



1271113193  
File No. SG11-113535

**APPRAISAL OF**



**SINGLE FAMILY RESIDENCE - SUMMARY REPORT**

**LOCATED AT:**

2936 BREEZY ROAD  
VIRGINIA BEACH, VA 23451

**FOR:**

ATLANTIC ASSET MANAGEMENT GROUP, IN  
3900 BONNEY ROAD  
VIRGINIA BEACH, VA 23452

**BORROWER:**

JEFFERSON

**AS OF:**

March 28, 2011

**BY:**

JOHN C. FORD  
CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER



1271113193  
File No. SG11-113535

MARCH 30, 2011

BEN RITGER  
ATLANTIC ASSET MANAGEMENT GROUP, IN  
3900 BONNEY ROAD  
VIRGINIA BEACH, VA 23452

File Number: SG11-113535

RE: JEFFERSON TRUST

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

2936 BREEZY ROAD  
VIRGINIA BEACH, VA 23451

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

In my opinion, the market value of the property as of March 28, 2011 is:

\$470,000  
Four Hundred Seventy Thousand Dollars

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

JOHN C. FORD  
CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

JCF

# Uniform Residential Appraisal Report

1271113193  
File No. SG11-113535

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address <b>2936 BREEZY ROAD</b>	City <b>VIRGINIA BEACH</b>	State <b>VA</b>	Zip Code <b>23451</b>
Borrower <b>JEFFERSON</b>	Owner of Public Record <b>JEFFERSON TRUST</b>	County <b>VIRGINIA BEACH CITY</b>	
Legal Description <b>LYNNHAVEN COLONY LOT 20</b>			
Assessor's Parcel # <b>14991893910000</b>	Tax Year <b>2011</b>	R.E. Taxes \$ <b>4,702.76</b>	
Neighborhood Name <b>LYNNHAVEN COLONY</b>	Map Reference <b>ADC MAP</b>	Census Tract <b>5720-430.01</b>	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>VALUE ESTIMATE</b>			
Lender/Client <b>ATLANTIC ASSET MANAGEMENT GROUP</b> Address <b>3900 BONNEY ROAD, VIRGINIA BEACH, VA 23452</b>			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s). <b>REAL ESTATE INFORMATION NETWORK (REIN). THE SUBJECT WAS LISTED ON 03-14-2011 FOR \$529,000.</b>			

SUBJECT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. N/A
	Contract Price \$ <b>N/A</b> Date of Contract <b>03/2011 (DOA)</b> Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) <b>N/A</b>
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid. <b>N/A</b> <b>N/A</b>

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

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE AGE	One-Unit <b>95% %</b>
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000) (yrs)	2-4 Unit <b>0% %</b>
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	<b>250 ±</b> Low <b>1 ±</b>	Multi-Family <b>0% %</b>
Neighborhood Boundaries <b>See Attached Addendum</b>		<b>1.5MIL±</b> High <b>60 ±</b>	Commercial <b>5% %</b>
		<b>400 ±</b> Pred. <b>25-35</b>	Other <b>%</b>

Neighborhood Description **SEE ATTACHED ADDENDUM**

Market Conditions (including support for the above conclusions) **PLEASE SEE ATTACHED 1004\_MC FORM.**

Dimensions <b>MOSTLY RECTANGULAR</b>	Area <b>10,666 SF ±</b>	Shape <b>MOSTLY RECTANGULAR</b>	View <b>RESID./CANAL</b>
Specific Zoning Classification <b>R10</b>	Zoning Description <b>RESIDENTIAL 10,000 SF MINIMUM</b>		
Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.			
Utilities	Public	Other (describe)	
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer
			Public
			Other (describe)
			Off-site Improvements—Type
			Public
			Private
FEMA Special Flood Hazard Area <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone <b>AE</b>	FEMA Map # <b>515531 0039F</b>	FEMA Map Date <b>05-04-09</b>
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. <b>See Attached Addendum</b>			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. <b>See Attached Addendum</b>			

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls <b>BRICK/BLOCK/AVG.</b>	Floors <b>WW, VIN/AVG.</b>
# of Stories <b>ONE</b>	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls <b>BRICK/AVERAGE</b>	Walls <b>PLAST/PAN/AVG.</b>
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area <b>NONE</b> sq. ft.	Roof Surface <b>ASPHALT/AVG.</b>	Trim/Finish <b>WOOD/AVERAGE</b>
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>NONE</b> %	Gutters & Downspouts <b>ALUMINUM/AVG.</b>	Bath Floor <b>CERAMIC/AVG.</b>
Design (Style) <b>RANCH</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type <b>DBL. HUNG/GOOD</b>	Bath Wainscot <b>CERAMIC/AVG.</b>
Year Built <b>1967</b>	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated <b>NO/YES/GOOD</b>	Car Storage <input type="checkbox"/> None
Effective Age (Yrs) <b>20 YRS. ±</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens <b>YES</b>	<input checked="" type="checkbox"/> Driveway # of Cars <b>TWO</b>
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input checked="" type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> WoodStove(s) #	Driveway Surface <b>CONCRETE</b>
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel <b>OIL</b>	<input checked="" type="checkbox"/> Fireplace(s) # <b>1</b> <input type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage # of Cars <b>TWO</b>
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck <b>SCPR</b> <input checked="" type="checkbox"/> Porch <b>SM.COV.</b>	<input type="checkbox"/> Carport # of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input checked="" type="checkbox"/> Other <b>BULKHD</b>	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)			
Finished area above grade contains: <b>7 Rooms 3 Bedrooms 2.00 Bath(s) 1,708 Square Feet of Gross Living Area Above Grade</b>			
Additional features (special energy efficient items, etc.) <b>COVERED FRONT PORCH, REAR SCREENED PORCH, BULK-HEADING, INSULATED WINDOWS, STONE FIREPLACE, SMALL BREAKFAST BAR, WOOD PANELING AND CEILING FANS.</b>			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) <b>THE SUBJECT PROPERTY HAS HAD A NEWER GAS FURNACE AND INSULATED WINDOWS INSTALLED. THE SUBJECT PROPERTY IS CONSIDERED TO BE IN AVERAGE CONDITION.</b>			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.			

# Uniform Residential Appraisal Report

There are **19** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **329,900** to \$ **1,600,000**

There are **12** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **275,000** to \$ **900,000**

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
2936 BREEZY ROAD Address VIRGINIA BEACH		2936 BREEZY ROAD VIRGINIA BEACH		3160 LYNNHAVEN DRIVE VIRGINIA BEACH		2213 POWHATAN AVENUE VIRGINIA BEACH	
Proximity to Subject		0.06 miles E		0.48 miles W		1.76 miles W	
Sale Price	\$ N/A	\$ 550,000		\$ 485,000		\$ 320,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 285.86 sq. ft.		\$ 186.40 sq. ft.		\$ 263.37 sq. ft.	
Data Source(s)	CITY RECORDS	FILES/CITY RECORDS		CITY RECORDS/REIN		CITY RECORDS/REIN/AGENT	
Verification Source(s)	INSPECTION	VISUAL INSPECTION		VISUAL INSPECTION		VISUAL INSPECTION	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		CLOSED		CLOSED		CLOSED	
Concessions	N/A	CONV.		CONV.		CONV.	
Date of Sale/Time	03/2011 (DOA)	03-2011/UNKWN.		02-2011/76 DOM		05-2010/15 DOM	
Location	LYNNHVN.COLNY	LYNNHVN.COLNY		LYNNHVN.COLNY		OCEAN PARK }	
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
Site	10,666 SF ±	12,899 SF ±		19,215 SF± }		8,284 SF ± }	
View	RESID./CANAL	RESID./CANAL		RESIDENTIAL }	+100,000	RESIDENTIAL }	+100,000
Design (Style)	RANCH	RANCH		RANCH		RANCH	
Quality of Construction	BRICK/CRAWL	BRICK/CRAWL		BRICK/CRAWL		BLK,STUC/CRWL	+5,000
Actual Age	44 YEARS	51 YRS/RENVTD.}		33 YEARS }		61 YEARS	
Condition	AVERAGE	GOOD }	-50,000	GOOD }	-50,000	AVERAGE	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	7 3 2.00	7 3 2.00		8 4 2.50	-2,500	8 3 2.00	
Gross Living Area	1,708 sq. ft.	1,924 sq. ft.	-12,000	2,602 sq. ft.	-49,000	1,215 sq. ft.	27,000
Basement & Finished Rooms Below Grade	NONE	NONE		NONE		NONE	
Functional Utility	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Heating/Cooling	BASE BD/NO CAC	FWA/CAC	-5,000	FWA/CAC	-5,000	RAD./NO CAC	
Energy Efficient Items	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Garage/Carport	2 CAR ATT.	NONE	+7,000	2 CAR ATT/2 DET	-7,000	NONE	+7,000
Porch/Patio/Deck	PORCH/SCN.POR.	PORCH/DOCK	+1,500	POR/SC.PR/DECK	-1,500	PORCH	+3,000
	1-FIREPLACE	1-FIREPLACE		1-FIREPLACE		1-FIREPLACE	
	UPGRADES	UPGRADES SUP.	-10,000	UPGRADES SIM.		UPGRADES SIM.	
	BULKHEADING	BULKHEADING		BOAT SLIP	NO ADJ.	NONE	+7,500
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 68,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 15,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 149,500
Adjusted Sale Price of Comparables		Net Adj. -12.5% Gross Adj. 15.5%	\$ 481,500	Net Adj. -3.1% Gross Adj. 44.3%	\$ 470,000	Net Adj. 46.7% Gross Adj. 46.7%	\$ 469,500

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

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) CITY RECORDS-MLS

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) CITY RECORDS-MLS

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

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	NO TRANSFERS	08-24-10	NO TRANSFERS	NO TRANSFERS
Price of Prior Sale/Transfer	PAST 36 MONTHS	\$375,000	PAST 12 MONTHS	PAST 12 MONTHS
Data Source(s)	CITY RECORDS	CITY RECORDS	CITY RECORDS	CITY RECORDS
Effective Date of Data Source(s)	03-2011	03-2011	03-2011	03-2011

Analysis of prior sale or transfer history of the subject property and comparable sales **ALL PREVIOUS SALES OF THE SUBJECT PROPERTY AND/OR COMPARABLES WERE LISTED ABOVE AS TAKEN FROM THE ASSESSOR'S OFFICE RECORDS.**

Summary of Sales Comparison Approach. **See Attached Addendum**

Indicated Value by Sales Comparison Approach \$ **470,000**

Indicated Value by: Sales Comparison Approach \$470,000 Cost Approach (if developed) \$ 486,000 Income Approach (if developed) \$ N/A

See Attached Addendum

RECONCILIATION

This appraisal is made  "as is,"  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: **THIS IS A SUMMARY APPRAISAL REPORT. THE COMPLETE APPRAISAL CONSISTS OF THE DATA CONTAINED IN THIS REPORT AND ADDITIONAL DATA CONTAINED IN THE COMPANY FILES.**

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 \$ **470,000** as of **03/28/2011**, which is the date of inspection and the effective date of this appraisal.



# Uniform Residential Appraisal Report

THE INSPECTION OF THE SUBJECT PROPERTY'S FOUNDATION WAS LIMITED TO WHAT COULD BE OBSERVED FROM THE SUBJECT'S CRAWL SPACE ENTRANCE OR SLAB FOUNDATION. NO STANDING WATER, MOLD, MOISTURE, ROTTEN FLOOR JOISTS, EVIDENCE OF WOOD DESTROYING INSECTS, FOUNDATION SETTLEMENT, OR ANY OTHER ADVERSE CONDITIONS WERE OBSERVED; HOWEVER, THE APPRAISER CANNOT GUARANTEE AGAINST THE PRESENCE OF THESE ITEMS. THIS APPRAISAL REPORT IS BEING PERFORMED UNDER THE EXTRAORDINARY ASSUMPTION THAT THERE ARE NO UNSEEN DETRIMENTAL FACTORS AS NOTED ABOVE. IF THESE ASSUMPTIONS ARE FOUND TO BE UNTRUE, IT COULD HAVE AN EFFECT ON VALUE AND/OR MARKETABILITY OF THE SUBJECT PROPERTY. ANY QUESTIONS PERTAINING TO THESE ISSUES SHOULD BE DIRECTED TO A PROFESSIONAL HOME INSPECTOR AND/OR EXTERMINATING COMPANY QUALIFIED TO PERFORM A PHYSICAL INSPECTION DIRECTLY RELATED TO THE CONDITIONS NOTED ABOVE AND ESTIMATE REPAIR AND/OR TREATMENT COSTS. THE SCOPE OF WORK DOES NOT INCLUDE A DIAGNOSTIC CHECK OF THE SUBJECT'S ELECTRICAL, PLUMBING, AND/OR OTHER MECHANICAL SYSTEMS. THE APPRAISER IS NOT A PROFESSIONAL IN THESE AREAS AND A LICENSED PROFESSIONAL SHOULD BE CONTACTED IF ANY OF THESE SYSTEMS NEED TO BE INSPECTED FOR PROPER WORKING CONDITION. IT IS ASSUMED IN THIS REPORT THAT ALL ITEMS OF THIS NATURE ARE IN PROPER WORKING ORDER AND REQUIRE NO REPAIRS

ADDITIONAL COMMENTS

### COST APPROACH TO VALUE (not required by Fannie Mae)

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) **THE ALLOCATION METHOD OF LAND VALUATION ALONG WITH CURRENT ASSESSMENT DATA AND MARKET SALES WERE USED FOR FORMING AN OPINION OF THE SUBJECT'S SITE VALUE.**

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE ..... = \$ 380,000		
Source of cost data <b>MARSHALL &amp; SWIFT/LOCAL BUILDERS</b>	Dwelling	1,708 Sq. Ft. @ \$ 75.00	= \$ 128,100
Quality rating from cost service <b>AVERAGE</b> Effective date of cost data <b>CURRENT</b>		Sq. Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	<b>PORCH,SCN.POR,BULKHD., ETC...</b> 12,500		
<b>See Attached Addendum</b>	Garage/Carport	651 Sq. Ft. @ \$ 20.00	= \$ 13,020
	Total Estimate of Cost-New ..... = \$ 153,620		
	Less	60 Physical	Functional External
	Depreciation	\$50,085	= \$ ( 50,085)
	Depreciated Cost of Improvements ..... = \$ 103,535		
	"As-is" Value of Site Improvements ..... = \$ 2,500		
Estimated Remaining Economic Life (HUD and VA only) <b>40 ± Years</b>	INDICATED VALUE BY COST APPROACH ..... = \$ 486,000		

INCOME

### INCOME APPROACH TO VALUE (not required by Fannie Mae)

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

Summary of Income Approach (including support for market rent and GRM) \_\_\_\_\_

PUD INFORMATION

### PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project \_\_\_\_\_

Total number of phases \_\_\_\_\_ Total number of units \_\_\_\_\_ Total number of units sold \_\_\_\_\_

Total number of units rented \_\_\_\_\_ Total number of units for sale \_\_\_\_\_ Data source(s) \_\_\_\_\_

Was the project created by the conversion of an existing building(s) into a PUD?  Yes  No If Yes, date of conversion. \_\_\_\_\_

Does the project contain any multi-dwelling units?  Yes  No Data source(s) \_\_\_\_\_

Are the units, common elements, and recreation facilities complete?  Yes  No If No, describe the status of completion. \_\_\_\_\_

Are the common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options. \_\_\_\_\_

Describe common elements and recreational facilities. \_\_\_\_\_

## Uniform Residential Appraisal Report

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

## Uniform Residential Appraisal Report

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

# Uniform Residential Appraisal Report

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature   
 Name JOHN C. FORD  
 Company Name SINNEN-GREEN & ASSOCIATES, INC.  
 Company Address 120 LANDMARK SQUARE, STE 201  
VIRGINIA BEACH, VA 23452  
 Telephone Number (757) 216-1321  
 Email Address jford@sinnengreen.com  
 Date of Signature and Report 03/30/2011  
 Effective Date of Appraisal 03/28/2011  
 State Certification # 4001 009457  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State VA  
 Expiration Date of Certification or License 05-31-2011  
 CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER  
 ADDRESS OF PROPERTY APPRAISED  
2936 BREEZY ROAD  
VIRGINIA BEACH, VA 23451

APPRAISED VALUE OF SUBJECT PROPERTY \$ 470,000

**LENDER/CLIENT**

Name BEN RITGER  
 Company Name ATLANTIC ASSET MANAGEMENT GROUP, IN  
 Company Address 3900 BONNEY ROAD  
VIRGINIA BEACH, VA 23452  
 Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

**SUBJECT PROPERTY**

- Did not inspect subject property
- Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_
- Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

**COMPARABLE SALES**

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_

## ADDENDUM

Borrower: JEFFERSON

File No.: SG11-113535

Property Address: 2936 BREEZY ROAD

Case No.: 1271113193

City: VIRGINIA BEACH

State: VA

Zip: 23451

Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN

### Clarification of Intended Use and Intended User:

THE INTENDED USER OF THIS APPRAISAL REPORT IS THE LENDER/CLIENT. THE INTENDED USE IS TO EVALUATE THE PROPERTY THAT IS THE SUBJECT OF THIS APPRAISAL FOR A MORTGAGE FINANCE TRANSACTION, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE OF THE APPRAISAL, REPORTING REQUIREMENTS OF THIS APPRAISAL REPORT FORM, AND DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

THE SCOPE OF WORK FOR THIS APPRAISAL INCLUDED THE INSPECTION OF THE SUBJECT PROPERTY, RESEARCHING OF SALES DATA FROM THE MARKET AREA, AND THE REPORTING OF THE RESULTS OF THE COMPARABLE SALES DATA AS IT COMPARES TO THE SUBJECT PROPERTY TO ESTIMATE THE MARKET VALUE OF THE SUBJECT PROPERTY. A "COMPLETE VISUAL INSPECTION OF THE INTERIOR AND EXTERIOR AREAS OF THE SUBJECT PROPERTY", AS STATED IN #2 OF THE APPRAISER'S CERTIFICATION INCLUDES THE EXTERIOR, BASEMENTS, LIVING AREAS, GARAGES, WALK-IN ATTICS, AND OTHER READILY ACCESSIBLE ROOMS OF THE DWELLING. IT DOES NOT INCLUDE THE INSPECTION OF THE CRAWL SPACE BEYOND A READILY ACCESSIBLE ENTRY, ATTICS WITH SCUTTLE ACCESSES OR ANY OTHER HARD TO REACH AREAS. THE SCOPE OF WORK DOES NOT INCLUDE A DIAGNOSTIC CHECK OF THE SUBJECT'S ELECTRICAL, PLUMBING, AND/OR OTHER MECHANICAL SYSTEMS. THE APPRAISER IS NOT A PROFESSIONAL IN THESE AREAS AND A LICENSED PROFESSIONAL SHOULD BE CONTACTED IF ANY OF THESE SYSTEMS NEED TO BE INSPECTED FOR PROPER WORKING CONDITION. IT IS ASSUMED IN THIS REPORT THAT ALL ITEMS OF THIS NATURE ARE IN PROPER WORKING ORDER AND REQUIRE NO REPAIRS. AT TIMES, SOME MLS PHOTOS MAY BE USED TO BETTER REPRESENT THE CONDITION OF THE COMPARABLES AT THE TIME OF THE SALE.

### Neighborhood Boundaries

LYNNHAVEN COLONY IS GENERALLY BOUNDED BY LONG CREEK SOUTH, GREAT NECK ROAD EAST, SHORE DRIVE NORTH AND LYNNHAVEN INLET WEST.

### NEIGHBORHOOD DESCRIPTION

LYNNHAVEN COLONY IS A WELL ESTABLISHED NEIGHBORHOOD GENERALLY SURROUNDED BY WATER. TYPICAL HOMES ARE OLDER BRICK RANCH STYLE; ALTHOUGH, NEWER LARGER HOMES HAVE BEEN BUILT ON REMAINING OR RAZED SITES. ALL AMENITIES ARE NEARBY INCLUDING SCHOOLS, SHOPPING, MARINAS, RESTAURANTS AND RECREATION CENTERS. EMPLOYMENT STABILITY IS ABOVE AVERAGE IN THIS AREA. WATERFRONT LOCATION IS THE SUBDIVISIONS'S MAJOR DRAW, WHICH ATTRACTS BUYERS LOOKING FOR BOAT DOCKS/ MARINAS, ETC...

### Utilities/Off-Site Improvements

ALL UTILITIES WERE ON AND WORKING AT THE TIME OF INSPECTION.

### Site Comments

DUE TO THE AGE OF THE SUBJECT DWELLING, LEAD-BASED PAINT CANNOT BE RULED OUT. NO ADVERSE ENVIRONMENTAL CONDITIONS WERE OBSERVED; HOWEVER, THE APPRAISER IS NOT AN EXPERT IN THIS FIELD. NO UNUSUAL EASEMENTS, ENCROACHMENTS OR ADVERSE CONDITIONS WERE OBSERVED.

THE SUBJECT IS LOCATED IN FLOOD ZONE AE REQUIRING FLOOD INSURANCE; HOWEVER, THIS IS TYPICAL OF HOMES IN THE AREA WITH NO ADVERSE AFFECT ON MARKETABILITY.

AT THE TIME OF INSPECTION THE APPRAISER NOTED AN ABOVE GROUND OIL TANK; HOWEVER, NO APPARENT LEAKS OR ADVERSE CONDITION WAS NOTED.

### COMMENTS ON SALES COMPARISON

AS MENTIONED EARLIER IN THIS REPORT, SIMILAR SALES DATA FROM THE SUBJECT'S IMMEDIATE NEIGHBORHOOD IS LIMITED AT THIS TIME. PROXIMITY GUIDELINES WERE EXCEEDED; HOWEVER, THIS WAS UNAVOIDABLE. THE COMPARABLES SELECTED ARE THREE CLOSED SALES, ONE PENDING SALE AND ONE ACTIVE LISTING FROM THE SUBJECT'S IMMEDIATE/GENERAL MARKET AREA, BRACKETING THE SUBJECT BY SIZE AND ADJUSTED VALUE. THE PENDING SALE AND ACTIVE LISTING WERE PROVIDED AS SUPPORTING DATA AND WERE NOT GIVEN ANY WEIGHT IN THE FINAL VALUE ESTIMATE. COMPARABLE ONE WAS APPRAISED BY THIS FIRM AND HAS BEEN RENOVATED/UPDATED WITH NUMEROUS UPGRADED FEATURES AND WAS ADJUSTED ACCORDINGLY. PER THE LISTING AGENT FOR COMPARABLE FIVE, THERE ARE SOME MAJOR STRUCTURAL ISSUES WITH THE DWELLING AND THE HOUSE IS CONSIDERED TO BE IN FAIR CONDITION. THIS COMPARABLE REQUIRED A LARGE CONDITION ADJUSTMENT. OTHER ADJUSTMENTS WERE REQUIRED FOR DIFFERENCES IN LOCATION, SITE, VIEW, CONDITION, EXTERIOR CONSTRUCTION, BATHS, SIZE, GARAGES, SCREENED PORCH, DECKING, FIREPLACE AND UPGRADED FEATURE DIFFERENCES. AFTER THE ADJUSTMENT PROCESS WAS COMPLETE, THE SALES SELECTED EXHIBIT A RELATIVELY NARROW RANGE IN ADJUSTED VALUE, THUS ALL CLOSED SALES WERE GIVEN CONSIDERATION IN THE FINAL OPINION OF MARKET VALUE. DUE TO THE VARIOUS ADJUSTMENTS REQUIRED, COMPARABLES TWO, THREE AND FOUR EXCEEDED FNMA ADJUSTMENT GUIDELINES. ALTHOUGH THE SUBJECT EXCEEDS THE PREDOMINATE VALUE FOR THE NEIGHBORHOOD, IT IS NOT CONSIDERED TO BE AN OVER-IMPROVEMENT AS THERE ARE OTHER HOMES OF EQUAL OR GREATER VALUE IN THE MARKET AREA.

### Final Reconciliation

BOTH THE SALES COMPARISON AND COST APPROACH WERE CONSIDERED IN ESTIMATING THE FINAL VALUE; HOWEVER, MOST WEIGHT WAS GIVEN TO THE SALES COMPARISON ANALYSIS, THE COST APPROACH TO VALUE DOES NOT REFLECT AN ACCURATE REPRODUCTION OR REPLACEMENT COST FOR HOMES 10 YEARS OR OLDER. DUE TO THE DIFFICULTY IN ESTIMATING PHYSICAL DEPRECIATION IN OLDER DWELLINGS. NO INCOME APPROACH WAS DONE DUE TO THE LACK OF RENTAL DATA.

ADDENDUM

Borrower: JEFFERSON

File No.: SG11-113535

Property Address: 2936 BREEZY ROAD

Case No.: 1271113193

City: VIRGINIA BEACH

State: VA

Zip: 23451

Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN

**Cost Approach Comments**

AT THE REQUEST OF THE CLIENT, DEVELOPMENT OF THE COST APPROACH HAS BEEN ATTEMPTED BY THE APPRAISER AS AN ANALYSIS TO SUPPORT THEIR OPINION OF THE PROPERTY'S VALUE. BECAUSE THERE IS INSUFFICIENT MARKET EVIDENCE TO CREDIBLY SUPPORT THE SITE VALUE/DERIVATION OF TOTAL DEPRECIATION, THE COST APPROACH IS NOT GIVEN ANY CONSIDERATION IN THE APPRAISER'S FINAL ANALYSIS. USE OF THIS DATA, IN WHOLE OR IN PART, FOR OTHER PURPOSES IS NOT INTENDED BY THE APPRAISER. NOTHING SET FORTH IN THE APPRAISAL SHOULD BE RELIED UPON FOR THE PURPOSE OF DETERMINING THE AMOUNT OR TYPE OF INSURANCE COVERAGE TO BE PLACED ON THE SUBJECT PROPERTY. THE APPRAISER ASSUMES NO LIABILITY FOR AND DOES NOT GUARANTEE THAT ANY INSURABLE VALUE ESTIMATE INFERRED FROM THIS REPORT WILL RESULT IN THE SUBJECT PROPERTY BEING FULLY INSURED FOR ANY LOSS THAT MAY BE SUSTAINED. THE APPRAISER RECOMMENDS THAT AN INSURANCE PROFESSIONAL BE CONSULTED. FURTHER, THE COST APPROACH MAY NOT BE A RELIABLE INDICATION OF REPLACEMENT OR REPRODUCTION COST FOR ANY DATE OTHER THAN THE EFFECTIVE DATE OF THIS APPRAISAL DUE TO THE CHANGING COSTS OF LABOR AND MATERIAL AND DUE TO CHANGING BUILDING CODES AND GOVERNMENTAL REGULATIONS AND REQUIREMENTS.

THE APPRAISER IS AWARE OF THE LAND TO VALUE RATIO; HOWEVER, THIS IS TYPICAL OF WATERFRONT PROPERTIES IN THE MARKET AREA WITH NO ADVERSE AFFECT ON MARKETABILITY.

Market Conditions Addendum to the Appraisal Report

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **2936 BREEZY ROAD** City **VIRGINIA BEACH** State **VA** Zip Code **23451**

Borrower **JEFFERSON**

**Instructions:** The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	7	4	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.17	1.33	0.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	N/A	N/A	19	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	N/A	N/A	57.58	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	575,000	391,000	485,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	98	102	76	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	599,900	419,450	499,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	N/A	N/A	N/A	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	95.00%	93.00%	97.00%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **IT IS TYPICAL IN THIS MARKET AREA FOR THE SELLERS TO PAY CONCESSIONS OF BETWEEN 3% TO 5%. NO OTHER ATYPICAL CONCESSIONS WERE NOTED.**

Are foreclosure sales (REO sales) a factor in the market?  Yes  No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. REAL ESTATE INFORMATION NETWORK (REIN).

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

**SIMILAR SALES DATA FROM THE SUBJECT'S IMMEDIATE NEIGHBORHOOD IS SCARCE AT THIS TIME. ACCORDINGLY THE APPRAISER EXPANDED THE SEARCH AREA. THE INFORMATION ABOVE SUPPORTS THE DATA IN THE NEIGHBORHOOD SECTION OF THIS REPORT. THE APPRAISER OBSERVED ACTIVE LISTINGS, PENDING SALES, CLOSED SALES, AND WITHDRAWN AND EXPIRED LISTINGS. THE ABOVE SALES DATA SHOWS A DECREASE IN THE MEDIAN SALES PRICE FROM THE PRIOR 7-12 MONTH PERIOD TO THE PRIOR 4-6 MONTH PERIOD; HOWEVER, IT APPEARS TO HAVE STABILIZED OVER THE PAST THREE MONTHS. IN CONCLUSION, WITH SUCH LITTLE DATA IT IS DIFFICULT TO DETERMINE ANY SIGNIFICANT TRENDS. THE CRITERIA USED TO DEVELOPE THE ABOVE SALES DATA, WAS ONE STORY SALES AND LISTINGS WITHIN APPROXIMATELY A ONE MILE RADIUS FROM THE SUBJECT PROPERTY.**

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

Project Name: \_\_\_\_\_

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project?  Yes  No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

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

**APPRAISER**

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature   
 Name JOHN C. FORD  
 Company Name SINNEN-GREEN & ASSOCIATES, INC.  
 Company Address 120 LANDMARK SQUARE, STE 201  
VIRGINIA BEACH, VA 23452  
 State License/Certification # 4001 009457 State VA  
 Email Address jford@sinnengreen.com

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 State License/Certification # \_\_\_\_\_ State \_\_\_\_\_  
 Email Address \_\_\_\_\_

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER



SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: JEFFERSON	File No.: SG11-113535
Property Address: 2936 BREEZY ROAD	Case No.: 1271113193
City: VIRGINIA BEACH	State: VA Zip: 23451
Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN	



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: March 28, 2011  
Appraised Value: \$ 470,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE



Borrower: JEFFERSON

Property Address: 2936 BREEZY ROAD

City: VIRGINIA BEACH

Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN

File No.: SG11-113535

Case No.: 1271113193

State: VA

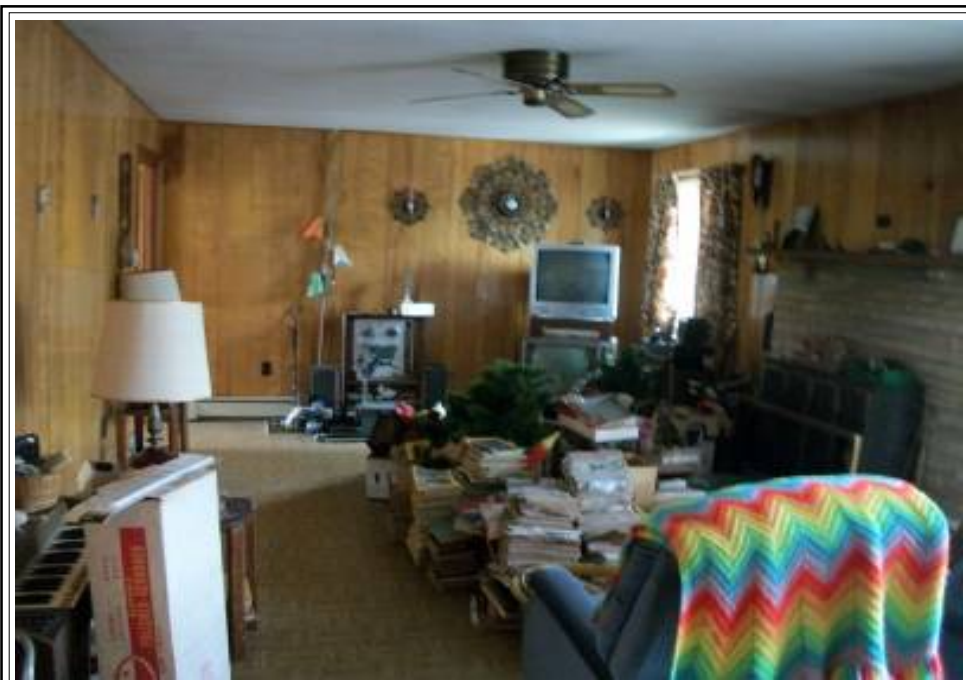
Zip: 23451



ADDITIONAL REAR VIEW



KITCHEN



FAMILY ROOM



Borrower: JEFFERSON

Property Address: 2936 BREEZY ROAD

City: VIRGINIA BEACH

Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN

File No.: SG11-113535

Case No.: 1271113193

State: VA

Zip: 23451



BATHROOM



BATHROOM



CANAL VIEW



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: JEFFERSON	File No.: SG11-113535
Property Address: 2936 BREEZY ROAD	Case No.: 1271113193
City: VIRGINIA BEACH	State: VA Zip: 23451
Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN	



COMPARABLE SALE #1

2936 BREEZY ROAD  
VIRGINIA BEACH  
Sale Date: 03-2011/UNKWN.  
Sale Price: \$ 550,000



COMPARABLE SALE #2

3160 LYNNHAVEN DRIVE  
VIRGINIA BEACH  
Sale Date: 02-2011/76 DOM  
Sale Price: \$ 485,000



COMPARABLE SALE #3

2213 POWHATAN AVENUE  
VIRGINIA BEACH  
Sale Date: 05-2010/15 DOM  
Sale Price: \$ 320,000



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: JEFFERSON	File No.: SG11-113535
Property Address: 2936 BREEZY ROAD	Case No.: 1271113193
City: VIRGINIA BEACH	State: VA Zip: 23451
Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN	



