. ft.		\$ 97.95 sq. ft.	
Data Source(s)		XOINSPC/MLS/PROPERTY/REC		XOINSPC/MLS/PROPERTY/REC		XOINSPC/MLS/PROPERTY/REC	
Verification Source(s)		C.H. RECORDS		C.H. RECORDS		C.H. RECORDS	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		CONVENTIONAL DOM 62		CONVENTIONAL DOM 83		CONVENTIONAL DOM 233	
Date of Sale/Time		03/16/2011	NO ADJ.	05/04/2011	NO ADJ.	12/06/2011	NO ADJ.
Location	RURAL/AVG.	RURAL/AVG.		RURAL/AVG.		RURAL/AVG.	
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
Site	2.85 ACRES	1.01 ACRES	+3,680	3.15 ACRES	NO ADJ.	.49 ACRE	+4,720
View	HOMES/AVG.	HOMES/AVG.		HOMES/AVG.		HOMES/AVG.	
Design (Style)	CAPE COD/AVG	CAPE COD/AVG	NO ADJ.	CAPE COD/AVG	NO ADJ.	RANCH/AVERAGE	NO ADJ.
Quality of Construction	VINYL/AVERAGE	VINYL/AVERAGE		VINYL/AVERAGE		VINYL/AVERAGE	
Actual Age	3A/2E	13A/8E	+6,000	22A/10E	+8,000	4A/2E	NO ADJ.
Condition	OVERALL/AVG.	OVERALL/AVG.		OVERALL/AVG.		OVERALL/AVG.	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 3 3	6 3 2	+2,500	5 3 2	+2,500	5 3 2.5	+1,500
Gross Living Area 30.00	1,764 sq. ft.	1,613 sq. ft.	4,530	1,713 sq. ft.	NO ADJ.	2,297 sq. ft.	-15,990
Basement & Finished Rooms Below Grade	NONE	NONE		NONE		NONE	
Functional Utility	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Heating/Cooling	HEATPUMP/CAC	HEATPUMP/CAC		HEATPUMP/CAC		HEATPUMP/CAC	
Energy Efficient Items	STANDARD	STANDARD		STANDARD		STANDARD	
Garage/Carport	NONE	NONE	NO ADJ.	NONE	NO ADJ.	1 CAR DETACHED	-7,500
Porch/Patio/Deck	STOOP/DECK	SCNPCH	NO ADJ.	STOOP/DECK	NO ADJ.	PRCH/DCK/PATIO	-5,000
FIREPLACE	NONE	1 FIREPLACE	-3,000	1 FIREPLACE	-3,000	1 FIREPLACE	-3,000
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 13,710	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 7,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 25,270
Adjusted Sale Price of Comparables		Net Adj. 8.4%		Net Adj. 4.1%		Net Adj. -11.2%	
		Gross Adj. 12.0%	\$ 177,710	Gross Adj. 7.3%	\$ 191,500	Gross Adj. 16.8%	\$ 199,730

SALES COMPARISON APPROACH

did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did 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) C.H. RECORDS

My research did 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) C.H. RECORDS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	UNDISCLOSED	UNDISCLOSED	UNDISCLOSED	UNDISCLOSED
Price of Prior Sale/Transfer	UNDISCLOSED	UNDISCLOSED	UNDISCLOSED	UNDISCLOSED
Data Source(s)	C. H. RECORDS	C. H. RECORDS	C. H. RECORDS	C. H. RECORDS
Effective Date of Data Source(s)	12/15/2011	12/15/2011	12/15/2011	12/15/2011

Analysis of prior sale or transfer history of the subject property and comparable sales THE APPRAISER HAS IDENTIFIED ANY PRIOR TRANSFERS OF THE SUBJECT AND THE COMPARABLES IN THE PAST 36 MONTHS.

Summary of Sales Comparison Approach. SEE ATTACHED ADDENDUM

Indicated Value by Sales Comparison Approach \$ 190,000

Indicated Value by: Sales Comparison Approach \$ 190,000 Cost Approach (if developed) \$ 193,500 Income Approach (if developed) \$ N/A

MOST WEIGHT IS GIVEN TO THE SALES COMPARISON APPROACH TO VALUE. THE SALES COMPARISON APPROACH IS SUPPORTED BY THE COST APPROACH TO VALUE. HOMES IN THIS PRICE RANGE AND NEIGHBORHOOD AREA ARE TYPICALLY PURCHASED FOR USE AND NOT INCOME. THUS, THE INCOME APPROACH LACKS RATIONALE AND IS NOT USED IN THIS REPORT.

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a visual inspection of the exterior areas of the subject property from at least the street, 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 \$ 190,000 as of 12/14/2011, which is the date of inspection and the effective date of this appraisal.

RECONCILIATION

Exterior-Only Inspection Residential Appraisal Report

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) **THE SUBJECT SITE VALUE IS BASED ON COMPARABLE LAND SALES WITHIN THE SUBJECTS MARKET AREA.**

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 30,000		
Source of cost data MARSHALL & SWIFT COST MANUAL	Dwelling	1,764 Sq. Ft. @ \$ 95.00	= \$ 167,580
Quality rating from cost service AVERAGE Effective date of cost data 01/01/2011		Sq. Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	STOOP/DECK 3,000		
COST DATA WAS OBTAINED FROM THE PUBLISHED COST MANUALS, FROM AVAILABLE BUILDER DATA, AND FROM PREVIOUSLY COMPLETED APPRAISALS. LAND VALUE WAS ESTIMATED BASED ON REVIEW OF SALES OF SIMILAR SITES-BOTH IMPROVED AND UNIMPROVED- IN THE SUBJECT MARKET AREA.	Garage/Carport	Sq. Ft. @ \$	= \$ 0
	Total Estimate of Cost-New = \$ 170,580		
	Less 60 Physical	Functional	External
	Depreciation \$17,058		= \$ (17,058)
	Depreciated Cost of Improvements = \$ 153,522		
	"As-is" Value of Site Improvements = \$ 10,000		
Estimated Remaining Economic Life (HUD and VA only) 58 Years	INDICATED VALUE BY COST APPROACH = \$ 193,500		

