File No. 0042663

LAND APPRAISAL REPORT

File No. 0042663

IDENTIFICATION

Borrower STEPHENSON, BOYD W. JR. Census Tract 9701 Map Reference 30-A-16 & 22B
Property Address MEADOWDALE ROAD
City MONTEREY County HIGHLAND State VA Zip Code 24465
Legal Description EAST SIDE OF MEADOWDALE RD LOT 5
Sale Price $ NA Date of Sale NA Loan Term yrs Property Rights Appraised [X] Fee [ ] Leasehold [ ] De Minimis PUD
Actual Real Estate Taxes $ (yr) Loan charges to be paid by seller $ Other sales concessions
Lender/Client BLUE GRASS VALLEY BANK Address P.O. BOX 516, MONTEREY, VA 24465
Occupant VACANT Appraiser JAMES H. WOODS Instructions to Appraiser NONE

NEIGHBORHOOD

Location	[ ] Urban	[ ] Suburban	[X] Rural
Built Up	[ ] Over 75%	[X] 25% to 75%	[ ] Under 25%
Growth Rate	[ ] Fully Dev.	[ ] Rapid	[X] Steady	[ ] Slow
Property Values	[ ] Increasing	[X] Stable	[ ] Declining
Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Oversupply
Marketing Time	[ ] Under 3 Mos.	[X] 4-6 Mos.	[ ] Over 6 Mos.

Present Land Use 50% 1 Family % 2-4 Family % Apts. % Condo % Commercial % Industrial 50% Vacant %
Change in Present Land Use [X] Not Likely [ ] Likely (*) [ ] Taking Place (*)
(*) From to
Predominant Occupancy [X] Owner [ ] Tenant % Vacant
Single Family Price Range $ 80,000 to $ 500,000 Predominant Value $ 200,000
Single Family Age NEW yrs. to 100 yrs. Predominant Age 45 yrs

	Good	Avg.	Fair	Poor
Employment Stability	[ ]	[X]	[ ]	[ ]
Convenience to Employment	[ ]	[X]	[ ]	[ ]
Convenience to Shopping	[ ]	[X]	[ ]	[ ]
Convenience to Schools	[ ]	[X]	[ ]	[ ]
Adequacy of Public Transportation	[ ]	[X]	[ ]	[ ]
Recreational Facilities	[ ]	[X]	[ ]	[ ]
Adequacy of Utilities	[ ]	[X]	[ ]	[ ]
Property Compatibility	[X]	[ ]	[ ]	[ ]
Protection from Detrimental Conditions	[X]	[ ]	[ ]	[ ]
Police and Fire Protection	[X]	[ ]	[ ]	[ ]
General Appearance of Properties	[X]	[ ]	[ ]	[ ]
Appeal to Market	[X]	[ ]	[ ]	[ ]

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): THE SUBJECT IS LOCATED NORTH OF RT. 84, ALONG MEADOWDALE RD. SOUTH OF HIGHTOWN

SITE

Dimensions LINKN = 13.945 ACR Sq. Ft. or Acres [ ] Corner Lot
Zoning Classification GA Present Improvements [X] do [ ] do not conform to zoning regulations
Highest and Best Use [ ] Present use [ ] Other (specify)

	Public	Other (Describe)	OFF SITE IMPROVEMENTS		
Elec.	[X]		Street Access	[X] Public	[ ] Private
Gas	[ ]		Surface ASPHALT		
Water	[ ]		Maintenance	[X] Public	[ ] Private
San. Sewer	[ ]		[ ] Storm Sewer	[ ] Curb/Gutter	
	[ ] Underground Elec. & Tel.		[ ] Sidewalk	[ ] Street Lights	

Topo ROLLING
Size TYPICAL
Shape RECTANGULAR
View GOOD
Drainage GOOD
Is the property located in a HUD Identified Special Flood Hazard Area? [X] No [ ] Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions):

COMPARABLE DATA ANALYSIS

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	MEADOWDALE ROAD MONTEREY	ROUTE 220 HIGHLAND CO.		RT. 220 LOT 7 HIGHLAND CO.		DOG BARK RD. HIGHLAND CO.	
Proximity to Subject		4 MILES		4 MILES		1 MILE	
Sales Price	$ NA	[illegible]	$ 8,000	[illegible]	$ 10,572	[illegible]	$ 12,000
Price	$	[illegible]	$ 80,000	[illegible]	$ 51,000	[illegible]	$ 48,000
Data Source		PUBLIC RECORD		PUBLIC RECORD		PUBLIC RECORD	
Date of Sale and Time Adjustment	DESCRIPTION NA	DESCRIPTION 1/08 [illegible]	+/-$ Adjust.	DESCRIPTION 9/07	+/-$ Adjust.	DESCRIPTION 1/07	+/-$ Adjust.
Location	GOOD	GOOD		GOOD		GOOD	
Site/View	13.945 ACRES	10 ACRES	-1,000	4.824 ACRES	-3,000	4 ACRES	-3,000
Sales or Financing Concessions	NONE	NONE		NONE		NONE	
Net Adj. (Total)		[ ] + [X] -	$ -1,000	[ ] + [X] -	$ -3,000	[ ] + [X] -	$ -3,000
Indicated Value of Subject		Net: 125 %	$ 7,000	Net: 28.4 %	$ 7,572	Net: 25.0 %	$ 9,000

Comments on Market Data: ALL THREE SALES ARE GOOD INDICATORS OF VALUE AND ARE GIVEN EQUAL WEIGHT.

Comments and Conditions of Appraisal: THE PER ACRE VALUE FOR THIS TRACT RANGE FROM $7,000 - $9,000.

RECONCILIATION

Final Reconciliation: IT IS FELT THE PER ACRE VALUE FOR THIS TRACT IS $9,000. 13.946 ACRES @ $9,000/ ACRE = $125,514 SAY $125,000.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF MARCH 10, 2008 to be $ 125,000

JAMES H. WOODS [ ] Did [ ] Did Not Physically Inspect Property
Appraiser(s) Review Appraiser (if applicable)

(Y2K)