

APPRAISAL REPORT

Property Location

Proposed Lots 2 & 3
Woodsman Lane
Carrollton, VA 23314

Property Owned By

The Paul T. & Katherine-Anne Lucci Trust

Prepared For

Mr. Paul T. Lucci
PO Box 560
Carrollton, VA 23314

As Of

April 25, 2014

Greenbrier Real Estate & Appraisals, Inc.

Henry T. Thrasher, GAA GRI SRA
1105 Madison Plaza, Suite 110
Chesapeake, VA 23320

www.greenbrierrealest.com



1105 Madison Plaza, Suite 110, Chesapeake, VA 23320; Phone: (757) 547-5115; Fax: (757) 547-8788

May 01, 2014
GBREA File No. 0414-043

Mr. Paul T. Lucci
PO Box 560
Carrollton, VA 23314

RE: The subject of this appraisal is two proposed lots identified as Lots 2 and 3 that are to be subdivided from a parent parcel of approximately 163 acres identified as Parcel ID 23-01-043, located at the northwest quadrant of Woodsman Lane and Smiths Neck Road, Carrollton, Virginia 23314. Lot 2 (21156 Woodsman Lane) contains approximately 93.40 acres of land with a waterfront setting and includes a single-family home, a detached garage with a second floor apartment, and a horse stable. Lot 3 contains approximately 17.56 acres of vacant agricultural land. The first portion of this report will focus on Lot 2 and the second portion will focus on Lot 3.

Dear Mr. Lucci,

As requested, I have viewed the above referenced property, reviewed sales data available, collected information from many sources, and used accepted methods of determining an opinion of Market Value.

This is a “**COMMERCIAL APPRAISAL REPORT**” and is done in conformance with the Standards of Professional Practice of the Appraisal Institute, the Appraisal Foundation, and Real Estate Appraiser Guidelines.

Enclosed is my report, outlining the purpose of this appraisal, description of the land, improvements, supporting data, analysis, and conclusions. Please refer to the **ADDENDUM** section of this report for General Assumptions, Limiting Conditions, and the Certification of the appraiser.

As a result of our investigation and analysis, we estimate the Market Value of the proposed subject lots as follows:

Lot	Value	Premise	Property Rights	Valuation Date	Value Estimate
2	Market	Proposed	Fee Simple	April 25, 2014	\$2,200,000
3	Market	Proposed	Fee Simple	April 25, 2014	\$130,000

Sincerely,

Henry T. Thrasher, GAA GRI SRA
License No. 4001 000487

May 01, 2014
Date



TABLE OF CONTENTS

I	INTRODUCTION:	<u>PAGE</u>
	Title Page	1
	Letter of Transmittal	2
	Table of Contents	3-4
	Executive Summary	5-7
II	DESCRIPTION, ANALYSIS, & CONCLUSIONS:	
	Property Identification	8
	Purpose of Appraisal & Function	8
	Report Format	8
	Personal Property	8
	Scope of the Appraisal	8-9
	Market Value Defined	10
	Hypothetical Conditions & Extraordinary Assumptions	11
	Disclosure of Prior Services Provided	11
	Appraisal Assistance	11
	Competency Disclosure	12
	Ownership of Property	12
	Legal Description of Property	12
	Market Conditions	13
	Regional Summary	14-17
	Market Area Data	18-19
	Zoning	20
	<u>Summary & Valuation of Lot 2</u>	<u>21</u>
	Subject Property Location	22-23
	Subject Photographs	24-31
	Site Data	32-36
	Assessment	37
	Improvements Data	38-43
	Current Leases	44
	Highest & Best Use Analysis	45-46
	Approaches To Value	47-69
	Exposure Time & Marketing Time	70
	Conclusions/Reconciliation	71
	<u>Summary & Valuation of Lot 3</u>	<u>72</u>
	Subject Property Location	73-74
	Subject Photographs	75-76
	Site Data	77-81
	Assessment	82
	Highest & Best Use Analysis	83
	Approaches To Value	84-97
	Exposure Time & Marketing Time	98
	Conclusions/Reconciliation	99

TABLE OF CONTENTS (CONTINUED)

III	ADDENDUM:	100
	General Assumptions & Limiting Conditions	101-105
	Additional Subject Photographs	106-108
	Deed	109-115
	Appraiser License	116-117
	Certifications of Appraiser	118-119
	Qualifications of Appraiser	120-122
	Engagement Letter	123-125

EXECUTIVE SUMMARY

Lot 2

PROPERTY ADDRESS 21156 Woodsman Lane
Carrollton, VA 23314

PARCEL IDENTIFICATION # Not Available (Proposed)

LEGAL DESCRIPTION Not Available (Proposed)

OWNER OF RECORD Paul T. & Katherine-Anne Lucci
Trustees of Revocable Trust

REPORT FORMAT Commercial Appraisal Report

APPRAISAL INCLUDES Land & Improvements

PROPERTY RIGHTS APPRAISED Fee Simple Interest

EFFECTIVE DATE OF APPRAISAL April 25, 2014

LAND SIZE 93.40 Acres

IMPROVEMENTS	<u>House</u>	<u>Garage/ Apartment</u>	<u>Horse Stable</u>
BUILDING AREA GROSS AMOUNT	4,272 sf	2,650 sf	2,590 sf
CONDITION	Good	Good	Good
DATE BUILT	2011	2006	2006
<i>***Other improvements are summarized in the Improvements section of this report***</i>			

FLOOD ZONE Flood Hazard Zones "AE" & "X"

ESTIMATED EXPOSURE TIME 6 to 24 Months

ESTIMATED MARKETING TIME 6 to 24 Months

ZONING RAC (Rural Agricultural
Conservation District)

HIGHEST & BEST USE Current Use

EXECUTIVE SUMMARY (CONTINUED)

Lot 2 (Continued)

ESTIMATED LAND VALUE	\$1,050,000
VALUE INDICATED BY COST APPROACH	\$2,500,000
VALUE INDICATED BY SALES COMPARISON APPROACH	\$2,175,000
OPINION OF MARKET VALUE	\$2,200,000

EXECUTIVE SUMMARY (CONTINUED)

Lot 3

PROPERTY LOCATION	SWQ of Woodsman Lane and Smiths Neck Road Carrollton, VA 23314
PARCEL IDENTIFICATION #	Not Available (Proposed)
LEGAL DESCRIPTION	Not Available (Proposed)
OWNER OF RECORD	Paul T. & Katherine-Anne Lucci Trustees of Revocable Trust
REPORT FORMAT	Commercial Appraisal Report
APPRAISAL INCLUDES	Land Only
PROPERTY RIGHTS APPRAISED	Fee Simple Interest
EFFECTIVE DATE OF APPRAISAL	April 25, 2014
LAND SIZE	17.56 Acres
FLOOD ZONE	Flood Hazard Zones "AE" & "X"
ESTIMATED EXPOSURE TIME	3 to 9 Months
ESTIMATED MARKETING TIME	3 to 9 Months
ZONING	RAC (Rural Agricultural Conservation District)
HIGHEST & BEST USE	Develop for One Single-Family Residence
VALUE INDICATED BY SALES COMPARISON APPROACH	\$130,000
OPINION OF MARKET VALUE	\$130,000

IDENTIFICATION

The subject of this appraisal is two proposed lots identified as Lots 2 and 3 that are to be subdivided from a parent parcel of approximately 163 acres identified as Parcel ID 23-01-043, located at the northwest quadrant of Woodsman Lane and Smiths Neck Road, Carrollton, Virginia 23314. Lot 2 (21156 Woodsman Lane) contains approximately 93.40 acres of land with a waterfront setting and includes a single-family home, a detached garage with a second floor apartment, and a horse stable. Lot 3 contains approximately 17.56 acres of vacant agricultural land. The first portion of this report will focus on Lot 2 and the second portion will focus on Lot 3.

PURPOSE OF APPRAISAL & FUNCTION

This appraisal is to estimate the Market Value of the Fee Simple Interest, subject to easements of record as of **April 25, 2014**. Market Value is determined subject to the powers of government, taxation, eminent domain, police power and escheat. The function of this appraisal is for bankruptcy purposes. The client/intended user of this appraisal is Mr. Paul T. Lucci.

REPORT FORMAT

This appraisal is a “**COMMERCIAL APPRAISAL REPORT**”.

PERSONAL PROPERTY

There is no personal property included in this appraisal.

SCOPE OF THE APPRAISAL

The scope of this appraisal assignment is to conduct the investigations necessary to gather sufficient data from which an opinion of value can be derived. The subject neighborhood, site, improvements, comparable land sales, competing sales, listings, and market data were reviewed and analyzed for their effect on the subject property's value. Data was obtained from typical sources including a physical inspection of the subject, assessor's office, Circuit Court records, owners, developers, real estate agents, typical buyers and sellers and parties familiar with the subject. Also national and regional publications, internal office files and reference manuals were used. Research included an effort to verify information by public records and interviews. This data was then assembled and analyzed to determine the subject market value using accepted appraisal practices and principles.

SCOPE OF THE APPRAISAL (CONTINUED)

The analysis and opinions of the appraiser are based on his sole education, experience and knowledge concerning the type of property being appraised. In order to comply with Standards Rule 2-3, it is expressively understood that “I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.” My engagement in this assignment was not contingent upon developing or reporting predetermined results.

This report summarizes various sections under the Uniform Standards of Professional Appraisal Practice, Standard Rule 2 as follows: the Legal Description, Isle of Wight County Information, Exposure and Marketing Time, Market Area Data, Zoning, Highest and Best Use, and adjustments in the Cost Approach and the Sales Comparison Approach.

Cost Approach		
<u>Land Sales</u>	<u>Improvement Costs</u>	<u>Depreciation</u>
Confirmed comparables on file	Cost service – Marshall & Swift	Modified age/life

Sales Comparison Approach
Confirmed new data – inspected

Income Approach – Not Conducted
Due to lack of rental data for single-family homes and agricultural land, the Income Approach was not conducted.

MARKET VALUE DEFINED

Market Value as used within this report is as defined by the Office of the Controller of the Currency under 12 CFR, Part 34, Subpart C. Market Value is defined in “Federal Register,” Vol. 55, No. 164, Thursday, August 23, 1990 as: “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming, the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby;

- 1). Buyer and seller are typically motivated;
- 2). Both parties are well informed or well advised, and acting in what they consider their own best interest;
- 3). A reasonable time is allowed for exposure in the open market;
- 4). Payment is made in 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.

HYPOTHETICAL CONDITIONS & EXTRAORDINARY ASSUMPTIONS

The following hypothetical conditions and/or extraordinary assumptions may have affected assignment results.

1). This appraisal was developed based on hypothetical condition that two proposed lots (identified as Lots 2 and 3) will be subdivided from a parent parcel of approximately 163 acres identified as Parcel ID 23-01-043. Lot 2 (21156 Woodsman Lane) will contain approximately 93.40 acres of land with a waterfront setting and includes a single-family home, a detached garage with a second floor apartment, and a horse stable. Lot 3 will contain approximately 17.56 acres of vacant agricultural land. This appraisal was also made based on the extraordinary assumption that a right-of-way easement will be created so that Lot 3 may be accessed by a private road via Woodsman Lane.

2). This appraisal was developed using the extraordinary assumption that the acreage being valued is assumed free of any environmental or contamination hazards, i.e. ignitable, toxic, or corrosive substances, chemical and petroleum waste, brown fields, pesticides, herbicides, underground storage tanks, etc. The appraiser is not aware of any environmental screenings of the subject property as of the effective date of the appraisal. Please note that the appraiser is not qualified or trained as an environmental inspector. A current Phase I Environmental Site Assessment is recommended should further investigation be required.

DISCLOSURE OF PRIOR SERVICES PROVIDED

The appraiser has provided a previous service regarding the subject property within three years prior to this assignment. Please see the Certification.

APPRAISAL ASSISTANCE

In the performance of this assignment, significant real property appraisal assistance was provided by Certified Residential Real Estate Appraiser *Spencer C. Bass*. Specifically, the assistant's duties included assisting in the subject property inspection under the supervision of the signing appraiser, researching online tax assessment data for the subject, comparable sales, and assisting in the research, selection, and verification of the sales used in the sales comparison approach to value.

COMPETENCY DISCLOSURE

Henry T. Thrasher, GAA, GRI, SRA is competent to perform the appraisal in which he has been engaged. The appraiser is experienced in the valuation of all types of real estate, including but not limited to, general and medical office buildings, industrial buildings, research and development facilities, retail developments, mix-use properties, single family and multi-family residential properties, and developed and undeveloped land. Qualifications of the appraiser are included in the Addendum of this report.

OWNERSHIP OF PROPERTY

The subject lots are part of a proposed subdivision of a parent parcel identified as Parcel ID 23-01-043 with a collective land area of approximately 163 acres. The parent parcel is currently titled in the name of Paul T. & Katherine-Anne Lucci Trust as shown in Instrument #20040006237, which was acquired from Ralph R. Wilkerson, et als on September 01, 2004 for the consideration of \$1,000,000.

Research of applicable public records, private data sources, and an interview with ownership, revealed that the proposed subject lots are not under current agreement or option and are not offered for sale on the open market. Additionally, according to these sources, the subject property has not been transferred during the past three years.

LEGAL DESCRIPTION OF PROPERTY

The subject lots are part of a proposed subdivision of a parent parcel identified as Parcel ID 23-01-043 with a collective land area of approximately 163 acres. The proposed lots have not yet been recorded in the Clerk's Office of the Circuit Court of Isle of Wight County and no legal description is available for the individual lots. However, a copy of the proposed plat may be viewed in the body of this report.

There is a long metes and bounds legal description for the parent parcel found in Deed Instrument #20040006237, which may be viewed in the Addendum of this report.

MARKET CONDITIONS

Historically, the real estate market runs in cycles, usually closely associated with the business cycle. The demand for real estate is influenced by trends in national, regional, and local economics. These cycles are amplified by the availability of financing and interest rates.

The real estate market can be segmented into many sub-markets such as office, industrial, retail, residential, and agricultural. Each of these sub-markets can be further subdivided by price range, quality of improvements, and strength of underlining leases.

The real estate market for commercial and residential properties was good in the Hampton Roads area from 1983 to 1988. From 1989 to 1992 values stabilized or fell depending on the type and location of the property. From 1993 to August 2007, markets generally were rising in value; however, since August 2007 markets have been flat to falling until late 2012 with some evidence of stabilization. The Hampton Roads area is a large and growing market with stable military spending. Currently, interest rates range from 4% to 6% for properties similar to the subject.

REGIONAL SUMMARY



REGIONAL SUMMARY (CONTINUED)

Overview

The subject is located in what is commonly referred to as Hampton Roads. The Hampton Roads area is identified as the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA.) The MSA (often called the Hampton Roads MSA), is the 36th largest in the United States and the second largest between Washington D.C. and Atlanta, Georgia after the Charlotte, North Carolina Metropolitan area. It consists of 17 Virginia cities and counties and one county in North Carolina. These municipalities are identified as Chesapeake, Franklin, Gloucester County, Hampton, Isle of Wight County, James City County, Mathews County, Newport News, Norfolk, Poquoson, Portsmouth, Southampton County, Suffolk, Surry County, Virginia Beach, Williamsburg, York County, and Currituck County in North Carolina.

Cities and counties in the MSA were formed initially around the Hampton Roads harbor at the mouth of the Chesapeake Bay. Consequently, the area has developed into one of the more prevalent shipping and naval centers in the world. Hampton Roads boasts the world's largest naval military base and the country's largest concentration of shipyards. It is also the home to the world's largest ice-free harbor and the second busiest port on the East Coast of the United States.

The MSA is divided into northern and southern sections by the Hampton Roads Harbor and the James River. The northern section is known as the Peninsula, and the southern section is locally referred to as the Southside. The Southside has a land area of approximately 2,247 square miles and the Peninsula has approximately 699 square miles. When combined with Currituck County in North Carolina, the MSA encompasses approximately 3,208 square miles of land area.

Population

Population in the MSA approximates 1.7 million. The largest municipality is Virginia Beach with about 447,000 residents. Chesapeake and Norfolk each have between 228,000 to 246,000 residents while the cities of Hampton and Newport News have about 137,000 to 181,000 residents respectively. The remaining cities and counties are somewhat smaller.

REGIONAL SUMMARY (CONTINUED)

Climate

The MSA has a moderate climate. Severe weather conditions do not often occur in the MSA due to the presence of the Gulf Stream in the Atlantic Ocean and the area's centralized location along the East Coast of the country. The average annual temperature is 60 degrees Fahrenheit. The month of January typically has the coolest average of 31 degrees Fahrenheit and July has the warmest average of 88 degrees Fahrenheit. The standard total annual precipitation (including snow) for the region is 53.4 inches.

Workforce

Traditionally, shipbuilding/repair, port activities, and tourism have been the dominant industries in the area. However, the high concentration of military personnel seems to drive the economy. Major military installations include the Norfolk Naval Base, Little Creek Amphibious Base, the Naval Air Station-Oceana, Naval Weapons Station-Yorktown, Langley Air Force Base, Naval Auxiliary Landing Field Fentress, United States Coast Guard Reserve Training Center, and Fort Eustis. Many large retailers and industrial users are also located in the region.

According to the *Hampton Roads Statistical Digest*, a variety of companies are drawn to this area by reasonable wage rates, a large labor pool, inexpensive land, the Port of Hampton Roads, and the limited influence of labor unions.

Highways

The Hampton Roads area is at the eastern terminus of Interstate 64 which provides access to the state capital in Richmond and points west. Together with Interstate 664, this limited access highway forms a beltway around the area. U.S. Routes 58, 60, and 460 are important east-to-west highways which provide access to other areas within Virginia and the primary north-to-south linkages of Interstates 85 and 95. In addition to these interstates, the major north-to-south highways include U.S. Route 17, which runs along the eastern seaboard and connects Hampton Roads to communities in the northern parts of Virginia, and U.S. Route 13 which connects the Eastern Shore of Virginia with the mainland via the Chesapeake Bay-Bridge Tunnel. Many interconnecting primary state highways supplement these major routes.

REGIONAL SUMMARY (CONTINUED)

Air

There are two commercial airports serving the MSA – Norfolk International Airport and Newport News-Williamsburg International Airport. Norfolk International Airport is the largest in the area located on the Southside and Newport News-Williamsburg International Airport is the second largest located on the Peninsula.

Summary

The Virginia Beach-Norfolk-Newport News MSA is one of the more significant metropolitan areas throughout the Commonwealth of Virginia and is the dominant metropolitan area in the southern portion of the state. The physical features of the region offer a positive environment for residents and businesses alike. Cultural, social, recreational, and educational opportunities are readily available to the influx of new households into the region. New and existing businesses are also supported by an excellent network of transportation routes, the physical features bolstering the tourist industry, and one of the largest and most aggressive port facilities in the world.

Critics of the Hampton Roads marketplace point to the fact that the economy is too heavily dependent upon the government and military spending. In the past, this dependence has created “boom and bust” years depending largely upon the region’s capture of defense dollars. This reliance has long been recognized as a weakness of the region, and in an effort to minimize this reliance on defense spending, the region has diversified substantially. In fact, several new industries have chosen Hampton Roads over the past several years. The Hampton Roads region is expected to grow at a moderate pace, and to continue to gain in importance as a significant metropolitan area in Virginia and on the Eastern Seaboard.

MARKET AREA DATA

As defined by the Appraisal Institute, Appraisal of Real Estate, Twelfth Edition, “a market area is the defined geographic area in which the subject property competes for the attentions of market participants.” This section of the report focuses on the market area surrounding the subject and will summarize the general characteristics of the area.

The subject is located in Isle of Wight County, which is located in the southeastern portion of the State of Virginia. The County has a total land area of 316 square miles and is bounded to the northeast by the James River, the City of Suffolk to the southeast, the City of Franklin and Southampton County across the Blackwater River to the west, and Surry County to the northwest. The subject is located in the northeast quadrant of the County and is



specifically bounded by the James River to the north and east, the City of Suffolk to the south, and the Township of Smithfield to the west. The subject market area is generally identified as the Carrollton community of Isle of Wight County.

This sector of the city is of low density and is predominantly rural in character. Land uses proximate to the subject are mostly agricultural and farming related. However, several parks, golf courses, places of worship, commercial office/retail, industrial, and residential uses are interspersed throughout the market area.

Isle of Wight County has jurisdiction over real estate assessments, zoning, and most other municipal functions. While the County has taken an aggressive attitude toward new development, it continues to make sure that commercial and industrial uses do not encroach upon residential development. Presently, Isle of Wight County has a real estate tax rate of \$0.73 per \$100.00 of assessed value. Real property is reassessed once every four years.