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ **N/A** X Gross Rent Multiplier **N/A** = \$ **N/A** Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) **HOMES IN THIS PRICE RANGE AND NEIGHBORHOOD ARE TYPICALLY PURCHASED FOR USE AND NOT INCOME. THUS, THE INCOME APPROACH LACKS RATIONALE AND IS NOT USED IN THIS REPORT.**

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 an 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(s)

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.

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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 visual inspection of the exterior areas of the subject property from at least the street, (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.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

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 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.
3. 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.
4. 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 this 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.
5. 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.

Exterior-Only Inspection Residential Appraisal Report

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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 visual inspection of the exterior areas of the subject property from at least the street. 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.
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).

Exterior-Only Inspection Residential Appraisal Report

File No. 01211E1314

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 Ismael Laso
 Name ISMAEL LASO
 Company Name TRI-COUNTY APPRAISALS, INC.
 Company Address 662 SHARON ROAD, KING WILLIAM, VA 23086
 Telephone Number (804)769-1740
 Email Address TCALINK@AOL.COM
 Date of Signature and Report 12/15/2011
 Effective Date of Appraisal 12/14/2011
 State Certification # _____
 or State License # 4001-007687
 or Other (describe) _____ State # _____
 State VA
 Expiration Date of Certification or License 8-31-2012

ADDRESS OF PROPERTY APPRAISED
1361 IBERIS ROAD
LANCASTER, VA 22503

APPRAISED VALUE OF SUBJECT PROPERTY \$ 190,000

LENDER/CLIENT
 Name _____
 Company Name EVB
 Company Address 9712 ATLEE COMMONS DRIVE
ASHLAND, VA 23006
 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 exterior subject property
 Did inspect exterior of subject property from street
 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 _____

ADDENDUM

Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

Case No.:

City: LANCASTER

State: VA

Zip: 22503

Lender: EVB

Neighborhood Boundaries

THE SUBJECT NEIGHBORHOOD IS BOUND TO THE NORTH BY NORTHUMBERLAND COUNTY, SOUTH BY THE RAPPAHANNOCK RIVER, EAST BY THE CHESAPEAKE BAY AND WEST BY THE RAPPAHANNOCK RIVER. THE SUBJECT NEIGHBORHOOD IS COMPRISED MOSTLY OF SINGLE FAMILY DETACHED HOMES VARYING IN AGE, DESIGN, APPEAL AND QUALITY OF CONSTRUCTION. THIS AREA ALSO SUPPORTS A VARIETY OF MIXED USE COMMERCIAL PROPERTIES.

Neighborhood Description

LANCASTER COUNTY, ESTABLISHED IN 1651, HAS AN ESTIMATED POPULATION OF 11,230 AND IS GEOGRAPHICALLY DESTINED TO BE ONE OF VIRGINIA'S LEADING RESORT, RETIREMENT AND SECOND HOME COMMUNITY. THE COUNTY HAS OVER 280 MILES OF SHORELINE AND IS BOUNDED BY THE CHESAPEAKE BAY AND THE RAPPAHANNOCK RIVER. PROTECTED DEEP WATER ANCHORAGES AND MARINAS ARE PLENTIFUL. LANCASTER IS APPROXIMATELY 78 MILES FROM RICHMOND AND 127 MILES FROM THE WASHINGTON D.C. METRO AREA. NEARBY HUMMEL FIELD IS A SMALL AIRPORT THAT ACCOMMODATES SMALL PRIVATE PLANES. MAJOR AIRPORTS INCLUDE THE RICHMOND INTERNATIONAL AIRPORT WHICH IS WITHIN APPROXIMATELY 47 MILES AND THE NEWPORT NEWS/WILLIAMSBURG INTERNATIONAL AIRPORT WHICH IS WITHIN APPROXIMATELY 63 MILES. LANCASTER COUNTY IS HOME TO THE REGION'S PRIMARY HEALTH CARE FACILITY, RAPPAHANNOCK GENERAL HOSPITAL, A 76-BED FACILITY. ALSO AVAILABLE ARE AMPLE HOME HEALTH, ASSISTED LIVING AND NURSING HOME OPTIONS TO ENSURE LIFETIME CARE. LODGING IS AMPLE WITH CHOICES FROM RESORTS, CAMPGROUNDS, INNS, AND MOTELS. THE PUBLIC SCHOOL SYSTEM HAS THE LOWEST STUDENT TO TEACHER RATIO IN THE REGION WITH PRIVATE EDUCATION FROM K-12 ALSO AVAILABLE. NORTHERN NECK VOCATIONAL SCHOOL AND RAPPAHANNOCK COMMUNITY COLLEGE ARE IN CLOSE PROXIMITY. THE COUNTY'S LARGEST EMPLOYERS ARE RESORTS, MEDICAL FACILITIES, RETIREMENT COMMUNITIES AND FINANCIAL SERVICE FIRMS. THE UNEMPLOYMENT RATE AS OF DECEMBER 2010 9.3%. HERITAGE IS PRESERVED NOT ONLY IN ITS SURVIVING COLONIAL HOMES BUT IN A NUMBER OF MUSEUMS AND HISTORICAL SITES AS WELL INCLUDING HISTORIC CHRIST CHURCH, ST. MARY'S WHITECHAPEL AND THE MARY BALL WASHINGTON MUSEUM AND LIBRARY, THE CONFEDERATE MEMORIAL AND A NEW, 4300-SQUARE FOOT STEAMBOAT ERA MUSEUM. OUTDOOR RECREATION IS PLENTIFUL WITH BOATING, FISHING, AND CYCLING, GOLF AND HIKING. LANCASTER IS HOME TO THREE CHAMPIONSHIP GOLF COURSES AND THE BELLE ISLE STATE PARK IS ONE OF THE NEWEST PARKS CONSISTING OF 733 ACRES AND 7 MILES OF SHORELINE ON THE RAPPAHANNOCK RIVER AND MULBERRY DEEP CREEK.

