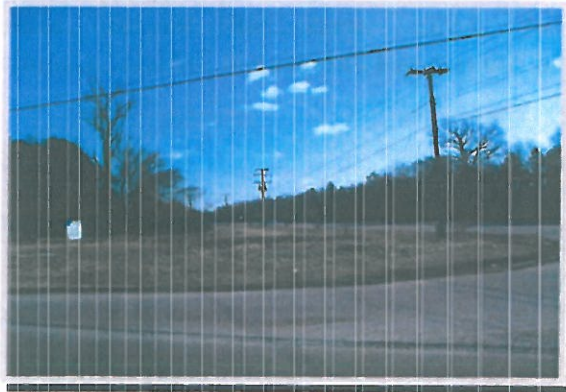


APPRAISAL REPORT

Property

Raceco Oil Company LLC
1020 and 1008 Nansemond Parkway
Suffolk, Virginia 23434



Prepared for

Ms. Marissa A. Friebus
Manager, Real Estate Support
BB&T
2713 Forest Hills Road
Wilson, NC 27893

This Appraisal was Received
by Real Estate Support
Wilson, NC on
FEB 15 2010

By 

JOHN C. HARRY, INC.

REAL ESTATE APPRAISERS & CONSULTANTS
3800 POPLAR HILL ROAD, SUITE G
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February 8, 2010

Acct. 10-010

Marissa A. Friebus
Manager, Real Estate Support
BB&T
2713 Forest Hills Road
Wilson, NC 27893

Re: **Appraisal of 2.95± acres of vacant commercial land located at 1020 and 1008 Nansemond Parkway in Suffolk, Virginia.**

Dear: Ms. Friebus

Pursuant to your recent request and for the purpose of estimating the Market Value of the above referenced property, I have inspected said property and have analyzed all data pertinent to the establishment of its value. I have prepared this report in accordance with the Uniform Standards of Professional Appraisal Practice. This appraisal report is in the Summary format.

The accompanying pages and exhibits further describe the property and illustrate my approach to value.

It is my opinion that the Fee Simple Market Value of the above referenced property, as of February 8, 2010 is:

The following (values) must be entered as the collateral value on the Uniform Appraisal Evaluation Form 1404: **One Million One Hundred Thousand Dollars (\$1,100,000)**

Respectfully submitted,



John C. Harry, III, MAI

JCH/mhy/alv

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- Subject Photographs
- Listing Agreement
- Engagement Letter
- BB&T Requirements
- Qualifications of Appraiser
- Clientele List

EXECUTIVE SUMMARY

| | |
|---|---|
| Property Location | 1020 & 1008 Nansemond Parkway Suffolk, Virginia (Northeast corner of Portsmouth Boulevard and Nansemond Parkway) |
| Purpose of the Appraisal | Fair Market Value |
| Property Rights Appraised | Fee Simple |
| Owner of Record | Raceco Oil Company LLC |
| Neighborhood | Magnolia |
| Land Size | 2.95± acres or 128,502± square feet (See Plat) |
| Land Shape | Irregular |
| Current Use | Vacant |
| Highest and Best Use – As Vacant | Commercial |
| Highest and Best Use – As Improved | N/A |
| Buildings | None-removed |
| Zoning | B-2, Commercial |
| Sales Comparison Approach | \$1,100,000 |
| Final Estimate of Value | \$1,100,000 |
| Date of the Value Estimate | February 8, 2010 |
| Appraiser | John C. Harry, III, MAI |

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 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.
- 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.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP).
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, John C. Harry, III, MAI has completed the requirements under the continuing education program of the Appraisal Institute.
- based on the information presented in this report I estimate the market value of the subject property to be \$1,100,000 as of February 8, 2010.



John C. Harry, III, MAI

Certified General License
Virginia State License Number 4001 000477

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is an authorized copy only if it is signed in blue ink and has the appraiser's license number.

The property is presumed to be marketable, free and clear, under responsible ownership and competent management, and in the case of a development a professional marketing management team is assumed.

Any legal description furnished to the appraiser and as shown in this appraisal report is assumed to be correct.

The appraiser is not responsible for title or survey and has disregarded any liens, encumbrances and encroachments unless specifically set forth in the appraisal report.

The utilization of the land and improvements is assumed to be within the boundaries or property lines of the property described and it is further assumed that there is no encroachment or trespass unless specifically noted in the appraisal report.

The appraiser has no present or contemplated interest in the subject property.

This appraisal report is not contingent upon any predetermined value or finding.

The appraisal report covers only the premises described in the report. Neither the figures therein, nor any analysis thereof, nor any unit values thereby derived are to be construed as applicable to any other property, however similar the same may be.

Valuation is made in conformity with the rules and ethics of professional organizations of which the appraiser is a member.

Value as stated in the appraisal report is in terms of U.S. Dollars as of the date of the appraisal report.

The distribution, if any, of the total valuation in this appraisal report, between land and improvements applies only under the program of utilization as stated in the appraisal report. The separate allocations for land and improvements must not be used with any other appraisal report and are invalid if so used.

This appraisal report may be used only by the client and solely for the purpose stated herein. Neither all, nor any part of the contents of the appraisal report, (especially any conclusions as to value, the size of the property and/or building(s) contained on the property, the identity of the appraiser or the firm with which the appraiser is connected) may be published, copied or disseminated to other persons or to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the author of the appraisal report.

Possession of the appraisal report, or an authorized copy thereof, does not carry with it the right of publication or duplication. The appraisal report or authorized copy of the appraisal report may not be used for any purpose by a person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written authorization and only in its entirety.

Any use of, or reference to, this appraisal report in memorandums, prospectuses, or other documents used in connection with the public or private offering or sale of securities and/or private placements, is specifically prohibited without written permission from J. C. Harry, Incorporated.

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 the appraisal report is based.

All applicable zoning and use regulations and restrictions are assumed to have been complied with unless a nonconformity has been stated, defined, and considered in the appraisal report.

Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in the appraisal report.

Information, estimates, and opinions furnished the appraiser, including but not limited to such items as tax data, zoning information and information regarding utilities contained in this appraisal report were obtained from sources considered reliable and believed to be true and correct. However, the appraiser can assume no responsibility for the accuracy of such items furnished the appraiser.

All engineering information furnished by others is assumed to be correct. All illustrations used in this appraisal report, including, but not limited to, such items as site plans, subdivision plans, right of way plans, plats, renderings, drawings, sketches, and other illustrative material, are included solely to assist the reader in visualizing the property and no warranty is made as to their accuracy.

All maps and photography used in this appraisal are for illustrative purposes only. This information is not warranted for content or accuracy. John C. Harry, Inc. does not guarantee the positional or thematic accuracy of the data.

The appraiser herein by reason of this appraisal report is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

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 any such conditions.

Unless otherwise stated in this appraisal report, it is assumed that the property is not classified as wetlands as defined in Title 33 of the Code of Federal Regulations (CFR) Part 328.3(b), and in the Federal Manual for Identifying and Delineating Jurisdictional Wetlands (1989). No responsibility is assumed for determining the presence of any such wetland condition or for arranging for any studies, surveys, or inspections that may be required to discover any such wetland conditions.

Unless otherwise stated in this appraisal report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the property located at 1020 and 1008 Nansemond Parkway in the City of Suffolk, Virginia.

USER OF THE REPORT

BB&T will use the report.

INTENDED USE OF THE REPORT

The intended use is to estimate the market value of the subject for use as collateral by BB&T.

PROPERTY RIGHTS APPRAISED

Real Estate is the physical land and all appurtenances affixed to the land. Real property includes all interests, benefits, and rights inherent in the ownership of the physical real estate. Interests vary, so real property is said to include a "bundle of rights" that are inherent in the ownership of real estate. Ownership rights include the right to use real estate, to sell it, to lease it, to enter it, to give it away, or to choose to exercise all or none of these rights. It is possible to own all of the rights in a parcel of real estate or only some of them. The extent of ownership determines the kind of interest, or estate that is held. A person who owns all of the property rights is said to have a Fee Simple title. A Fee Simple estate is defined as *absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat* (The Appraisal of Real Estate, Thirteenth Edition, Chicago: Appraisal Institute, 2008).

The property rights appraised in this report are the fee simple property rights.

FUNCTION OF THE APPRAISAL

The appraisal is to assist the client in estimating market value for a mortgage loan.

DATE OF THE VALUE ESTIMATE

The date to which the value estimate applies is February 8, 2010, the date of inspection by John C. Harry, III.

COMPETENCY

John C. Harry III has significant experience in the valuation of income producing properties. These properties include apartment complexes, office buildings, both suburban and central business district, neighborhood shopping centers, industrial buildings, office/warehouse buildings, trailer parks, motels, residential subdivisions, churches, self storage facilities, hotels, golf courses, veterinary clinics, special purpose properties, and land.

PRIVACY REQUIREMENTS

We collect and use information we believe is necessary to provide clients with our appraisal services. We may collect and maintain several types of personal information needed for this purpose. These include information we receive from clients on letters of engagement, correspondence, or conversations, including, but not limited to, names, addresses, phone numbers, income and expenses, details of any financing, and sale price associated with the subject property.

Except as described below, we do not share nonpublic personal information. We will not rent, sell, trade, or otherwise release or disclose any personal information about the client. We will not disclose consumer information to any third party for use in telemarketing, direct mail, or other marketing purposes. We limit the sharing of nonpublic personal information about clients with financial or non-financial companies, and other third parties to the following: (i) We may share information when it is necessary or required to process a loan or other financial transaction; (ii) We may share information when it is required or permitted by law, such as to protect the client against fraud or in response to a subpoena; (iii) We may disclose some or all of the information described above with other financial institutions for the limited purpose of jointly offering, endorsing, or sponsoring a financial product or service.

Hypothetical Conditions: There are no hypothetical conditions.

Extraordinary Assumptions: There are no extraordinary assumptions.

TYPE OF APPRAISAL REPORT

Each real property appraisal report must be prepared under one of three options; namely, a Self-Contained Appraisal Report, a Summary Appraisal Report, or a Restricted Use Appraisal Report. In the case of the subject, the Summary report will be used.

The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

Comment: The essential difference between the Self-Contained Appraisal Report and the Summary Appraisal Report is the level of detail of presentation.

- (i) **state the identity of the client and any intended users, by name or type;**

Comment: An appraiser must use care when identifying the client to ensure a clear understanding and to avoid violations of the Confidentiality section of the ETHICS RULE. In those rare instances when the client wishes to remain anonymous, an appraiser must still document the identity of the client in the work file but may omit the client's identity in the report.

Intended users of the report might include parties such as lenders, employees of government agencies, partners of a client, and a client's attorney and accountant.

- (ii) **state the intended use of the appraisal;**

- (iii) **summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment.**

Comment: The real estate involved in the appraisal can be specified, for example, by a legal description, address, map reference, copy of a survey or map, property sketch and/or photographs or the like. The summarized information can include a property sketch and photographs in addition to written comments about the legal, physical, and economic attributes of the real estate relevant to the type and definition of value and intended use of the appraisal.

- (iv) **state the real property interest appraised;**

Comment: The statement of the real property rights being appraised must be substantiated, as needed, by copies or summaries of title descriptions or other documents that set forth any known encumbrances.

- (v) **state the type and definition of value and cite the source of the definition;**

Comment: Stating the definition of value also requires any comments needed to clearly indicate to intended users how the definition is being applied.

When reporting an opinion of market value, state whether the opinion of value is:

- in terms of cash or of financing terms equivalent to cash, or
- based on non-market financing or financing with unusual conditions or incentives.

When an opinion of market value is not in terms of cash or based on financing terms equivalent to cash, summarize the terms of such financing and explain their contributions to or negative influence on value.

- (vi) **state the effective date of the appraisal and the date of the report;**

Comment: The effective date of the appraisal establishes the context for the value opinion, while the date of the report indicates whether the perspective of the appraiser on the market or property use conditions as of the effective date of the appraisal was prospective, current, or retrospective.

Reiteration of the date of the report and the effective date of the appraisal at various states of the report in tandem is important for the clear understanding of the reader whenever market or property use conditions on the date of the report are different from such conditions on the effective date of the appraisal.

- (vii) **summarize the scope of work used to develop the appraisal;**

Comment: Because intended users' reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

When any portion of the work involves significant real property appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the name(s) of those providing the significant real property appraisal assistance in the certification, in accordance with SR 2-3.

- (viii) **summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;**

Comment: A Summary Appraisal Report must include sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1. The amount of detail required will vary with the significance of the information to the appraisal.

The appraiser must provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches, in accordance with Standards Rule 1-6.

When reporting an opinion of market value, a summary of the results of analyzing the subject sales, options, and listings in accordance with Standards Rule 1-5 is required. If such information is unobtainable, a statement on the efforts undertaken by the appraiser to obtain the information is required. If such information is irrelevant, a statement acknowledging the existence of the information and citing its lack of relevance is required.

- (ix) **state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, describe the support and rationale for that opinion;**

- (x) **clearly and conspicuously:**

- **state all extraordinary assumptions and hypothetical conditions; and**
- **state that their use might have affected the assignment results; and**

- (xi) **include a signed certification in accordance with Standards Rule 2-3.**

SCOPE OF THE APPRAISAL

This appraisal assignment includes an inspection of the subject property, a review of all provided property data, including property description and location maps, a review of pertinent public records, an examination and analysis of the surrounding neighborhood, an estimation of the highest and best use of the property, the collection of information pertaining to similar land and building sales as required, and the analysis of that data leading to an indication of market value.

DEFINITION OF MARKET VALUE

Market Value means the most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

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:

- (a) Buyer and seller are typically motivated.
- (b) Both parties are well informed or well advised, and acting in what they consider their own best interests.
- (c) A reasonable time is allowed for exposure in the open market.
- (d) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- (e) 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.

(Source: The Appraisal of Real Estate, 13th Edition, pages 22 and 23, published by the Appraisal Institute) Also, as stated in the glossary of the current issue of USPAP.

In this appraisal report, the final estimate of value is stated in terms of cash value.

PROPERTY IDENTIFICATION

The subject property is located at 1020 and 1008 Nansemond Parkway in the City of Suffolk, Virginia. The site, which is irregular in shape, is estimated to have a land area of 2.95± acres or 128,502± square feet. The property has tax map numbers of 36A*205*177, 36A*206A, and 36A*PT206*207 with account numbers of 305041800, 304237200, and 302215100.

OWNERSHIP

The property is titled in the name of Raceco Oil Company, LLC, recorded in Document Number Book 000022460 dated February 15, 2008 in the Clerk's Office in the City of Suffolk, Virginia. They acquired the property from Ralph Naraha for a consideration of \$900,000. The owner reports that the subject property is not under current agreement or option and is not offered for sale on the open market. The sales price is stated at \$1,375,000. The recorded price for the purchase is somewhat misleading according to John J. Wessling of S.L. Nusbaum Realty Company, who indicated that in order to assemble the parcel it was necessary to close an old "paper street" and purchase a residue parcel from VDOT. The exact cost of these transactions or the cost of the site plan has not been made available to the appraiser. The sale of 2.68± acres or 116,741± square feet was confirmed by Mr. Naraha (the seller and Mr. Wessling the selling agent). They stated the site is now approved for a convenient store.

LEGAL DESCRIPTION

The subject can be legally described as Tax Maps 36A*205*177, 36A*206A, and 36A*PT*206*207, Route 337 Commonwealth of Virginia, in Suffolk, Virginia.

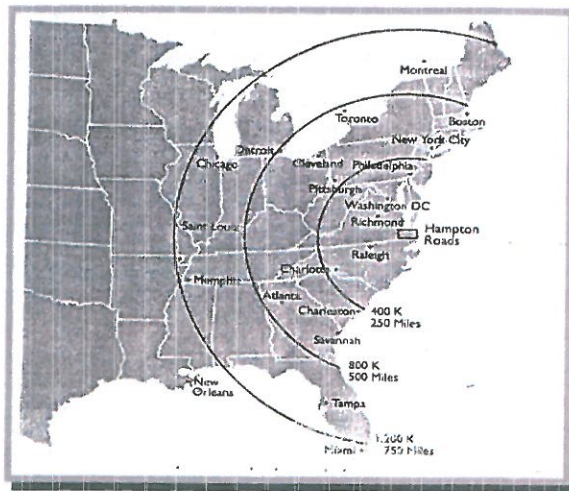
LOCATION OVERVIEW

There are many interrelated influences on a property that ultimately affect its value in the marketplace. Perhaps the one most important influence on a property is the influence of location. It has been said that the three most important influences affecting a property's value are "location, location, location". In order to completely understand the locational influences on a property it is necessary to investigate and analyze the economic, governmental, social, and environmental influences exerted by the region, city, and neighborhood in which the property is located. Additionally, the locational makeup of the site itself determines its value. Therefore, because of the importance of the relationship of location to value, the following sections of the appraisal report, Regional Data, City Data, Neighborhood Data, and Site Data are presented and analyzed in order to establish the basis for the highest and best use of the subject property and thus its value.