MARKET AREA DATA (CONTINUED)

The market area has adequate access to the rest of the region. Interstates 64 and 664 are accessed via Carrollton Boulevard/James River Bridge to the southeast and provide the primary access routes to other points in the Hampton Roads region. The primary access routes in the immediate vicinity of the subject include Smiths Neck Road, Carrollton Boulevard, and Bennis Church Boulevard. Commercial development is clustered along these primary routes and is predominantly comprised of general commercial uses that are oriented toward serving the local population base. Norfolk International Airport is approximately 20 to 25 miles southeast and Newport News-Williamsburg International Airport is approximately 10 to 15 miles northeast. Overall the subject has adequate access to major transportation linkages and road patterns are good for vehicular traffic.

As of the 2010 Census, the population of Isle of Wight was 35,270; an increase of 18.6% over the 2000 Census. The population density is approximately 112 persons per square mile. The average household size is 2.51 and the average family size is 2.89. In 2011, the median income for a household in the County was \$64,925. Some additional demographics in the region are as follows:

<i>Demographics</i>			
Population:	36,180 (July 2012 estimate)		
Median Household Income:	\$64,925 (2011)		
No. of Households:	13,528		
Median Age:	43.5		
Population and Projections			
	<u>2010</u>	<u>2016</u>	<u>Change</u>
Isle of Wight Co.	35,270	37,565	6.51%
Franklin	8,582	8,671	1.04%
Hampton	137,436	136,294	-0.83%
Newport News	180,719	177,549	-1.75%
Southampton Co.	18,570	19,107	2.89%
Suffolk	84,585	89,521	5.84%
Surry Co.	7,058	7,162	1.47%
<small>Source: Weldon Cooper Center for Public Service, American Community Survey, 2007-2011, Esri Business Analyst</small>			

In conclusion, the subject market area is mostly rural; however, the neighborhood has adequate access to major highways, schools, fire/police protection, employment centers, military installations, and services. The County population is increasing and is projected to continue to grow. Median household income is also increasing and is currently above the national average.

ZONING

The subject property is zoned *RAC* which is the Rural Agricultural Conservation District assigned by Isle of Wight County. This district is intended to preserve and protect areas that are presently or predominantly in agricultural use and maintain the land base necessary to support agricultural activity. The district is designed to protect the agricultural industry from spawning residential development that displaces substantial areas of agricultural land for a small number of dwelling units. Some restrictions of this zoning are as follows:

Minimum Lot Area	-	40,000 square feet
Minimum Lot Width	-	150 feet
Minimum Lot Frontage	-	120 feet
Minimum Front Yard Setback	-	50 feet
Minimum Side Yard Setback	-	Principle Structures: 25 feet (one side); 50 feet (both sides) Accessory Structures: 25 feet
Minimum Rear Yard Setback	-	Principle Structures: 50 feet Accessory Structures: 5 feet
Maximum Building Height	-	35 feet or 3 stories, whichever is lesser

Clustering/Sliding Scale for Residential Development

Any proposed residential subdivisions on properties zoned *RAC* shall require rezoning. Under the clustering/sliding scale development provision, a tract of land containing 100 contiguous acres or greater will be allowed four divisions. One additional lot or dwelling unit may be permitted for every additional 40 acres encompassed by the overall tract. However, each lot must meet the minimum lot requirements for the *RAC* district.

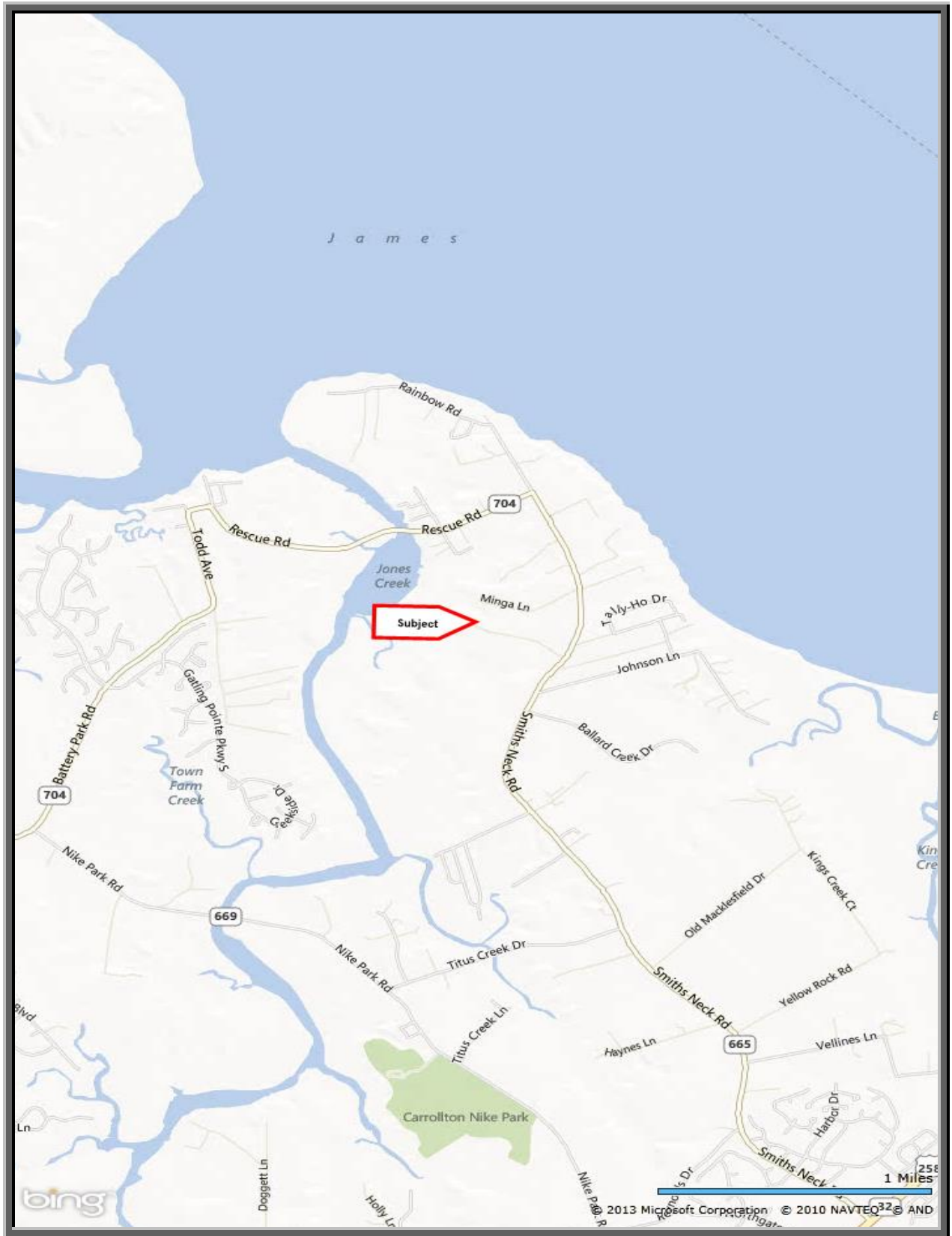
Conclusions

The subject appears to be a legal conforming property and use. It also appears that the subject improvements may be legally rebuilt if destroyed. We know of no other public or private restrictions which would materially affect value. We are not legal experts. If additional information specific to the subject is necessary, it is recommended that the municipality and/or or qualified attorney be contacted.

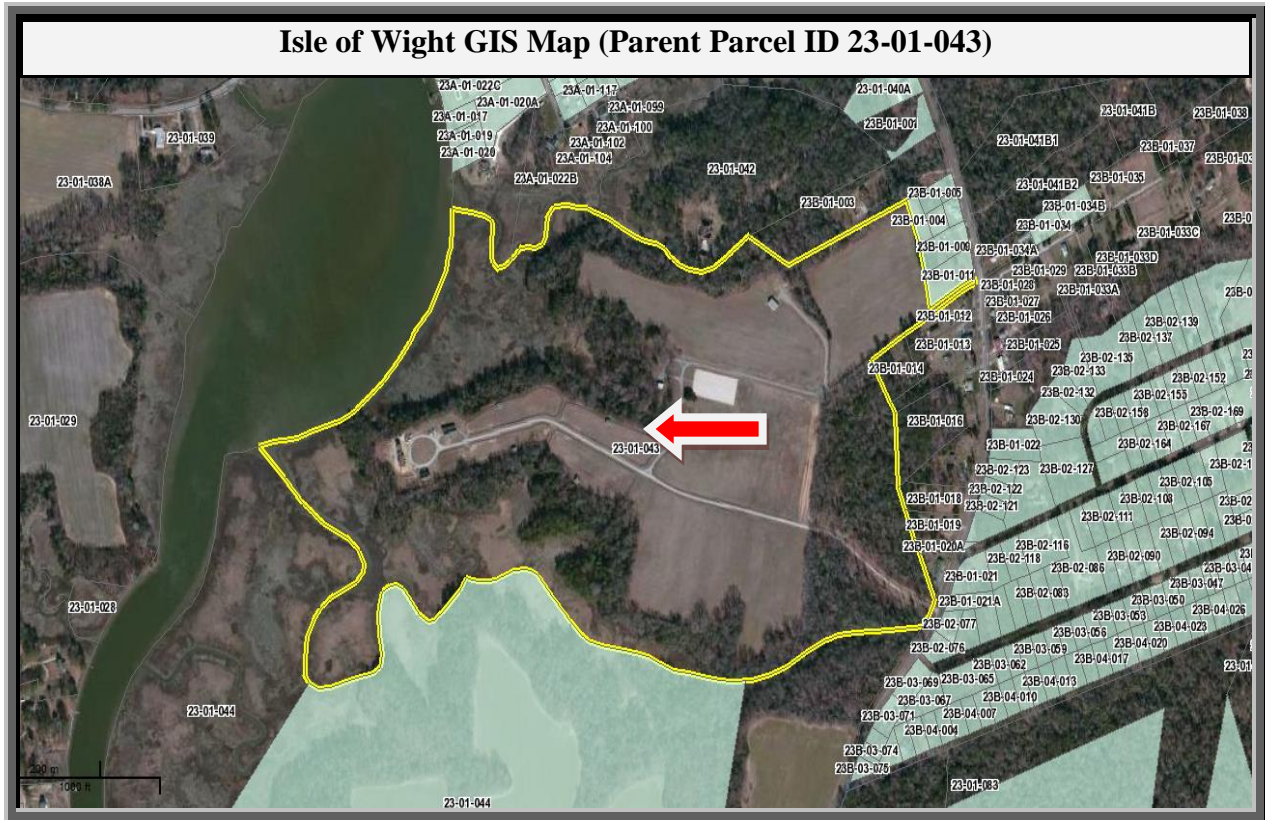
SUMMARY & VALUATION OF LOT 2

This section of the appraisal will focus of the valuation of 93.40 acres of land with a waterfront setting and includes a single-family home, a detached garage with a second floor apartment, horse stable, etc.

SUBJECT PROPERTY LOCATION



SUBJECT PROPERTY LOCATION (CONTINUED)



SUBJECT PHOTOGRAPHS

Front View of House



Rear View of House



SUBJECT PHOTOGRAPHS (CONTINUED)

Front View of Garage/Apartment



Rear View of Garage/Apartment



SUBJECT PHOTOGRAPHS (CONTINUED)

Front View of Horse Stable



Rear View of Horse Stable



SUBJECT PHOTOGRAPHS (CONTINUED)

View of Tractor Shed



View of Run-In Shed



SUBJECT PHOTOGRAPHS (CONTINUED)

View of Riding Ring



View of Land



SUBJECT PHOTOGRAPHS (CONTINUED)

View of Land



View of Woodsman Lane



SUBJECT PHOTOGRAPHS (CONTINUED)

View of Jones Creek



View of Solar Power Entrance Gate

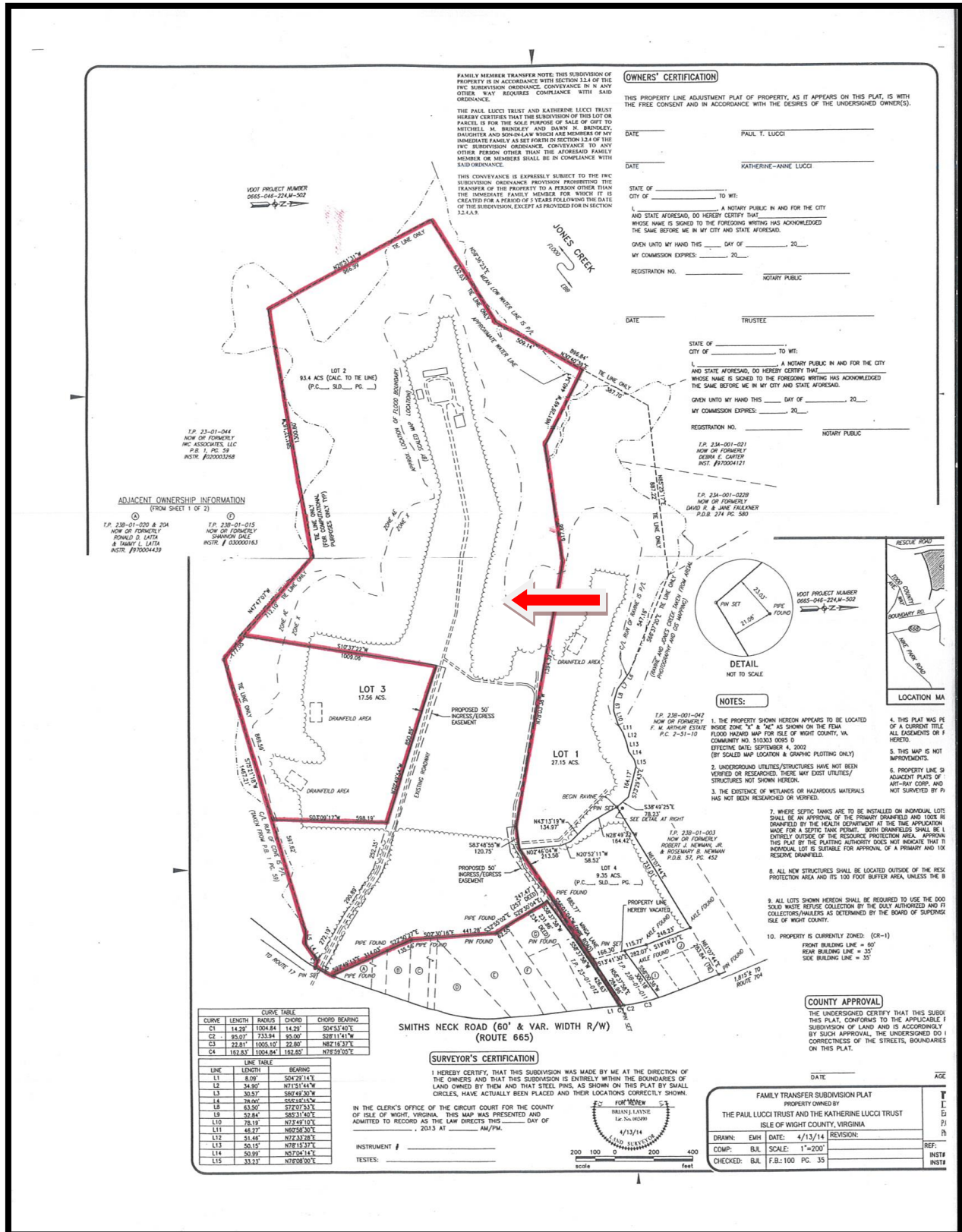


SUBJECT PHOTOGRAPHS (CONTINUED)

Street Scene on Smiths Neck Road



SITE DATA



SITE DATA (CONTINUED)

Site data was taken from municipal records, unrecorded plat maps, Isle of Wight GIS mapping, surveys, Google maps, our own visit of the property, and/or through an interview with ownership.



Description of Site

Address:	21156 Woodsman Lane, Carrollton, Virginia 23314
Location:	Northwest quadrant of Woodsman Lane and Smiths Neck Road (Lot 2)
Land Size:	According to the attached survey, Lot 2 contains approximately 93.40 acres of land.
Shape:	Irregular with no loss of site utility as a function of shape
Topography:	Per review of aerial maps and the appraiser's visit of the subject property, the lay of the land is approximately one-third cleared, one-third wooded, and one-third marshland. The land is generally level and slopes downward at the rear of the property toward Jones Creek. The wooded land mostly runs the perimeter of the property bordering the marshland. Please note that this appraisal does not include timber value (if any).
Drainage:	Drainage appears to be adequate.

SITE DATA (CONTINUED)

- Utilities: The subject property is serviced by a private well for water, a septic system, and underground electricity. The property has adequate infrastructure for a rural property.
- Easements: According to the attached survey, there are no known or apparent adverse easements or conditions encumbering the property that would significantly diminish site utility. However, a current title report is advised for verification.
- Encroachments: None noted. We are not qualified to render a decision in this regard. The appropriate professional should be contacted.
- Accessibility: The subject site is accessed by two privately owned and maintained roads on the west side Smiths Neck Road (Woodsman Lane and Minga Lane). Both roads are laid with gravel and traverse east-to-west. Smiths Neck Road is a two-lane street traversing north-to-south. The main access to the property via Woodsman Lane is secured by a key-coded entry gate. Secondary access via Minga Lane is chained.
- Frontage: According to the attached survey, the subject site fronts 95.07 feet on the west side of Smiths Neck Road at Woodsman Lane and 14.29 feet on the west side of Smiths Neck Road at Minga Lane.
- Visibility: Average for a rural property.
- Flood Hazard Zone: Flood Zones “AE” and “X” as shown on Flood Hazards Map Panel #51093C0160D, dated September 04, 2002. Please see the attached Flood Hazard Map for reference.
- The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain confirmation of the subject’s flood zone classification from a licensed surveyor.
- Soils: The soils are assumed to be adequate based on the existing land use. A soil report or Geotechnical Study is recommended for confirmation.
- Waterfront: The subject lot is bordered by Jones Creek to the west, near its confluence to the James River to the north. The subject lot has good water views of Jones Creek.