Neighborhood Market Conditions

GENERAL MARKET CONDITIONS APPEAR STABLE AT THE PRESENT TIME. VA, FHA, VHDA, AND CONVENTIONAL LOANS ARE AVAILABLE TO BUYERS IN THE SUBJECT AREA. INTEREST RATE BUYDOWNS AND ADJUSTABLE RATE MORTGAGES ARE TYPICAL FOR THIS AREA. THE MARKETING TIME IS UNDER SIX MONTHS. THE CURRENT FIXED INTEREST RATES RANGE FROM 5.5% TO 7.25%.

Comments on Sales Comparison

THE APPRAISER HAS CHOSEN WHAT ARE BELIEVED TO BE THE BEST COMPARABLE SALES AVAILABLE FROM THE MARKET SEARCH CONDUCTED. ADJUSTMENTS WITHIN THE SALES COMPARISON ANALYSIS ARE BASED ON THE MARKET EXTRACTION METHOD, GENERALLY EMPLOYING THE MATCHED PAIR PROCESS AND NOT SPECIFICALLY BASED ON COST FIGURES. EVERY EFFORT HAS BEEN MADE TO CONFORM FHLMC/FNMA GUIDELINES AND IN MOST CASES, AN EVEN STRICTER INTERPRETATION FOUND COMMON TO MOST INVESTORS IN THE SECONDARY MARKET. ALL COMPARABLE SALES ARE SETTLED TO THE BEST OF THE APPRAISERS KNOWLEDGE. VERIFICATION IS WITH COUNTY RECORDS AND/OR REALTOR.

THE INDIVIDUAL LAND ADJUSTMENTS APPLIED WERE EXTRACTED FROM THE SUBJECTS MARKET AREA AND ARE BASED ON VALUE AND NOT SIZE. THE REMAINDER OF THE ADJUSTMENTS APPLIED WERE EXTRACTED FROM THE SUBJECTS MARKET AREA.

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 DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

WHILE THE SUBJECT PROPERTY'S APPRAISED VALUE DIFFERS FROM THE PREDOMINANT VALUE FOR THE SUBJECT'S MARKET AREA, THE VALUE DOES FALL WITHIN THE SUBJECT'S MARKET VALUE RANGE. THE VALUE FOR THE SUBJECT PROPERTY IS NOT CONSIDERED ATYPICAL FOR THE SUBJECTS MARKET AREA. THE VALUE OF THE SUBJECT PROPERTY HAS NO NEGATIVE AFFECT ON VALUE OR MARKETABILITY. THE VALUE IS SUPPORTED BY THE THREE COMPARABLES LOCATED IN THE SUBJECT'S MARKET NEIGHBORHOOD THAT ARE ADJUSTED OUT IN THIS APPRAISAL. THE SUBJECT IS NOT OVERBUILT FOR THE MARKET AREA.

COMPARABLES ONE AND TWO EXCEED THE DESIRED SIX MONTHS SALE DATE/TIME AND ALL COMPARABLES EXCEED THE DESIRED ONE MILE PROXIMITY TO THE SUBJECT. HOWEVER, ALL COMPARABLES ARE SIMILAR TO THE SUBJECT, REQUIRED MINIMAL ADJUSTMENTS AND ARE CONSIDERED TO BE GOOD INDICATORS OF MARKET VALUE, WHERE MORE RECENT COMPARABLES MAY HAVE REQUIRED MUCH LARGER, LESS DESIRABLE ADJUSTMENTS.

COMPARABLE THREE GROSS LIVING AREA GREATER THAN 20% OF THE SUBJECT PROPERTY IS SIMILAR TO THE SUBJECT PROPERTY AND IS CONSIDERED A GOOD INDICATOR OF MARKET VALUE, WHERE OTHER COMPARABLES MAY HAVE REQUIRED MUCH LARGER, LESS DESIRABLE ADJUSTMENTS.

THE CLOSED SALES IN THE SUBJECT'S MARKET AREA ARE LIMITED AND ARE THE BEST COMPARABLE SALES AVAILABLE. THE DOM, ALTHOUGH HIGH, EXCEED THE MARKETING TIME FOR THE AREA BUT HAVE NO ADVERSE EFFECT ON THE MARKETABILITY OF THE SUBJECT PROPERTY.

ALL DUE DILIGENCE HAS BEEN MADE IN OBTAINING THE LAST TRANSFER DATE OF THE SUBJECT AND COMPARABLES AS OF THE EFFECTIVE DATE OF THIS APPRAISAL. ALL PREVIOUS TRANSFERS OF THE SUBJECT AND ALL COMPARABLES HAVE BEEN PROVIDED FROM COURT HOUSE RECORDS.