HAMPTON ROADS REGIONAL DATA

The Hampton Roads area is strategically located on the mid-Atlantic coast where the waters of the Atlantic Ocean, Chesapeake Bay, and numerous rivers provide the basis for the local economy. The confluence of these waters makes it one of the largest natural deep-water harbors in the world. The harbor itself, known as Hampton Roads, encompasses 25 square miles and is home to the nation's number one port (based on total tonnage). Aside from the port, the area boasts the world's largest naval base. The area of Hampton Roads is composed of nine cities and seven counties with a total landmass of 2,121 square miles and a population of over 1.6 million.

The term Hampton Roads originated nearly 400 years ago by British settlers to describe the world's largest natural harbor. In nautical terms, the word "roads" means "a place less sheltered than a harbor where ships may ride at anchor," referring to the safety of the harbor.



Hampton Roads is located near the southern end of the urban corridor running from Boston through New York, and is the largest business center between Atlanta, Georgia, and Washington, D.C. Two-thirds of the nation's population and three-fourths of its manufacturing activity lie within a 750-mile radius of Hampton Roads.

The central location along the east coast provides Hampton Roads with a moderate climate year-round. There are four distinct seasons in Hampton Roads, but all of them are mild. The average annual temperature is 59.9 degrees. January usually has the coolest weather with an average of 40.8 degrees, while July holds the record for the warmest at 79.1 degrees. Precipitation is well distributed throughout the year with maximum amounts in the late summer and minimum amounts in the late fall. The average annual snowfall is 7.5 inches, but the Chesapeake Bay and Atlantic Ocean produce a warming effect as snowstorms move southward and turn to rain.

The primary natural disaster threats are hurricanes and coastal storms, but Hampton Roads has experienced few of these. The last hurricane to significantly affect the area was Isabel in October 2003.

In terms of population and landmass, Hampton Roads is ranked the nation's 35th largest MSA. As defined by the U.S. Office of Budget and Management, an MSA is a group of communities that have a high degree of economic and social integration.

In 1993, the area adopted Isle of Wight and Mathews Counties as well as Currituck County in North Carolina. The U.S. Census Bureau officially added these counties to the MSA because of the large number of residents commuting to work in the Hampton Roads area. Virginia Beach is the largest city in Virginia with over 400,000 residents. Norfolk ranks second, while Newport News, Chesapeake, Hampton and Portsmouth are in the top ten. The area's counties, although sparsely populated, are among the fastest growing in the state.

The following table shows the population for each city or county in Hampton Roads.

| LOCALITY | 1980 | 1990 | 2000 | 2007 | 2010* | 2020* | 2030* |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Chesapeake | 114,486 | 151,982 | 199,184 | 219,154 | 236,683 | 272,381 | 308,736 |
| Gloucester County | 20,107 | 30,131 | 34,780 | 38,336 | 40,474 | 46,013 | 51,824 |
| Hampton | 122,617 | 133,811 | 146,437 | 146,439 | 144,803 | 144,655 | 144,650 |
| Isle of Wight County | 21,603 | 25,053 | 29,728 | 35,035 | 40,474 | 44,083 | 51,629 |
| James City County | 22,763 | 34,963 | 48,102 | 61,195 | 65,890 | 82,781 | 100,294 |
| Mathews County | 7,995 | 8,348 | 9,207 | 9,041 | 9,097 | 9,077 | 9,068 |
| Newport News | 144,903 | 171,439 | 180,150 | 179,153 | 181,601 | 182,415 | 183,372 |
| Norfolk | 266,979 | 261,250 | 234,403 | 235,747 | 236,338 | 237,448 | 238,927 |
| Poquoson | 8,726 | 11,005 | 11,566 | 11,858 | 11,921 | 12,281 | 12,782 |
| Portsmouth | 104,577 | 103,910 | 100,565 | 101,967 | 99,919 | 100,429 | 101,071 |
| Suffolk | 47,621 | 52,143 | 63,677 | 81,332 | 93,830 | 122,482 | 151,427 |
| Virginia Beach | 262,199 | 393,089 | 425,257 | 434,743 | 447,836 | 470,288 | 493,095 |
| Williamsburg | 9,870 | 11,530 | 11,998 | 12,434 | 13,707 | 13,866 | 14,159 |
| York County | 35,463 | 42,434 | 56,297 | 61,271 | 66,569 | 76,376 | 86,823 |
| Hampton Roads Total | 1,189,909 | 1,430,974 | 1,551,351 | 1,661,354 | 1,692,945 | 1,822,160 | 1,983,738 |

Source: Hampton Roads Statistical Digest 2009

*Population projections as projected by the Virginia Employment Commission

The Hampton Roads area experienced a tremendous growth spurt in the 1980s, but has since stabilized. The federal government, defense contractors, service companies, and manufacturers were mainly responsible for this growth because of relocations to the area.

Toward the end of the decade, the population experienced slower growth, and has since continued to grow by about one percent per year. Despite this slow growth, Hampton Roads ranks second only to Northern Virginia in state population gains.

For decades, the economy of Hampton Roads has relied heavily on port activity and the presence of the military. Other dominant segments include manufacturing, services, and trade. In recent years, because of military downsizing, the economy of Hampton Roads has been diversifying and becoming more service oriented. As the area has expanded, it has become a popular destination for foreign-based manufacturers, financial service firms, and distribution companies.

The Port of Hampton Roads, strategically located midway between Maine and Florida, has become the leading U.S. port in total waterborne tonnage handled. The harbor's 50-foot channel is 55 feet deep, making it the deepest commercially developed port on the east coast. Approximately 75 international shipping lines connect the port of Hampton Roads to 350 ports in over 100 countries around the world. The Port of Virginia maintains state-of-the-art facilities to ensure swift and efficient cargo handling. In 2008 The Port of Virginia moved over 17,000,000 tons of cargo – nearly a 250 percent increase over 1994s figure. In 2005 the Port of Virginia moved 15,456,273 tons of cargo.

Because of its ideal location along the Atlantic Ocean on the midpoint of the east coast, the port continues to grow and substantially contribute to the region's economy. To keep the port competitive, the Virginia Port Authority has commenced several expansion projects at the area terminals. Norfolk International Terminals completed a \$400 million expansion that has doubled the size of the terminal. Newport News Marine Terminal completed a \$5.7 million pier extension. Portsmouth Marine Terminal completed in 2007 \$34,000,000 in improvements. A. P. Moller-Maersk, the Dutch parent company of Maersk Sealand has built a \$450 million terminal in Portsmouth, increasing the container cargo handling capacity by nearly one-third.

Hampton Roads is home to the U.S. Atlantic Fleet and the largest naval base in the world, the Norfolk Naval Base. As one of the largest military centers in the world, the region accommodates one of the largest military concentrations in the world. Approximately five percent of the nation's total armed forces are stationed in Hampton Roads. As of 2009, Naval Station Norfolk has an estimated 54,000 active duty personnel. The area has more than 34,873 Department of Defense employees. Total expenditures by the Defense Department in Hampton Roads in 2008 amounted to approximately \$14,124,500 according to the U.S. Census Bureau.

Congressional actions regarding military base closures has resulted in one major activity closing in Hampton Roads in the last Base Realignment and Closure (BRAC) review. In 2001, the Army will leave Fort Monroe, sending most of its jobs to nearby Fort Eustis or Fort Knox in Kentucky. There has also been a number of ship decommissionings that will slowly reduce the number of active duty personnel in the area. Hampton Roads has been gradually reducing its dependence on the military by diversifying. In the 1970s, 45% of the regional economy was dependent on the military in some way, but by 2003 that number had been reduced to 31%.

Manufacturing, especially shipbuilding and repair, has played a key role in the Hampton Roads economy. The twenty shipyards in Hampton Roads make the area the largest concentration of shipbuilding companies in the country. The Newport News Shipbuilding and Drydock Company is the largest single private employer in Virginia with over 18,000 employees.

Other shipbuilding and repair facilities include the Norfolk Naval Shipyard (government yard) in Portsmouth, and Norshipco, Metro and Colonna in Norfolk.

Virginia Beach, with its miles of Atlantic Ocean beaches, and Williamsburg, with its restored colonial city, has traditionally drawn the most visitors. In recent years, many of the neighboring localities have constructed many new attractions, adding them to the list of places worth discovering.

The convention and conference business also plays an important role in generating off-season revenues for hotels and motels in the area. Most of the convention trade is concentrated in Virginia Beach, Norfolk, Portsmouth, Hampton and Williamsburg. Each city houses its own aggressive tourism and convention bureau catering to meeting planners.

Hampton Roads is highly committed to promoting the tourist and convention industry, and many of the cities are undergoing or have completed expansion projects geared at attracting more visitors to the area. In the state, Hampton Roads is number one in tourism, generating an estimated \$2 billion of the nearly \$11.2 billion tourist trade. In 1993, the city of Norfolk opened Harbor Park, a 12,000-seat baseball stadium that is home to the Norfolk Tides, a New York Mets farm team. The \$52 million National Maritime Center (NAUTICUS) opened in the spring of 1994.

Hampton Roads has 1,288 farms covering more than 300,000 acres in Suffolk, Chesapeake, Virginia Beach and the counties of Gloucester, Isle of Wight, James City, Mathews and York. Peanuts, soybeans, corn and wheat are the major crops. In 1990, Suffolk and Isle of Wight Counties alone harvested more than 70 million pounds of peanuts. The region is also renowned for Virginia Beach strawberries and daffodils from Gloucester County.

Because of its location on the Atlantic Ocean, the region's waters are a prime area for fish spawning and migration. There are approximately ninety different varieties of fish caught by commercial fishermen. The Hampton Roads area also maintains a number of processing plants that prepare seafood for retail and wholesale markets.

The unemployment rate in Hampton Roads in November 2009 was 6.6%, down from 7.5% in June 2009. The overall rate for Virginia in November 2009 was 6.4%.

The state's largest private employer, Newport News Shipbuilding and Drydock Company, employs nearly 18,000+ workers. In addition to shipbuilding, manufacturing plays an important role in providing employment in Hampton Roads.

Prominent products manufactured in Hampton Roads include Ford Motor Company trucks, Canon copiers, Stihl, Inc. chain saws, Anheuser-Busch beer, and Lipton Tea Company and Nestle Beverages products.

The service-oriented and retail trade sectors have been exceptionally strong in Hampton Roads offering a multitude of employment opportunities. There are eleven shopping malls and numerous neighborhood shopping centers in the area with many recent openings of some nationally known chain stores. In addition, there are several mail-order companies in the area providing employment and are making plans for expansion. Lillian Vernon, Inc. has its national distribution center in Virginia Beach. QVC Television Shopping Network maintains a distribution center in Suffolk and a telecommunications center in Chesapeake.

Financial service companies have had a major impact on the local economy. BankAmerica maintains its banking and credit card center in Norfolk. Also in Norfolk, United Services Automobile Association (USAA) relocated its regional headquarters to Norfolk. Chesapeake is home to the regional headquarters of Household Finance Corporation.

Foreign-owned corporations have also provided many jobs in the area. Foreign companies employ more than 11,000 people in Hampton Roads. Some of the major foreign employers in the area include Siemens-Bendix Automotive Electronics, Kasei Memory, Canon Virginia, and Howmet Corporation.

The Hampton Roads area can be accessed by air, rail, sea, or highway. Two airports serve the area. More than 3.5 million passengers a year, through eight major airlines and commuter services, visit Norfolk International Airport. Construction of a new control tower was completed in 1992. Newport News/Williamsburg International Airport handles more than 1,045,369 passengers a year and is serviced by US Airway and three commuter airlines. In 1992, the airport opened a new terminal costing \$27 million. Both airports are equipped to handle air cargo, although Norfolk airport handles most of the freight and express mail moving through the region.

Norfolk Southern Corporation, headquartered in downtown Norfolk, is one of the country's largest coal haulers with trains moving through twenty states and Ontario, Canada. CSX Rail Transport of Richmond is another important player in the region's transportation network. CSX runs through twenty-two states and Canada, and is primarily responsible for moving cargo to and from the port through Newport News.

Amtrak stops in Newport News and Williamsburg daily and has added another stop at the Williamsburg Pottery Factory in James City County. Norfolk and Portsmouth Belt Line Railroad and Eastern Shore Railroad also serve the area. A light rail system called The Tide is under construction in Norfolk. The 7.4 mile line will run from Eastern Virginia Medical Center through 11 stations to the Virginia Beach city line.

Several transportation routes access Hampton Roads. The region is at the terminus of Interstate 64, a major east-west interstate that provides the region access to Richmond and Interstate 95. Interstate 64 goes through the center of Hampton Roads and connects with the Interstate 664 and Monitor-Merrimac Memorial Bridge-Tunnel. U.S. 58 serves the area from the west and provides connection to Interstates 95 and 85. Hampton Roads can be accessed from the north by the world's largest bridge-tunnel transportation complex, the Chesapeake Bay Bridge-Tunnel.

Hampton Roads is centrally located to two-thirds of the population of the United States. It serves as a focal point for the import/export of a wide variety of manufactured and raw products. The region is also home to the world's largest naval base. Hampton Roads is a dynamic area, undergoing a transition from its dependence on the U.S. government as the primary employer. Moderate growth is projected for the next decade.



AREA MAP

SUFFOLK CITY DATA

Suffolk was established as a Town in 1743, and was incorporated in 1808. On January 1, 1974, Nansemond County and Suffolk merged to form what is now known as the City of Suffolk. The city encompasses a total of 430 square miles, making Suffolk the largest city in Virginia and fifth in the United States in terms of land area. The general boundaries of the city include Isle of Wight County and the Nansemond River to the north, the state of North Carolina to the south, the cities of Chesapeake and Portsmouth to the east and Southampton County to the west. Because of its location, Suffolk has become known as the connector to the west and northeastern North Carolina for the Hampton Roads area. The most famous swamp in the United States, the Great Dismal Swamp, runs along the southeastern border of the city.

The following shows population trends for Suffolk for the years 1980, 1990, 2000, 2005, 2008 and projections for the years 2010, 2020 and 2030.

| | 1980 | 1990 | 2000 | 2005 | 2008 | 2010* | 2020* | 2030* |
|---------|--------|--------|--------|--------|--------|---------|----------|----------|
| Suffolk | 47,621 | 52,141 | 63,677 | 78,994 | 82,302 | 93,830* | 122,482* | 151,427* |

Source: (Hampton Roads Statistical Digest, 2009)

*Population Projections: Virginia Employment Commission

The growth of Hampton Roads is of necessity oriented westward. Norfolk, Portsmouth, and Virginia Beach are located on the shores of the Atlantic Ocean. In addition, Norfolk and Portsmouth are mature cities with very little vacant land. Virginia Beach has for many years been one of the fastest growing cities in the nation. Unfortunately, its rapid growth has severely strained the supporting infrastructure necessitating stringent growth policies. Chesapeake is experiencing similar problems, but to a lesser degree. Suffolk's extensive undeveloped land area is prime for development. In 1992, Interstate 664 and the Monitor-Merrimac Memorial Bridge Tunnel opened, creating new traffic patterns that place Suffolk at the hub of the major traffic arteries. Movement to and from Suffolk is faster and easier, which has encouraged commuter travel and commercial growth to flourish. Traffic through this corridor has increased approximately 10 percent per year since 1992 and is expected to continue at that rate.

The economic base in Suffolk is gradually changing. Two-thirds of the city's land area is rural and used for agricultural purposes, but only three percent of the workforce is actually employed in farming, forestry, or fishing. Most of the residents are factory workers, technical workers, managers and professionals. New growth is oriented to businesses considered to be "high tech". Suffolk's master plan seeks to attract new businesses that create jobs while maintaining a high quality of life.