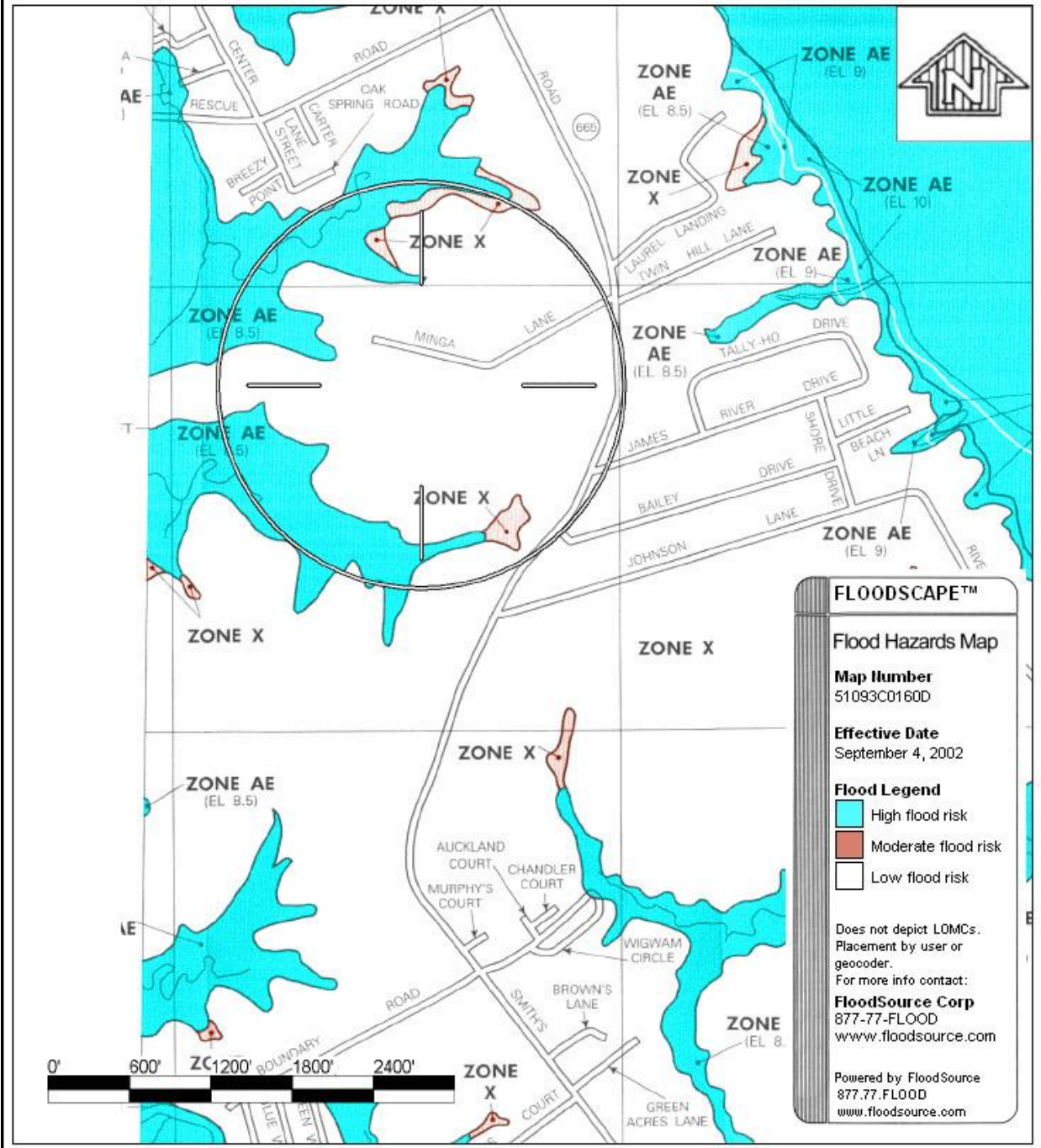
SITE DATA (CONTINUED)

- CBPA Issues: In 1988, the Virginia General Assembly enacted the Chesapeake Bay Preservation Act (CBPA) which required all Tidewater Virginia localities to establish local programs to protect and improve water quality in the Chesapeake Bay watershed and its tributaries. Each locality was required to define its Chesapeake Bay Preservation Areas and establish enforcement procedures to ensure compliance with state regulations.
- The CBPA areas are made up of three separate components which are: (1) Resource Management Area (RMA); (2) Resource Protection Area (RPA); and (3) Intensely Developed Area (IDA). Per a discussion with Isle of Wight Planning and Zoning Department, the subject property is sited within a Chesapeake Bay Preservation Area wherein Resource Protection Area (RPA) is a factor. Land with an RPA area is subject to certain regulations. Specifically, a 100-foot vegetated buffer adjacent to the shoreline is effective in reducing nonpoint source pollution before it enters the waterways. Development is generally prohibited within 100 feet from the “top of the bank.” This reduces the amount of usable land area. The physical location and amount of area affected by RPA should be determined on site by a licensed surveyor or other appropriate professional. It is assumed that the RPA does not severely impact the utility of the property.
- Wetlands: The amount of wetlands (if any) on the subject property is unknown and should be delineated on site by a wetlands specialist.
- Environmental Issues: The appraiser is not aware of any environmental screenings of the subject property as of the effective date of the appraisal. Please note that the appraiser is not qualified or trained as an environmental inspector. A current Phase I Environmental Site Assessment is recommended if further investigation is required. The appraiser has assumed there are no environmental issues associated with the subject property.
- Analysis of the Site: The subject site has adequate size, shape, and topography to allow for development. The property is impacted by CBPA and wetlands are likely present on the subject site. Land types are summarized as one-third cleared, one-third wooded, and one-third marshland. Overall, the property will bode well for an agricultural, equestrian, and/or residential related uses and has good water views.

SITE DATA (CONTINUED)



Prepared for:
21156 Woodsman Lane
Carrollton, VA 23314



© 1999-2012 SourceProse Corporation. All rights reserved. Protected by U.S. Patent Numbers 6631326, 6678615, 6842698, and 7038681.

ASSESSMENT

The subject lot is part of a proposed subdivision of a parent parcel identified as Parcel ID 23-01-043 with a collective land area of approximately 163 acres. The proposed subject lot has not yet been recorded in the Clerk's Office of the Circuit Court of Isle of Wight County and is not currently assessed. The following is the assessment for the absolute parent parcel.

Parent Parcel:

Year	Land Use: 2013-2014
Land	\$ 278,600.00
Improvements	\$ 824,900.00
Total Assessment	\$ 1,103,500.00
Tax Rate	0.0073
Total Real Estate Taxes	\$ 8,055.55

According to the Isle of Wight Commissioner of the Revenue, the total assessment for the subject property is currently \$2,414,900. However, the subject land is taxed under Land Use Taxation whereby the total assessment is reduced to \$1,103,500. Land Use Taxation is a method allotted to agricultural properties. The current county tax rate is \$0.73 per \$100 of assessed value and current real estate taxes are \$8,055.55. It should be noted that any change of the land use would trigger the payment of the difference of market value and land use taxes for the past several years plus interest. For more information please contact the County Commissioner of the Revenue.

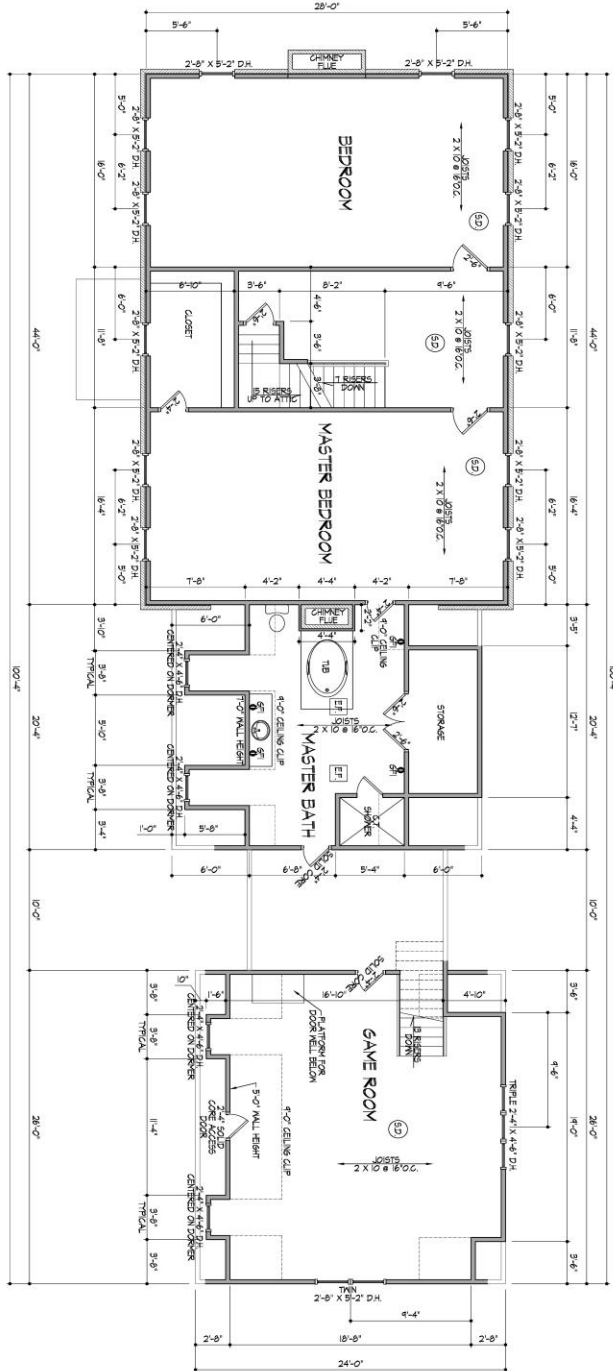
In projecting the subject lot assessment, the appraiser used the above chart of the parent parcel's assessment as a guide. The parent parcel land assessment is calculated at \$1,698.16 per acre or \$1,700.00 per acre rounded (i.e. \$278,600 divided by 163 acres). The proposed subject lot is to contain 93.40 acres of land, giving a land assessment of approximately \$158,780 or \$160,000 rounded (i.e. 93.40 acres multiplied by \$1,700.00 per acre.) There are no projected changes for the subject improvements which are assessed at \$824,900. Therefore, in the appraiser's opinion, the projected assessment for the proposed subject lot is as follows:

Proposed Lot:

Year	Land Use: 2013-2014
Land	\$ 160,000.00
Improvements	\$ 824,900.00
Total Assessment	\$ 984,900.00
Tax Rate	0.0073
Total Real Estate Taxes	\$ 7,189.77

- The taxes are in quarterly installments and the tax year for the County of Isle of Wight runs from July 1ST to June 30TH. The County is currently in the fourth quarter of the fiscal tax year.
- County assessments are required by state law to be at 100% of market value. However, due to time lags, the Commissioner of Revenue has historically shown considerable variance between assessed value and current market value.

IMPROVEMENTS (CONTINUED)



SECOND FLOOR PLAN

- FLOOR AND WALL FINISHING NOTES (CONT.)**
- 19) A COMPLETE FINISH FLOOR SHALL BE INSTALLED FOR EACH ROOM. INTERIOR EXTERIOR WALLS, CEILING, AND BATHROOMS SHALL BE CONCRETE WITH WOOD SHEATHING AND FINISH FLOOR TO MATCH ROOM. EXTERIOR WALLS SHALL BE CONCRETE WITH WOOD SHEATHING AND FINISH FLOOR TO MATCH ROOM. EXTERIOR WALLS SHALL BE CONCRETE WITH WOOD SHEATHING AND FINISH FLOOR TO MATCH ROOM.
 - 20) ALL INTERIOR AND EXTERIOR STAIRWAYS (INCLUDING LANDINGS AND DECKS) SHALL BE FINISHED PER SECTION 021000. INTERIOR STAIRWAYS SHALL BE FINISHED WITH 1/2" X 1/2" X 1/2" TYPICAL STAIR TREADS AND RISERS. EXTERIOR STAIRWAYS SHALL BE FINISHED WITH 1/2" X 1/2" X 1/2" TYPICAL STAIR TREADS AND RISERS. EXTERIOR STAIRWAYS SHALL BE FINISHED WITH 1/2" X 1/2" X 1/2" TYPICAL STAIR TREADS AND RISERS.
 - 21) GYPSUM BOARD AND GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 22) ALL TWO-STORY WALLS WITH AN OPENING MUST BE 1-1/2" X 3-1/2" X 1/2" FULL HEIGHT. ALL TWO-STORY WALLS WITH AN OPENING MUST BE 1-1/2" X 3-1/2" X 1/2" FULL HEIGHT. ALL TWO-STORY WALLS WITH AN OPENING MUST BE 1-1/2" X 3-1/2" X 1/2" FULL HEIGHT.
 - 23) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 24) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 25) ALL INTERIOR AND EXTERIOR STAIRWAYS (INCLUDING LANDINGS AND DECKS) SHALL BE FINISHED PER SECTION 021000. INTERIOR STAIRWAYS SHALL BE FINISHED WITH 1/2" X 1/2" X 1/2" TYPICAL STAIR TREADS AND RISERS. EXTERIOR STAIRWAYS SHALL BE FINISHED WITH 1/2" X 1/2" X 1/2" TYPICAL STAIR TREADS AND RISERS. EXTERIOR STAIRWAYS SHALL BE FINISHED WITH 1/2" X 1/2" X 1/2" TYPICAL STAIR TREADS AND RISERS.

- NOTES:**
- 1) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 2) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 3) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 4) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.
 - 5) INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100. INTERIOR GYPSUM BOARD SHALL BE CONSTRUCTED IN ACCORDANCE WITH SECTION 05100.

REVISIONS

NO.	DATE	DESCRIPTION

DATE: FEBRUARY 26, 2010
 TIME: 10:42AM
A4

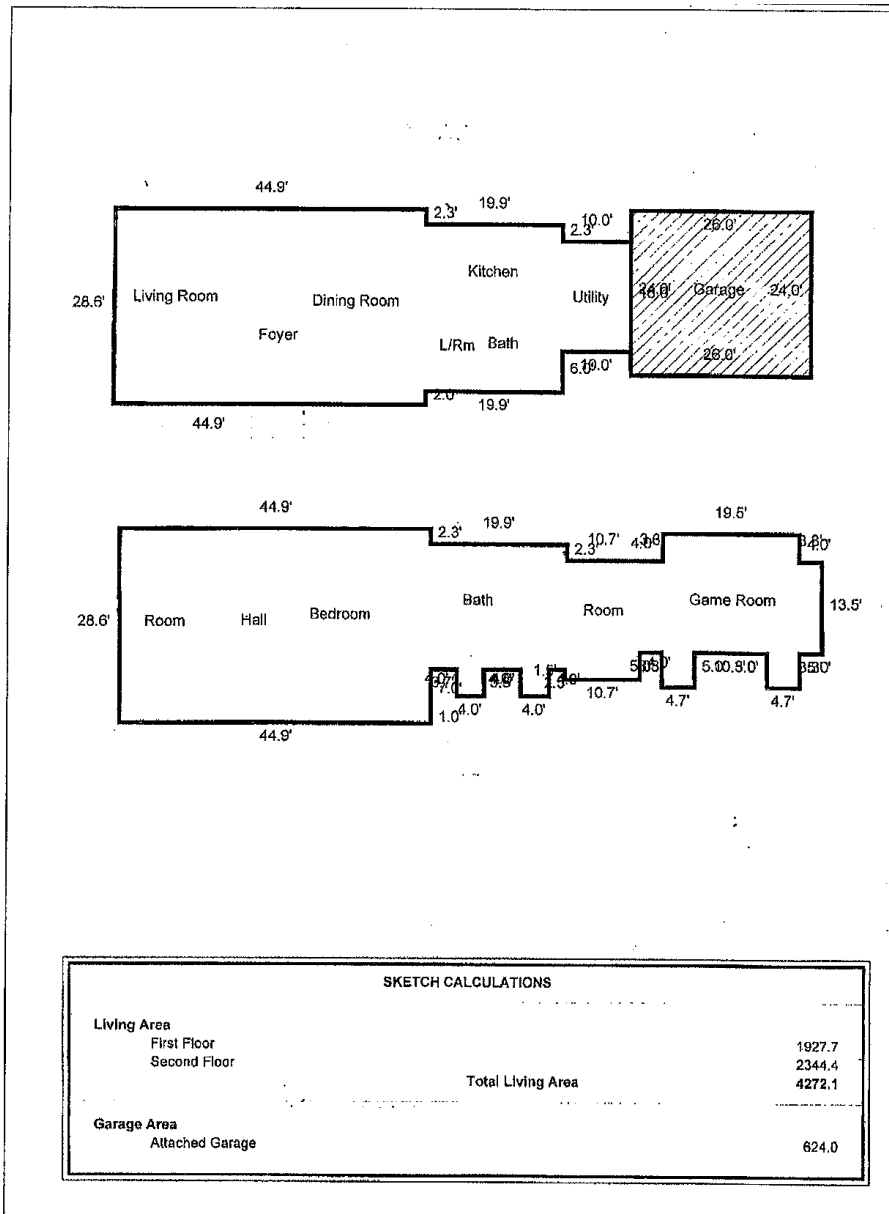
MAYFIELD DESIGNS, INC.
 315 GREAT BRIDGE BOULEVARD, SUITE C
 CHESAPEAKE, VA 23120
 PHONE: (757) 547-2191 FAX: (757) 410-4382
 WEBSITE: www.mayfielddesigns.com EMAIL: tm@mayfielddesigns.com



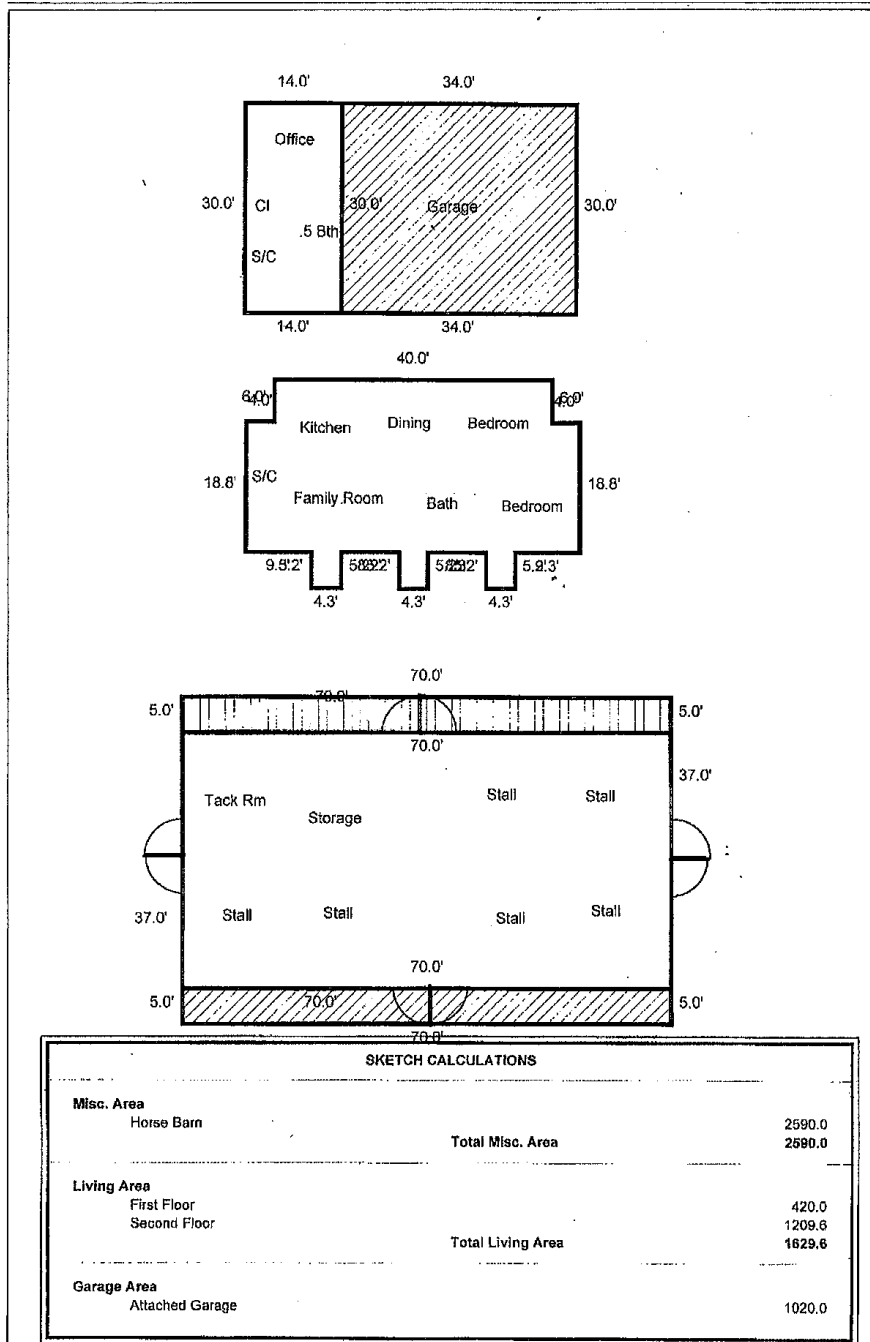
PLANS PREPARED FOR
RANDY TURNER and SON INC.
 SECOND FLOOR PLAN



IMPROVEMENTS (CONTINUED)



IMPROVEMENTS (CONTINUED)



IMPROVEMENTS (CONTINUED)

There are a number of existing structures and other improvements on the proposed subject lot that are summarized below.

1). **House:** This is a frame two-story, colonial-style residence with a brick veneer and Hardiplank exterior on a crawl space foundation and has an architectural shingle roof. The dwelling was built in October 2011 and includes approximately 4,272 square feet of living area and a 624 square foot attached garage. The first floor consists of a living room, den/dining room, kitchen, mud room, utility room, and 1.5 baths. The second floor consists of two bedrooms, an office area, bathroom, and a finished room over the garage. There is a 5x11 foot front entry porch and a 6x12 foot rear covered “courthouse steps” porch. No functional obsolescence is noted. Present condition: Good.

Ceilings	-	Plaster (10 foot high ceilings)
Walls	-	Wallboard with thin coat of plaster and wood trim finish. <i>Some settlement cracks were observed in the walls above the door jams in the upstairs bedrooms, which may indicate foundation problems exist. The appraiser is not qualified to render decisions with regards to foundation issues and has assumed the settlement cracks are only cosmetic in nature. Further evaluation by a foundation specialist or qualified home inspector is recommended.</i>
Floors	-	Hardwood floors throughout dwelling with marble floors in the kitchen and mud room, and ceramic tile in the master bathroom.
HVAC	-	Two zone central air conditioning and electric heat pump with propane gas assist. There is a ductless mini-split heat pump in the room over the garage.
Electrical	-	Two 200 Amp panels. The home also has a 22 kilowatt backup generator.
Other	-	Kitchen equipment includes stainless steel appliances (refrigerator, range/oven, fan/hood, and dishwasher), garbage disposal, microwave, warming drawer, and large butcher block Kitchen Island. The kitchen also has custom cabinetry and marble countertops. Other features include two fireplaces, a walk-in cedar closet, and a large unfinished attic.

2). **Garage/Apartment:** This is a frame two-story, three-car detached garage with an apartment above on a slab foundation and has an architectural shingle roof. The structure was built in June 2006. The first floor includes bedroom, half bath, and garage area. The second floor includes two bedrooms, one bathroom, kitchen with dining area, and a family room. The finished space is estimated at 1,630 square feet and the garage area is estimated at 1,020 square feet. According to the owner, the apartment is currently tenant occupied with rent at \$1,450 per month which includes utilities. Present condition: Good.