THE SUBJECT PROPERTY IS NOT CONSIDERED A WORKING/NON-WORKING FARM NOR IS IT INCOME PRODUCING. THE SUBJECT PROPERTY IS ZONED AGRICULTURAL AND IS A SINGLE FAMILY RESIDENCE. THIS IS TYPICAL FOR THE SUBJECT'S MARKET AREA AND ALLOWABLE UNDER THE A2 ZONING. AGRICULTURAL ZONING IN THE SUBJECT'S MARKET AREA HAS NO AFFECT ON MARKETABILITY OR VALUE.

THE INDIVIDUAL ADJUSTMENTS APPLIED ARE BASED ON THE APPRAISERS EXTENSIVE KNOWLEDGE OF THIS MARKET AREA AS WELL AS THE ONGOING INTERVIEWING OF LOCAL REALTORS, ASSESSORS, BUILDERS AND OTHER LOCAL APPRAISERS. THE MATCHED PAIRS PROCESS AS WELL AS THE MARKET REACTION METHODS WERE EMPLOYED IN THIS REPORT AS WELL AS THE COST APPROACH TO VALUE WAS ALSO GIVEN WEIGHT.

THE SUBJECT WAS VALUED FROM A DRIVE-BY INSPECTION ONLY AND THE INTERIOR INFORMATION WAS GATHERED FROM THE TAX CARD. THE APPRAISER RESERVES THE RIGHT TO AMEND THE FINAL OPINION OF VALUE BASED ON A MORE DETAILED INSPECTION.

ADDENDUM

Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

Case No.:

City: LANCASTER

State: VA

Zip: 22503

Lender: EVB

THE SUBJECT'S QUICK SALE AND LIQUIDATION VALUE RANGES FROM \$142,000-\$152,000 IN THE SUBJECT'S MARKET AREA.

ADDENDUM TO THE CERTIFICATION:

ALL OF THE SUPPORTING MARKET DATA INCLUDED IN THIS REPORT WAS OBTAINED AND VERIFIED BY THE APPRAISERS AND DATA ENTRY STAFF IN THE OFFICE OF TRI COUNTY APPRAISALS, INC. FROM COUNTY RECORDS, LOCAL MULTIPLE LISTING SERVICES, DISCUSSIONS WITH LOCAL APPRAISERS AND THE APPRAISERS OFFICE FILES.

THIS IS A SUMMARY APPRAISAL REPORT WHICH IS INTENDED TO COMPLY WITH THE REPORTING REQUIREMENTS UNDER STANDARDS RULE 2-2(b) OF THE SUMMARY APPRAISAL REPORT.

THE DIGITAL SIGNATURE AFFIXED TO THIS REPORT WAS APPLIED BY THE ORIGINAL APPRAISER AND REPRESENTS ACKNOWLEDGEMENT OF THE FACTS, OPINION AND CONCLUSION FOUND IN THE REPORT. THE APPRAISER MAY APPLY THE SIGNATURE ELECTRONICALLY. ELECTRONICALLY APPLIED SIGNATURES USE PASSWORD PROTECTED DIGITAL METHODS. THEY HAVE THE SAME OR MORE SAFE GUARDS AND CARRY THE SAME VALIDITY AS THE APPRAISERS HAND APPLIED SIGNATURES.

NO LIABILITY IS ASSUMED BY THE APPRAISER TO THIRD PARTIES AND PARTIES OTHER THAN THE ORIGINAL CONTRACTOR, WHO MAY RELY ON THIS APPRAISAL REPORT WITHOUT THE EXPRESS WRITTEN CONSENT OF THE APPRAISER WHICH MUST BE OBTAINED AT THE TIME OF CONTRACTING FOR THE APPRAISAL SERVICE. ANY PRIOR AGREEMENT THE APPRAISER MAY HAVE ENTERED INTO, WAIVING PRIVACY OF CONTRACT RIGHTS, WITH DISCLOSED THIRD PARTIES IS SUPERSEDED BY THIS LIMITING CONDITIONS SHOULD ANY UNDISCLOSED THIRD PARTY SUBSEQUENTLY RELY ON THIS APPRAISAL REPORT WITHOUT THE EXPRESS WRITTEN CONSENT OF THE APPRAISER.

THE APPRAISER AND/OR THE REVIEW APPRAISER HAS COMPLETED ALL CONTINUING EDUCATION REQUIREMENTS FOR LICENSURE.

Final Reconciliation

MOST WEIGHT IS GIVEN TO THE SALES COMPARISON APPROACH TO VALUE. THE SALES COMPARISON APPROACH IS SUPPORTED BY THE COST APPROACH TO VALUE. HOMES IN THIS PRICE RANGE AND NEIGHBORHOOD AREA ARE TYPICALLY PURCHASED FOR USE AND NOT INCOME. THUS, THE INCOME APPROACH LACKS RATIONALE AND IS NOT USED IN THIS REPORT. 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 THE APPRAISAL REPORT FORM, AND DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

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 DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