As of November 2009, the unemployment rate in Suffolk was 6.2%, up from 4.3% in September 2008. The overall rate in November 2009 for Hampton Roads was 6.6%. The overall rate for Virginia in November 2009 was 6.4%.

The chart below was taken from the 2009 Hampton Roads Statistical Digest which shows the median household incomes for the Hampton Roads area.

| ANNUAL INCOME | | | | | |
|----------------------|---|--------------------------------------|----------------|---|--------------------------------------|
| | Per capita personal income ¹ | Median household income ² | | Per capita personal income ¹ | Median household income ² |
| Chesapeake | \$35,305 | \$63,016 | Portsmouth | \$28,866 | \$42,940 |
| Franklin | 27,294 | 36,788 | Southampton | 27,294 | 43,589 |
| Gloucester | 30,674 | 56,123 | Suffolk | 31,399 | 57,546 |
| Hampton | 31,057 | 46,462 | Surry | 26,904 | 45,659 |
| Isle of Wight | 33,543 | 58,840 | Virginia Beach | 40,396 | 61,234 |
| James City | 42,923 | 70,487 | Williamsburg | 42,923 | 43,777 |
| Mathews | 43,431 | 54,431 | York | 41,656 | 78,234 |
| Newport News | 28,990 | 44,887 | Virginia | 39,540 | 59,575 |
| Norfolk | 31,459 | 40,295 | United States | 36,714 | 50,740 |
| Poquoson | 41,656 | 78,191 | | | |

1 Data for 2006
2 Data for 2007

Source: U.S. Census Bureau, U.S. Department of Commerce's Economic Analysis, with the Virginia Employment Commission. On the Web: www.economicanalysis.com

Historically, Suffolk has been an agricultural area with over 68,000 acres under cultivation. For many years peanuts were the major crop; however, they are now undergoing a period of transition as imports garner a growing share of the market. Soybeans are currently the largest portion of crop acreage with approximately 15,512 acres in soybeans. Peanuts, with only 11,710 acres, remain first in profit potential, followed by cotton. Cotton is second in the amount of acreage planted, with 15,457 acres planted and four cotton gins having been recently built. Suffolk is one of the state's largest lumber producers. The major lumber companies in the city cut, transport, and mill over 70 million feet of lumber a year. Approximately twenty forest-related businesses are located in Suffolk.

Suffolk offers a strategic location easily accessible by limited access highways, rail, and air and convenient to sea port. Emphasis on the location of new businesses and industry has resulted in number of new businesses being attracted to Suffolk. These include Sysco Food Services that built a 300,000 square foot distribution facility at the interchange of I-664 and College Drive. Bridgeway Commerce Park, located just south of Tidewater Community College, is home to Bridgeway Technology Center, a 125,000 square foot speculative office building. TowneBank has built a three-story 50,000 square foot operations center in the Harbour View Commerce Park. In the Northgate Commerce Park, Wanchese Fish Company moved into a 150,000 square foot seafood processing center, cold storage and operations center. The corridor along I-664 north of the Chesapeake boundary has been identified as a high technology area. The U.S. Joint Forces Command (USTFCOM) has partnered with Old Dominion University (ODU) to form Virginia Modeling and Simulation Center (UMASC). Their goal, which was to satisfy the demand for networked, real time solutions for military operations, has expanded and UMASC serves customers from military, government and industry.

This has prompted the growth of the Hampton Roads Crossing Technology Park. The centerpiece of this new park will be the ODU Higher Education Center and a 60,000 square foot facility for UMASC. This is part of 150 acres mixed-use residential and retail development. A total of nine buildings are planned representing an \$80 million dollar investment and the creation of 1,200-1,500 jobs. The USJFCOM/Joint Warfighting Center has become Suffolk's largest employer with 2,220 personnel. This development has attracted support services as two new hotels, a Marriott Courtyard and a Town Place Suites Hotel are under construction. The Suffolk Industrial Development Authority acquired 55 acres of land from Tidewater Community College (TCC) at the intersection of College Drive and Armstead Road. The development plan for this property is as an office park.

There are a number of other planned developments that are coming to fruition. At the intersection of Route 17 (Bridge Road) and Shoulders Hill Road, the Bennetts Creek Shopping Center is nearing completion. The ongoing and planned development along this technology corridor is extensive. Concurrent with the development of technology parks is the master plan of Harbour View that provides for a town center surrounding the existing 90,000 square feet of retail. This development occurs near the intersection of Route I-664 and Route 17 (Bridge Road). The southwest quadrant of that intersection is the site of the proposed BelleHarbour Development which is a mixed use development that includes multi-family residential, office, out parcels, hotel, medical office and retail. Other new development in Suffolk includes the development of Centerbrooke Park across Godwin Boulevard from the new Sentara Obici Hospital. This development includes restaurants, retail, hotel and apartments. At the site of the old Obici Hospital, the Robinson Development Group has proposed a 110,000 square foot mixed use project. In addition to these developments, there have been a number of smaller companies that have located in the Suffolk Industrial Park and the Godwin Commerce Park.

A recent development involves Target Company, who acquired 161 acres on Manning Bridge Road and is in the process of building a large distribution center. In addition to the new development and the expansion of the existing businesses, the old, well established companies that have been long time corporate residents of Suffolk remain. Some of these include Planters Peanuts, Lipton Tea, Sara Lee Coffee and Tea, QVC and CIBA Specialty Chemicals. Suffolk is experiencing extensive growth in both industrial and commercial activity. Its choice location, as well as available land makes it an ideal location for new development.

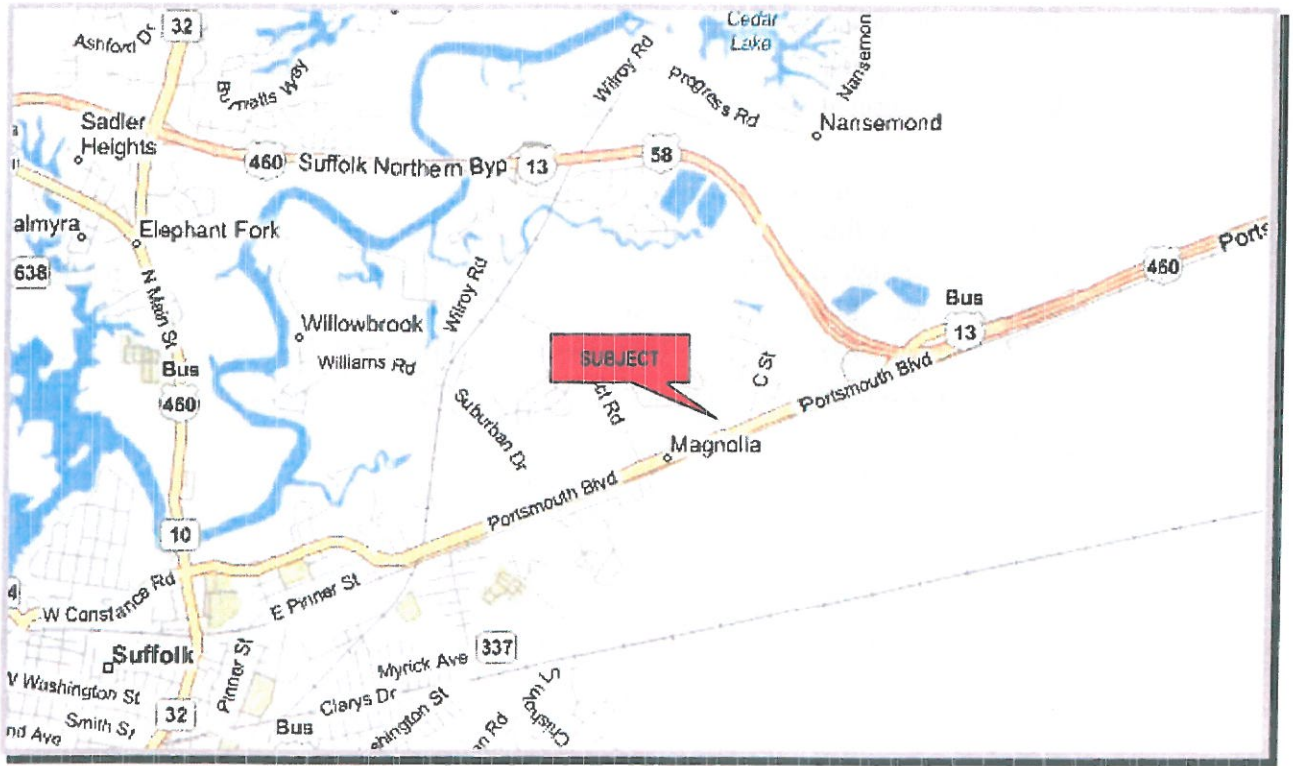
Major transportation routes in Suffolk include U.S. Routes 460, 58, 13, and 17, and Interstate 664. U.S. Route 460 connects Suffolk with Norfolk to the east and Petersburg to the west. U.S. 58 also connects this area with Norfolk, and to the west, runs along the southern edge of Virginia through Danville, Bristol, and continuing westward. U.S. Route 13 runs north/south and joins the city with other East Coast areas. U.S. 17 travels the northern edge of the city and provides access to Newport News and points north via the James River Bridge.

Interstate 664 also provides access to Newport News via the Monitor Merrimac Memorial Bridge-Tunnel, and Interstate 64 that travels through southside Hampton Roads. Secondary highways connect all parts of the city with these main highways.

A network of railroads converges in Suffolk from the north, south, and west, and continues eastward to Norfolk and Portsmouth. Norfolk & Southern terminates in Norfolk and travels westward through Suffolk and across the state connecting with cities in the Midwest. The Seaboard Coast Line runs north/south with connections to all major cities in the south. The Norfolk, Franklin and Danville Line runs from Norfolk to Danville. The three railroads have a common switching service and together provide excellent freight service directly to many points nationwide.

Suffolk is served by all major utilities. In November of 1982, the city became independent of Portsmouth for its water needs. The Suffolk Treatment Plant is located in Chuckatuck and uses water from the Lone Star Lakes. In October of 1983, Suffolk started pumping raw water from Crumps Mill Pond, and has been the sole supply of raw water for the city treatment plant. Dominion Virginia Power supplies electric power to Suffolk, and gas is provided through Columbia Gas.

The city of Suffolk is experiencing positive growth in residential, commercial and industrial development, and the area should continue to benefit from the connection of I-664 and the Monitor Merrimac Bridge-Tunnel as other cities in the Hampton Roads area have become more easily accessible. Trends are expected to remain favorable for continued growth in all areas of Suffolk over the projected future.



NEIGHBORHOOD MAP

NEIGHBORHOOD DATA

Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property. As a result, they affect the value of the subject property. Therefore, to conduct a thorough analysis, the appraiser must delineate the boundaries of the area of influence. Although physical boundaries may be drawn, the most important boundaries are those that identify factors influencing property values. (The Appraisal of Real Estate, Thirteenth Edition, Chicago: Appraisal Institute, 2008)

The subject property is located in the area known as Magnolia. This area is around the intersection of Nansemond Parkway and Portsmouth Boulevard. The land along Portsmouth Boulevard has been gradually developing commercially for a number of years. There is a shopping center and a Food Lion west of the subject and a convenient store on the north west corner of Nansemond Parkway and Portsmouth Boulevard across from the subject. a Racetrack service station is east of the subject and north of the subject off of Portsmouth Boulevard is the Wilroy Industrial Park. These things all help the subject use as a commercial site.

SITE DATA

| | |
|-------------------|--|
| Location | 1020 and 1008 Nansemond Parkway Suffolk, Virginia |
| Land Size | 2.95± acres or 128,502± square feet |
| Shape | Irregular |
| Frontage | 500± linear feet along Portsmouth Boulevard and 500± linear feet along Nansemond Parkway |
| Access | 50± linear feet of drive on Portsmouth Boulevard and 43± linear feet of drive on Nansemond Parkway (Route 337) |
| Visibility | Good |

Topography

The site is generally level, no drainage problems noted. There will be a drainage pond in the north west corner of the property.

Easements

There are no unusual easements that would adversely affect the subject. Typical drainage and utility easements apply.

Utilities

Water and sewage. The sewage line is a forced main.

Improvements

Vacant.

Flood Zone

The subject property is found on Flood Insurance Rate Map 5101560023B, effective November 16, 1990. The subject is located in Zone X or an area determined to be outside 500-year floodplain. This data has been taken from National Flood Insurance Program Maps, which we accept as correct. See a copy of the flood zone map on the following pages.

Zoning

Zoning is easily the most significant legal technique in land use control. Zoning districts are geographic areas within the boundaries of which land uses are defined by type, size, height, etc. Such a system is presently in use in this city. The area is zoned B-2, Commercial District. This district is intended for development of business or commercial properties.

With a use permit other types of uses are allowable. Use permits grant permission for variances from the designated zoning only if permission is granted by the governing authority (City Council). Such permission is only granted in specific locations with the application of special conditions and safeguards. The primary consideration in granting a use permit is conformity with the general plan and policies and the effect on the neighborhood.

Environmental Data

Although I have had no formal environmental training, an initial site assessment was made. No tests for radon were made; however, the Coastal Plain of Virginia has the lowest percentage of homes tested with excess radon. I do not have the expertise to inspect the presence or absence of asbestos or friable asbestos.

A review of the ownership records gives no indication that the site was ever used for hazardous waste disposal, however, this does not mean that it was not. There were no sumps, ponds or basins on the property that appear to be used for the storage or disposal of materials.

Air Installation Compatible Use Zones

Air Installation Compatible Use Zones or AICUZ is typical for properties located near jet airports. The subject property is not located in an AICUZ Zone.

Hazardous Material

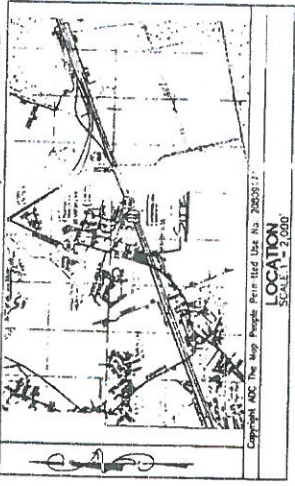
Unless otherwise stated in this appraisal report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

| SCHEDULE | |
|----------|------------------------|
| 1 | PROVISION CONTROL PLAN |
| 2 | PHASE I |
| 3 | SITE PLAN |
| 4 | LANDSCAPE PLAN |
| 5 | EROSION CONTROL PLAN |
| 6 | PROVISION CONTROL PLAN |
| 7 | PHASE II |
| 8 | PROVISION CONTROL PLAN |
| 9 | NOTES AND DETAILS |
| 10 | SEWER PUMPING STATION |
| 11 | LANDSCAPE PLAN |
| 12 | EROSION CONTROL PLAN |
| 13 | DETAILS |

RACECO

NANSEMOND PARKWAY AND PORTSMOUTH BOULEVARD SITE DEVELOPMENT PLAN

CITY OF SUFFOLK, VIRGINIA



OWNER:
RACECO, INC. CO., LLC
6004 INDIAN RIVER ROAD
VA. BCH, VA. 23464
PHONE: 757-486-5228

Copyright ADC The Map People Permitted Use No. 200303-17
LOCATION
SCALE: 1" = 2,000'

| LEGEND | |
|--------|------------------------|
| 1 | PROVISION CONTROL PLAN |
| 2 | PHASE I |
| 3 | SITE PLAN |
| 4 | LANDSCAPE PLAN |
| 5 | EROSION CONTROL PLAN |
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| 12 | EROSION CONTROL PLAN |
| 13 | DETAILS |

| NOTES | |
|-------|-----------------------|
| 1 | SEE PLAN FOR DETAILS. |
| 2 | SEE PLAN FOR DETAILS. |
| 3 | SEE PLAN FOR DETAILS. |
| 4 | SEE PLAN FOR DETAILS. |
| 5 | SEE PLAN FOR DETAILS. |
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| 10 | SEE PLAN FOR DETAILS. |
| 11 | SEE PLAN FOR DETAILS. |
| 12 | SEE PLAN FOR DETAILS. |
| 13 | SEE PLAN FOR DETAILS. |

NOTES

1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF SUFFOLK ZONING ORDINANCES AND THE VIRGINIA SUBDIVISION CONTROL ACT.