IMPROVEMENTS (CONTINUED)

- 3). **Horse Stable:** This is a frame one-story horse stable with a brick veneer and Hardiplank exterior on a slab foundation and has an architectural shingle roof. The stable measures 37x70 feet or 2,590 square feet and was built in July 2006. There are (2) covered porches on either side running the length of the structure. The interior includes six horse stalls at 12x14 feet each, a tack room with a half bath, storage areas, and a loft. The tack room has tile floors and plaster walls and is heated and cooled. Present condition: Good.

- 4). **Tractor Shed:** This a frame shed with two garage bays that was built in March 2005. The structure has a concrete slab foundation, wood exterior, and metal roof. The interior includes a garage area with a half bath and separate storage area. The shed measures 21 feet by 30 feet or 630 square feet. Present condition: Average.

- 5). **Run-In Sheds:** There are four frame 16x24 foot sheds with electricity and waterers for horses. Each of the run-in sheds were constructed in May 2005. Present condition: Average.

- 6). **Board Fencing:** According to the owner, there is 5,388 lineal feet of board fencing on the property. Present condition: Average.

- 7). **Riding Ring:** There is a fenced riding ring on the property measuring approximately 120 feet by 200 feet that was constructed in July 2006 according to the owner. The riding ring contains approximately 640 lineal feet of board fencing. Present condition: Below Average.

- 8). **Solar Power Entrance Gate:** This a solar power entry gate at the entrance on Woodsman Lane. The gate is key-coded for security. Present condition: Average.

- 9). **Backup Generators:** The subject property is equipped with two backup generators with an estimated cost of \$15,000 each per the owner. A 22 kilowatt generator is used for the house and a 25 kilowatt generator is used for the detached garage/apartment.

- 10). **Site Utilities/Improvements:** This includes a private well, septic system, underground utilities, landscaping, and gravel roads. Present condition: Average.

Conclusions

The subject improvements are common of a horse farm and no functional or external obsolescence is noted. The date built for each of the structures was provided by the owner and is assumed to be reliable.

CURRENT LEASES

As discussed earlier, there is an apartment above the detached garage that is currently being leased. The following is a summary of the lease premises.

Size	1,210 Square Feet
Rent	\$1,450/Month or \$14.38/Square Foot/Year (includes utilities)
Comments	Rental information was obtained from the owner; however, a copy of the lease was not provided for verification.

No other lease agreements for the subject property are noted.

HIGHEST & BEST USE ANALYSIS

Highest and best use is that use which produces the greatest net income to the site and/or property over a reasonable period of time. It may also be thought of as that use which indicates the highest present value, as defined by the effective date of the appraisal. The highest and best use of the subject site is determined by the synthesis of four factors. They are:

- 1). LEGAL PERMISSIBILITY**
- 2). PHYSICAL ADAPTABILITY**
- 3). ECONOMIC FEASIBILITY**
- 4). PROFITABILITY**

This analysis considers the highest and best use in two ways: first, the highest and best use of the land if vacant; and second, the highest and best use of the land with existing and/or proposed improvements.

HIGHEST & BEST USE AS IF VACANT

LEGAL PERMISSIBILITY – The subject property is zoned *RAC* (Rural Agricultural Conservation District), which allows for agricultural and residential uses. The subject has 93.40 acres of land and it may be possible to subdivide the land into individual lots. However, subdivision will be subject to county approval and possible rezoning. No deed restrictions or other land-use regulations are noted and the possibility of a future zoning change is not considered likely.

PHYSICAL ADAPTABILITY – The subject site contains approximately 93.40 acres of land and is of adequate shape and size to allow for development. The site has adequate frontage, visibility, access, drainage, and topography allowing for development. It is assumed that CBPA regulations and wetlands (if any) do not severely diminish the utility of the land. No other physical components of the site appear to place any significant limitations upon development.

ECONOMIC FEASIBILITY – All uses that meet the previous two criteria that produce a positive return are considered to be financially feasible. The location and physical characteristics of the subject site, as well as current market conditions, indicate development for a residential use with the remaining land used for agricultural and/or equestrian related purposes is economically feasible and would provide a reasonable return on investment.

PROFITABILITY – The most profitable use of the subject land is to develop for a single-family home with the remaining land used for agricultural and/or equestrian related purposes. The improvements should be situated on the land to maximize functionality and utility and the most productive form should be a home constructed using materials that are functional, economical, and attractive. The most probable buyer of the subject land would be an owner-user.

CONCLUSION – My opinion of the Highest and Best Use of the land as if vacant is to develop for a single-family home with the remaining land used for agricultural and/or equestrian related purposes.

HIGHEST & BEST USE IF IMPROVED

LEGAL PERMISSIBILITY – Analysis of zoning requirements, easements, deed restrictions (if any), and government regulations indicate the current improvements are legal.

PHYSICAL ADAPTABILITY – The subject is serviced by all needed rural infrastructure. Drainage, access, and topography levels are acceptable as are the site shape and utility. The current use of the subject property is consistent with the surrounding land usage. The site is therefore physically adaptable for the current use.

ECONOMIC FEASIBILITY – Occupancy levels and rent levels are good in the neighborhood. Development trends, lot prices, and amount of added traffic from development can be handled by the existing roads. The current improvements are architecturally consistent with the surrounding improvements. Demand exists for this type of use. Therefore, in my opinion, the current use is economically feasible.

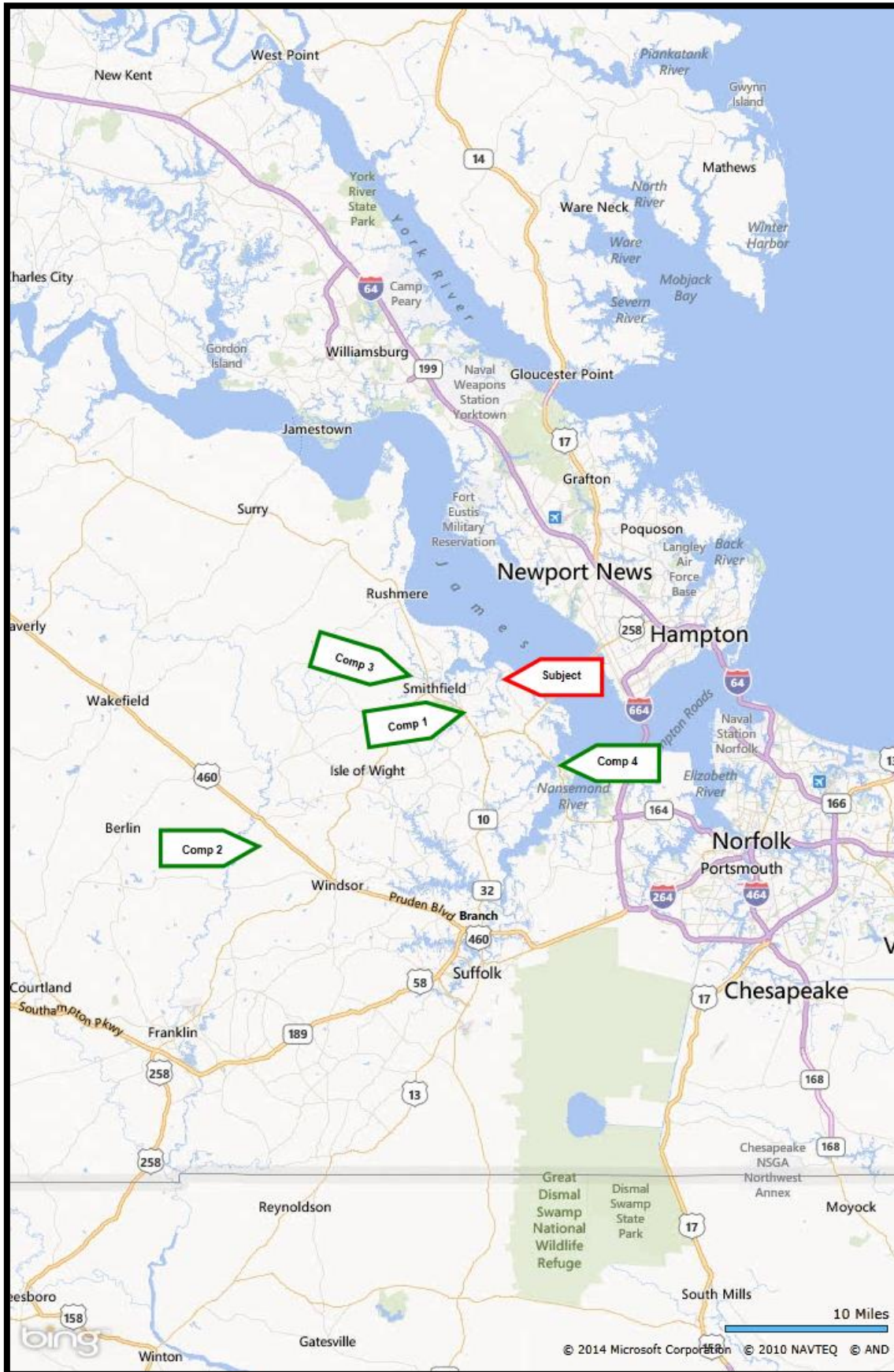
PROFITABILITY – Analysis of cost and anticipated income (if the property were to be leased) indicates that the site is profitable. No other permissible use will provide a greater return, thus satisfying the profitability criteria. Satisfaction of the four factors indicates the Highest and Best Use is as currently improved.

METHOD OF VALUATION

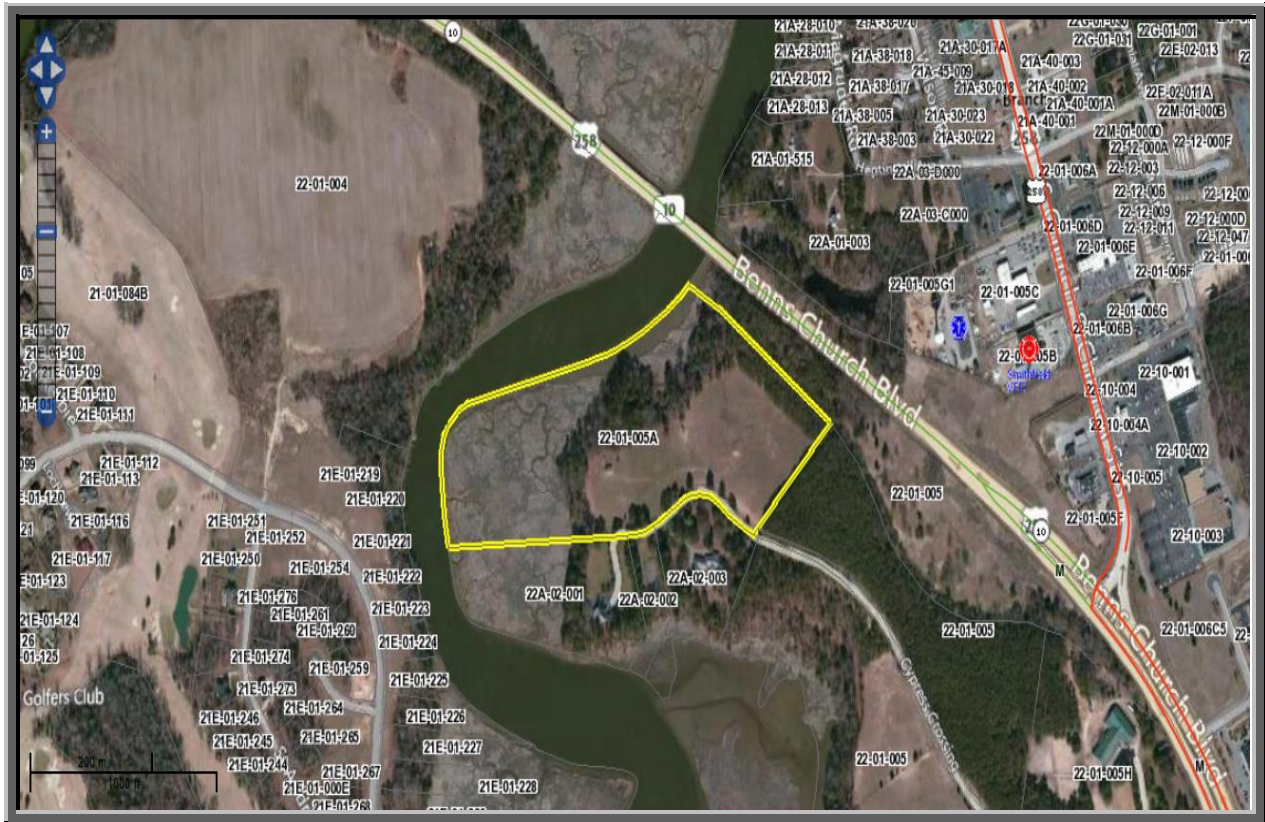
Land Value

The land value is established by the **Sales Comparison Approach**. Recent land sales are chosen based on their similarity to the subject. Adjustments are then made for condition of sale, financing, time, location, and other factors as needed. After adjustments of the comparable land sales, a final value conclusion is drawn for the subject land value.

COMPARABLE LAND SALE LOCATIONS



COMPARABLE LAND SALE #1



Property Identification

Property Type	Agricultural/Development Land
Address	Cypress Crossing, Smithfield, VA 23430
Location	Northern terminus of Cypress Crossing, just south of Bennis Church Boulevard
Parcel ID #	22-01-005A

Sale Data

Grantor	Sallie B. Benedetti
Grantee	Jerry A. & Mary D. Hughes
Sale Date	February 2013
Deed Reference	130000761
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Cash to Seller
Sale History	None in prior three years
Verification	MLS #1306790, County Records
Sale Price	\$550,000

COMPARABLE LAND SALE #1 (CONTINUED)

Land Data

Zoning	C-C (Community Conservation District) E-C (Environmental Conservation District)
Topography	Generally level
Utilities	Rural
Shape	Irregular
Land Size	27.28 acres

Indicators

Sale Price/acre	\$20,161
-----------------	----------

Comments

This is a sale of approximately 27.28 acres of land located in Smithfield and backs up to Cypress Creek. The County breaks down the land as follows:

Homesite:	1 acre
Agricultural Land:	15.13 acres
Marshland:	11.15 acres

COMPARABLE LAND SALE #2



Property Identification

Property Type	Agricultural/Development Land
Address	5205 Hudson Lane, Zuni, VA 23898
Location	East side of Thomas Woods Trail at Hudson Lane
Parcel ID #	45-01-017

Sale Data

Grantor	American K-9 Interdiction, LLC
Grantee	Legacy Ranch Investments, LLC
Sale Date	December 2012
Deed Reference	130001031
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Cash to Seller
Sale History	None in prior three years
Verification	MLS #0933362, County Records
Sale Price	\$165,000

COMPARABLE LAND SALE #2 (CONTINUED)

Land Data

Zoning	RAC (Rural Agricultural Conservation District)
Topography	Generally level
Utilities	Rural
Shape	Irregular
Land Size	71.74 acres

Indicators

Sale Price/acre	\$2,300
-----------------	---------

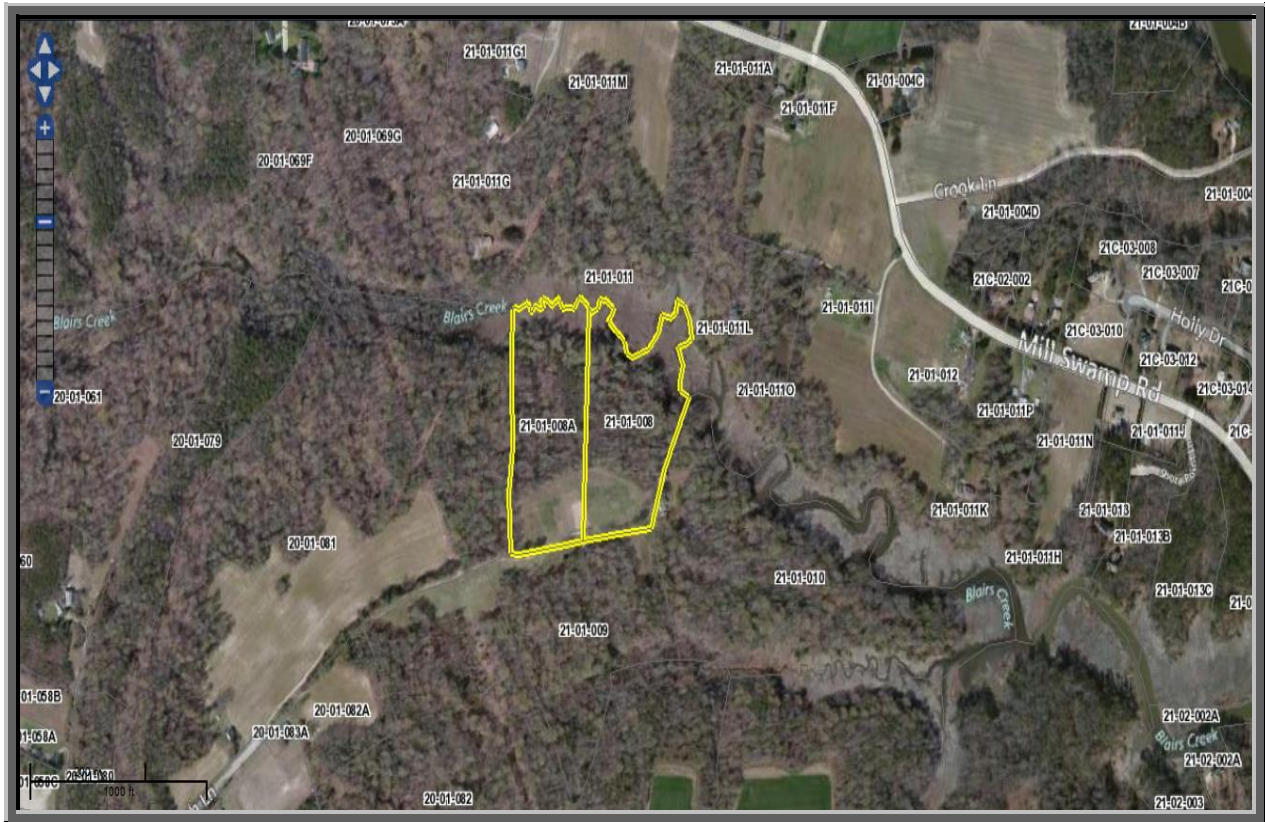
Comments

This is a sale of approximately 72 acres of land located in Zuni that was formerly approved for a large dog training facility. The rear of the land backs up to a small creek/swamp. The County breaks down the land as follows:

Homesite:	1 acre
Agricultural Land:	37.74
Swamp:	3 acres
Woodlands:	30 acres

According to the MLS, the property was originally listed for \$295,000 and was on the market for 1,197 days.

COMPARABLE LAND SALE #3



Property Identification

Property Type	Agricultural/Development Land
Address	14511 Bethel Church Lane, Smithfield, VA 23430
Location	Northern terminus of Bethel Church Lane
Parcel ID #	21-01-008

Sale Data

Grantor	George A. Buchanan, et ux
Grantee	Franklin D., Jr. & Melissa A. Lynn
Sale Date	August 2012
Deed Reference	120005682
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Cash to Seller
Sale History	None in prior three years
Verification	MLS #1219534, County Records
Sale Price	\$115,000

COMPARABLE LAND SALE #3 (CONTINUED)

Land Data

Zoning	RAC (Rural Agricultural Conservation District)
Topography	Generally level
Utilities	Rural
Shape	Irregular
Land Size	18.83 acres

Indicators

Sale Price/acre	\$6,107
-----------------	---------

Comments

This is a sale of approximately 18.83 acres of land located in Smithfield. The property was subdivided into two separate lots after purchase. The rear of the land backs up to Blair's Creek. The County breaks down the land as follows:

Homesite:	2 acres
Woodlands:	14 acres
Marshland:	2.83 acres

According to the MLS, the property was originally listed for \$119,151 and was on the market for 60 days.

COMPARABLE LAND SALE #4



Property Identification

Property Type	Agricultural/Development Land
Address	1504 White Dogwood Trail, Suffolk, VA 23433
Location	Northeast quadrant of White Dogwood Trail
Parcel ID #	250656000

Sale Data

Grantor	Eclipse Estates
Grantee	Lee C. Copeland
Sale Date	June 2012
Deed Reference	000122050
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Cash to Seller
Sale History	None in prior year
Verification	MLS #1106007, City Records
Sale Price	\$800,000

COMPARABLE LAND SALE #4 (CONTINUED)

Land Data

Zoning	RL (Residential Low Density District)
Topography	Generally level
Utilities	Available
Shape	Irregular
Land Size	17.88 acres

Indicators

Sale Price/acre	\$44,743
-----------------	----------

Comments

This is a sale of approximately 17.88 acres of land located in the Eclipse area of Suffolk. The land backs up to Chuckatuck Creek with deep water access and has panoramic water views. The property is currently listed for sale at \$900,000. Based on a discussion with the current listing agent, the property is serviced by city water and sewer and is approved for a 10 lot residential subdivision. Several interested buyers have come forward to develop the property.