SCOPE OF WORK: ALL OF THE SUPPORTING MARKET DATA INCLUDED IN THIS REPORT WAS OBTAINED AND VERIFIED BY THE APPRAISERS AND DATA ENTRY STAFF IN THE OFFICE OF ALL SHORES APPRAISALS, INC. FROM COUNTY RECORDS, DISCUSSIONS WITH LOCAL APPRAISERS, AND THE APPRAISERS OFFICE FILES. THE MARKET APPROACH IS BASED ON THE PRINCIPLE OF SUBSTITUTION, WHICH BASICALLY STATES THAT A KNOWLEDGEABLE PURCHASER WOULD NOT PAY MORE FOR A PROPERTY THAN THE ACTUAL COST OF ACQUIRING AN EQUALLY DESIRABLE PROPERTY WITH SIMILAR UTILITY AND QUALITY. IN MOST CIRCUMSTANCES, THE MARKET APPROACH IS GIVEN MOST WEIGHT IN THE FINAL ANALYSIS DUE TO THE UNAVAILABILITY OF COMPARABLE RENTAL PROPERTIES IN THE SUBJECT NEIGHBORHOOD AND THE FACT THAT MOST SINGLE-FAMILY PROPERTIES ARE OWNER OCCUPIED WITH NO APPARENT INVESTMENT POTENTIAL. THE INCOME APPROACH IS USUALLY APPLICABLE WHEN ESTIMATING THE MARKET VALUE OF SMALLER INCOME PRODUCING PROPERTIES SUCH AS DUPLEXES, TRIPLEXES, AND QUADPLEXES. THE COST APPROACH, DUE TO THE OBVIOUS INHERENT DIFFICULTY IN ACCURATELY ESTIMATING ACCRUED DEPRECIATION, IS GIVEN LESS CONSIDERATION IN THE FINAL ESTIMATION OF VALUE. THE COST APPROACH IS GENERALLY NOT RECOGNIZED AS A VIABLE APPROACH TO VALUE BY PERSPECTIVE BUYERS IN THE MARKETPLACE; THEREFORE, IT IS NOT REGARDED WITH A HIGH DEGREE OF RELIABILITY.

THIS IS A SUMMARY APPRAISAL REPORT WHICH IS INTENDED TO COMPLY WITH THE REPORTING REQUIREMENTS UNDER STANDARDS RULE 2-2(B) OF THE SUMMARY APPRAISAL REPORT. IT PRESENTS ONLY SUMMARY DISCUSSIONS OF THE DATA, REASONING AND ANALYSIS THAT WERE USED IN THE APPRAISAL PROCESS TO DEVELOP THE APPRAISERS OPINION OF VALUE. SUPPORTING DOCUMENTATION THAT IS NOT PROVIDED WITH THE REPORT CONCERNING THE DATA, REASONING AND ANALYSIS IS RETAINED IN THE APPRAISERS FILES. THE DEPTH OF THE DISCUSSION CONTAINED IN THIS REPORT IS SPECIFIC TO THE NEEDS OF THE CLIENT AND FOR THE INTENDED USE STATES IN THE REPORT. THE APPRAISER IS NOT RESPONSIBLE FOR UNAUTHORIZED USE OF THIS REPORT. TO DEVELOP THE OPINION OF VALUE, THE APPRAISER PERFORMED A COMPLETE APPRAISAL PROCESS, AS DEFINED BY THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE. THIS MEANS THAT NO DEPARTURES FROM STANDARDS 1 WERE INVOKED.

NO LIABILITY IS ASSUMED BY THE APPRAISER TO THIRD PARTIES AND PARTIES OTHER THAN THE ORIGINAL CONTRACTOR, WHO MAY RELY ON THIS APPRAISAL REPORT WITHOUT THE EXPRESS WRITTEN CONSENT OF THE APPRAISER WHICH MUST BE OBTAINED AT THE TIME OF CONTRACTING FOR THE APPRAISAL SERVICE. ANY PRIOR AGREEMENT THE APPRAISER MAY HAVE ENTERED INTO, WAIVING PRIVACY OF CONTRACT RIGHTS, WITH DISCLOSED THIRD PARTIES IS SUPERSEDED BY THIS LIMITING CONDITIONS SHOULD ANY UNDISCLOSED THIRD PARTY SUBSEQUENTLY RELY ON THIS APPRAISAL REPORT WITHOUT THE EXPRESS WRITTEN CONSENT OF THE APPRAISER.

THE APPRAISER AND/OR THE REVIEW APPRAISER HAS COMPLETED ALL CONTINUING EDUCATION REQUIREMENTS FOR LICENSURE.

THE DIGITAL SIGNATURE AFFIXED TO THIS REPORT WAS APPLIED BY THE ORIGINAL APPRAISER AND REPRESENTS ACKNOWLEDGEMENT OF THE FACTS, OPINION AND CONCLUSION FOUND IN THE REPORT. THE APPRAISER MAY APPLY THE SIGNATURE ELECTRONICALLY. ELECTRONICALLY APPLIED SIGNATURES USE PASSWORD PROTECTED DIGITAL METHODS. THEY HAVE THE SAME OR MORE SAFE GUARDS AND CARRY THE SAME VALIDITY AS THE APPRAISERS HAND APPLIED SIGNATURES.

THE APPRAISER HAS PREPARED THIS APPRAISAL IN FULL COMPLIANCE WITH THE HOME VALUATION CODE OF CONDUCT AND HAS NOT PERFORMED, PARTICIPATED IN, OR BEEN ASSOCIATED WITH ANY ACTIVITY IN VIOLATION OF THE CODE.