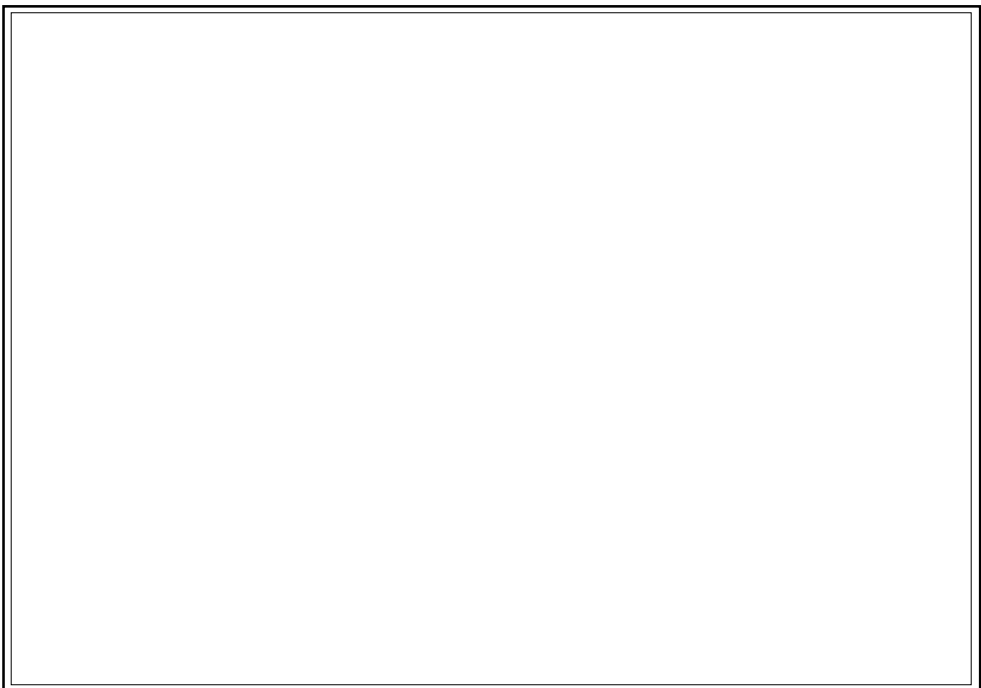
COMPARABLE SALE #4

2213 SCALLOP ROAD  
VIRGINIA BEACH  
Sale Date: 03/2011  
Sale Price: \$ 420,000



COMPARABLE SALE #5

2904 BREEZY ROAD  
VIRGINIA BEACH  
Sale Date: 03-2011  
Sale Price: \$ 449,000



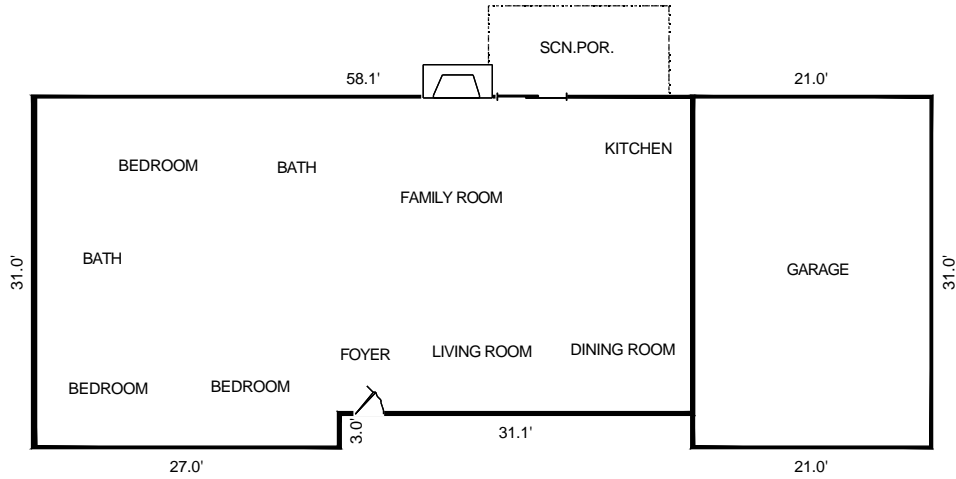
COMPARABLE SALE #6

Sale Date:  
Sale Price: \$



## FLOORPLAN

Borrower: JEFFERSON	File No.: SG11-113535
Property Address: 2936 BREEZY ROAD	Case No.: 1271113193
City: VIRGINIA BEACH	State: VA
Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN	Zip: 23451



Sketch by Apex IV™  
 Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1707.8	1707.8
GAR	Garage	651.0	651.0
Net LIVABLE Area		(Rounded)	1708

LIVING AREA BREAKDOWN		
Breakdown	Subtotals	
First Floor	837.0	
27.0 x 31.0	870.8	
28.0 x 31.1		
2 Items	(Rounded)	1708



LOCATION MAP

Borrower: JEFFERSON

File No.: SG11-113535

Property Address: 2936 BREEZY ROAD

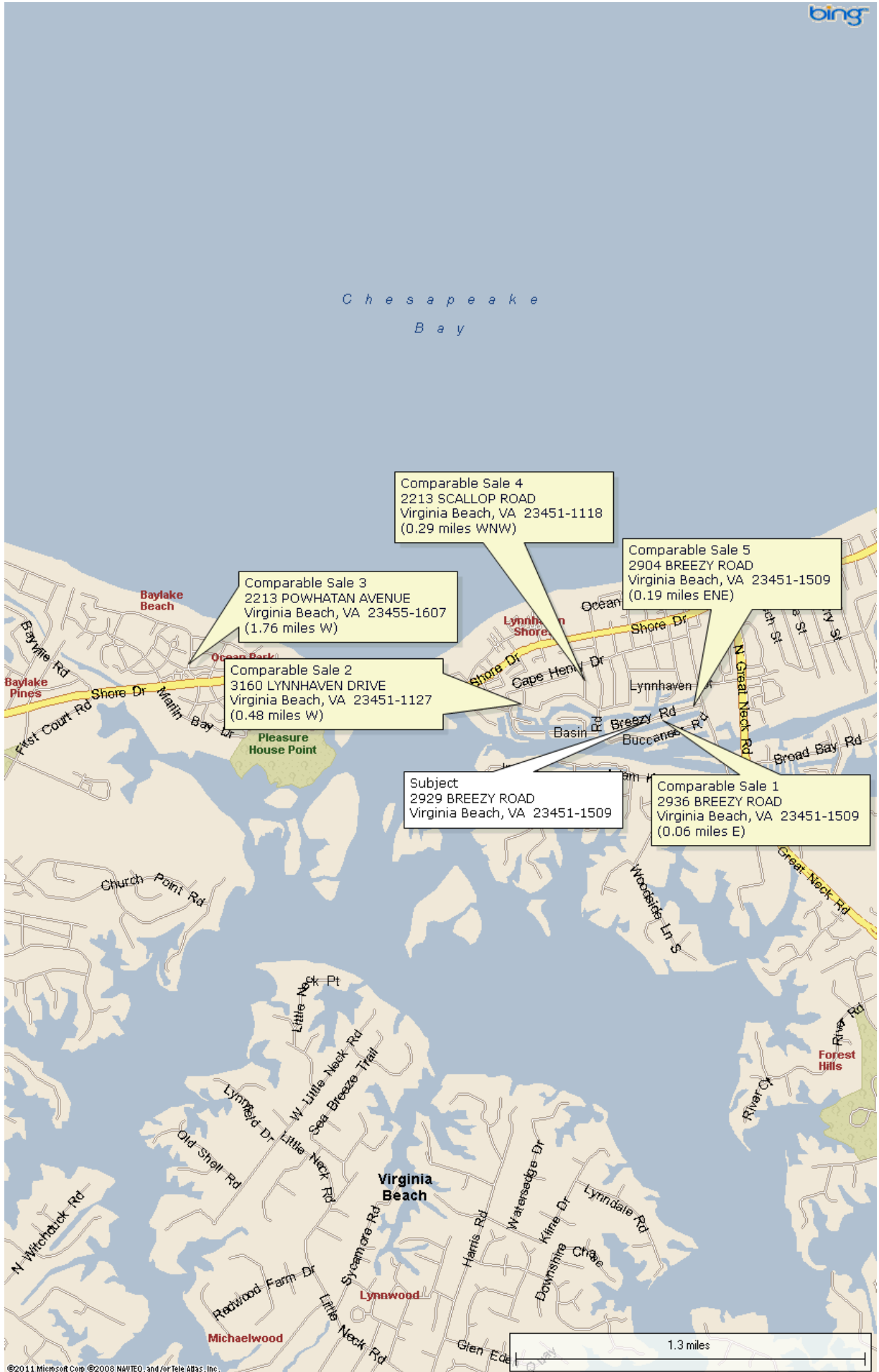
Case No.: 1271113193

City: VIRGINIA BEACH

State: VA

Zip: 23451

Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN



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Borrower: JEFFERSON	File No.: SG11-113535
Property Address: 2936 BREEZY ROAD	Case No.: 1271113193
City: VIRGINIA BEACH	State: VA Zip: 23451
Lender: ATLANTIC ASSET MANAGEMENT GROUP, IN	

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
COMMONWEALTH OF VIRGINIA**

9980 Mayland Dr., Suite 400, Richmond, VA 23233  
Telephone: 1 (804) 367-8500

EXPIRES ON <b>05-31-2011</b>		NUMBER <b>4001 009457</b>
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**REAL ESTATE APPRAISER BOARD  
CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER**

**JOHN CALVIN FORD  
2944 COUPLES CT  
VIRGINIA BEACH VA 23456**

  
  
Jay W. DeBoer, 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)

<p style="font-size: x-small;">(POCKET CARD)</p> <p style="text-align: center;">COMMONWEALTH OF VIRGINIA</p> <p><b>REAL ESTATE APPRAISER BOARD CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER</b></p> <p><b>NUMBER: 4001 009457 EXPIRES: 05-31-2011</b></p> <p><b>JOHN CALVIN FORD 2944 COUPLES CT</b></p> <div style="text-align: center;">  </div> <p style="font-size: x-small;">VIRGINIA BEACH VA 23456</p>	(P.O.)	<p style="font-size: x-small;">(DETACH HERE)</p> <p style="text-align: center;">DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION 9980 Mayland Dr., Suite 400, Richmond, VA 23233</p>
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ALTERATION OF THIS DOCUMENT, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA. (R-06)



**SPECIALTY PROFESSIONAL LIABILITY POLICY**  
**FOR MISCELLANEOUS BUSINESS CLASSES**  
 (THIS IS A CLAIMS MADE AND REPORTED POLICY)

STOCK COMPANY

No. **SPL0013969**

**SPL0012979**

RENEWAL OF NUMBER



**TUDOR**  
 INSURANCE COMPANY  
 KECNE, NEW HAMPSHIRE

400 PARSON'S POND DRIVE  
 FRANKLIN LAKES, NJ 07417-2600

**DECLARATIONS**

**ITEM 1. INSURED AND ADDRESS**

SINNEN-GREEN & ASSOCIATES, INC  
 120 LANDMARK SQUARE  
 SUITE 201  
 VIRGINIA BEACH, VA 23452

The named insured is:

- Individual
- Partnership
- Corporation
- Other LLC

**ITEM 2. POLICY PERIOD**

From: 12/3/2010 To: 12/3/2011 12:01 A.M., standard time at the address stated in year herein.

**ITEM 3. PROFESSION: REAL ESTATE APPRAISER**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

<b>ITEM 4. LIMIT OF LIABILITY (Inclusive of Defense Costs, Charges, and Expenses)</b>	
Each Claim Limit	\$ <u>1,000,000</u>
Policy Aggregate Limit	\$ <u>1,000,000</u>
<b>ITEM 5. DEDUCTIBLE (Applicable to Each Claim)</b>	
	\$ <u>5,000</u>
<b>ITEM 6. PREMIUM SURPLUS LINES TAX \$249.41, SERVICE FEE \$85.00</b>	
MAINTENANCE ASSESSMENT \$3.33	\$ <u>11,000.00</u>
<b>ITEM 7. RETROACTIVE DATE</b>	
	<u>06/01/1987</u>
<b>ITEM 8. POLICY FORMS AND ENDORSEMENTS ATTACHED AT INCEPTION</b>	
SEE SCHEDULE OF FORMS AND ENDORSEMENTS	

**NOTICE TO INSURED**

THE INSURANCE POLICY THAT YOU HAVE APPLIED FOR HAS BEEN PLACED WITH OR IS BEING OBTAINED FROM AN INSURER APPROVED BY THE STATE CORPORATION COMMISSION FOR ISSUANCE OF SURPLUS LINES INSURANCE IN THE COMMONWEALTH, BUT NOT LICENSED OR REGULATED BY THE STATE CORPORATION COMMISSION OF THE COMMONWEALTH OF VIRGINIA THEREFORE, YOU THE POLICYHOLDER, AND PERSONS FILING A CLAIM AGAINST YOU ARE NOT PROTECTED UNDER THE VIRGINIA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION ACT (§§18.2-1600 et seq.) OF THE CODE OF VIRGINIA AGAINST DEFAULT OF THE COMPANY DUE TO INSOLVENCY. IN THE EVENT OF INSURANCE COMPANY INSOLVENCY YOU MAY BE UNABLE TO COLLECT ANY AMOUNT OWED TO YOU BY THE COMPANY REGARDLESS OF THE TERMS OF THIS INSURANCE POLICY, AND YOU MAY HAVE TO PAY FOR ANY CLAIMS MADE AGAINST YOU. SLB-9

By Thomas A. McElligan  
 Authorized Representative

The declaration page and endorsements and/or forms listed above and attached hereto together with the completed and signed application shall constitute the contract between the Insured and the Company. Furthermore, coverage provided hereunder is specifically limited to the Insured's profession, as shown in Item 3.

Countersigned: Angela B. Baskin  
 00254 - Insurance Intermediaries, Inc.  
 FRANKLIN LAKES, NJ 12/02/09 AUTO IMPORT

TU SPL1 (06/09)