According to the MLS, the property was originally listed for \$1,450,000 and was on the market for 475 days.

COMPARABLE LAND SALES ANALYSIS

<u>Sale</u>	<u>Subject</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>				
Sale Date		2/13	12/12	8/12	6/12				
Sale Price		\$ 550,000	\$ 165,000	\$ 115,000	\$ 800,000				
Land Size/Acre	93.40	27.28	71.74	18.83	17.88				
Zoning	RAC	C-C; E-C	RAC	RAC	RAC				
Price/Acre		\$ 20,161	\$ 2,300	\$ 6,107	\$ 44,743				
<u>Adjustments</u>									
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple				
Financing		Cash To Seller	Cash To Seller	Cash To Seller	Cash To Seller				
Conditions of Sale		Arms-Length	Arms-Length	Arms-Length	Arms-Length				
Adjusted Sale Price		\$ -	\$ -	\$ -	\$ -				
<u>Market Conditions</u>									
Adjustment		0%	0%	0%	0%				
Adjusted Sale Price		\$ 550,000	\$ 165,000	\$ 115,000	\$ 800,000				
<u>Other Adjustments</u>									
Location	Good	Good	\$ -	Avg.	\$ 500,000	Avg.	\$ 500,000	Good(+)	\$ (250,000)
Land Size/Acre	93.40	27.28	\$ 495,000	71.74	\$ 160,000	18.83	\$ 560,000	17.88	\$ 565,000
Net Adjustment			\$ 495,000		\$ 660,000		\$ 1,060,000		\$ 315,000
Adjusted Sale Price			\$ 1,045,000		\$ 825,000		\$ 1,175,000		\$ 1,115,000
Mean Sale Price									\$ 1,040,000

Comparables were obtained through the local MLS (REIN), supplemented by a search of municipal records. Overall, the comparables used within this report were selected primarily because they were considered to be the most similar with which to compare to the subject. The appraiser was unable to bracket the subject's land area with the sales available. Adjustments were made to comparables to reflect market differences that are considered relevant which are explained on the following page.

COMPARABLE LAND SALES ANALYSIS (CONTINUED)

Explanation of Adjustments

Property Rights: The fee simple interest of the subject is being valued. The fee simple interest of the sales utilized herein sold similar to the subject. As such, no adjustments for property rights are required.

Financing: The market value definition assumes a cash equivalent price or financing at rates generally available in the marketplace at the time of transfer. Each of the sales transferred for cash or was financed at rates considered to be cash equivalent. No adjustments for financing were necessary.

Conditions of Sale: The market value definition assumes that all transactions are arms-length and no unusual circumstances affected the sale prices. The conditions of each sale employed are considered to be bona fide. No adjustments for conditions of sale were necessary.

Sale Date (Market Conditions): This adjustment is made to the sales to analyze them based on current market conditions. Although this adjustment is often referred to as a “time adjustment”, time is not the cause of the adjustment. If market conditions have not changed, the sales require no adjustment. The strongest support for this adjustment is established in the marketplace.

Resales of a property provide the best method of quantifying the extent of depreciation/appreciation. Our research did not reveal actual resales or matched-pair sales that indicate a precise adjustment for time. Brokers and investors in the market corroborate annual decreases ranging from 0% to 25% for all sectors of real estate in 2008 and 2009. Since the first quarter of 2010, however, values continued to decline, but at a slower rate with some stability beginning to show in 2012. We have applied a 0% adjustment for market conditions since all sales occurred in 2012 and after.

Location: Adjustments for location have been made accordingly based on overall demographics, traffic patterns, water views, etc. Sales 2 and 3 have inferior locations and were adjusted upward. Sale 4 has a superior location and was adjusted downward.

Land Size: Purchasers of large agricultural land typically pay on a price per acre basis. All four sales are smaller than the subject land area and were adjusted upward at \$7,500 per acre (rounded).

Zoning: No adjustments were necessary for zoning.

Utility: No adjustments were necessary for utility.

COMPARABLE LAND SALES ANALYSIS (CONTINUED)

Reconciliation

Four sales have been selected to compare to the subject. The sales occurred between June 2012 to February 2013. The adjusted sales range from \$880,000 to \$1,455,000 and have a mean of \$1,226,250. Sales 1 and 4 were given the greatest weight due to their locations; although, Sale 4 has a slightly superior location. Sales 2 and 3 have inferior locations and were given little weight. This leaves a range of \$1,045,000 to \$1,115,000. In conclusion, we estimate a rate for the subject land at \$1,050,000, which is reasonable based on the data presented in this report.

Land Value by Sales Comparison Approach = \$1,050,000

COST APPROACH

The Cost Approach is a method of valuing real estate by determining the value of the land and the value of the improvements. The improvement value new is generally established by the use of a cost service (Marshall & Swift Valuation Service). This cost is established by choosing cost estimates that most closely fit the description of the improvements. After the value new is established, appropriate types of depreciation (based on physical age, condition, usefulness, and external inadequacies) are determined and deducted from the cost new of the improvements. Land value and the depreciated improvements are then added together to give a value for the Cost Approach. This approach generally sets the upper limits of value.

Accrued Depreciation

Depreciation in real estate appraisal theory is loss in value (due to any cause) from the cost when new. It can also be defined as any difference between cost new (generally replacement cost) and market value. It is important to recognize that depreciation in real estate is not the same depreciation as used by accountants or tax specialists when they speak of book depreciation, i.e., straight line depreciation, declining balance depreciation, etc. Accrued depreciation as used in this report is loss in value (due to any cause) from the cost when new as of the date of the appraisal.

Physical Depreciation

Curable physical depreciation is items of deferred maintenance in need of repair as of the effective date of the appraisal. It is measured by the cost to correct the deficiency, i.e., put the item back in new or reasonably new condition; it is measured by the cost to cure.

A subcategory of curable physical deterioration is curable physical deferred. This deterioration exists in some long-lived components of the structure not due for replacement or repair until sometime in the future. This form of deterioration is also measured by the cost to cure.

The final category of physical deterioration is the incurable physical. This is deterioration, which is not practical or economically feasible to correct. It can be both long-lived and short-lived items. It is measured by the physical age-life method, which is the ratio of effective age to estimated total physical life.

COST APPROACH (CONTINUED)

Obsolescence

Obsolescence is seen in two forms: functional and external. Functional obsolescence can be curable or incurable. It is usually something like a poor floor plan, mechanical inadequacy or an over-improvement. It is a condition inside the property itself. External obsolescence is caused by changes external to the property. An example is a high traffic road in a residential neighborhood. This type of depreciation is rarely curable. These types of obsolescence can be measured by capitalization of the rent loss attributable to the negative influence.

Cost New of Improvements

The following chart displays the owner’s actual cost of the improvements compared to the replacement cost new of the improvements estimated by use of Marshall & Swift Valuation Service. Physical depreciation is based on the condition and effective age of the improvements. Site utilities include well, septic system, utility hookups, gravel roads, and landscaping. The Cost Approach may not be a reliable indication of replacement cost due to changing costs of labor and materials and the difficulty of estimating depreciation. Please note that the Cost Approach was not developed for insurance purposes.

COST APPROACH	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			= \$		
	Source of cost data Marshall & Swift Residential Cost Handbook	Dwelling	4,272	Sq. Ft. @ \$	160.00	= \$ 683,520	
	Quality rating from cost service Excellent Effective date of cost data 12/01/2012			Sq. Ft. @ \$		= \$	
	Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Appliances, FP, Porches				20,400	
	Cost is based on Marshall & Swift Residential Cost Handbook. Depreciation is based on 60 year life and 3 year effective age (2%). Please see narrative for site improvements. Please see attached Sketch Addendum for gross living area calculations.	Garage/Carport	624	Sq. Ft. @ \$	40.00	= \$ 24,960	
		Total Estimate of Cost-new				= \$ 728,880	
		Less	Physical	2	Functional	External	
		Depreciation	14,578		0	0	= \$ (14,578)
		Depreciated Cost of Improvements				= \$ 714,302	
		"As-is" Value of Site Improvements				= \$ N/A	
		Site/Total= 0%					
	Estimated Remaining Economic Life (HUD and VA only)	Years	Indicated Value By Cost Approach			= \$ 714,302	

COST APPROACH (CONTINUED)

<u>Improvements</u>	<u>Owner's Cost</u>	<u>Replacement Cost New</u>	<u>Estimated De pre ciation</u>	<u>De pre ciated Cost</u>
House	\$809,067	\$728,880	2%	\$714,302
Garage/Apartment	\$297,102	\$124,863	15%	\$106,134
Horse Stable	\$504,026	\$492,877	25%	\$369,658
Tractor Shed	\$36,493	\$18,900	25%	\$14,175
Run-In Sheds	\$96,709	\$46,080	25%	\$34,560
Board Fencing	\$56,115	\$53,880	50%	\$26,940
Riding Ring	\$62,469	\$60,000	75%	\$15,000
Entrance Gate	\$12,003	\$12,000	50%	\$6,000
Backup Generators	\$30,000	\$30,000	50%	\$15,000
Site Utilities & Landscaping	\$291,381	\$291,381	50%	\$145,691
Total	\$2,195,365	\$1,858,861	-	\$1,447,459
Land Value				\$1,050,000
Total Value Indicated By Cost Approach				\$2,497,459
Rounded				\$2,500,000

SALES COMPARISON APPROACH

The **Sales Comparison Approach** to value is a good indicator when a sufficient number of sales have a high degree of similarity to the subject. This approach is based on the assumption that a rational and knowledgeable buyer would not pay more for a property than the cost of purchasing a similar property, assuming no undue delay.

Each parcel of real estate is unique due to its fixed location. It is necessary to consider if adjustments are needed for these differences. The comparison process requires consideration for conditions of sale, rights, and financing. They are then analyzed for time or market conditions at the time of sale, location, and physical characteristics.

When estimating the value by this approach, research is undertaken to obtain information on the sale of similarly improved properties. Several sales of residential dwellings throughout Isle of Wight County have been collected. Sufficient data was found in the area to perform my analysis. Most of the sales were considered similar with respect to quality, location, and condition.

The following *Residential Appraisal Report* analyzes comparable improved sales less their respective land value in order to value the improvements only. Other improvements have been added in the sales grid as a lump sum to account for the garage/apartment, horse stable, riding ring, etc. Once the improvement value is established, the previously determined land value is added to the subject for a final value estimate.

Residential Appraisal Report

There are	N/A	comparable properties currently offered for sale in the subject neighborhood ranging in price from \$	N/A	to \$	N/A	.
There are	N/A	comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$	N/A	to \$	N/A	.
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3		
Address	21156 Woodsman Lane Carrollton, VA 23314	206 Mariners Circle Smithfield, VA 23430	21346 Brewers Farm Lane Carrollton, VA 23314	11220 Shelter Cove Smithfield, VA 23430		
Proximity to Subject		1.74 miles W	4.56 miles S	1.22 miles W		
Sale Price	\$	\$ 532,500	\$ 590,000	\$ 551,000		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 181.06 sq. ft.	\$ 184.38 sq. ft.	\$ 144.62 sq. ft.		
Data Source(s)	County Records	MLS #1302887	MLS #1329059	MLS #1314822		
Verification Source(s)	Inspection	County Records/Exterior Inspection	County Records/Exterior Inspection	County Records/Exterior Inspection		
VALUE ADJUSTMENTS	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		Closed/Conventional	Closed/Conventional	Closed/VA		
Concessions		Arms-Length	Arms-Length	Arms-Length		
Date of Sale/Time		10/11/13; DOM 246	08/29/13; DOM 22	06/21/13; DOM 67		
Location	Carrollton	Mariner Pointe	Carrollton	Gatling Pointe		
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple		
Site	N/A	1.48 Acres	1.83 Acres	2.59 Acres		
View	Jones Creek	Morris Creek	Brewers Creek	Town Farm Creek		
Design (Style)	Colonial/Avg	Colonial/Avg	Colonial/Avg	Colonial/Avg		
Quality of Construction	Brk/Hard/Good	Brick/Good	Brick/Good	Brick/Good		
Actual Age	3 Yrs/3 Yr Eff	20 Yrs/5 Yrs Eff	225 Yrs/5 Yrs Eff	20 Yrs/5 Yr Eff		
Condition	Good	Good	Good	Good		
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths		
Room Count	9 3 2.50	8 4 3.50	-4,000 8 4 3.50	-4,000 12 4 3.00	-2,000	
Gross Living Area	4,272 sq. ft.	2,941 sq. ft.	+66,500 3,200 sq. ft.	+54,000 3,810 sq. ft.	+23,000	
Basement & Finished Rooms Below Grade	0 sf	0 sf	0 sf	0 sf		
Functional Utility	Average	Average	Average	Average		
Heating/Cooling	FWA/Central	FWA/Central	FWA/Central	FWA/Central		
Energy Efficient Items	Average	Average	Average	Average		
Garage/Carport	2 Car Gar. Att.	2 Car Gar. Att.	2 Car Gar. Det.	2 Car Gar. Att.		
Porch/Patio/Deck	2 Porches	Porch, Lg. Deck	Porch, Scm Porches	Porch, Deck		
Fireplaces	2 Fireplaces	1 Fireplace	3 Fireplaces	1 Fireplace		
Other Improvements	\$730,000	None	+730,000 Cottage/Creek House	+620,000		
Net Adjustment (Total)		X + - \$ 596,500	X + - \$ 465,000	X + - \$ 531,000		
Adjusted Sale Price of Comparables		Net Adj: 112% Gross Adj: 190% \$ 1,129,000	Net Adj: 79% Gross Adj: 151% \$ 1,055,000	Net Adj: 96% Gross Adj: 179% \$ 1,082,000		
I <input checked="" type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain						
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.						
Data source(s) MLS/County Records						
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.						
Data source(s) MLS/County 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 # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3		
Date of Prior Sale/Transfer	None in prior three years	None in prior year	None in prior year	None in prior year		
Price of Prior Sale/Transfer						
Data Source(s)	MLS/County Records	MLS/County Records	MLS/County Records	MLS/County Records		
Effective Date of Data Source(s)	03/01/2014	03/01/2014	03/01/2014	03/01/2014		
Analysis of prior sale or transfer history of the subject property and comparable sales Research of applicable public records, private data sources, and an interview with ownership, revealed that the subject property is not under current agreement or option and is not offered for sale on the open market. Additionally, according to these sources, the subject property has not been transferred during the past three years. There have been no recent prior sales or transfers of the comparables.						
Summary of Sales Comparison Approach All comparables were chosen based on comparability with regard to location, style, age, size, condition, and were considered to be the best sales available. The above cited sales are located in the same market area as the subject and provide considerable reliability with regard to market value. Adjustments were made to comparables to reflect market differences that are considered relevant. The above three comparables were all adjusted for site value, effective age, number of bathrooms, gross living area, and amenities. Please see Comp 4 for an additional comparable.						
Indicated Value by Sales Comparison Approach \$ 1,125,000						
Indicated Value by: Sales Comparison Approach \$ 1,125,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ N/A						
Only the Sales Comparison Approach has been completed on this form.						
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:						
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is						
\$ 1,125,000 as of 04/25/2014						



Borrower N/A
 Property Address 21156 Woodsman Lane
 City Carrollton County Isle of Wight State VA Zip Code 23314
 Lender/Client Paul T. Lucci Address PO Box 346, Rescue, VA 23424-0346

FEATURE		SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6					
Address		21156 Woodsman Lane Carrollton, VA 23314			20560 Southport Landing Place Smithfield, VA 23430											
Proximity to Subject					1.08 miles SW											
Sale Price					\$ 740,000			\$			\$					
Sale Price/Gross Liv. Area		\$ 0.00 sq. ft.			\$ 170.66 sq. ft.			\$ sq. ft.			\$ sq. ft.					
Data Source(s)		County Records			MLS #1103859											
Verification Source(s)		Inspection			City Records/Exterior Inspection											
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			+(-) \$ Adjustment			DESCRIPTION			+(-) \$ Adjustment		
Sale or Financing					Closed/VA											
Concessions					Arms-Length											
Date of Sale/Time					11/08/12; DOM 901			--0--								
Location		Carrollton			Gatling Pointe			--0--								
Leasehold/Fee Simple		Fee Simple			Fee Simple											
Site		N/A			10.20 Acres			-325,000								
View		Jones Creek			Jones Creek											
Design (Style)		Colonial/Avg			Colonial/Avg											
Quality of Construction		Brk/Hardi/Good			Brick/Good			--0--								
Actual Age		3 Yrs/3 Yr Eff			10 Yrs/5 Yr Eff			-5,000								
Condition		Good			Good											
Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count		9	3	2.50	13	5	4.50	-8,000								
Gross Living Area		4,272	sq. ft.		4,336	sq. ft.		-3,000	sq. ft.			sq. ft.				
Basement & Finished Rooms Below Grade		0	sf		0	sf										
Functional Utility		Average			Average											
Heating/Cooling		FWA/Central			FWA/Central											
Energy Efficient Items		Average			Average											
Garage/Carport		2 Car Gar. Att.			3 Car Gar. Att.			-5,000								
Porch/Patio/Deck		2 Porches			Por, Scm Por, Patio			-4,000								
Fireplaces		2 Fireplaces			1 Fireplace			+2,000								
Other Improvements		\$730,000			None			+730,000								
Net Adjustment (Total)					X	+	-	\$ 382,000								
Adjusted Sale Price of Comparables					Net Adj: 52%			\$ 1,122,000			Net Adj: 0%			\$ 0		
					Gross Adj: 146%						Gross Adj: 0%					
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales																
ITEM		SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6					
Date of Prior Sale/Transfer		None in prior three years			None in prior year											
Price of Prior Sale/Transfer																
Data Source(s)		MLS/County Records			MLS/County Records											
Effective Date of Data Source(s)		03/01/2014			03/01/2014											
Analysis of prior sale or transfer history of the subject property and comparable sales There were no recent prior transfers of the above comparable.																
Summary of Sales Comparison Approach Comp 4 was adjusted for site value, effective age, number of bathrooms, gross living area, and amenities.																

Greenbrier Real Estate & Appraisals, Inc.
LOCATION MAP ADDENDUM

File No. 0414-043

Borrower	N/A					
Property Address	21156 Woodsman Lane					
City	Carrollton	County	Isle of Wight	State	VA	Zip Code 23314
Lender/Client	Paul T. Lucci		Address PO Box 346, Rescue, VA 23424-0346			



Borrower	N/A					
Property Address	21156 Woodsman Lane					
City	Carrollton	County	Isle of Wight	State	VA	Zip Code 23314
Lender/Client	Paul T. Lucci		Address PO Box 346, Rescue, VA 23424-0346			



COMPARABLE SALE # 1
206 Mariners Circle
Smithfield, VA 23430



COMPARABLE SALE # 2
21346 Brewers Farm Lane
Carrollton, VA 23314

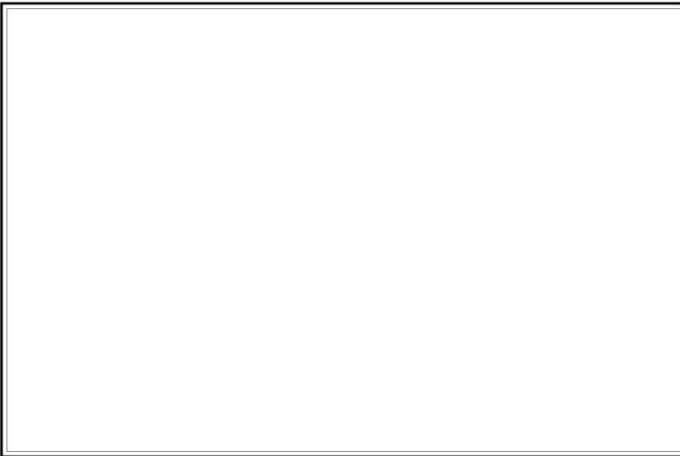


COMPARABLE SALE # 3
11220 Shelter Cove
Smithfield, VA 23430

Borrower	N/A					
Property Address	21156 Woodsman Lane					
City	Carrollton	County	Isle of Wight	State	VA	Zip Code 23314
Lender/Client	Paul T. Lucci		Address PO Box 346, Rescue, VA 23424-0346			



COMPARABLE SALE # 4
20560 Southport Landing Place
Smithfield, VA 23430



COMPARABLE SALE # 5



COMPARABLE SALE # 6

SALES COMPARISON APPROACH (CONTINUED)

Comparables were obtained through the local MLS (REIN), supplemented by a search of municipal records. Overall, the comparables used within this report were selected primarily because they were considered to be the most similar sales with which to compare to the subject. Adjustments were made to comparables to reflect market differences that are considered relevant.