NO EMPLOYEE, DIRECTOR, OFFICER, OR AGENT OF THE LENDER, OR ANY OTHER THIRD PARTY ACTING AS A JOINT VENTURE PARTNER, INDEPENDENT CONTRACTOR, APPRAISAL MANAGEMENT COMPANY, OR PARTNER ON BEHALF OF THE LENDER

ADDENDUM

Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

Case No.:

City: LANCASTER

State: VA

Zip: 22503

Lender: EVB

HAS INFLUENCED OR ATTEMPTED TO INFLUENCE THE DEVELOPEMENT REPORTING, RESULT, OR REVIEW OF THIS ASSIGNMENT THROUGH COERCION, EXTORTION, COLLUSTION, COMPENSATION, INSTRUCTION, INDUCEMENT, INTIMIDATION, BRIBERY OR IN ANY OTHER MANNER. IHAVE NOT BEEN CONTACTED BY ANYONE OTHER THAN THE INTENDED USER (LENDER/CLIENT AS IDENTIFIED ON THE FIRST PAGE OF THE REPORT), BORROWER, OR DESIGNATED CONTACT TO MAKE AN APPOINTMENT TO ENTER THE PROPERTY. I AGREE TO IMMEDIATELY REPORT ANY UNAUTHORIZED CONTACTS EITHER PERSONALLYBY PHONE, OR ELECTRONICALLY TO THE CLIENT

Market Conditions Addendum to the Appraisal Report

File No. 01211E1314

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 **1361 IBERIS ROAD** City **LANCASTER** State **VA** Zip Code **22503**

Borrower **BRADLEY & DANIELLE GRINNEN**

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)	2	0	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.33	0.00	0.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	*	*	2	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	*	*	6.06	<input type="checkbox"/> Declining	<input 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	175,000	0	225,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	70	0	233	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	*	*	225,000	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	*	*	100	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	99.00%	0.00%	100.00%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

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.).
GENERAL MARKET CONDITIONS APPEAR STABLE AT THE PRESENT TIME. VA,FHA,VHDA, AND CONVENTIONAL LOANS ARE AVAILABLE TO BUYERS IN THE SUBJECT AREA. INTEREST RATE BUYDOWNS AND ADJUSTABLE RATE MORTGAGES ARE TYPICAL FOR THIS AREA. THE MARKETING TIME IS UNDER SIX MONTHS. THE CURRENT FIXED INTEREST RATES RANGE FROM 4.25% TO 7%. SELLER CONCESSIONS ARE TYPICAL FOR THIS AREA.

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).
FORECLOSURES IN THE SUBJECT'S MARKET AREA IS A LARGE PERCENTAGE OF THE PROPERTIES SOLD AND DUE TO THE MARKET HAVING AN OVER SUPPLY OF PROPERTIES FOR SALE IT IS NOTED THAT FORECLOSURE PROPERTIES ARE COMPETING WITH PROPERTIES THAT ARE MARKETED IN THE CONVENTIONAL METHOD.

Cite data sources for above information. AREA MULTIPLE LISTING SERVICE AND PUBLIC RECORDS

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 AREA ASSOCIATION OF REALTORS DOES NOT PROVIDE THE MEDIAN SALE PRICE, MEDIAN LIST PRICE, MEDIAN DOM AND MEDIAN LIST/SALE PRICE RATIO, THEREFORE THE APPRAISER HAS UTILIZED THE AVERAGE SALES PRICE, AVERAGE LIST PRICE, AVERAGE DOM AND THE AVERAGE LIST/SALE PRICE RATIO. THE LOCAL AREA MLS IS ALSO NOT ABLE TO NARROW LISTING COMPARABLE PROPERTIES BY DATE RANGES. THEREFORE, THE TOTAL # OF COMPARABLES, MONTHS OF HOUSING SUPPLY, AVERAGE LIST PRICE, AND AVERAGE LISTING DAYS ON THE MARKET, FOR THE 7-12 MONTH AND 4-6 MONTH SECTIONS CAN NOT BE COMPLETED.

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

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 type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input 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.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

Signature Ismael Laso
 Name ISMAEL LASO
 Company Name TRI-COUNTY APPRAISALS, INC.
 Company Address 662 SHARON ROAD, KING WILLIAM, VA 23086
 State License/Certification # 4001-007687 State VA
 Email Address TCALINK@AOL.COM

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: BRADLEY & DANIELLE GRINNEN	File No.: 01211E1314
Property Address: 1361 IBERIS ROAD	Case No.:
City: LANCASTER	State: VA Zip: 22503
Lender: EVB	



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: December 14, 2011
Appraised Value: \$ 190,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: BRADLEY & DANIELLE GRINNEN	File No.: 01211E1314
Property Address: 1361 IBERIS ROAD	Case No.:
City: LANCASTER	State: VA Zip: 22503
Lender: EVB	



COMPARABLE SALE #1

385 W. HIGHVIEW DRIVE
LANCASTER, VA 22503
Sale Date: 03/16/2011
Sale Price: \$ 164,000



COMPARABLE SALE #2

719 CORROTOMAN CIRCLE
KILMARNOCK, VA 22482
Sale Date: 05/04/2011
Sale Price: \$ 184,000



COMPARABLE SALE #3

390 BRENT PLACE
KILMARNOCK, VA 22482
Sale Date: 12/06/2011
Sale Price: \$ 225,000

Borrower: BRADLEY & DANIELLE GRINNEN
Property Address: 1361 IBERIS ROAD
City: LANCASTER
Lender: EVB

File No.: 01211E1314
Case No.:
State: VA
Zip: 22503



STREET



LEFT FRONT



RIGHT FRONT

Borrower: BRADLEY & DANIELLE GRINNEN
Property Address: 1361 IBERIS ROAD
City: LANCASTER
Lender: EVB