2. THE DEVELOPER SHALL OBTAIN ALL NECESSARY PERMITS FROM THE CITY OF SUFFOLK AND THE VIRGINIA DEPARTMENT OF TRANSPORTATION AND CONSTRUCTION.

3. THE DEVELOPER SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.

4. THE DEVELOPER SHALL PROTECT ALL EXISTING UTILITIES AND STRUCTURES.

5. THE DEVELOPER SHALL MAINTAIN STORMWATER MANAGEMENT MEASURES THROUGHOUT CONSTRUCTION.

6. THE DEVELOPER SHALL MAINTAIN EROSION CONTROL MEASURES THROUGHOUT CONSTRUCTION.

7. THE DEVELOPER SHALL MAINTAIN LANDSCAPE MEASURES THROUGHOUT CONSTRUCTION.

8. THE DEVELOPER SHALL MAINTAIN EROSION CONTROL MEASURES THROUGHOUT CONSTRUCTION.

9. THE DEVELOPER SHALL MAINTAIN LANDSCAPE MEASURES THROUGHOUT CONSTRUCTION.

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| 13 | DETAILS |

LOGO

THE SPECTRA GROUP, INC.
272 HENDY ROAD, SUITE 260
FARMERSVILLE, VIRGINIA 23435
PH: (757)499-1398
WWW.SPECTRA.COM

PROJECT: _____

TSC# 08-0347

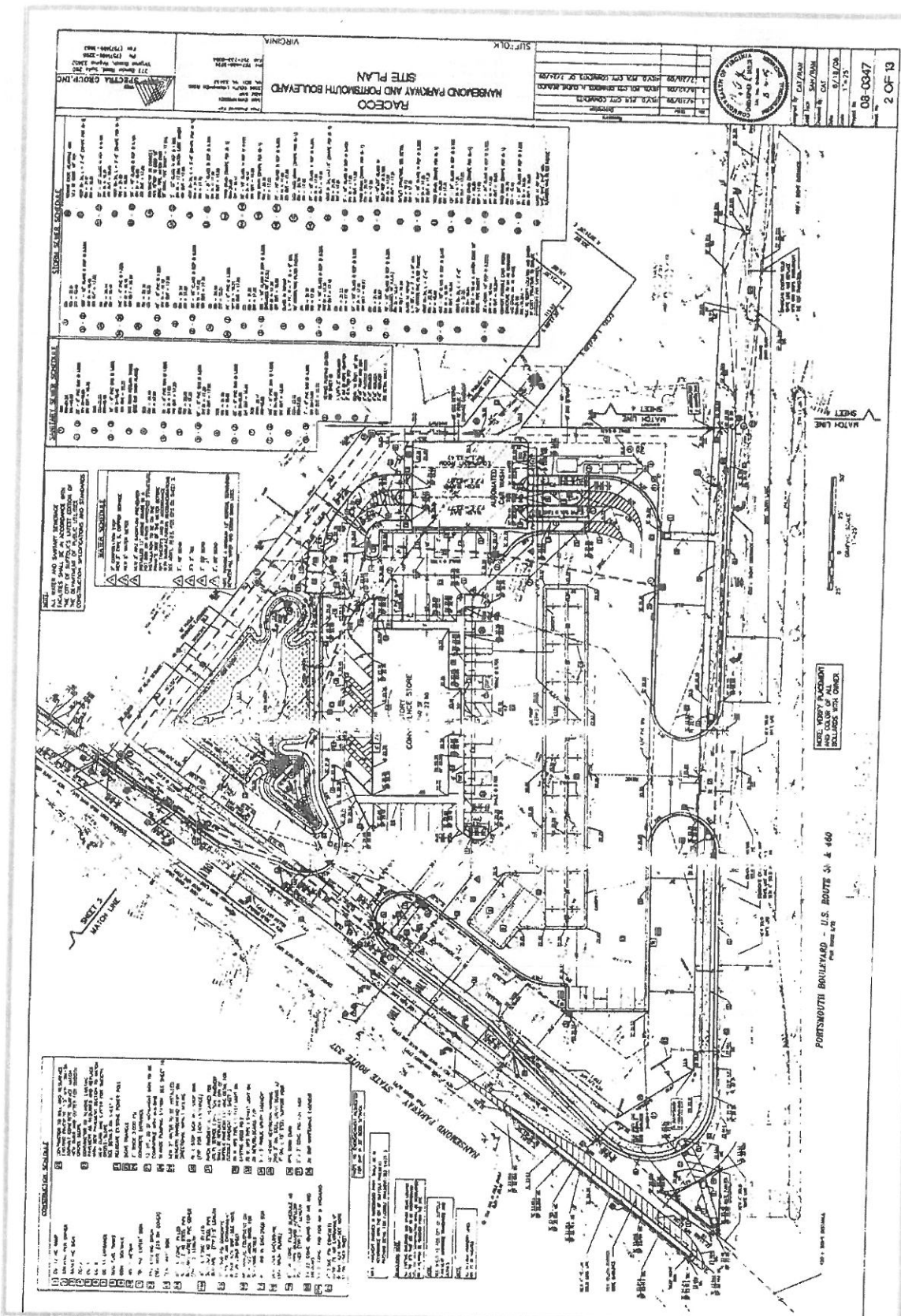
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SEALS

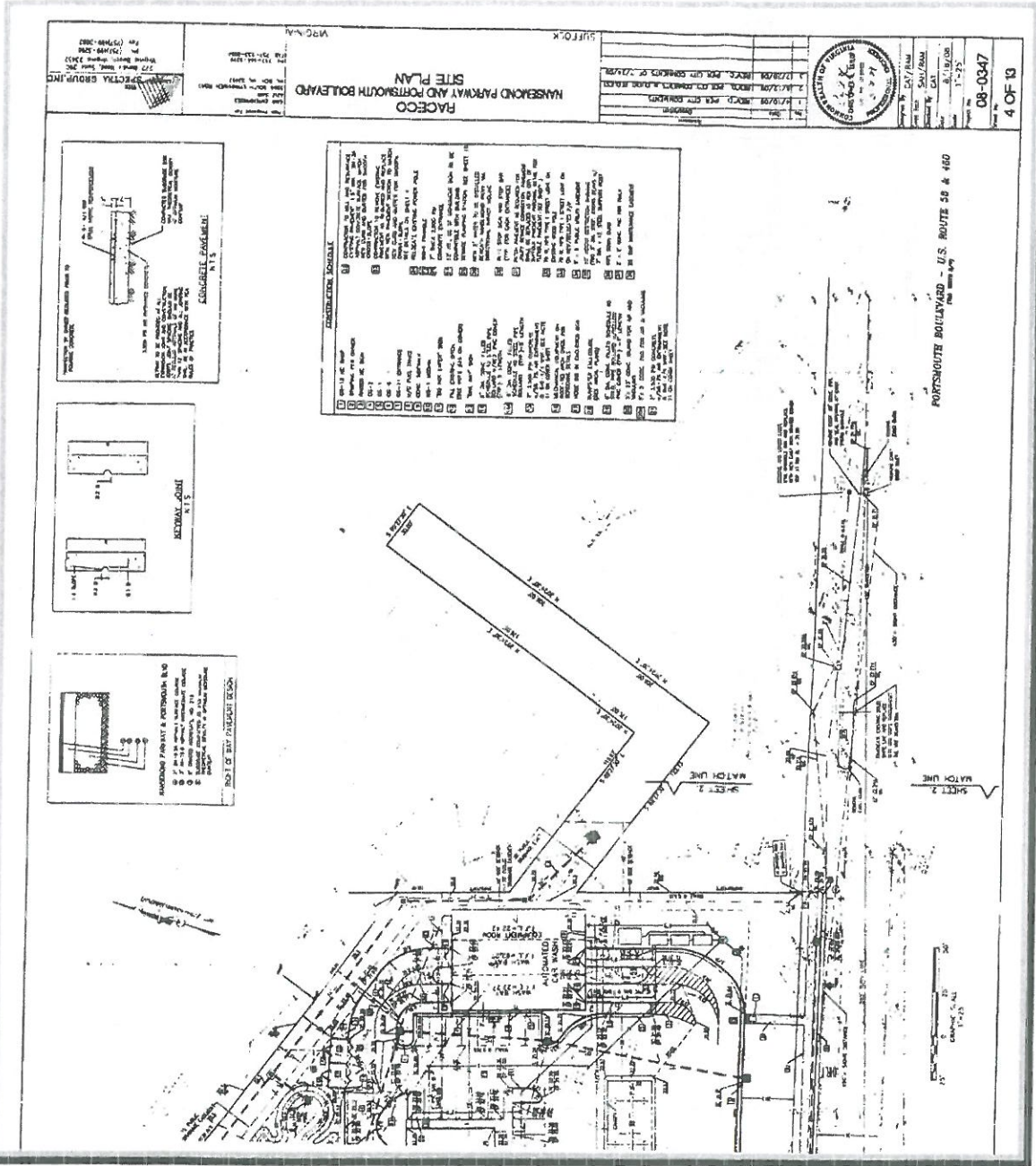
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DESIGNER: _____