Reconciliation

Four sales have been selected to compare to the subject. The sales occurred between November 2012 to October 2013. The adjusted sales range from \$1,055,000 to \$1,122,000 and have a mean of \$1,097,000. Sale 1 at \$1,129,000 is the most recent sale and Sale 4 at \$1,122,000 is the most similar in gross living area and required the least amount of net adjustments.

The appraiser has concluded a value for the subject improvements at the high end of the adjusted range at \$1,125,000 as the subject has substantial improvements and has good water views. Therefore, in the appraiser’s opinion, the indicated value of the subject is as follows.

Land Value	\$1,050,000
Improvement Value	<u>\$1,125,000</u>
Total	\$2,175,000

Market Value by Sales Comparison Approach = \$2,175,000

EXPOSURE TIME & MARKETING TIME

Exposure time is defined as the time a property remains on the market. Moreover, it is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Marketing time is defined as an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Exposure and marketing time are based on your appraiser's knowledge and experience, interviews with knowledgeable real estate brokers, Multiple Listing Service, time on market, discussions with other market participants and current financial market information. The estimated exposure time for the subject is 6 to 24 months and the estimated marketing time for the subject is 6 to 24 months, assuming the property were professionally marketed and appropriately priced.

CONCLUSIONS

COST APPROACH

LAND	\$1,050,000
IMPROVEMENTS	<u>\$1,447,459</u>
TOTAL	\$2,497,459
VALUE INDICATED (ROUNDED)	\$2,500,000

SALES COMPARISON APPROACH

VALUE INDICATED	\$2,175,000
-----------------	--------------------

The **Cost Approach** is a good indicator of value when the subject is new and no depreciation needs to be estimated, and there are plentiful land sales to estimate land value. Further, this approach is given more consideration when a property is user-oriented, rather than held for the production of income in an investor property. This approach is based on the principal of substitution, which indicates that a prospective buyer would not pay more for a property than the cost of purchasing a similar parcel of land and building the same structure. This means that this approach tends to set the upper limits of value for the property.

The **Sales Comparison Approach** is a good indicator of value when there are several sales similar to the subject in land value, type of construction and age, requiring relatively small adjustments. Again, this approach is based on the principal of substitution where a prospective buyer would look at similar properties and their value before determining his purchase.

In the final analysis, we emphasize the **Sales Comparison Approach** the greatest, but adjust it slightly upward in consideration of the **Cost Approach**. Based on the foregoing, the Market Value of the subject property as of **April 25, 2014**, subject to the assumptions and limiting conditions contained in this report, is:

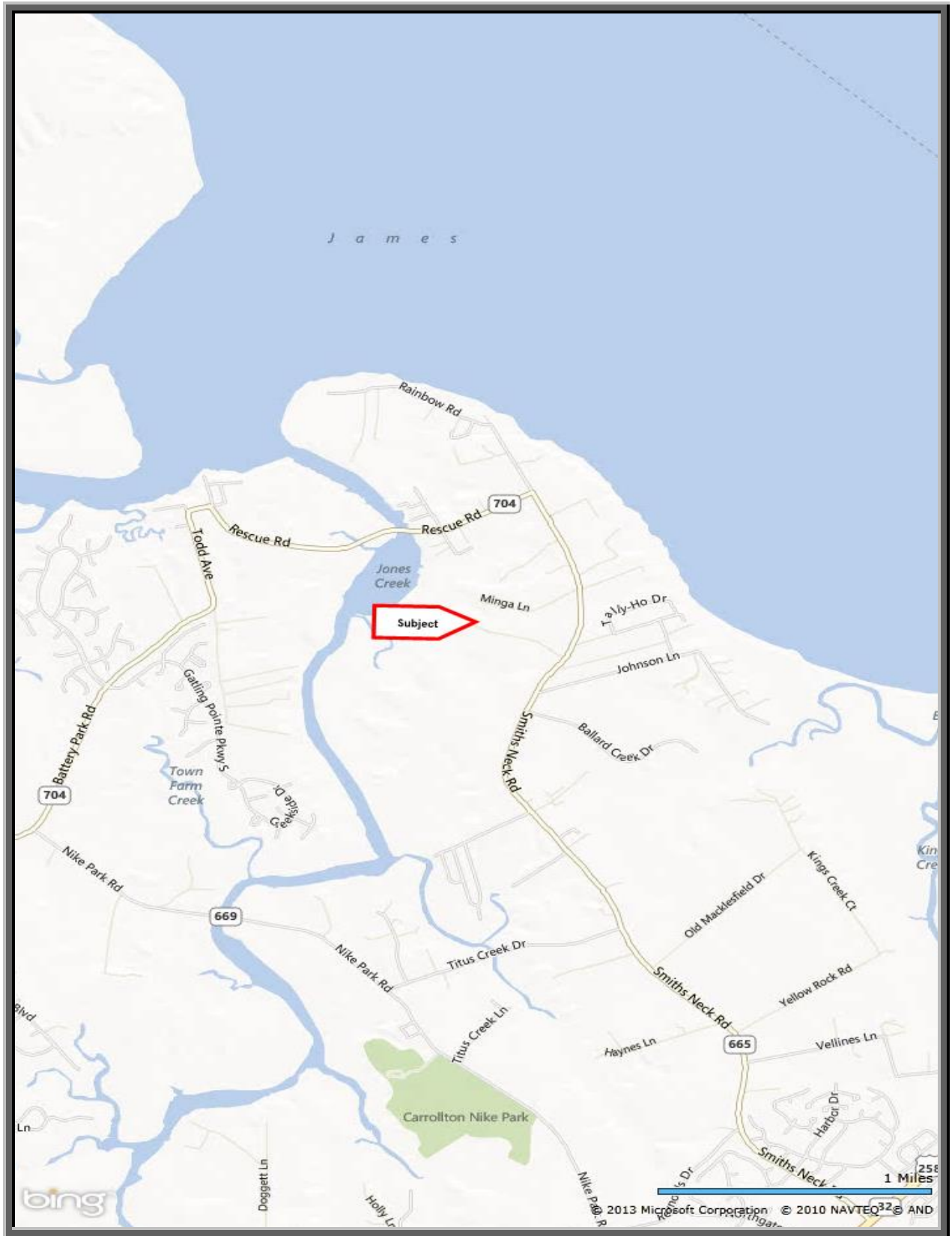
\$2,200,000

(TWO MILLION TWO HUNDRED THOUSAND DOLLARS)

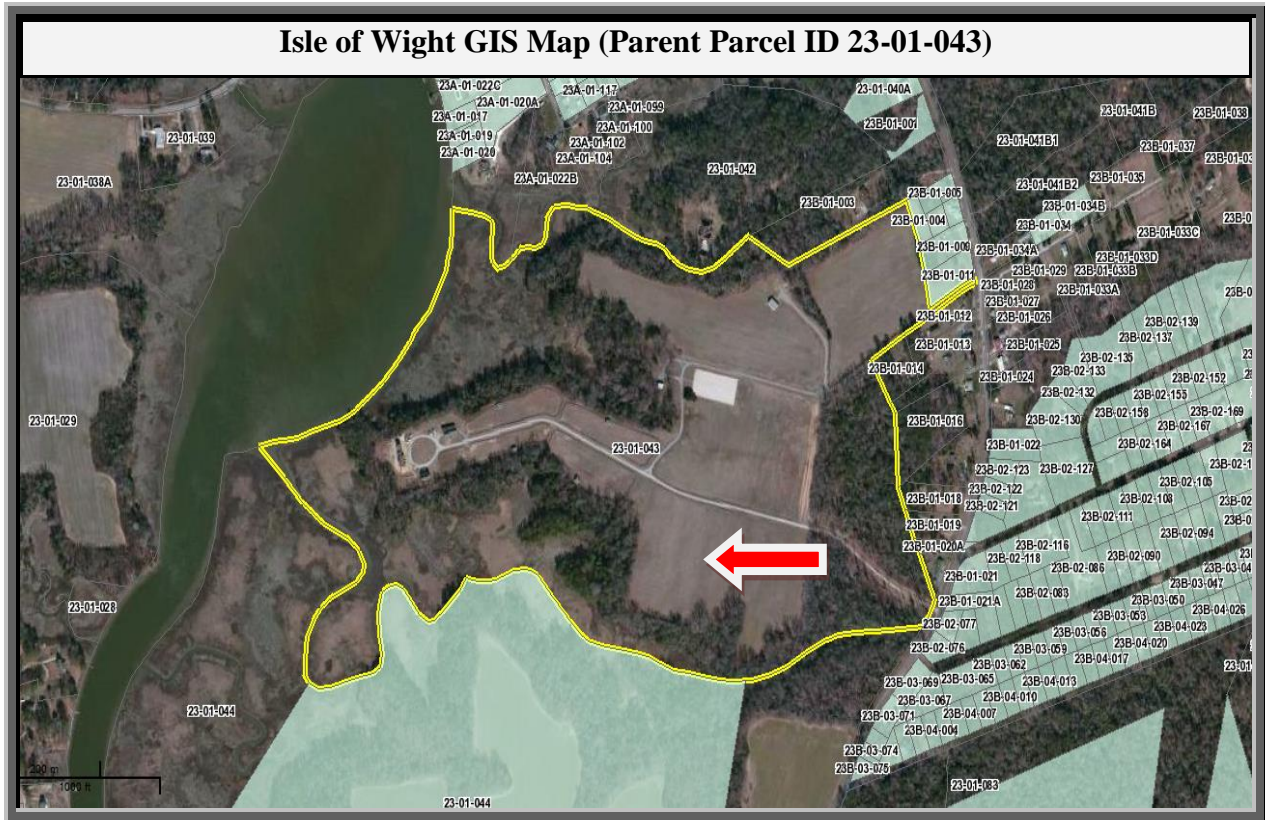
SUMMARY & VALUATION OF LOT 3

This section of the appraisal will focus on 17.56 acres of vacant agricultural land.

SUBJECT PROPERTY LOCATION



SUBJECT PROPERTY LOCATION (CONTINUED)



SUBJECT PHOTOGRAPHS

View of Subject Land Facing Southwest



View of Subject Land Facing South



SUBJECT PHOTOGRAPHS (CONTINUED)

View of Subject Land Facing Southeast



SITE DATA (CONTINUED)

Site data was taken from municipal records, unrecorded plat maps, Isle of Wight GIS mapping, surveys, Google maps, our own visit of the property, and/or through an interview with ownership.



Description of Site

Location:	Southwest quadrant of Woodsman Lane and Smiths Neck Road (Lot 3)
Land Size:	According to the attached survey, Lot 3 contains approximately 17.56 acres of land.
Shape:	Irregular with no loss of site utility as a function of shape
Topography:	Per review of aerial maps and the appraiser's visit of the subject property, the lay of the land is approximately two-thirds cleared and one-third wooded. The land is generally level and a small portion of the land along the southern boundary is marshland. The wooded land runs the perimeter of the lot along the western, southern, and eastern property boundaries. Please note that this appraisal does not include timber value (if any).
Drainage:	Drainage appears to be adequate.

SITE DATA (CONTINUED)

- Utilities:** The subject property is vacant land and is not current serviced by any utilities. The lot will require a private well for water and a septic system. According to the attached survey, there are two potential drainfield areas for septic systems. However, installation of a septic system will require approval by the Health Department.
- Easements:** According to the attached survey, there are no known or apparent adverse easements or conditions encumbering the property that would significantly diminish site utility. However, a current title report is advised for verification.
- Encroachments:** None noted. We are not qualified to render a decision in this regard. The appropriate professional should be contacted.
- Accessibility:** The subject site is to be accessed by a privately owned and maintained road on the west side Smiths Neck Road (Woodsmen Lane), which is noted as a 50-foot ingress/egress easement on the attached survey. Woodsmen Lane is laid with gravel and traverses east-to-west. Smiths Neck Road is a two-lane street traversing north-to-south. The main access to the property via Woodsmen Lane is secured by a key-coded entry gate.
- Frontage:** According to the attached survey, the subject site fronts 850.89 feet on the south side of Woodsmen Lane.
- Visibility:** The subject lot has no visibility from Smiths Neck Road and has adequate visibility from Woodsmen Lane.
- Flood Hazard Zone:** Flood Zones “AE” and “X” as shown on Flood Hazards Map Panel #51093C0160D, dated September 04, 2002. Please see the attached Flood Hazard Map for reference.
- The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain confirmation of the subject’s flood zone classification from a licensed surveyor.
- Soils:** The soils are assumed to be adequate. A soil report or Geotechnical Study is recommended for confirmation.

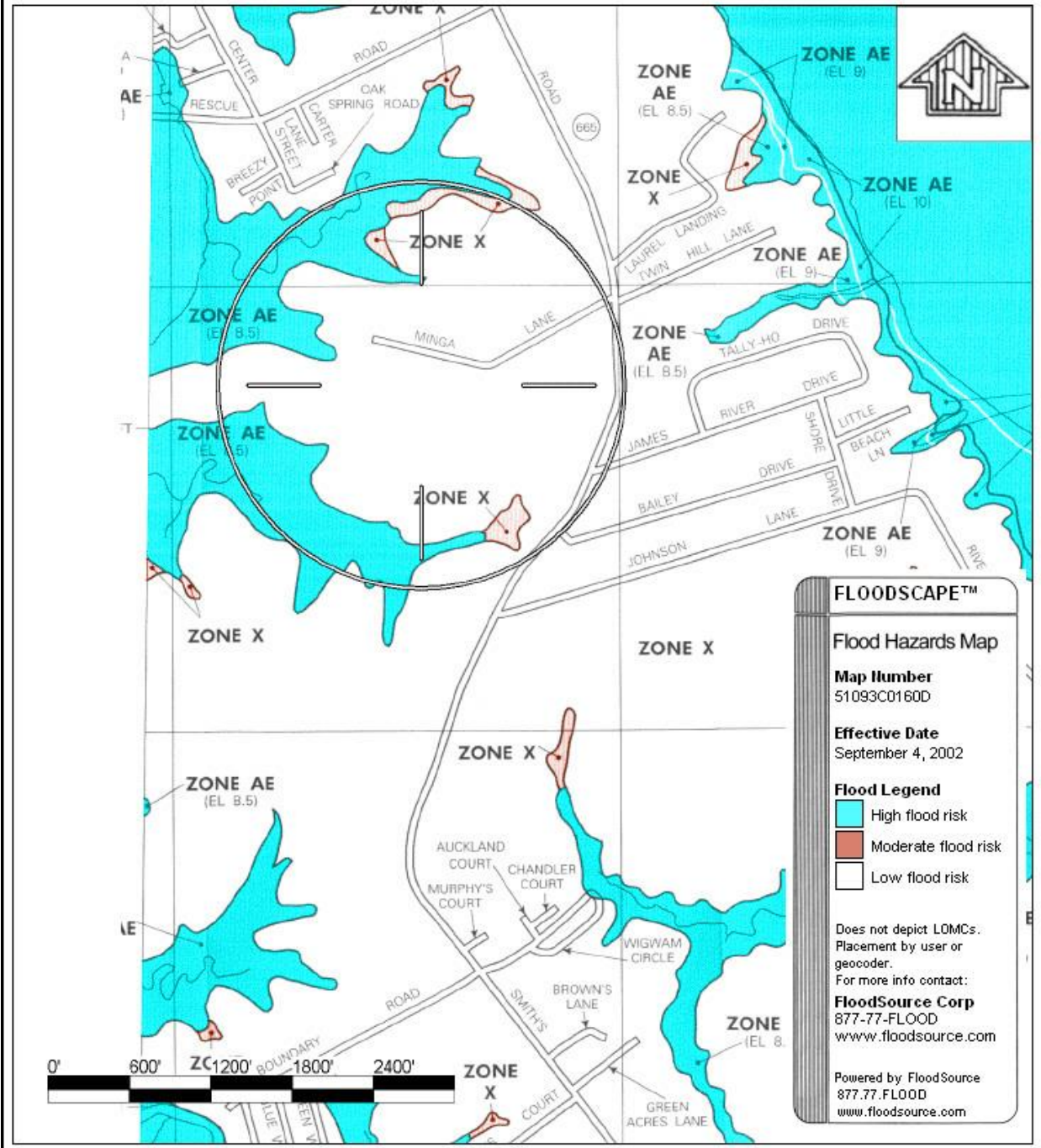
SITE DATA (CONTINUED)

- CBPA Issues: In 1988, the Virginia General Assembly enacted the Chesapeake Bay Preservation Act (CBPA) which required all Tidewater Virginia localities to establish local programs to protect and improve water quality in the Chesapeake Bay watershed and its tributaries. Each locality was required to define its Chesapeake Bay Preservation Areas and establish enforcement procedures to ensure compliance with state regulations.
- The CBPA areas are made up of three separate components which are: (1) Resource Management Area (RMA); (2) Resource Protection Area (RPA); and (3) Intensely Developed Area (IDA). Per a discussion with Isle of Wight Planning and Zoning Department, the subject property is sited within a Chesapeake Bay Preservation Area wherein Resource Protection Area (RPA) is a factor. Land with an RPA area is subject to certain regulations. Specifically, a 100-foot vegetated buffer adjacent to the shoreline is effective in reducing nonpoint source pollution before it enters the waterways. Development is generally prohibited within 100 feet from the “top of the bank.” This reduces the amount of usable land area. The physical location and amount of area affected by RPA should be determined on site by a licensed surveyor or other appropriate professional. It is assumed that the RPA does not severely impact the utility of the property.
- Wetlands: The amount of wetlands (if any) on the subject property is unknown and should be delineated on site by a wetlands specialist.
- Environmental Issues: The appraiser is not aware of any environmental screenings of the subject property as of the effective date of the appraisal. Please note that the appraiser is not qualified or trained as an environmental inspector. A current Phase I Environmental Site Assessment is recommended if further investigation is required. The appraiser has assumed there are no environmental issues associated with the subject property.
- Analysis of the Site: The subject site has adequate size, shape, and topography to allow for development. The property may be impacted by CBPA and wetlands are likely present on the subject site. Land types are summarized as two-thirds cleared and one-third wooded. Overall, the property will bode well for an agricultural, equestrian, and/or residential related use.

SITE DATA (CONTINUED)



Prepared for:
21156 Woodsman Lane
Carrollton, VA 23314



© 1999-2012 SourceProse Corporation. All rights reserved. Protected by U.S. Patent Numbers 6631326, 6678615, 6842698, and 7038681.

ASSESSMENT

The subject lot is part of a proposed subdivision of a parent parcel identified as Parcel ID 23-01-043 with a collective land area of approximately 163 acres. The proposed subject lot has not yet been recorded in the Clerk's Office of the Circuit Court of Isle of Wight County and is not currently assessed. The following is the assessment for the absolute parent parcel.

Parent Parcel:

Year	Land Use: 2013-2014
Land	\$ 278,600.00
Improvements	\$ 824,900.00
Total Assessment	\$ 1,103,500.00
Tax Rate	0.0073
Total Real Estate Taxes	\$ 8,055.55

According to the Isle of Wight Commissioner of the Revenue, the total assessment for the subject property is currently \$2,414,900. However, the subject land is taxed under Land Use Taxation whereby the total assessment is reduced to \$1,103,500. Land Use Taxation is a method allotted to agricultural properties. The current county tax rate is \$0.73 per \$100 of assessed value and current real estate taxes are \$8,055.55. It should be noted that any change of the land use would trigger the payment of the difference of market value and land use taxes for the past several years plus interest. For more information please contact the County Commissioner of the Revenue.

In projecting the subject lot assessment, the appraiser used the above chart of the parent parcel's assessment as a guide. The parent parcel land assessment is calculated at \$1,698.16 per acre or \$1,700.00 per acre rounded (i.e. \$278,600 divided by 163 acres). The proposed subject lot is to contain 17.56 acres of land, giving a land assessment of approximately \$29,852 or \$30,000 rounded (i.e. 17.56 acres multiplied by \$1,700.00 per acre.) There are no improvements on the subject lot. Therefore, in the appraiser's opinion, the projected assessment for the proposed subject lot is as follows:

Proposed Lot:

Year	Land Use: 2013-2014
Land	\$ 30,000.00
Improvements	\$ -
Total Assessment	\$ 30,000.00
Tax Rate	0.0073
Total Real Estate Taxes	\$ 219.00

- The taxes are in quarterly installments and the tax year for the County of Isle of Wight runs from July 1ST to June 30TH. The County is currently in the fourth quarter of the fiscal tax year.
- County assessments are required by state law to be at 100% of market value. However, due to time lags, the Commissioner of Revenue has historically shown considerable variance between assessed value and current market value.