File No.: 01211E1314
Case No.:
State: VA Zip: 22503



RIGHT REAR



LEFT REAR



LEFT SIDE

FLOOD MAP

Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

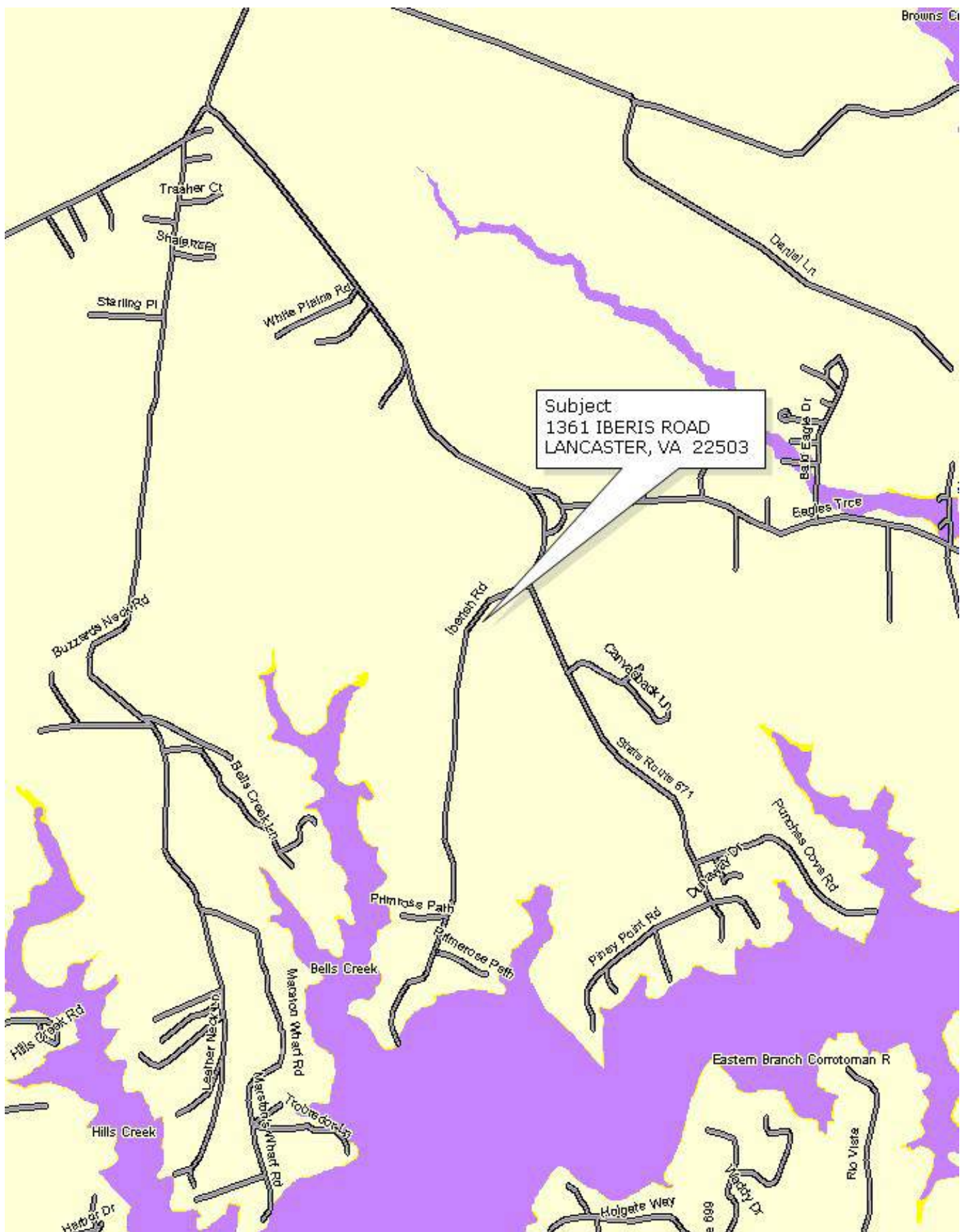
Case No.:

City: LANCASTER

State: VA

Zip: 22503

Lender: EVB



Subject
1361 IBERIS ROAD
LANCASTER, VA 22503

FloodMap Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Flood Information

Community: 510084 - UNINCORPORATED AREA
 Property is not in a FEMA special flood hazard area.
 Map Number: 51103C0130C Map Date: 09/17/2010
 Panel: 0130C FIPS: 51103
 Zone: X

Neither Transamerica Flood Hazard Certification (TFHC) nor ACI make any representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose. Neither TFHC nor ACI nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