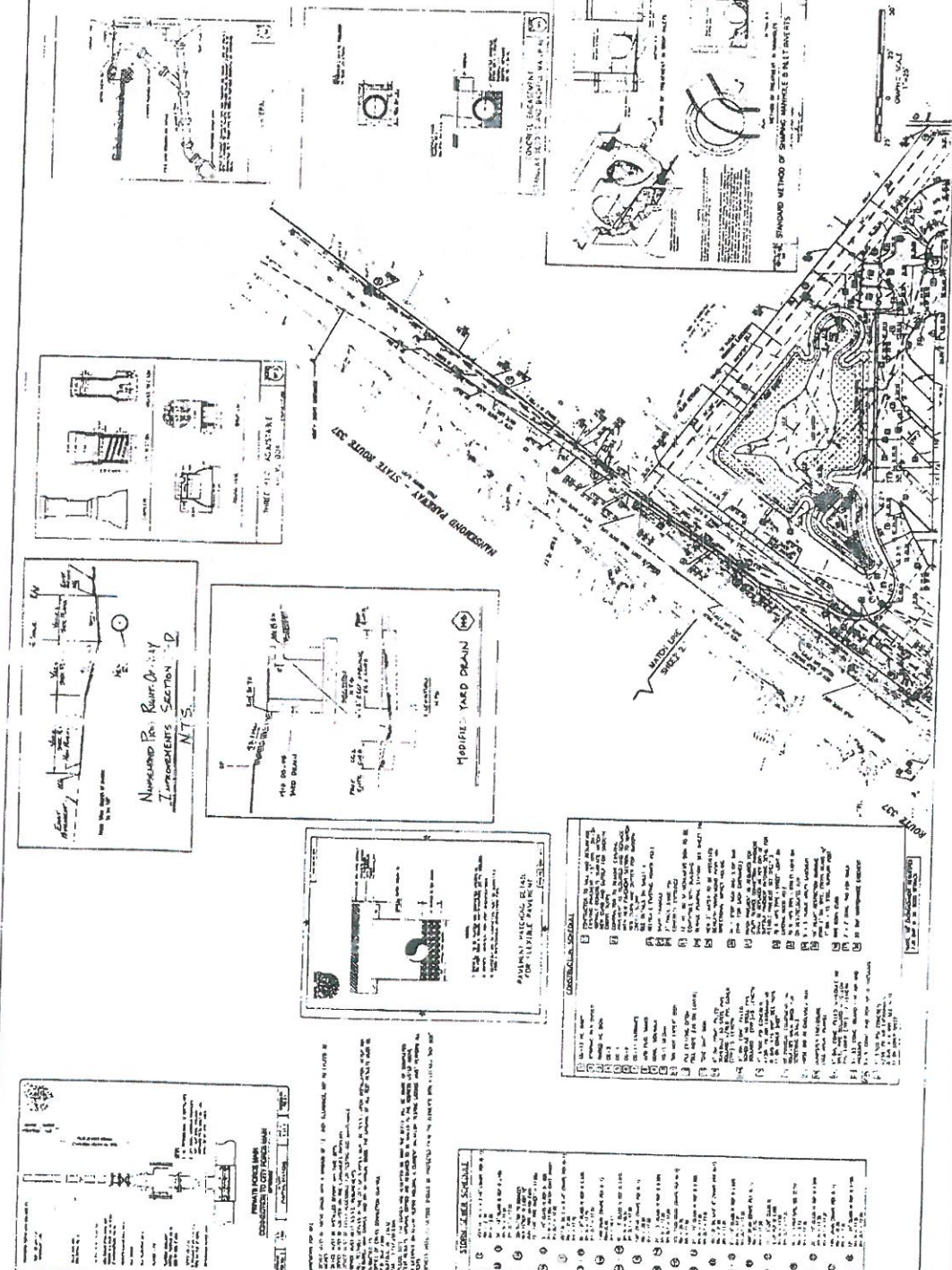
PLAT MAP



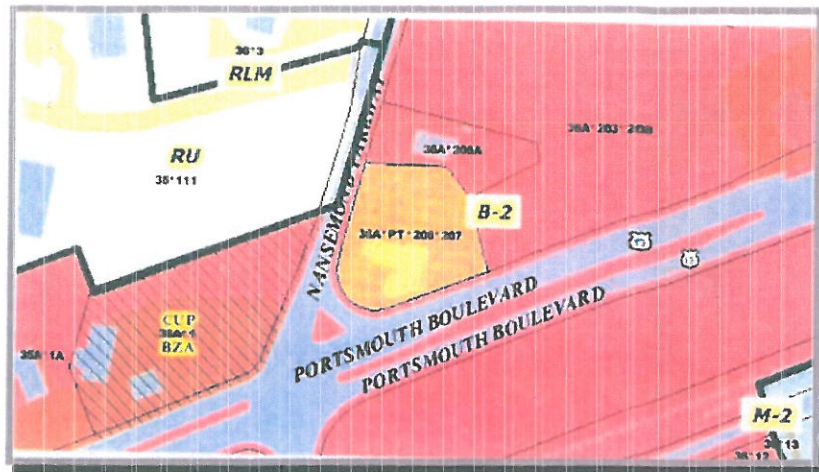
PLAT MAP



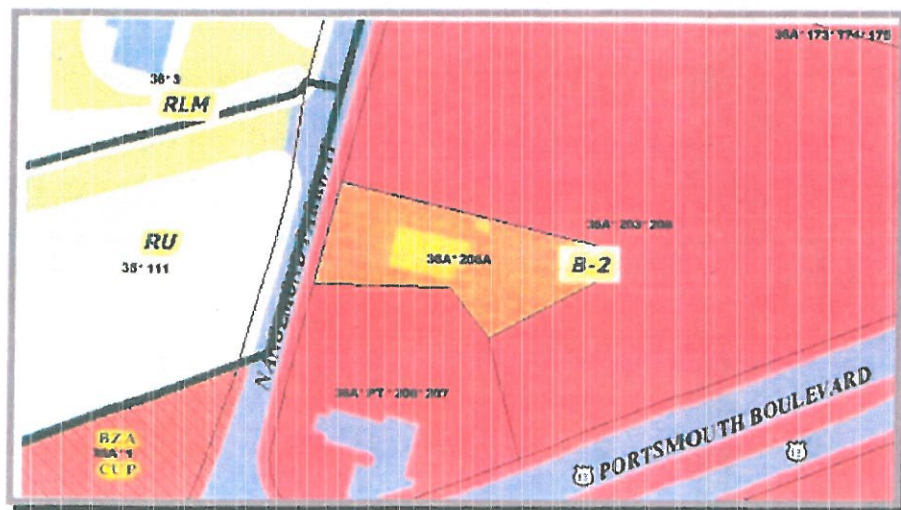
PLAT MAP



PLAT MAP

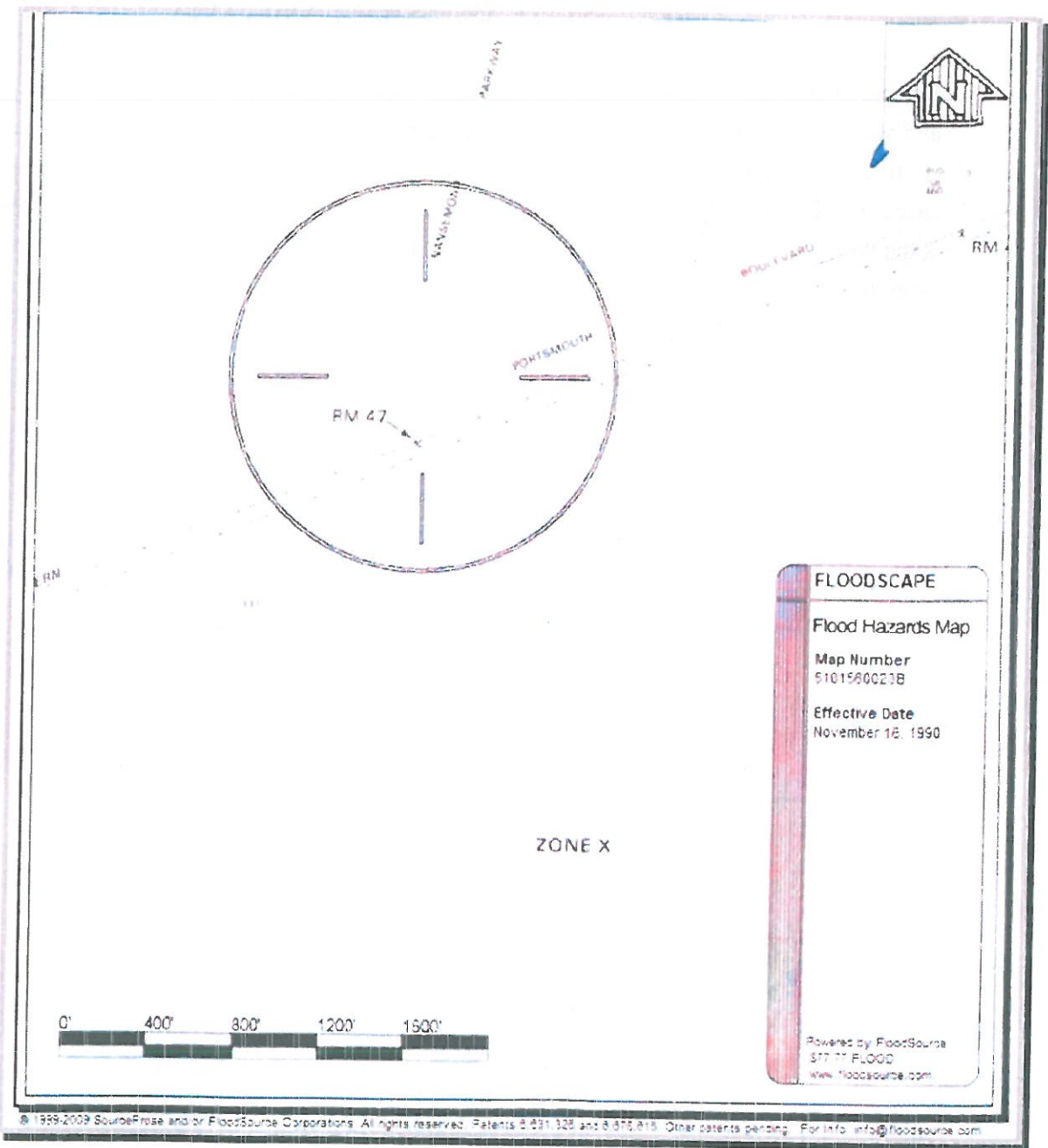


TAX MAP (36A*PT*206*207)



TAX MAP (36A*206A)

*TAX MAP NOT AVAILABLE FOR 36A*205*177



FLOOD ZONE MAP

REAL ESTATE ASSESSMENT AND TAXES

Local and state governments exercise rights of property taxation to raise monies for operations and services that protect or otherwise benefit their citizenry. Equitable sharing of these costs is a continuing problem. Taxes are more or less ad valorem (at 100% of market value) and currently based on a Council approved rate of \$0.91 per hundred dollars of assessed value. Assessed value is the worth or amount in dollars assigned by the tax administrator. The following represents the assessment for the current years:

| | 2009/2010 |
|--------------|------------|
| Land | \$353,700 |
| Improvements | |
| Total | \$353,700 |
| Taxes | \$3,218.67 |

HIGHEST AND BEST USE

Highest and best use may be defined as *the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.*

Source: The Appraisal of Real Estate, Thirteenth Edition,
Chicago: American Institute of Real Estate Appraisers, 2008.

In the process of determining the highest and best use of a property, the highest and best use of the land as though vacant and available for development to its highest and best use must first be considered. Then the highest and best use of the property as improved is considered. When a site contains improvements, the highest and best use may be determined to be different from the existing use. However, the existing use will continue unless and until the land value in its highest and best use exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements.

Four criteria must be considered in determining highest and best use of a property. First, the proposed use must be physically possible, considering such factors as the size, shape, frontage, soil conditions, drainage, and topography of the site, as well as the availability and capacity of public utilities. The condition, size, and location of improvements and their adaptability to the proposed use must also be considered. Secondly, the proposed use must be legally permissible, considering such factors as deed restrictions, zoning regulations, building codes and environmental regulations. Thirdly, the proposed use must be financially feasible. Potential uses must be analyzed to determine those that are likely to produce some income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses and capital amortization. Because all uses that are expected to produce a positive rate of return are regarded as financially feasible, a fourth criterion must be met in order to determine highest and best use. Among the financially feasible uses, that use which provides the highest rate of return; that is, the maximally productive use is considered to be the highest and best use. I have considered all of the above criteria in order to determine the highest and best use of the subject property.

Highest and Best Use

Physically Possible

The size, shape, area, terrain, and accessibility of the land and the risk of natural disasters such as floods or earthquakes affect the uses under which the property can be developed. The utility of the property may also depend on its frontage and depth. Irregular shaped parcels can cost more to develop and, after development, may have less utility than regularly shaped parcels of the same size. Ease of access enhances the utility of the site. The subject property contains 2.95± acres or 128,502± square feet of vacant land that is approximately level, at or near street grade, and appears to be adequately drained. The parcel fronts 500± linear feet on Portsmouth Boulevard. The entrance to the parcel on Portsmouth Boulevard is 50± linear feet and 43± linear feet to Nansemond Parkway. (See sketch) The parcel is irregular in shape. Public utilities are available at the site. The size, shape, and condition of the property afford any number of potential development options, which include residential, retail, commercial, industrial, and office-institutional.

Legally Permissible

The use of the property may be restricted by private deed restrictions, building codes, zoning regulations, environmental regulations, or by existing easements. There are no known deed restrictions on the subject property that would adversely affect its development. In the case of the subject property, the primary consideration is zoning. The subject property is zoned for B-2, Commercial uses. Within this district, it is intended to provide an area for commercial development. The building code for construction allowed under the current zoning is not considered unduly restrictive. Therefore, the subject property can legally be used for a commercial use.

Financially Feasible/Maximally Productive

This test is to identify those uses that are likely to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. This test is the essence of the highest and best use and the resulting value estimate. After analyzing the supply and demand and the location of the subject property it was felt that a commercial use was the most financially feasible and maximally productive use of the subject property.

Conclusion to Highest and Best Use

Based upon this discussion and my analysis, it is my opinion that the highest and best use of the property would be for a commercial use.

APPROACHES TO VALUE

There are normally three basic approaches to valuing real estate. These approaches to value are applicable to varying degrees depending on the type of property being appraised. For example the Income Approach, typically, is not used for residential dwellings as they are not typically bought and sold based on their income production. The Market or Sales Comparison Approach is not normally useful in the appraisal of special purpose properties as these types of properties do not normally sell in sufficient quantities to establish reliable units of comparison. The Cost Approach has serious weakness on properties where good reproduction costs are not available and/or depreciation from all sources is not adequately quantifiable. The three approaches to value and their derivation are enumerated as follows:

1. **The Cost Approach** – In this approach, an estimated reproduction or replacement cost of the improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. To the depreciated building cost estimate, entrepreneurial profit, if appropriate, and the estimated value of the land are added. The total represents the value indicated by the Cost Approach.
2. **The Sales Comparison Approach** – In this approach, the subject property is compared to similar properties that have been sold recently or for which listing prices or offering figures are known. Data for generally comparable properties are used, and comparisons are made to demonstrate a probable price at which the subject property would be sold if offered on the market.
3. **The Income Capitalization Approach** – In this approach, the purpose is to reflect the value based on the income potential that can be projected from this improvement. This gross income is estimated by determining economic rent from similar properties. Deducted from the gross income are estimated expenses to arrive at net income. This net income is then capitalized into an indication of value at an appropriate rate that reflects the type of property, risk involved, financing and the like.

In the case of the subject property, the most applicable approach for valuing vacant land is the Sales Comparison Approach.

LAND VALUATION

The land of the subject property will be valued by the sales comparison approach. In this method, the subject property is compared to similar properties that have been sold recently. The underlying principle (substitution) is that a knowledgeable buyer would pay no more than the cost to acquire a site offering similar amenities and that the selling prices of similar properties can be extrapolated to give an indication of the subject's value.

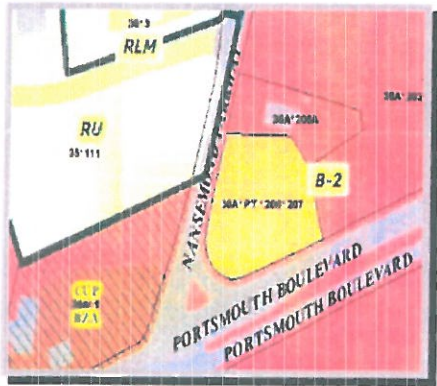
Sales of vacant sites were researched and evaluated for their similarities and dissimilarities to the subject. Location, zoning, size, buyer motivation and physical characteristics were major factors in the process of eliminating the least comparable of the market transactions. The appraiser has personally viewed all sales that are to be analyzed. Many of the sales were determined to have an acceptable degree of comparability to the subject and particulars about those transfers follow. There are six elements of the land sales that cause the prices to be paid to vary. These are the elements that will be examined and analyzed in the sales comparison approach. These elements are as follows:

1. **Real Property Rights Conveyed**
2. **Financing Terms**
3. **Conditions of Sale**
4. **Market Conditions**
5. **Location**
6. **Physical Characteristics**

LAND SALES

Land Sale 1 (Subject)

| | |
|-----------------|--|
| Location | 1008 and 1020 Nansemond Parkway |
| City | Suffolk, Virginia |
| Tax Map | 36A*206A, 36A*PT206*207, 36A*205*177 |
| Grantor | Ralph Naraha et als |
| Grantee | Raceco Oil Company |
| Document Number | 000022460 |
| Date of Sale | February 8, 2008 |
| Consideration | \$900,000 |
| Land Size | 2.68± AC or 116,741±SF |
| Rate/S.F. | \$7.71 |
| Utilities | All sewage is by forced main/ 12" water line |
| Zoning | B-2, Commercial |
| Comments | This was assemblage of several parcels. |



*Tax Map not available for 36A*205*177

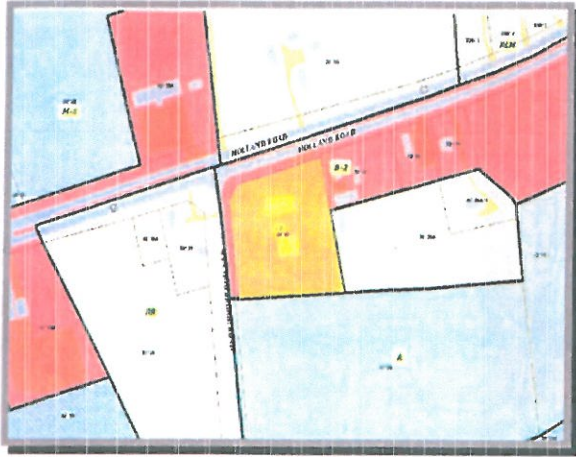
Land Sale 2

| | |
|-----------------|--|
| Location | 1000 Centerbrooke Lane |
| City | Suffolk, Virginia |
| Tax Map | 25N*1C |
| Grantor | Russell Property, LLC |
| Grantee | RPA Centerbrook, LLC |
| Document Number | 0001010490 |
| Date of Sale | June 4, 2007 |
| Consideration | \$1,200,000 |
| Land Size | 1.32± AC or 57,499± SF |
| Rate/S.F. | \$20.87 |
| Utilities | All |
| Zoning | B-2, Commercial |
| Comments | Development across from hospital. Improved with a new 7-11 convenient store/gas station. |



Land Sale 3

| | |
|-----------------|--|
| Location | 2317 Holland Road |
| City | Suffolk, Virginia |
| Tax Map | 32*52 |
| Grantor | Judy B. McClung |
| Grantee | RPA Manning Bridge Road |
| Document Number | 060001454 |
| Date of Sale | January 2006 |
| Consideration | \$750,000 |
| Land Size | 2.32± AC or 101,059± SF |
| Rate/S.F. | \$7.42 |
| Utilities | All city |
| Zoning | B-2, Commercial |
| Comments | Improved with a new 7-11 convenient store/gas station. |



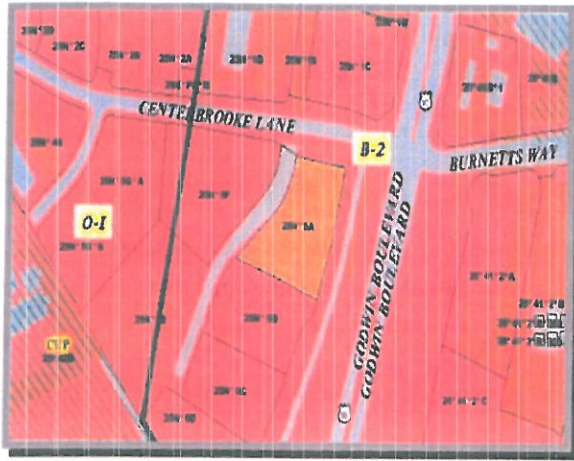
Land Sale 4

| | |
|-----------------|---|
| Location | 2753 Godwin Boulevard |
| City | Suffolk, Virginia |
| Tax Map | 25*N |
| Grantor | Centerbrooke Park Associates, LLC |
| Grantee | Wendy's International, Inc. |
| Document Number | 0500016275 Plat Cabinet 3 Drawer 252 E-253 A |
| Date of Sale | August 12, 2005 |
| Consideration | \$600,000 |
| Land Size | 1.429±AC or 62,282± SF |
| Rate/S.F. | \$9.64 |
| Utilities | All |
| Zoning | B-2, Commercial |
| Comments | Improved with a Wendy's fast food restaurant. |



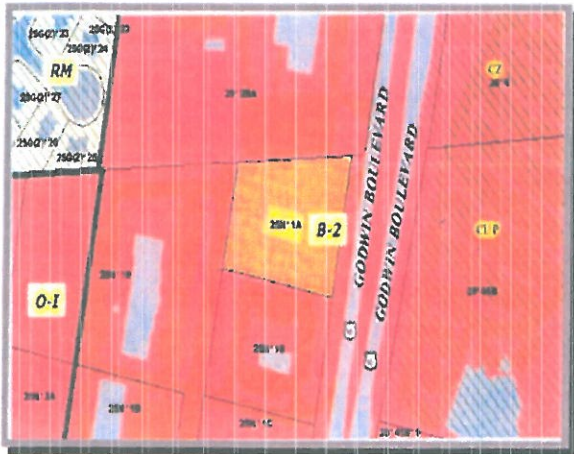
Land Sale 5

| | |
|-----------------|---|
| Location | 1001 Centerbrooke Lane |
| City | Suffolk, Virginia |
| Tax Map | 25N*5 |
| Grantor | The Tetra Associates LLC |
| Grantee | The Tetra Associated LLC |
| Document Number | 20060216000033620 PC Slide 235 A-2 |
| Date of Sale | February 16, 2006 |
| Consideration | \$2,700,000 |
| Land Size | 10.312± AC or 449,104± SF or 7.45± AC high or 324,522± SF |
| Rate/S.F. | \$8.32 |
| Utilities | All |
| Zoning | B-2/O-I, Commercial/Office-Institutional |
| Comments | Area of wetlands- 2.860± acres or 124,604± square feet. |



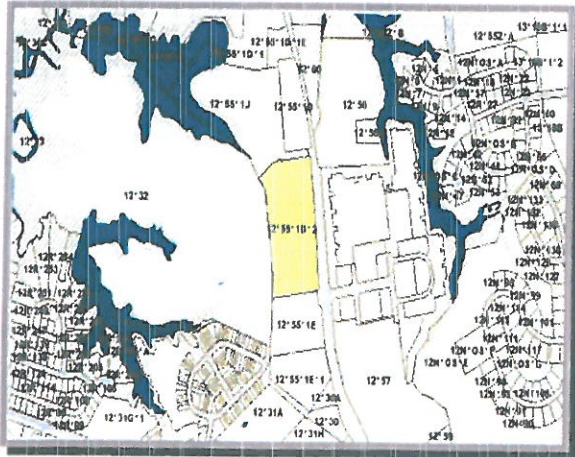
Land Sale 6

| | |
|-----------------|--|
| Location | 2757 Godwin Boulevard |
| City | Suffolk, Virginia |
| Tax Map | 25N*1A |
| Grantor | Centerbrooke Park Associates LLC |
| Grantee | Ruby Tuesday, Inc. |
| Document Number | 050014474 Plat Cabinet 0003 Drawer 252E-253A |
| Date of Sale | July 8, 2005 |
| Consideration | \$546,219 |
| Land Size | 1.39± acres or 60,548± SF |
| Rate/S.F. | \$9.02 |
| Utilities | All Public |
| Zoning | B-2, Commercial |
| Comments | Improved with a family style restaurant. |



Land Sale 7

| | |
|-----------------|--------------------------------------|
| Location | 5551 Shoulders Hill Road |
| City | Suffolk, Virginia |
| Tax Map | 12*55*1D*2 |
| Grantor | TMS Property Managements LLC |
| Grantee | HHHunt Corporation |
| Document Number | 20070928000176240 |
| Date of Sale | September 26, 2007 |
| Consideration | \$2,728,062 |
| Land Size | 533,044± SF |
| Rate/S.F. | \$5.12 |
| Utilities | Water, sewer, telephone and electric |
| Zoning | B-2, Commercial |



Land Sales Summary

| Sale | Location | Date | Price | Size/S.F. | Rate/S.F. |
|------|---|----------|-------------|-----------|-----------|
| 1 | 1020 & 1008 Nansemond Parkway (Subject) | 02/08/08 | \$900,000 | 116,741 | \$7.71 |
| 2 | 1000 Centerbrooke Lane | 06/04/07 | \$1,200,000 | 57,499 | \$20.87 |
| 3 | 2317 Holland Road | 01/06 | \$750,000 | 101,059 | \$7.42 |
| 4 | 2753 Godwin Boulevard | 08/12/05 | \$600,000 | 62,282 | \$9.64 |
| 5 | 1001 Centerbrooke Lane | 02/16/06 | \$2,700,000 | 324,609 | \$8.32 |
| 6 | 2757 Godwin Boulevard | 07/08/05 | \$546,219 | 60,548 | \$9.02 |
| 7 | 5551 Shoulders Hill Road | 09/26/07 | \$2,728,062 | 533,044 | \$5.12 |

Land Sales Adjustments

| Adjustment | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 | Sale 7 |
|--------------------------|-----------|-------------|-----------|-----------|-------------|-----------|-------------|
| Sales Date | 02/08/08 | 06/04/07 | 1/06 | 8/12/05 | 2/16/06 | 7/08/05 | 9/26/07 |
| Sales Price | \$900,000 | \$1,200,000 | \$750,000 | \$600,000 | \$2,700,000 | \$546,219 | \$2,728,062 |
| Size/S. F. | 116,741 | 57,499 | 101,059 | 62,282 | 324,609 | 60,548 | 533,044 |
| Price/S. F. | \$7.71 | \$20.87 | \$7.42 | \$9.64 | \$8.32 | \$9.02 | \$5.12 |
| Property Rights | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price PSF | \$7.71 | \$20.87 | \$7.42 | \$9.64 | \$8.32 | \$9.02 | \$5.12 |
| Financing | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price PSF | \$7.71 | \$20.87 | \$7.42 | \$9.64 | \$8.32 | \$9.02 | \$5.12 |
| Conditions of Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price PSF | \$7.71 | \$20.87 | \$7.42 | \$9.64 | \$8.32 | \$9.02 | \$5.12 |
| Market Conditions | 0 | +3% | +12% | +14% | +11% | +15% | +1% |
| Adjusted Price/S. F. | \$7.71 | \$21.50 | \$8.31 | \$10.99 | \$9.24 | \$10.37 | \$5.17 |
| Location | 0 | -20% | 0 | -20% | -20% | -20% | 0 |
| Physical Characteristics | 0 | -10% | 0 | -10% | +10% | -10% | +10% |
| Net Adjustment | 0 | -30% | 0 | -30% | -10% | -30% | +10% |
| Adjusted Price/S. F. | \$7.71 | \$15.05 | \$8.31 | \$7.69 | \$8.32 | \$7.26 | \$5.69 |

Explanation of Adjustments

Real Property Rights Conveyed

A transaction price is always predicated on the real property interest conveyed. My research indicated that all sales were for fee simple ownership, therefore, no adjustment was considered necessary.

Financing Terms

The purchase price of a property may vary due to different financing arrangements. All of the sales were analyzed for special financing which would necessitate an adjustment. My research indicated that financing for all sales was typical of the market, therefore, no adjustment was considered necessary.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller. For example, a sale may be transacted at a below-market price if the seller needs cash in a hurry. A financial, business, or family relationship between the parties may affect the price of the property. Interlocking corporate entities may record a sale at a non-market price to serve their business interests. My research did not reveal any information that indicated that any of the comparable sales were not arm's length transactions. Therefore, no adjustments were made for conditions of sale.

Market Conditions

Market conditions generally change over time, but the date of an appraisal is a specific time. Therefore, past sales must be examined in light of the direction of change between the sale date of the comparable and the valuation date of the subject property. The changes in market conditions may be caused by inflation, deflation, and fluctuations in supply and demand or other factors. Although the adjustment of market conditions is often referred to as a "time adjustment," time is not the cause of the adjustment. Market conditions shift over time; they create the need for an adjustment, not time itself.

The strongest support for this adjustment is established in the market place. Resales of a property provide the best method of quantifying the extent of depreciation/ appreciation. I found no resales of similar in the general area. Market conditions were good thru 2007. No increase has been noted since January 1, 2008. In some types of property one may say that values have declined. However, I do not feel that is the case with subject. I have estimated an increase of 6% per year thru 2007, with no increase since that time.

Location

An adjustment for location may be required when the locational characteristics of a comparable property are different from those of the subject property and these differences have an effect on value. Such location factors as zoning, street size and patterns, availability of public utilities, linkages to required support services, rent and occupancy levels, population density, traffic counts, and surrounding land uses must be considered when evaluating a potential sale to be used as a comparable sale to the subject property. Corner locations are generally considered to be more valuable than interior sites due to better access and visibility. The subject is located at the intersection of Nansemond Parkway and Portsmouth Boulevard. Sales 2, 4, 5, and 6 are shopping center outparcels and are superior to the subject, thus adjustments were made.

Physical Characteristics

Such things as frontage, amount of utilities, topography, size and shape of parcel will have an influence on its value. All else being equal, larger parcels tend to sell for less per square foot than do smaller parcels due to economies of scale. A site that has topography that must be modified before development can commence is worth less than a parcel whose topography is suitable for development at the time of sale. On site environmental conditions are also considered. Finally, the shape and frontage of a parcel directly affect its utility and thus its value. A smaller site will normally sell for more on a per unit basis than a larger parcel. Therefore, an adjustment was made for size in Sales 2, 4, 5, 6, and 7.

Reconciliation

Land sales were selected in the general area. The sales, as adjusted, range from a low of \$5.69 per square foot to a high of \$15.05 per square foot, with the average being \$8.58 per square foot. Based on the before-mentioned sales, it is felt that the land value should be called at \$8.50 per square foot or:

$$128,502\pm \text{ SF} \times \$8.50 = \$1,092,267$$

Rounded to \$1,100,000

Correlation and Final Value Estimate

The only approach to value that was felt to be applicable in this case was the Sales Comparison Approach. Sales of similar properties were considered in arriving at the final value. Sales 1, 2, and 3 were of service station sites while the remainder of the sales were of outparcels. Therefore, the value of the subject should be called at \$1,100,000.

MARKET EXPOSURE TIME/MARKETING TIME

The Uniform Standards of Professional Appraisal Practice (USPAP), published by the Appraisal Standards Board (ASB), has concluded that there is a distinct difference between marketing time and market exposure time in market estimates. Market exposure time is historical in nature, and more specifically, 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 upon an analysis of past events assuming a competitive and open market.* Marketing time is *the estimated time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal.* While these estimates can be different for various types of real estate, both take into account the concluded market value estimate.

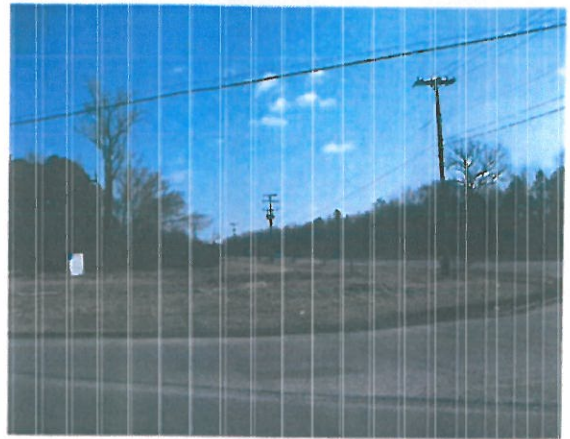
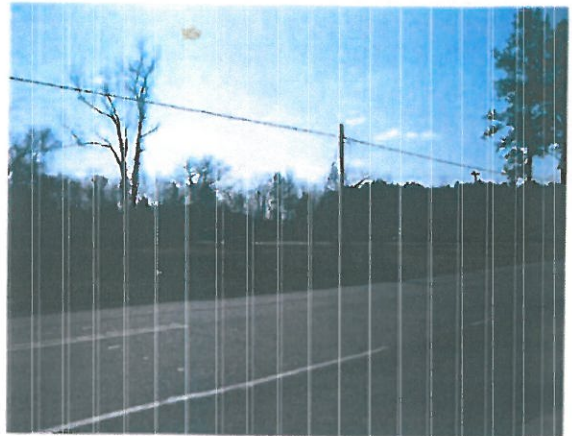
The USPAP requires that the appraiser include an estimate of reasonable exposure time when estimating market value. The overall concept of reasonable exposure encompasses not only adequate, sufficient, reasonable time, but also adequate, sufficient, reasonable effort. The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process, supply/demand conditions as of the effective date of the appraisal, the use of current cost information, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of the appraisal. The best method of estimating exposure time is by investigating actual sales that have occurred in the marketplace or by interviewing local real estate brokers to obtain their experience with such sales.

An estimate of marketing time is not required by USPAP, but in some instances, the appraiser is requested to make an estimate. Marketing time estimates can be determined by interviews with professionals knowledgeable of a particular property type in the relevant marketplace in order to estimate future trends. Theoretically, when a market is at equilibrium, exposure time and marketing time should be the same. Many variables have an effect on both of these time estimates, and it should be noted that both are subjective.

The consensus of local real estate brokers was a market exposure time of approximately twelve to twenty four months for this type property. In addition, the Real Estate Investor Survey by Cushman & Wakefield indicates that almost all investment type properties are trading within a twelve-month period. The more secure property types in the market are as follows: retail (3 to 6 months), industrial (5 to 6 months), and apartments (4 to 6 months). The national office market, both central business district and suburban, ranges from 4 to 6 months. Based upon market survey data, local real estate broker's familiar with this type property, and the characteristics of the subject property itself, I estimate that a reasonable exposure time and marketing time for the subject property would be approximately twelve to twelve four months.

ADDENDUM

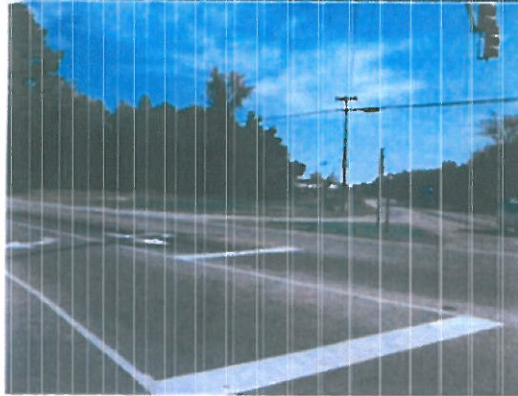
SUBJECT PHOTOGRAPHS





2.95 ACRE RETAIL LAND

Executive Summary



1008 Nansemond Parkway
Suffolk, VA 23434

| | |
|----------------|-------------|
| List Price | \$1,375,000 |
| Price per Acre | \$466,102 |
| Price per S.F. | \$10.70 |

| | |
|-------------|----------|
| Gross Acres | 2.95 |
| Shape | Triangle |

■ Retail Pad Available for Sale

| | | | |
|-----------------|---------------|-------------------|---------|
| Cross Street | | Tax Parcel Number | |
| Market | Hampton Roads | Sub Market | Suffolk |
| Street Frontage | 250 x 250 | Corner | Yes |
| Electrical | Yes | Water | No |
| Sewer | Yes | Gas | Yes |
| Zoning | C2 | | |

■ Property Descriptions

| | |
|---------------------|-------------------------------|
| Existing Structures | Empty Lot |
| Land Improvements | None |
| Ingress/Egress | Right Turn in Right Turn out |
| Best Use | Retail/ C-store - Gas Station |

Sperry Van Ness / Small-Shah Commercial Real Estate Advisors
Shailesh Shah (757)622-6595 shailesh.shah@svn.com
John Small III (757)622-6595 john.small@svn.com
156 Newton Rd., Suite A2 - Virginia Beach, VA 23462

LISTING AGREEMENT



Appraisal Engagement Authorization

Appraiser: **John C. Harry, III, SRA, MAI** ID: **VA051** Date: **January 28, 2010**
 Phone: **(757) 484-7100** Fax: **(757) 484-7299**
 Address: **John C. Harry, Inc., 3800 Poplar Hill Road, Suite G, Chesapeake, VA 23321**

Subject to the provisions herein and the BB&T Appraisal Engagement Document Attachment, you are authorized to proceed with the appraisal assignment briefly described below. Please call the ordering Bank Officer indicated below if you have any questions or need further information.

New Appraisal Appraisal Update

Date Ordered: **01/28/2010** Appraisal Fee: **\$1,700** Delivery Expected: **03/14/2010**

Borrower: **Raceco Oil Co**

Property: **Raceco**
 Property Location: **1020 & 1008 Nansemond Parkway**
 Address:
 City: **Suffolk** State: **VA** County: **Suffolk**
 Additional Prop. Info: **3 +/- acres of vacant commercial raw land located in Suffolk Co., VA. LAND ONLY.**

Contact Person: **AZIZ SAIR** Phone: **(757) 620-8111** Ext: Phone 2:
 Appraisal Type: **Condensed** Report Format: **Summary**
 Value Estimate(s) Requested:
 Mkt Value As Is Mkt Value At Comp Mkt Value At Stabilization: Other:
 Real Property interest to be appraised:
 Fee Simple Leased Fee Leasehold Other: Description:

Number of required copies: **3**

If sending an electronic copy of a report in addition to hard copies, please email to appraisalsupport@bbandt.com and include the Appraisal I.D. No. in the subject line.

Special Instructions:

Ordering Bank Officer: **Marissa Friebus**
Manager

Address: **2713 Forest Hills Rd., Wilson, NC, 27893**
 Telephone No: **(252) 296-0807**

Fax No.:
WIL100165-00-01
 Appraisal I.D No.

BB&T APPRAISAL ENGAGEMENT DOCUMENT ATTACHMENT

This attachment to the engagement document is to confirm your employment for professional appraisal services on the referenced property. The appraisal assignment must be prepared in accordance with the appraisal policies and guidelines of Branch Banking and Trust Company (BB&T) included herein and the appropriate regulatory agencies. You are authorized to proceed with preparation of an appraisal as defined within the Uniform Standards of Professional Appraisal Practice (USPAP). The report shall be prepared as further set forth in the BB&T appraisal instructions, enclosed herewith. The appraisal shall also be in accordance with the definition of "Market Value" as provided below:

MARKET VALUE is 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:

- (a) Buyer and seller are typically motivated;
- (b) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (c) A reasonable time is allowed for exposure in the open market;
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) 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.

Insurable Value: Insurable value is defined as the cost to replace the destructible portions of a property that determines the amount of insurance that may, or should, be carried to indemnify the insured in the event of loss. For practical purposes, the replacement cost estimate used to calculate insurable cost should include the foundation. The estimate is based on replacement cost new, and must reflect only direct or hard construction costs, such as construction labor and materials, repair design, engineering, permit fees, and contractor's profit, contingency and overhead. It must not include surveys, site development, financing, or land acquisition costs.

You may call the listed contact person to obtain access to the subject property as well as other property specific information. Any documentation provided to you as an attachment to this letter, including but not limited to: plans and specifications, survey or site plan, copies of leases, operating statements, or legal description must be returned to BB&T upon completion of the assignment.

You are to provide your preliminary value conclusions (if applicable), final value conclusions, draft copy of the report (if applicable), and final copies of the report to no one other than the Real Estate Support Department of BB&T.

Please note the following specific instructions:

Format of Report: Your report must be prepared and presented as specified in our Engagement Authorization Form and in accordance with the instructions included herein.

Function of the Appraisal: BB&T will rely upon this appraisal for internal use, including but not limited to, rendering a decision relative to a financial transaction.

Effective Date: Effective date of value must be within 30 days of the report date.

Standards: The assignment must be processed and the report prepared in accordance with the guidelines of BB&T as stated in the instructions herein and rulings of the federal regulatory agencies.

Competency: Acceptance of this assignment shall indicate that the appraiser is in compliance with the Competency Provision of USPAP and is suitably State Certified/Licensed by the State in which the subject property is located. If temporary licensing is obtained for purposes of completing this assignment, evidence that such licensing has been received must be included in the report addenda.

Confidentiality: It is understood and agreed by you that BB&T is your confidential client and no information regarding your appraisal may be furnished to anyone other than the undersigned. Any questions related to the required form and substance of the appraisal shall be directed to the undersigned, and no one else.

Appraiser Independence: Maintaining the independence and objectivity of the appraisal process is of utmost importance to BB&T. If an appraiser has a current or prospective interest in the subject property, transaction, or parties involved, the appraiser must decline the assignment. If the appraiser has appraised the subject property previously, the appraiser must be able to remain unbiased by the previous assignment, or decline the current assignment. The appraiser must also disclose the previous assignment to BB&T's Appraisal Review Dept. If during the course of completing an assignment, the appraiser becomes aware of a potential conflict of interest, the appraiser should contact BB&T's Appraisal Review Dept. immediately. All communication between the appraiser and BB&T must be through the Appraisal Review Dept.

Addressee: The appraisal reports must all be addressed and submitted to the following addressee:

Marissa A. Friebus
Manager, Real Estate Support
BB&T
2713 Forest Hills Road
Wilson, NC 27893

Each copy of the appraisal report must include in the Addenda a copy of this letter and attached instructions, with proper signatures, in order to be acceptable. Should you encounter reporting requirements different than indicated herein, **please call the person who signed this engagement document before proceeding.**

When completed, please submit **three (3) original copies** of your report with original photographs to the above addressee on or before the agreed upon delivery date together with an invoice for your fee. The appraiser named in this engagement letter must be a signatory to the appraisal report and must inspect the property to be appraised. Please be aware that errors in the appraisal or failure to follow these instructions will result in the appraisal being returned to you for correction. Payment for your services will be contingent upon timely correction of any deficiencies found during BB&T's review. BB&T will review the appraisal and notify you of any such deficiencies within 30 days of receipt of the appraisal.

General Appraisal Standards Requirements:

1. The appraisal assignment must be processed and the report prepared in accordance with the guidelines as follows:
 - a. Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation.
 - b. Federal regulations as stipulated by all appropriate federal regulatory agencies under the most recent Real Estate Appraisal Ruling (12 CFR Part 34 [Title XI of FIRREA]), as well as any other regulatory requirements that may apply.
 - c. BB&T's Appraisal Regulations, as indicated herein.
 - d. In all cases the more demanding requirement will apply.
2. The appraisal must be sufficiently descriptive to enable the reader to ascertain the estimated market value, as defined above, and contain sufficient supporting documentation with all pertinent information reported so that the appraiser's logic, reasoning, judgment, and analysis in arriving at a conclusion will indicate to the reader the reasonableness of the market value reported, and generally must conform to the definition of the reporting format indicated above.
3. The appraisal must be self sufficient, without reference to documents not included. Any third party studies used to determine value must be verified, explained and attached to the appraisal.

Specific Appraisal Content Requirements:

4. The appraisal must **state the appraisal type and reporting format** as indicated on page one of these instructions. (BB&T)
5. The appraisal must **state and define the value(s) to be estimated** as instructed on page one of these instructions and as specifically indicated in the engagement letter accompanying these instructions. (USPAP)
6. The appraisal must **state the real property interest being appraised** as indicated in the engagement letter accompanying these instructions. (USPAP)
7. The appraisal must **state the purpose and intended use** as indicated in the engagement letter accompanying these instructions. (USPAP)
8. The appraisal must **state the date of the report and the effective date of valuation**. The effective date of value must be within 45 days of the date the report is delivered to BB&T unless waived by the ordering officer. (USPAP)

9. The appraisal must **describe the scope of the report** (extent of the process used in the collection, confirmation and reporting of data), including: type of property being appraised; date of last physical inspection; period that data was investigated; geographical markets researched; and sources used to collect and verify data. (USPAP)
10. The appraisal must **clearly identify the subject property**. The identification should, as a minimum, provide the subject property's name, address, and further indication of location with a brief property description. (USPAP)
11. The appraisal must **include a legal description** of the real estate being appraised in addition to the description required by the USPAP. Tax map and deed book references are not considered legal descriptions. (BB&T)
12. The appraisal must **include a detailed site description**. Identify the subject property's approximate dimensions, frontage, depth, shape, topography, drainage, soil condition, availability of utilities, access and visibility. (BB&T)
13. The appraisal must **indicate whether or not subject property lies within a designated flood hazard area** and the value must reflect the impact, if any, on the property being so determined to lie within a flood hazard zone. (BB&T)
14. The appraisal must **include a detailed description of existing and/or proposed improvements**. Identify number of units, buildings and each building's type, age, condition, size, and if proposed, the expected date of completion. Further describe the subject's current use, its functional adequacy including parking, site coverage, percentage office, and amenities. (BB&T)
15. The appraisal must **analyze and report current market conditions and trends** of the region, city, and neighborhood to the extent that they affect the value of the property. (USPAP)
16. The appraisal must **detail any encumbrances** such as prior liens, title defects, or deed restrictions which are cited in the title information provided by the ordering Bank officer; or the existence of any easements, rights-of-way, or encroachments that might be known or detailed in the survey information also provided by the ordering Bank Officer; or the existence of any covenants, restrictions, or special assessments that are known or discovered in the appraisal process. Your value estimate must reflect the impact, if any, of any such encumbrances. (USPAP)
17. The appraisal must be **based on existing zoning** however, you may value the property based on both current zoning and any other zoning that is likely to be obtained within a short period. The likelihood of obtaining an alternative zoning should be explained in the report. In addition, the report must include your statement as to whether or not the subject property is in compliance with the existing zoning. (USPAP)
18. The appraisal must **note the presence or absence of any potential environmental hazards** (i.e., underground storage tanks, storage containers of known or unknown contents, evidence of waste disposal such as sludge, paints, chemical residues, oil spillage, asbestos content in building material, etc.). All environmental problems that may affect the value of the subject property, must be dealt with in the appraisal. (Note: If you discover any environmental problems that may be unknown to the Bank, please call the ordering officer immediately!) Include photographs when appropriate. If no such hazards are known or observed, the appraiser should provide a statement to this effect. (BB&T)
19. The appraisal must **provide the current assessed value and the amount of annual property taxes** for the property, (include a copy of the subject's current tax abstract), and comment as to the reasonableness of the assessed value and the effect of any special taxing districts including their impact if any upon the property's value. When the subject is proposed, provide an estimate of taxes based on the appraised value. (BB&T)
20. The appraisal must **include a detailed highest and best use analysis** which tests the feasibility of the subject site "As If Vacant" and "As Improved", when applicable. (USPAP)

Specific Appraisal Valuation Process and Content Requirements:

21. The appraisal must **report and analyze data on previous sales of the subject property**. For all property types, prior sales for the three years proceeding the date on which the appraisal was prepared must be reported and analyzed. Comparable sales should reflect sale dates that do not exceed these time periods and, if possible, should reflect sales within the previous six months. (USPAP)
22. Unless otherwise instructed, the appraisal must **follow a reasonable valuation method that considers and addresses the Income Approach, Sales Comparison (Market) Approach and Cost Approach** to market value, and reconciles those approaches. It is acceptable to eliminate the use of one or more of the approaches to value only after giving consideration and in the appraiser's professional judgment the approach is irrelevant and/or there is no data available after thorough research has

- been conducted. If one or more approach cannot be used, the appraiser must explain the elimination of each and document what applicable research was conducted to determine its irrelevance or the lack of pertinent data. (USPAP)
23. The appraisal must **appraise the property in the actual, "as-is" state of development**. If estimates to complete repairs or to correct code violations have been furnished, specify whether those expenses have been considered in estimating the property's appraised value. (BB&T)
 24. The appraisal of proposed construction, renovation or other modifications must be based on the **most recent plans and specifications assuming 100% completion of the planned improvements**. A Market Value "As Is" on the appraisal date and a Prospective Future Market Value(s) upon completion of construction, and if applicable upon achieving stabilized occupancy are required for proposed projects. (BB&T)
 25. Unless otherwise requested, the appraisal must **consider and analyze an Income Approach to valuation** and is required when the subject property is an income producing property. (USPAP) This analysis should:
 - a. For income producing properties with existing leases, report actual data on current revenues, expenses, and vacancies.
 - b. For income producing, multi-tenant properties include the Discounted Cash Flow (DCF) method.
 - c. For income producing, multi-tenant properties provide a current rent roll and lease summary.
 - d. Provide adjustment grid(s) to quantify the appraiser's adjustments and support market rent estimates.
 - e. Provide detailed data sheets for each comparable property, including photographs.
 - f. Explain and support all calculations and assumptions.
 - g. Analyze and report appropriate deductions and discounts for any proposed construction.
 - h. Analyze and report appropriate deductions and discounts for any completed properties that are partially leased and/or leased at other than market rents as of the date of the appraisal, or any tract developments with unsold units.
 26. Unless otherwise requested, the appraisal must **consider and analyze a Sales Comparison (Market) Approach to valuation** when sufficient market data is available. (USPAP) This analysis should:
 - a. Provide adjustment grid(s) to quantify the appraiser's adjustments and support market value estimates.
 - b. Provide detailed data sheet for each comparable property, including photographs.
 - c. Analyze and report appropriate deductions and discounts for any proposed construction.
 - d. Analyze and report appropriate deductions and discounts for any completed properties that are partially leased and or leased at other than market rents as of the date of the appraisal.
 27. Unless otherwise requested, the appraisal must **consider and analyze a Cost Approach to valuation** and is required when the subject property is proposed or newly constructed. (USPAP) (The subject property is considered "new" when its actual age is less than one quarter of its estimated life expectancy.) This analysis should:
 - a. For proposed projects, report actual data as contracted to complete or as estimated to complete.
 - b. For existing properties, provide a detailed discussion of your analysis showing all calculations.
 - c. Explain and support construction cost and depreciation estimates with market evidence.
 28. The appraisal must **identify and separately value any personal property, fixtures, or intangible items** that are not real property but are included in the appraisal, and discuss the impact of their inclusion or exclusion on the estimate of value. (USPAP)
 29. The appraisal must **reflect the existence of any environmental impairments in the estimate of value**. If an environmental assessment and an estimate of the cost to "clean up" the property have been furnished by BB&T, these costs must be given consideration in the estimate of value. Likewise, when valuing distressed property solely on a land value basis that implies demolition or removal of improvements, the cost of demolition and/or removal should be netted against the land value with the estimated cost of removal so reflected. (BB&T)
 30. **All assumptions and projections should be supported and conform to current market conditions**. In the case of income property, the capitalization rate, discount rate, revenues, expenses, vacancy rates, financing terms, and absorption rate should be reasonable and well documented. If the property is land which, in the appraiser's opinion, cannot be sold within 12 months or if it is land with a plan for development into lots, valuation must be based on a discounted cash flow analysis of the revenues minus estimated expenses including, but not limited to, costs of carrying the lots for the time period necessary to sell all the subject property. (USPAP) (BB&T)
 31. The appraisal must **reconcile all approaches to valuation** that have been considered, analyzed and utilized. Discuss the relative strengths and weaknesses of each approach to value and indicate the weight of each approach to value considered in arriving at your final value estimate(s). (USPAP)

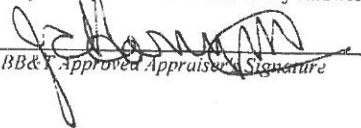
32. The appraisal must **provide an allocation of value for all real property appraised**. Allocation of value should at a minimum be indicated for land and for individual real property improvements. In assignments where the subject is a "Going Concern" (an operating business enterprise that is expected to continue), non-realty components must be identified and the final value allocated among the real property, personal property, and intangible business value. (BB&T)
33. The appraisal must be **signed and dated by the preparing appraiser (and sealed where required)**. The signature, date, and seal should occur on the certification and where the final market value is reported. (BB&T)
34. The appraisal must **analyze and report a reasonable marketing period** for the subject property. This marketability study should classify the typical market purchaser(s), measure existing supply and demand, forecast changes in the future supply and demand and note the typical selling commissions and other related costs required to effect a sale of the subject. (BB&T)
35. The appraisal must **include a list and an explanation of any missing or unavailable data or deviations from USPAP requirements**. If information required or deemed pertinent to the completion of an appraisal is unavailable, this fact must be disclosed and explained in the appraisal. (USPAP)
36. The appraisal must **include a Certification** in accordance with USPAP Standards Rule 2-3. The Certification must be signed and dated by each appraiser contributing to the analysis and valuation of the property. If more than one party signs a Certification, the document must clearly show the differentiating extent to which the appraiser(s) contributed to the analysis and investigation of the property. (USPAP)
37. The appraisal must **include a statement of competency by the appraiser** along with any steps taken that were necessary or appropriate to comply with the Competency Provision. (USPAP)
38. The appraisal must **include the appraiser's qualifications** for proof of competence to complete the appraisal assignment. Provide indication of your state certification or licensing status, as appropriate, professional experience, education, training, continuing professional education, and appropriate affiliations. (BB&T)
39. The appraisal must **include an assumptions and limiting conditions statement**. CLEARLY AND ACCURATELY DISCLOSE ANY EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT DIRECTLY AFFECT THE APPRAISAL AND IMPACT THE VALUE. (USPAP)
40. **All appraisals must, as a minimum, include the following exhibits:**
 - a. Photographs: Subject (front, rear, street scenes), Comparable Improved Sales and Comparable Improved Rentals
 - b. Subject Property's Survey (when provided or made available)
 - c. Subject Property's Site Plan (when provided or made available)
 - d. Subject Property's Floor Plan (when provided or made available); if not, provide a sketch with exterior dimensions
 - e. Subject Property's Tax Abstract
 - f. Map of City/Regional area locating the subject property
 - g. Map of area locating Land sales
 - h. Map of area locating Improved Sales
 - i. Map of area locating Rent Comparables
 - j. BB&T Engagement Letter, signed and dated by the appraiser
 - k. BB&T Appraisal Instructions, signed and dated by the appraiser.
41. Under certain conditions and for some property types, a **Quick Sale Value** estimate may be requested by the engagement letter in addition to a Market Value estimate. In such cases, the definition of Quick Sale Value shall be as follows: The most probable price which a specified interest in real property is likely to bring when the property must be sold without reasonable market exposure, typically within 90 days.

Requirements for Appraisal Updates:

42. Consistent with USPAP Advisory Opinion G-3, BB&T accepts appraisal updates under the following conditions:
 - a. The original appraiser client relationship is preserved.
 - b. The original appraisal is available for comparative review.
 - c. The subject property has undergone no significant change since the original appraisal; such as, a change in make-up or use, a change in highest and best use, a dramatic shift in market conditions, etc.
 - d. The time period between the effective date of the original appraisal and the pending update is not unreasonably long.
 - e. Updates must clearly reference and incorporate all provisions of the original appraisal.

- f. Discussion of each section of the report noting whether there have been substantive changes, to include but not be limited to, a recalculation, including all exhibits, of values in the original appraisal obtained by all three recognized methods of establishing value. The Income Approach must use actual income and expenses of the subject property.
- g. Current photographs of the subject property.
- h. Update Assumptions and Limiting Conditions.
- i. Updated Appraisal Certification.

I hereby certify that to the best of my knowledge I have complied with these instructions in their entirety.

 2-4-10 VA-051
BB&K Approved Appraiser Signature Date Appraisal I.D. Number

Specific performance and reporting requirements for each BB&T appraisal type are described below.

| Requirement | BB&T APPRAISAL TYPES | |
|---|---|--|
| | COMPREHENSIVE | CONDENSED |
| General Performance Requirement: scope of work sufficient to produce credible assignment results. | All applicable approaches. | Most applicable approaches. |
| General Reporting Requirement | <u>Describe</u> significant data and analysis in support of the assignment results. Emphasis is on <u>thorough reporting</u> of the relevant data, analysis, and conclusions. | <u>Summarize</u> significant data and analysis in support of the assignment results. Emphasis is on <u>critical data</u> , analysis and conclusions. |
| USPAP Report Type | - Self-Contained Report or Summary Report | - Summary Report |
| Property Tax Data | - Current assessment - Current/forecast taxes - Past due taxes - Tax analysis | - Current assessment - Current/forecast taxes - Past due taxes |
| Valuation Analysis | - All applicable approaches | - Most applicable approaches in many circumstances, completion of at least two approaches is warranted. |
| Proposed Renovation/Construction | - Feasibility analysis - Analysis of prospective taxes - Cost approach | - Feasibility analysis - Analysis of prospective taxes |
| Land Valuation Documentation | - Description of comparable data - Comparison of data - Analysis/adjustment of data | - Summary of comparable data - Comparison of data (tabular) - Analysis/adjustment of data |
| Cost Approach Documentation | - Cost new analysis - Accrued depreciation analysis - Summary of cost analysis components | - Cost new analysis - Accrued depreciation analysis - Summary of cost analysis components |
| Sales Comparison Approach Documentation | - Description of comparable data - Comparison of data - Analysis/adjustment of data | - Summary of comparable data - Comparison of data (tabular) - Analysis/adjustment of data |
| Income Approach Documentation | - Tenant by tenant lease summary - Income and expense history - Market rent comparables - Expense comparables - Support for cap/discount rates - Income and expense forecast | - Tenant by tenant lease summary - Income and expense history - Market rent comparables - Support for cap/discount rates - Income and expense forecast |
| Relevant Exhibits | - Site plans/survey/tax maps - Plans & specifications - Subject photographs - Comparable photographs - Subject and comp maps - Web link references | - Site plans/survey/tax maps - Subject photographs - Comparable photographs - Subject and comp maps - Web link references |

STANDARDS RULE 2-2 REPORT COMPARISON CHART

The essential difference among the three options is in the use and application of the terms describe, summarize and state. Describe is used to connote a comprehensive level of detail in the presentation of information. Summarize is used to connote a more concise presentation of information. State is used to connote the minimal presentation of information.

| a.) Self-Contained Appraisal Report | b.) Summary Appraisal Report | c.) Restricted-Use Appraisal Report |
|--|---|--|
| i. identify and describe the real estate being appraised | i. identify and provide a summary description of the real estate being appraised | i. identify the real estate being appraised |
| ii. state the real property interest being appraised | ii. state the real property interest being appraised | ii. state the real property interest being appraised |
| iii. state the purpose and intended use of the appraisal | iii. state the purpose and intended use of the appraisal | iii. state the purpose and intended use of the appraisal |
| iv. define the value to be estimated | iv. define the value to be estimated | iv. state and reference a definition of the value to be estimated |
| v. state the effective date of the appraisal and the date of the report | v. state the effective date of the appraisal and the date of the report | v. state the effective date of the appraisal and the date of the report |
| vi. state the extent of the process of collecting, confirming and reporting data | vi. summarize the extent of the process of collecting, confirming and reporting data | vi. describe the extent of the process of collecting, confirming and reporting data |
| vii. state all assumptions and limiting conditions that affect the analysis, opinions, and conclusions | vii. state all assumptions and limiting conditions that affect the analysis, opinions, and conclusions | vii. state all assumption and limiting conditions that affect the analysis, opinions, and conclusion |
| viii. describe the information considered, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions | viii. summarize the information considered, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions | viii. state the appraisal procedures followed, state the value conclusion and reference the existence of specific file information in support of the conclusion |
| ix. describe the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate | ix. summarize the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate | ix. state the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate |
| x. explain and support the exclusion of any of the usual valuation approaches | x. explain and support the exclusion of any of the usual valuation approaches | x. state the exclusion of any of the usual valuation approaches |
| xi. describe any additional information that may be appropriate to show compliance with, or clearly identify and explain permitted departures from the specific guidelines of Standard 1 | xi. summarize any additional information that may be appropriate to show compliance with, or clearly identify and explain permitted departures from the specific guidelines of Standard 1 | xi. contain a prominent use restriction that limits reliance on the report to the client and warns that the report cannot be understood properly without additional information in the workfile of the appraiser, and clearly identify and explain permitted departures from the specific Standard 1 |
| xii. include a signed certification in accordance with Standards Rule 2-3 | xii. include a signed certification in accordance with Standards Rule 2-3 | xii. include a signed certification in accordance with Standards Rule 2-3 |

Explanatory Comments have not been included in this chart.

QUALIFICATIONS OF JOHN C. HARRY, III, MAI

John C. Harry, Inc.
3800 Poplar Hill Road, Suite G
Chesapeake, VA 23321
Phone (757) 484-7100 – Fax (757) 484-7299

GENERAL: Specialized in the appraisal of Real Property since 1962, qualified as an Expert Witness in matters pertaining to real estate, served as a Review Appraiser for the Virginia Department of Highways, North Carolina State Highway Commission, Portsmouth Redevelopment and Housing Authority, Chesapeake Redevelopment and Housing Authority and the Cities of Newport News and Virginia Beach, Virginia.

ACADEMIC TRAINING: Bachelor of Arts Degree in Economics, Randolph Macon College, Ashland, Virginia.

PROFESSIONAL TRAINING:

| | |
|-------------------------------|--|
| AIREA Course I | "Basic Principles, Method of Techniques" Old Dominion College, May 1964 |
| AIREA Course II | "Urban Properties", (Case Studies) University of Virginia 1965 |
| AIREA Course III | "Rural Properties", Clemson University 1967 |
| AIREA Course VIII | "Residential Properties", Elective Exam, 1969 |
| AIREA Course 1-B | Audited, 1976 Appraising in Compliance with FANNIE MAE Guidelines, Alpha Omega, 1993 |
| AIREA Seminar | Appraising from Plans and Specifications, 1987 |
| AIREA Seminar | Applied Sales Comparison Approach, 1988 |
| AIREA Seminar | Accrued Depreciation, 1988 |
| AIREA Seminar | Evaluating Residential Construction, 1988 |
| AIREA Seminar | Discounted Cash Flow Analysis, 1989 |
| AIREA Seminar | Hazardous Waste, 1989 |
| AIREA Seminar | Ethics and Counseling, 1989 |
| AIREA Seminar | Appraiser's Guide to the URAR, 1993 |
| AIREA Seminar | Legal Liabilities, 1993 |
| AIREA Seminar | Real Estate Appraisal Law, 1993, 1995 |
| AIREA Seminar | Desktop Underwriter Limited Appraisal, November 1996 |
| Seminar (ODU) | Ethics, SPP, 1991 |
| Seminar (ODU) | Review Site Valuation, Income and Expenses, 1991 |
| AI Seminar | Standards of Professional Practice Part A, 1991, 1995 |
| AI Seminar | Standards of Professional Practice Part B, 1991, 1995 |
| AI Seminar | Money Market and its Impact on Real Estate, 1995 |
| Eastern NC Real Estate School | Tax Free Exchange, 1995 |
| AI Seminar | Alternative Residential Reporting Forms, 1996 |
| Seminar (ODU) | Hampton Roads Real Estate Outlook - Review and Forecast, 1997 |
| AI Seminar | Virginia State Law, 1997 |
| AI Seminar | Appraisal Standards Board's USPAP Update, 1997 |
| AI Seminar | Learn from the Experts, 1997 |
| AI Seminar | Wetlands and Contaminated Properties, 1997 |
| AI Seminar | Legislative Update, 1997 |
| AI Seminar | Supporting Sales Comp Grid Adjustments for Residential Properties, 1999 |
| AI Seminar | Virginia State Law Update, 1999 |
| Seminar | FHA Residential Appraisal Guidelines, 2000 |
| Seminar | Introduction to Narrative Appraisal Report Writing, 2000 |
| Seminar | Virginia Real Estate Appraiser Law Course Update, 2000 |
| Seminar | Vacant Land Appraisal, March 2001 |
| Seminar | Real Estate Fraud and The Appraiser's Role, March 2001 |
| Seminar | Standards of Professional Practice, Part C, September 2001 |
| Seminar | The Appraiser as an Expert Witness, February 2002 |
| Seminar | Appraising Odd Ball Properties, February 2002 |
| Seminar | Virginia State Law, September 2002 |
| AI Seminar | The Appraiser as an Expert Witness, Preparation & Testimony, April 2003 |
| AI Seminar | Real Estate Finance, Value, Investment Performance, May 2004 |
| AI Seminar | Course 410: 15-Hour USPAP, October 2004 |
| Seminar | Highest and Best Use Concepts, October 2004 |
| Seminar | Residential Design and Functional Utility, September 2005 |
| Seminar | VA Real Estate Trends & Legal Ethics, October 2005 |
| Seminar | VA Real Estate Law Update, October 2005 |
| AI Seminar | Canary in a Coalmine/The Approaching Storm, January 2007 |
| Seminar | Real Estate Market Review & Forecast, February 2007 |
| Seminar | Market Reactions to Homeowner's Associations and Gated Communities and the Mixed Use Towne Center Concept, March 2007 |
| Seminar | Appraising Convenience Stores, March 2007 |
| Seminar | Liability Management for Residential Appraisers, April 2007 |
| AI Seminar | 7 Hour USPAP Update, September 2007 |
| AI Seminar | Condos, Co-Ops, & PUDS, October 2007 |
| AI Seminar | Appraising Manufactured Housing, November 2007 |
| AI Seminar | Business Practices & Ethics, November 2007 |

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Forecasting Revenue, January 2008
Local Builders Cost Seminar, May 2009
Green Commercial Buildings, June 2009
Apprising Distressed Commercial Property; Here We Go Again, June 2009
7 Hour National Uniform Standards Professional Appraisal Practice Course, September 2009
2010 State of the Region Economic Report, January 2010

SCOPE OF APPRAISAL EXPERIENCE: Appraisals prepared to determine Market Value, Compensation and Damages in Eminent Domain, Leasehold and Leasehold Fee Interests and Easement Value.

Involving Real Properties in Categories of:

COMMERCIAL - Offices, Shopping Centers, Retail & Service Stores and Rural Properties

INDUSTRIAL - Warehousing and Manufacturing

RESIDENTIAL - Apartments (garden), Duplex, Single Family & Subdivisions

1983, 1988 and 1990 went to Scotland and London to perform appraisals on Rental Properties and Fair Market Value for the United States Navy. Also, in 1985, 1993, 1997 and 2001 performed Rental Appraisals and Market Analysis in Naples and La Maddalena, Italy.

COURT EXPERIENCE: Accepted as an Expert on Real Estate in the Courts of the Cities of Virginia Beach, Norfolk, Chesapeake, Portsmouth, Suffolk, Newport News, and in the Counties of Nansemond, Southampton, Nottoway, Isle of Wight, Gloucester, and Dinwiddie. In addition, Federal Courts in Washington, D. C., Norfolk, Virginia and Newport News, Virginia.

PROFESSIONAL AND CIVIC AFFILIATIONS:

Recertified by The Appraisal Institute through December, 2009 (Cert. #4447)

Licensed through December 31, 2009 as a Certified General Real Estate Appraiser in Virginia; license #4001 000477

President - Tidewater Chapter #48 AIREA (1972 & 1984)

American Right of Way Association

Serve on the State of Virginia and the Suffolk Regional Board of Directors for Branch Banking and Trust Company

Appointment to the Real Estate Appraiser Board for the State of Virginia through April 2, 2008

Appointment to the Real Estate Appraiser Board for the State of Virginia from April 3, 2009 to April 2, 2013

CLIENTELE

Armada Hoffer Holding Company
Army Corps of Engineers
Bank of America
Bank of Smithfield
BB&T of North Carolina
BB&T of Virginia
Blue Cross/Blue Shield
Bon Secours Maryview Hospital
C.D. West & Company
Cargill Grain
Carr & Porter, LLC
Chesapeake Bank
Chesapeake Redevelopment & Housing Authority
Chrysler First Credit Corporation
Citizens National Bank
City of Chesapeake
City of Newport News
City of Portsmouth
City of Suffolk
City of Virginia Beach
Colonial Farm Credit
Commonwealth Storage Corporation
Conservation Fund
Cooper, Spong & Davis, P.C.
CoreStates Financial Corporation
Crestar Bank
Curtis Contracting, Inc.
Dominion Building Corporation
Dominion Land, Inc.
Dominion North Carolina Power
Dominion Virginia Power
Essex Mortgage Corporation
Farmers Bank
Federal Trust Bank
Federal Home Loan Mortgage Corporation
Fidelity Federal Savings Bank
Fine, Fine, Legum & Fine, P.C.
First Federal Savings Bank
First Virginia Bank
First Citizens Bank
First Union National Bank
First South Bank
Ford Consumer Finance
Frank, Gordon & Heath, P.C.
Franklin Redevelopment & Housing Authority
Glasscock, Gardy & Savage, P.C.
Goodman Segar Hogan
Greenhorne & O'Mara, Inc.
Griffin, Pappas & Scarborough, P.C.
HDR Engineering, Inc.
Hampton Roads Sanitation District
Hampton Roads Leasing, Inc.
Heritage Bank & Trust
Hofheimer Nusbaum, P.C.
Hunton & Williams, P.C.
Internal Revenue Service
International Paper
Isle of Wight County
Jefferson-Pilot Life Insurance Co.
Kaufman & Canoles, P.C.
Koger Properties
Lakeview Medical Center
Life Savings Bank
Maryview Foundation
McGuire, Woods, Battle & Boothe, LLP
NationsBank
NationsFirst Mortgage Corporation
Newport News Redevelopment & Housing Authority
Newport News General Hospital
Norfolk Southern Corporation
Norfolk & Western Railway
North Carolina National Bank
North Carolina Department of Transportation
O. R. Colan Associates, Inc.
Oast & Hook, P.C.
Obici Hospital
Payless ShoeSource
PHH Relocation
Portsmouth Redevelopment & Housing Authority
Proctor & Gamble
QVC, Inc.
Realty Reports, Inc.
Resource Bank
Site-Blauvelt Engineers
Southeastern Public Service Authority
Smithfield Companies
Starr Motors
Stokes, Timms, Bell & Vaiden, P.C.
SuffolkFirst Bank
Suffolk Redevelopment & Housing Authority
TFC Financial Group
Tidewater Community College
TowneBank
TransAmerica Credit Corporation
Travelers Insurance Company
U.S. Army Corps of Engineers
U.S. Department of Justice
U.S. Fish & Wildlife
U.S. Navy
U.S. Postal Service
Vandeventer, Black, Meredith & Martin, LLP
Veterans Administration
Virginia Department of Conservation & Recreation
Virginia Department of Motor Vehicles
Virginia Department of Transportation
Virginia Port Authority
Virginia Housing Development Authority
Vulcan Materials Company
Wachovia Bank
Western Electric
Weyerhaeuser Real Estate Company
Willcox & Savage, P.C.
Williams Mullen, PC