HIGHEST & BEST USE ANALYSIS

Highest and best use is that use which produces the greatest net income to the site and/or property over a reasonable period of time. It may also be thought of as that use which indicates the highest present value, as defined by the effective date of the appraisal. The highest and best use of the subject site is determined by the synthesis of four factors. They are:

- 1). LEGAL PERMISSIBILITY**
- 2). PHYSICAL ADAPTABILITY**
- 3). ECONOMIC FEASIBILITY**
- 4). PROFITABILITY**

HIGHEST & BEST USE AS IF VACANT

LEGAL PERMISSIBILITY – The subject property is zoned *RAC* (Rural Agricultural Conservation District), which allows for agricultural and residential uses. No deed restrictions or other land-use regulations are noted and the possibility of a future zoning change is not considered likely.

PHYSICAL ADAPTABILITY – The subject site contains approximately 17.56 acres of land and is of adequate shape and size to allow for development. The site has adequate frontage, visibility, access, drainage, and topography allowing for development. It is assumed that CBPA regulations and wetlands (if any) do not severely diminish the utility of the land. No other physical components of the site appear to place any significant limitations upon development.

ECONOMIC FEASIBILITY – All uses that meet the previous two criteria that produce a positive return are considered to be financially feasible. The location and physical characteristics of the subject site, as well as current market conditions, indicate development for a residential use with the remaining land used for agricultural and/or equestrian related purposes is economically feasible and would provide a reasonable return on investment.

PROFITABILITY – The most profitable use of the subject land is to develop for a single-family home with the remaining land used for agricultural and/or equestrian related purposes. The improvements should be situated on the land to maximize functionality and utility and the most productive form should be a home constructed using materials that are functional, economical, and attractive. The most probable buyer of the subject land would be an owner-user.

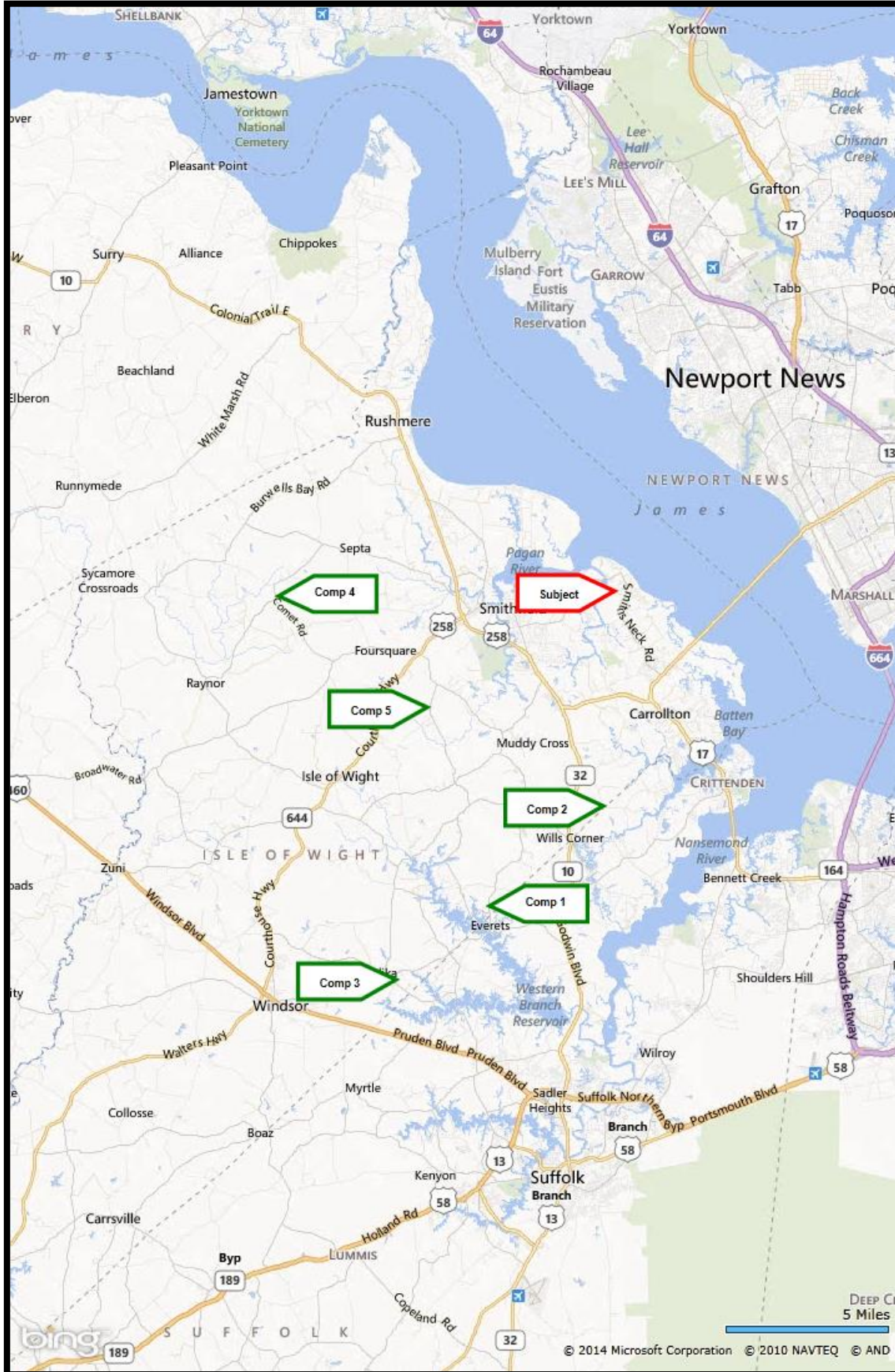
CONCLUSION – My opinion of the Highest and Best Use of the land as if vacant is to develop for a single-family home with the remaining land used for agricultural and/or equestrian related purposes.

METHOD OF VALUATION

Land Value

The land value is established by the **Sales Comparison Approach**. Recent land sales are chosen based on their similarity to the subject. Adjustments are then made for condition of sale, financing, time, location, and other factors as needed. After adjustments of the comparable land sales, a final value conclusion is drawn for the subject land value.

COMPARABLE LAND SALE LOCATIONS



COMPARABLE LAND SALE #1



Property Identification

Property Type	Agricultural Land
Address	21066 Quaker Road, Windsor, VA 23487
Location	Windsor
Parcel ID #	49-01-028F

Sale Data

Grantor	Crystal L. Wiedenhoef
Grantee	Douglas D. & Tammie A. Osakowicz-Hearst
Sale Date	April 2014
Deed Reference	140001170
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Conventional
Sale History	Previously transferred in August 2013 for \$0 (not arms-length)
Verification	MLS #1406025, County Records
Sale Price	\$85,000

COMPARABLE LAND SALE #1 (CONTINUED)

Land Data

Zoning	RAC (Rural Agricultural Conservation District)
Topography	Generally level
Utilities	Rural
Shape	Irregular
Land Size	21.19 acres

Indicators

Sale Price/acre	\$4,011
-----------------	---------

Comments

This is a sale of approximately 21.19 acres of wooded agricultural land located in Windsor. The county summaries the land as follows:

Homesite:	1.00 acre
Woodlands:	20.19 acres

According to the MLS, the property was originally listed for \$85,000 and was on the market for 13 days.

COMPARABLE LAND SALE #2



Property Identification

Property Type	Agricultural Land
Address	Riddick Road, Smithfield, VA 23430
Location	Smithfield
Parcel ID #	42-01-021F

Sale Data

Grantor	Jason C. & Patricia M. Simmer
Grantee	Kenneth E. Kane & Michael P. Lovejoy
Sale Date	February 2014
Deed Reference	140000525
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	FHA
Sale History	None in prior year
Verification	MLS #1336392, County Records
Sale Price	\$108,000

COMPARABLE LAND SALE #2 (CONTINUED)

Land Data

Zoning	RAC (Rural Agricultural Conservation District)
Topography	Generally level
Utilities	Rural
Shape	Irregular
Land Size	8.27 acres

Indicators

Sale Price/acre	\$13,059
-----------------	----------

Comments

This is a sale of approximately 8.27 acres of partially cleared agricultural land located in Smithfield. A small portion of the land along the southern boundary extends into the City of Suffolk. The county summarizes the land as follows:

Homesite:	1.00 acre
Agricultural:	7.27 acres

According to the MLS, the property was originally listed for \$123,000 and was on the market for 19 days.

COMPARABLE LAND SALE #3



Property Identification

Property Type	Agricultural Land
Address	Five Forks Road, Windsor, VA 23487
Location	Windsor
Parcel ID #	55-01-037B

Sale Data

Grantor	Betty G. Duck, et als
Grantee	Erik J. Fanny
Sale Date	January 2014
Deed Reference	140000160
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Conventional
Sale History	None in prior year
Verification	MLS #1314070, County Records
Sale Price	\$112,000

COMPARABLE LAND SALE #3 (CONTINUED)

Land Data

Zoning	RR (Rural Residential District)
Topography	Generally level
Utilities	Rural
Shape	Rectangular
Land Size	10.00 acres

Indicators

Sale Price/acre	\$11,200
-----------------	----------

Comments

This is a sale of approximately 10 acres of partially cleared agricultural land located in Windsor. The land was formerly part of a larger acre parcel that has been subdivided. The county summaries the land as follows:

Homesite:	1.00 acre
Agricultural:	9.00 acres

According to the MLS, the property was originally listed for \$117,500 and was on the market for 205 days.

COMPARABLE LAND SALE #4



Property Identification

Property Type	Agricultural Land
Address	Comet Road, Smithfield, VA 23430
Location	Smithfield
Parcel ID #	19-01-005D

Sale Data

Grantor	Sterling Trust Company Custodian
Grantee	William C., III & Rachel Y. Trollinger
Sale Date	August 2013
Deed Reference	130005025
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Conventional
Sale History	None in prior year
Verification	MLS #1319874, County Records
Sale Price	\$95,000

COMPARABLE LAND SALE #4 (CONTINUED)

Land Data

Zoning	RR (Rural Residential District)
Topography	Generally level
Utilities	Rural
Shape	Rectangular
Land Size	10.00 acres

Indicators

Sale Price/acre	\$9,500
-----------------	---------

Comments

This is a sale of approximately 10 acres of partially cleared agricultural land located in Smithfield. The property is subject to deed restrictions wherein no mobile homes, pigs or dog kennels are permitted on the property. The county summaries the land as follows:

Homesite:	1.00 acre
Agricultural:	2.00 acres
Woodlands:	7.00 acres

According to the MLS, the property was originally listed for \$100,000 and was on the market for 119 days.

COMPARABLE LAND SALE #5



Property Identification

Property Type	Agricultural Land
Address	Carroll Bridge Road, Smithfield, VA 23430
Location	Smithfield
Parcel ID #	31-01-011

Sale Data

Grantor	Joseph S. Chapman Estate
Grantee	Kevin A. & Natasha A. Eck
Sale Date	August 2013
Deed Reference	130004758
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	Conventional
Sale History	None in prior year
Verification	MLS #1201060, County Records
Sale Price	\$90,000

COMPARABLE LAND SALE #5 (CONTINUED)

Land Data

Zoning	RAC (Rural Agricultural Conservation District)
Topography	Generally level
Utilities	Rural
Shape	Rectangular
Land Size	12.52 acres

Indicators

Sale Price/acre	\$7,188
-----------------	---------

Comments

This is a sale of approximately 12.52 acres of partially cleared agricultural land located in Smithfield. The county summaries the land as follows:

Agricultural: 12.52 acres

According to the MLS, the property was originally listed for \$118,900 and was on the market for 535 days.

COMPARABLE LAND SALES ANALYSIS

Sale	Subject	1	2	3	4	5					
Sale Date		4/14	2/14	1/14	8/13	8/13					
Sale Price		\$ 85,000	\$ 108,000	\$ 112,000	\$ 95,000	\$ 90,000					
Land Size/Acre	17.60	21.19	8.27	10.00	10.00	12.52					
Zoning	RAC	RAC	RAC	RAC	RR	RAC					
Price/Acre		\$ 4,011	\$ 13,059	\$ 11,200	\$ 9,500	\$ 7,188					
Adjustments											
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple					
Financing		Cash To Seller	Cash To Seller	Cash To Seller	Cash To Seller	Cash To Seller					
Conditions of Sale		Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length					
Adjusted \$/Acre		\$ -	\$ -	\$ -	\$ -	\$ -					
Market Conditions											
Adjustment		0%	0%	0%	0%	0%					
Adjusted \$/Acre		\$ 4,011	\$ 13,059	\$ 11,200	\$ 9,500	\$ 7,188					
Other Adjustments											
Location	Rural	Rural	0%	Rural	0%	Rural	0%	Rural	0%	Rural	0%
Land Size/Acre	17.60	21.19	10%	8.27	-20%	10.00	-20%	10.00	-20%	12.52	-20%
Net Adjustment		10%	-20%	-20%	-20%	-20%					
Adjusted \$/Acre		\$ 4,412	\$ 10,447	\$ 8,960	\$ 7,600	\$ 5,751					
Mean \$/Acre	\$						7,434				

Comparables were obtained through the local MLS (REIN), supplemented by a search of county records. Overall, the comparables used within this report were selected primarily because they were considered to be the most similar with which to compare to the subject. Adjustments were made to comparables to reflect market differences that are considered relevant which are explained on the following page.

Explanation of Adjustments

Property Rights: The fee simple interest of the subject is being valued. The fee simple interest of the sales utilized herein sold similar to the subject. As such, no adjustments for property rights are required.

Financing: The market value definition assumes a cash equivalent price or financing at rates generally available in the marketplace at the time of transfer. Each of the sales transferred for cash or was financed at rates considered to be cash equivalent. No adjustments for financing were necessary.

Conditions of Sale: The market value definition assumes that all transactions are arms-length and no unusual circumstances affected the sale prices. The conditions of each sale employed are considered to be bona fide. No adjustments for conditions of sale were necessary.

COMPARABLE LAND SALES ANALYSIS (CONTINUED)

Sale Date (Market Conditions): This adjustment is made to the sales to analyze them based on current market conditions. Although this adjustment is often referred to as a “time adjustment”, time is not the cause of the adjustment. If market conditions have not changed, the sales require no adjustment. The strongest support for this adjustment is established in the marketplace.

Resales of a property provide the best method of quantifying the extent of depreciation/appreciation. Our research did not reveal actual resales or matched-pair sales that indicate a precise adjustment for time. Brokers and investors in the market corroborate annual decreases ranging from 0% to 25% for all sectors of real estate in 2008 and 2009. Since the first quarter of 2010, however, values continued to decline, but at a slower rate with some stability beginning to show in 2012. We have applied a 0% for market conditions since all sales occurred in 2013 and after.

Location: All four comparable sales have similar rural locations like the subject and no adjustments were necessary.

Land Size: Purchasers of small agricultural land typically pay on a price per acre or price per square foot basis. Based on our market research, it is determined that the most appropriate unit of comparison is price per acre. Generally, the economies of scale dictate an inverse relationship between size and price per acre, meaning smaller parcels sell for more per acre and larger parcels sell for less per acre. Sale 1 is larger than the subject and was adjusted upward. Sales 2, 3, 4, and 5 are smaller than the subject and were adjusted downward.

Zoning: No adjustments were necessary for zoning.

Utility: No adjustments were necessary for utility.

Reconciliation

Five sales have been selected to compare to the subject. The sales occurred between August 2013 to April 2014. After adjustments, the price per acre range is \$4,412 to \$10,447 and has a mean of \$7,434 per acre. No single sale is considered to be the best indicator of value; however, more weight has been placed on Sales 1, 2, and 3 as they are the most recent sales. Sale 1 is the most similar in land area, but is heavily wooded. In conclusion, we estimate a rate of \$7,500 per acre for the subject. The calculation is as follows.

$$\mathbf{\$7,500 \text{ per acre} \times 17.56 \text{ acres} = \$131,700}$$

$$\mathbf{\text{Rounded} = \$130,000}$$

$$\mathbf{\text{Market Value by Sales Comparison Approach} = \$130,000}$$

EXPOSURE TIME & MARKETING TIME

Exposure time is defined as the time a property remains on the market. Moreover, it is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Marketing time is defined as an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Exposure and marketing time are based on your appraiser's knowledge and experience, interviews with knowledgeable real estate brokers, Multiple Listing Service, time on market, discussions with other market participants and current financial market information. The estimated exposure time for the subject is 3 to 9 months and the estimated marketing time for the subject is 3 to 9 months, assuming the property were professionally marketed and appropriately priced.

CONCLUSIONS

SALES COMPARISON APPROACH

VALUE INDICATED

\$130,000

The Sales Comparison Approach is a good indicator of value when there are several sales similar to the subject requiring relatively small adjustments. Again, this approach is based on the principal of substitution where a prospective buyer would look at similar properties and their value before determining his purchase.

Based on the foregoing, the Market Value of the subject property as of **April 25, 2014**, subject to the assumptions and limiting conditions contained in this report, is:

\$130,000

(ONE HUNDRED THIRTY THOUSAND DOLLARS)

ADDENDUM

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

GENERAL ASSUMPTIONS

- 1). The owner of record is assumed to have a free and clear fee simple title with no encumbrances that cannot be cleared through normal channels.
- 2). The information on which this appraisal is based has been obtained from sources normally used by Greenbrier Real Estate & Appraisals, Inc. and is considered to be reliable, but is no sense guaranteed.
- 3). The information furnished by others is believed to be reliable. No warranty is given for its accuracy.
- 4). Greenbrier Real Estate & Appraisals, Inc. reserves the right to alter its opinion of value on the basis of information withheld or not discovered in the normal course of diligent investigation.
- 5). The appraisers assume no responsibility for the legal description or matters of a legal nature affecting the property or the title hereto. The appraisers do not render any opinion as to title, which is assumed to be good and marketable.
- 6). Responsible ownership and competent property management are assumed.
- 7). It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
- 8). It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report. Unless otherwise stated in this report, the property is assumed to be in compliance with all environmental laws and the Americans With Disabilities Act.
- 9). It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- 10). The appraisers are not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made. The fee charged for this appraisal does not include payment for testimony.
- 11). No opinion of an engineering nature is intentionally expressed or implied and no responsibility is assumed for matters of this nature.
- 12). No survey was made especially for this appraisal. Property lines, area, etc. of record or otherwise provided, are assumed to be correct.

GENERAL ASSUMPTIONS (CONTINUED)

- 13). Maps, plats, and exhibits are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments or other survey matters.
- 14). It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 15). No opinion is expressed as to the value of subsurface oil, gas or mineral rights. The property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
- 16). Disclosure of contents of the appraisal is governed by the Bylaws and Regulations of the professional organizations with which Greenbrier Real Estate & Appraisals, Inc. is affiliated.
- 17). Acceptance of and/or use of this report constitutes acceptance of these assumptions and limited conditions.

LIMITING CONDITIONS

- 1). Possession of this report, or a copy, does not carry with it the right of publication. The appraisers are not responsible for the unauthorized use of the appraisal report.
- 2). This appraisal is only for the purpose of property valuation and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are inherent limitations to the accuracy of the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.
- 3). This appraisal should not be considered a report on the physical items, which are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that the appraisers information is only to be used as a general guide for the property valuation and not as a complete or detailed physical report. The appraisers are not construction, engineering, environmental or legal experts, and any statement given on these matters in this report should be considered preliminary in nature. The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service and all mechanical and construction is based on a casual inspection only and no detailed inspection was made. For instance, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report. Some items such as conditions behind walls, above ceilings, behind locked door or underground are not exposed to casual view and, therefore, were not inspected. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be

LIMITING CONDITIONS (CONTINUED)

required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions.

4). Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use. We are not environmental experts and we do not have the expertise necessary to determine the evidence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, wetlands or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature, which we believe would create a significant problem, they are disclosed in this report. Non-disclosure should not be taken as an indication that such a problem does not exist. However, an expert in the field should be consulted if any interested party has questions on environmental factors. No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground and general environment associated with the property presents no physical or health hazard of any kind unless otherwise noted in this report. It is further assumed that the land does not contain any type of dumpsite and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater of the environment unless otherwise noted in the report.

5). The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the age of the improvements by observation. We, therefore, rely on circumstantial evidence, which may come into our possession (such as dates on the architectural plans) or conversations with those who might be somewhat familiar with history of the property such as property owners, in-site personnel, assessor's records or others.

6). The appraisal is subject to economic constraint. The appraisal budget (and the fee for this appraisal) did not contain unlimited funds for investigation. We have spent our time and effort in the investigation stage of this appraisal in those areas where we think it will do the most good, but inevitably, there is a significant possibility that we do not possess all information relevant to the subject property. Information (including projections of income and expenses) provided by local sources, such as government agencies, financial institutions, accountants, attorneys and others is assumed to be true, correct and reliable. The appraiser assumes no responsibility for the accuracy of such information.

7). The comparable sales and/or comparable rental data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data. Engineering analysis of the subject property were neither provided for us nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

LIMITING CONDITIONS (CONTINUED)

8). All values shown in the appraisal report are projected based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions or circumstances affecting the property's market value that takes place subsequent to either the data or value contained in this report or the data of our field inspections, whichever occurs first. Since projected mathematical models and other projections are based on estimated and assumptions, which are inherently subject to uncertainty and variation, depending upon evolving events, we do not represent them as results that will actually be achieved.

9). The appraisers have prepared this report in compliance with the Competency Provisions explicitly detailed in the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisers are fully experienced in the appraisal of this product type (see Qualifications).

10). As can be seen from the General Assumptions and Limiting Conditions presented, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain area of expertise by the appraiser, the inability of the appraiser to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.

ADDITIONAL SUBJECT PHOTOGRAPHS

Borrower N/A
Property Address 21156 Woodsman Lane
City Carrollton County Isle of Wight State VA Zip Code 23314
Lender/Client Paul T. Lucci Address PO Box 346, Rescue, VA 23424-0346



Right Side of Subject House



Left Side of Subject House



Living Room



Powder Room



Den



Kitchen



Laundry Room



Bathroom



Mud Room



Room Over Garage



Cedar Closet



Master Bathroom



Master Bedroom



Office



Bedroom

Greenbrier Real Estate & Appraisals, Inc.

File No. 0414-043

Borrower N/A
Property Address 21156 Woodsman Lane
City Carrollton County Isle of Wight State VA Zip Code 23314
Lender/Client Paul T. Lucci Address PO Box 346, Rescue, VA 23424-0346



Attached Garage



Typical Stable



Tack Room



Half Bath in Tack Room



Loft



Subject Land

DEED

046237

PG 24¹ *SEP. 01. 2004

4

Prepared by: Williams Mullen
17th Floor, Dominion Tower
999 Waterside Drive
Norfolk, VA 23510

DEED OF BARGAIN AND SALE

THIS DEED OF BARGAIN AND SALE ("Deed"), made this 26th day of August, 2004, by and between RALPH R. WILKERSON and BETTY SUE WARREN WILKERSON (the "Grantor"), and PAUL THOMAS LUCCI, TRUSTEE OF THE PAUL THOMAS LUCCI REVOCABLE TRUST, U/A DATED DECEMBER 31, 2001 ("The Paul Lucci Trust") and KATHERINE-ANNE LUCCI, TRUSTEE OF THE KATHERINE-ANNE LUCCI REVOCABLE TRUST, U/A DATED DECEMBER 31, 2001 ("The Katherine Lucci Trust"), as tenants in common as to their respective interests (The Paul Lucci Trust and The Katherine Lucci Trust are collectively, the "Grantee"), whose address is 20230 Harbour Ridge, Smithfield, VA 23430.

WITNESSES:

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Grantor grants and conveys, with GENERAL WARRANTY and English covenants of title, to The Paul Lucci Trust an undivided fifty percent (50%) tenant in common interest, and to The Katherine Lucci Trust an undivided fifty percent (50%) tenant in common interest, in and to the following property located in Isle of Wight County, Virginia (the "Property"):

See Exhibit A attached hereto and made a part hereof.

GPIN: 23-01-043

The Property is conveyed subject to the conditions, restrictions, reservations and easements, if any, duly recorded affecting the Property and constituting constructive notice.

The Property is also conveyed to Grantee subject to the following:

1. Any trustee of The Paul Lucci Trust or The Katherine Lucci Trust (a "Trustee") and any successor trustee shall have all powers with respect to the Property as are granted in the referenced trust agreement (a "Trust Agreement") including, without limitation, the power to sell, exchange, lease, mortgage, encumber, grant options for and otherwise deal with and dispose of all or any portion of the Property subject to any limitations imposed upon Trustee under applicable law.

2. No party dealing with Trustee in relation to the Property shall be (a) required to see to the application of any purchase money, rent or money borrowed or otherwise advanced on the Property, (b) required to see if the terms of the Trust Agreement have been complied with, (c) required to inquire into the authority, necessity or expediency of any act of Trustee, or (d) privileged to inquire into any of the terms of the Trust Agreement.

3. Every instrument executed by Trustee in relation to the Property shall be conclusive evidence in favor of every person claiming any right, title or interest under such instrument or in and to the Property of the following facts: (a) that at the time of the delivery of such instrument, the Trust Agreement was in full force and effect; (b) that such instrument was

executed in accordance with the terms and conditions of the Trust Agreement and is binding upon all beneficiaries under the Trust Agreement; (c) that Trustee is duly authorized and empowered to execute and deliver every such instrument; and (d) that if an individual or entity other than the current trustee is a Trustee under the Trust Agreement, such successor or successors have been properly appointed and are fully vested with all the title, estate, rights, powers, duties and obligations granted to Trustee under the Trust Agreement with reference to the Property.

4. Trustee shall have no individual liability or obligation whatsoever arising from its ownership, as a trustee, of the Property, or with respect to any act done or contract entered into or indebtedness incurred by it in dealing with the Property, or otherwise acting as Trustee, except only so far as the Property and any trust funds in the actual possession of Trustee shall be applicable to the payment and discharge of any such liability or obligation.

5. This Deed is governed by and is to be read and construed with reference to Section 55-17.1 of the Code of Virginia of 1950, as amended.

WITNESS the following signatures:

Betty Sue Warren Wilkerson
BETTY SUE WARREN WILKERSON

Ralph R. Wilkerson
RALPH R. WILKERSON

COMMONWEALTH OF VIRGINIA
AT LARGE

The foregoing Deed was acknowledged before me in the City/County of
Isle of Wight, Virginia this 26th day of August, 2004, by Betty Sue Warren
Wilkerson, who produced VAOL as identification or is personally known to me.

My commission expires: May 31, 2006

Sherrill Kelley
Notary Public

COMMONWEALTH OF VIRGINIA
AT LARGE

The foregoing Deed was acknowledged before me in the City/County of
Isle of Wight, Virginia this 26th day of August, 2004, by Ralph R. Wilkerson
who produced VAOL as identification or is personally known to me.

My commission expires: May 31, 2006

Sherrill Kelley
Notary Public

966218v1

PARCEL I:


ALL THAT certain tract, piece or parcel of land together with the improvements thereon, situate, lying and being in Newport Magisterial District, Isle of Wight County, Virginia, and in what is known as Smiths Neck, containing One Hundred Fourteen (114) acres, more or less, sale in gross and not by acre, and composed of three (3) tracts all lying adjacent to each other and bounded and described as follows: beginning at an iron pin on the Smiths Neck Road at the North corner of the Avenue leading to the C. C. Driver Home Place and at the southern corner of the lot now owned by J. H. Spady, thence in a general westerly direction along said Avenue and land of J. H. Spady a distance of Two Hundred Ninety (290) feet to an Oak stump a corner for said Avenue and the land of J. H. Spady, thence in a general Northerly direction along the line of J. H. Spady, A. A. Martin, C. L. Reynolds and J. R. Johnson to an iron pin, a corner for the land herein conveyed and the land of J. R. Johnson, which corner borders on land formerly N. F. Hines Estate, thence in a Westerly direction and along the line of the property of N. F. Hines Estate which is marked by a wire fence, to the head of a swamp which said swamp divides the land herein conveyed from that of P. H. Carter, thence along the said run of the swamp which may be hereafter indicated by marked trees to a small creek, thence along said small creek to what is known as Jones Creek, thence up Jones Creek to a point where a small creek divides the property herein conveyed from the property of W. J. Holladay empties into said Jones Creek, thence up the said small creek which divides the property herein conveyed and the property of W. J. Holladay to a point where a small swamp empties into said small creek, thence up and along said small swamp which still divides the property herein conveyed and the property of W. J. Holladay to an iron pipe in the center of the said swamp and at the Rescue-Carrollton Road, thence in a Northerly direction along said county road a distance of ninety five (95) feet to an iron pin on the said road and at the line of the land formerly belonging to J. G. Tennis, and thence westerly along the line of the land herein conveyed and the land of the said J. G. Tennis estate to a marked black gum tree, thence northerly along the line which divides the land herein conveyed and the land of the said J. G. Tennis Estate to the land of W. R. Gay formerly S. A. Hines, thence continuing in a northerly direction to a black gum tree and thence to an iron pipe which said line divides the land herein conveyed and the W. R. Gay land, thence in an easterly direction along the W. R. Gay line a distance of one hundred forty one and one half (141 1/2) feet to an iron pipe a corner on the land herein conveyed and other lands of the grantor herein, thence in a northerly direction a distance of two hundred fifty seven and one-half (257 1/2) feet to an iron pipe a corner for the land herein conveyed and other lands of the grantor, which corner is on the Avenue first herein mentioned, thence in an easterly direction along the southern line of said avenue and on the northern side of other lands of the grantor herein, a distance of six hundred seventy two (672) feet to an iron pin on the Rescue-Carrollton Road, and thence along said Rescue-Carrollton Road to the iron pin the point of beginning.

LESS, SAVE AND EXCEPT that property which was conveyed to William H. Martin by deed from H. P. Minga and Sallie J. Minga dated the 23rd day of June, 1951 and recorded in Deed Book 136 at page 359.

LESS, SAVE AND EXCEPT that property which was conveyed to the Commonwealth of Virginia by deed from Betty Sue Warren Wilkerson and Jean Warren Mathews dated 17th day of October, 1996 and recorded in Instrument No. 964645.

IT BEING the same property conveyed to Ralph R. Wilkerson and Betty Sue Warren Wilkerson, by deed from Barbara Jean Mathews, married, dated March 25, 1999, and recorded August 2, 1999 in the Clerk's Office of the Circuit Court of Isle of Wight, Virginia as Document No. 990004302.

ALTA Commitment

KAL

 Page 5

PG 21⁶ * SEP. 01. 2004

Verified and mailed to

Step Brown

INSTRUMENT #040006237
RECORDED IN THE CLERK'S OFFICE OF
ISLE OF WIGHT COUNTY ON
SEPTEMBER 1, 2004 AT 03:01PM
\$1,000.00 GRANTOR TAX WAS PAID AS
REQUIRED BY SEC 58.1-802 OF THE VA. CODE
STATE: \$500.00 LOCAL: \$500.00
WILLIAM E. LAINE, JR, CLERK

RECORDED BY: LKT

APPRAISER LICENSE

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION

COMMONWEALTH OF VIRGINIA

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

EXPIRES ON
12-31-2015

NUMBER
4001000487

REAL ESTATE APPRAISER BOARD
CERTIFIED GENERAL REAL ESTATE APPRAISER

HENRY T THRASHER
6312 AUBURN DR
VIRGINIA BEACH, VA 23464



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)

CERTIFICATION

CERTIFICATION

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

- a) The statements of facts contained in this report are true and correct.
- b) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- c) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- d) I have performed services as an appraiser, but in no other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- e) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- f) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- g) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- h) My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- i) I have made a personal inspection of the property that is the subject of this report.
- j) In the performance of this assignment, significant real property appraisal assistance was provided by Spencer C. Bass. Specifically, the assistant's duties included assisting in the subject property inspection under the supervision of the signing appraiser, researching online tax assessment data for the subject and comparable sales, and assisting in the research, selection, and verification of the sales used in the sales comparison approach.
- k) The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- l) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- m) As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- n) As of the date of this report, I have completed the continuing education program for SRA Designated Members of the Appraisal Institute.
- o) As of the date of this report, I have completed the Standards and Ethics Education Requirement for an MAI candidate of the Appraisal Institute.

Respectfully Submitted,



Henry T. Thrasher, GAA GRI SRA
License No. 4001 000487

QUALIFICATIONS

Henry T. Thrasher, GAA GRI SRA

1976 to Present: Appraiser of residential, commercial, industrial, farms and land in the areas of southeastern Virginia and northeastern North Carolina

Approved Commercial and/or Residential Appraiser For:

ABNB Federal Credit Union	Monarch Bank
Bank @tlantec	Old Point National Bank
Bank of America	PNC Bank
BB&T	PNC Valuation Services
Bronco Federal Credit Union	Premier Bank
Chartway Federal Credit Union	Quicken Loans
Citizens National Bank	RBC Bank
Colonial Farm Credit	Southeastern Evaluation
Fannie Mae	Southern Bank & Trust
Farmers Bank	Sterling National Bank
Fulton Bank	SunTrust Bank
Hampton Roads Bankshares	Towne Bank
Heritage Bank	Wells Fargo
Langley Federal Credit Union	Xenith Bank

Attorneys At Law & Other Clients:

Chesapeake Airport Authority	Sargent, Edward J.
Chesapeake Public Schools	Sweeney, Michael G.
Chesapeake Redevelopment & Housing Authority	The Nature Conservancy
Chesapeake Regional Medical Center	Tidewater Legal Aid Society
Davis Law Group, P.C.	US Department of Agriculture
Falk, Christopher H.	VA Department of Historic Resources
Franklin Southampton Industrial Authority	VA Department of Housing Authority
Knight, Montgomery	US Department of Justice
Larsen, Greg	Valuation Management Group
Lascara, Dominic P.	Western Tidewater Community Services Board
Portsmouth Redevelopment & Housing Authority	Wilcox & Savage

Testified As Expert Witness:

Testified in numerous Commissioners' Hearings in Chesapeake, Norfolk, Portsmouth, and Virginia Beach, Virginia. Also testified as an expert witness in Condemnation Suits in the Circuit Courts of Chesapeake, Norfolk, and Virginia Beach; Bankruptcy Court in Norfolk Federal Court.

Work Experience:

1979 – Present Licensed Real Estate Broker in Virginia and North Carolina
1976 – Present Real Estate Appraiser
1976 – 1984 Rental Manager, Greenbrier Realty Co., Inc.
1975 – 1979 Licensed Real Estate Salesperson in Virginia
1973 – 1974 Georgia Pacific – Night Shift Supervisor
1971 – 1973 International Paper – Press Operator

Education:

Numerous real estate and appraisal courses – June 1971 To Present
 B.S. in Business Management, Pennsylvania State University – June 1971
 Graduated with honors from Great Bridge High School, Chesapeake, VA – June 1967

Distinctions:

2010 Appraiser of the Year Award, Appraisal Alliance/Virginia Association of REALTORS®
 2007 – 2008 Public Policy Action Group, Virginia Association of REALTORS® Appraisal Alliance
 2007 Appraisal Committee National Association of REALTORS®
 2006 President of Virginia Association of REALTORS® – Appraisal Alliance
 2005 President of Hampton Roads Chapter of the Appraisal Institute
 2001 – 2002 Chairman of the Board of Chesapeake YMCA
 2000 – 2001 President of Chesapeake Rotary Club
 1995 GAA (General Accredited Appraiser) – National Association of REALTORS®
 1991 Certified General Appraiser in the States of Virginia and North Carolina
 1990 Chosen to help design first state exam for residential appraisers
 1988 SRA (Senior Residential Appraiser) – Appraisal Institute

Organizations/Affiliations:

2007 – Present Board of Directors Appraisal Alliance/Virginia Association of REALTORS®
 2007 – 2008 Hampton Roads Board of REALTORS®
 2006 – 2010 Licensed Appraiser Instructor for Alpha College of Real Estate
 2004 – 2005 Vice President of the Appraisal Institute Hampton Roads Chapter
 2003 Treasurer of the Appraisal Institute Hampton Roads Chapter
 2002 – 2010 Club Educator – Chesapeake Rotary Club
 2002 Board of Directors of the Appraisal Institute Hampton Roads Chapter
 2001 – 2013 Board of Directors VAR Appraisal Alliance
 1995 – 2010 Board of Directors – Greenbrier Farms Holding, Inc.
 1992 – Present Chesapeake Rotary Club – Paint Your Heart Out
 1989 – 1991 Board of Directors, Hampton Roads, AIREA
 1987 – 1991 Junior Achievement
 1983 – Present Rotary International
 1983 – 1989 Plat Service and Education Committee, Local Board of REALTORS®
 1976 – Present National, State and Local Board of REALTORS®

References

<i>Colonial Farm Credit</i>	<i>Southern Bank & Trust</i>	<i>Hampton Roads Bankshares</i>
Robert H. Vaughan	Bill West	Howard Frey
11295 Windsor Boulevard	403 Boush Street	1580 Laskin Road
Windsor, VA 23487	Norfolk, VA 23510	Virginia Beach, VA 23451
(757) 482-1414	(757) 446-6900	(757) 412-0202

ENGAGEMENT LETTER



1105 Madison Plaza, Suite 110, Chesapeake, VA 23320; Phone: (757) 547-5115; Fax: (757) 547-8788

April 02, 2014

Mr. Paul T. Lucci
PO Box 346
Rescue, VA 23424-0346

RE: Appraisal of two proposed lots identified as Lots 2 and 3. Lot 2 contains approximately 108.90 acres of land with a waterfront setting and includes a single-family home, a detached garage with second floor apartment, and a horse stable. Lot 3 contains approximately 17.60 acres of vacant agricultural land. The lots are located at the northwest quadrant of Smiths Neck Road and Woodsman Lane, Carrollton, Virginia 23314.

Dear Mr. Lucci,

It was a pleasure to speak with you regarding your need for appraisal services for the above referenced property. In that regard, I am pleased to propose a fee of **\$1,500** for an appraisal report. The appraisal report will present summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the value estimate. I will not be responsible for its unauthorized use.

The purpose of this appraisal will be to provide you with a supportable and credible estimate of the market value of the fee simple interest of the subject property for bankruptcy purposes.

The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and supplemental Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute.

The estimated completion date of the appraisal is approximately **(4) four weeks** from the return date of this contract subject to unforeseen circumstances or conditions beyond the control of the appraiser. We can only complete the appraisal by this date if we receive from you in a timely manner any relevant information needed for the preparation of the report. I would appreciate your transmittal of as much of the following as possible upon the notification to proceed:

- 1) Telephone number(s) and contact(s) to arrange an inspection of the property;
- 2) To whom to address the report including mailing address;
- 3) Any other information that you think may be helpful or appropriate to the assignment.

We will furnish you with an electronic copy of the appraisal report upon completion. Hard copies will be available upon request. The appraisal report will be prepared for the sole and exclusive use of the client, and shall not be reproduced, printed or distributed in any manner without written consent of the appraiser. We request that you seek our written authorization before releasing the report to any other party. I will not be responsible for the unauthorized use of the report.

1

A retainer in the amount of \$500 to apply toward the total fee herein has been paid in preparation of this report. A bill for the remainder of the appraisal fee will be presented to you upon completion of the report and is due in full at that time. It is understood that delivery of the final report or verbal valuation will not take place until the appraisal fee has been collected in full. It is also clearly set out and understood that the appraisal fee is not contingent upon a predetermined value conclusion and sums hereunder are payable regardless of the amount of the final value estimate. I am solely hired for my independent value conclusion and the end result may not be to the expectation of the client.

In the event the appraiser is required by subpoena or other legal process to provide testimony or produce documents relating to the Appraiser's service under this agreement, whether in court, deposition, arbitration or in any other proceeding, and regardless of the identity of the party requiring such testimony or production of documents, the Client agrees to compensate the Appraiser for the time incurred by the Appraiser in connection with the preparation for and provision of such testimony and/or documents at the Appraiser's hourly rate of \$150 and to reimburse the Appraiser's reasonable actual expenses.

In addition to all other terms and conditions of this agreement, the Appraiser and Client agree that the Appraiser's services under this agreement and appraisal report(s), are and will be subject to the statements, limiting conditions, and other terms set forth in the appraisal report(s). The appraiser's general assumptions, limiting conditions, and terms are attached to this agreement and are incorporated herein.

It is further understood that the quotation for delivery of my services is based on the order in which assignments are contracted, on a first-come-first-serve basis. I am prepared to complete this assignment within the outlined time period, provided that this contract and retainer are returned within (5) five days of the date of this letter. After the deadline of (5) five days, the delivery date of the report shall be based on priority of assignments received and will be subject to negotiation.


Please endorse and return a copy of this letter confirming this arrangement at your earliest convenience. Its signed return will constitute your notice to proceed with the assignment.

Thank you very much for this opportunity, and I look forward to working with you.

Sincerely,



Henry T. Thrasher, SRA, GAA
Certified General Appraiser

Agreed and accepted this 4TH day of APRIL, 2014 by 
(Signature)

PAOR T. LUCCI
(Printed Name)