LOCATION MAP

Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

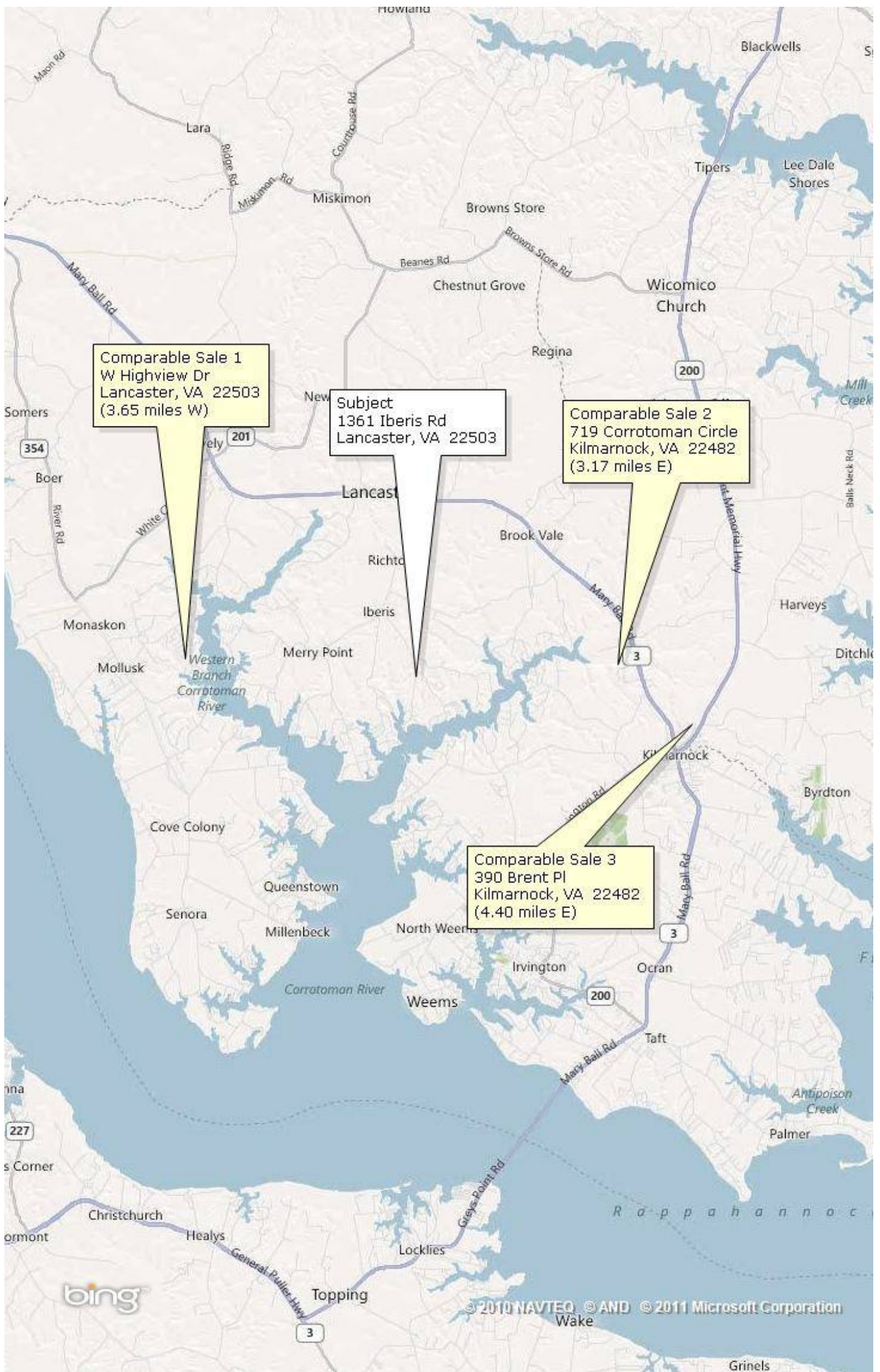
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Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

Case No.:

City: LANCASTER

State: VA

Zip: 22503

Lender: EVB

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
COMMONWEALTH OF VIRGINIA

EXPIRES ON
08-31-2012

9960 Mayland Dr., Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

NUMBER
4001 007687

REAL ESTATE APPRAISER BOARD
LICENSED RESIDENTIAL REAL ESTATE APPRAISER

ISMAEL LASO
2720 LAMMRRICH ROAD
RICHMOND VA 23231



Gordon N. Dixon
Gordon N. Dixon, Director

ALTERATION OF THIS DOCUMENT, USE AFTER EXPIRATION, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.

(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)

(POCKET CARD)

COMMONWEALTH OF VIRGINIA

(DETACH HERE)

REAL ESTATE APPRAISER BOARD
LICENSED RESIDENTIAL REAL ESTATE APPRAISER

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
9960 Mayland Dr., Suite 400, Richmond, VA 23233

NUMBER: 4001 007687 EXPIRES: 08-31-2012

ISMAEL LASO
2720 LAMMRRICH ROAD



1/2004

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(5/08)

Borrower: BRADLEY & DANIELLE GRINNEN

File No.: 01211E1314

Property Address: 1361 IBERIS ROAD

Case No.:

City: LANCASTER

State: VA

Zip: 22503

Lender: EVB



GENERAL STAR NATIONAL INSURANCE COMPANY

Financial Centre

P.O. Box 10360

Stamford, Connecticut 06904-2360

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA945917C

Renewal of Number: NJA945917B

1. NAMED INSURED: Ismael Laso
STREET ADDRESS: 662 Sharon Road
King William, VA 23086

2. POLICY PERIOD: Inception Date: 01/03/2011 Expiration Date: 01/03/2012
Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. LIMIT OF LIABILITY:
Each Claim: \$ 500,000
Aggregate: \$1,000,000
Claim Expenses have a separate Limit of Liability:
Each Claim: \$ 500,000
Aggregate: \$1,000,000

4. DEDUCTIBLE: Each Claim: \$ 500.00 Aggregate: \$1,000.00

5. RETROACTIVE DATE: 01/03/2008

If a date is indicated, this policy will not provide coverage for any Claim arising out of any act, error, omission or personal injury which occurred before such date.

6. ANNUAL PREMIUM: \$ 573.00

7. ENDORSEMENTS: This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).

GSN-07-AP-122(07/2007) GSN-07-AP-848VA (07/2007)
GSN-07-AP-201 (06/2007) GSN-07-AP-375 (10/2007)

8. MANAGING AGENT
Herbert H. Landy Insurance Agency, Inc.
75 Second Avenue, Suite 410
Needham, Massachusetts 02494-2876

[Handwritten signature]

Authorized Representative

GSN-07-AP-720 (06/2007)
Producer Code: 00026230
Date: 11/09/2010

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Class Code: 73128
SLA#: