APPRAISAL OF REAL PROPERTY

LOCATED AT:

70 Baxter Drive
Lot 3, Section Three, South Main Commercial Park
Harrisonburg, VA 22801

FOR:

Farmers & Merchants Bank
P. O. Box 1111, Timberville, Virginia 22853

AS OF:

August 14, 2008

BY:

Susan D. Pugh
Certified General Appraiser

Colonial Appraisal Service, Inc.
2340 South Main Street
Harrisonburg, Virginia 22801

August 18, 2008

Farmers & Merchants Bank
P. O. Box 1111, Timberville, Virginia 22853

Re: Property: 70 Baxter Drive
Harrisonburg, VA 22801
Borrower: A Bird In Hand Land, LC
File No.:

-In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.
-The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.
-This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.
-The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.
-It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.
-I conclude from this analysis, subject to the contingent and limiting conditions set forth herein, that the subject property has a "as is" market value as defined as of August 14, 2008 of:

EIGHT HUNDRED TWO THOUSAND DOLLARS
($802,000)

Sincerely,

Susan D. Pugh
Certified General Appraiser
4001 006378, Exp. January 31, 2009

LAND APPRAISAL REPORT

File No.

IDENTIFICATION

Borrower A Bird In Hand Land, LC — Census Tract 660-3 — Map Reference 1 (C) 11

Property Address 70 Baxter Drive

City Harrisonburg — County Rockingham — State VA — Zip Code 22801

Legal Description Lot 3, Section Three, South Main Commercial Park

Sale Price $ N/A — Date of Sale N/A — Loan Term N/A yrs. — Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD

Actual Real Estate Taxes $ 3,550.62 (yr) — Loan charges to be paid by seller $ N/A — Other sales concessions N/A

Lender/Client Farmers & Merchants Bank — Address P. O. Box 1111, Timberville, Virginia 22853

Occupant Vacant — Appraiser Susan D. Pugh — Instructions to Appraiser None

NEIGHBORHOOD

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

Present Land Use 30% 1 Family 10% 2-4 Family 5% Apts. 0% Condo 10% Commercial 5% Industrial 0% Vacant 40% Vacant/Agriculture

Change in Present Land Use ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)

(*) From ______ To ______

Predominant Occupancy ☒ Owner ☐ Tenant 5 % Vacant

Single Family Price Range $ 150,000 to $ 2,000,000 Predominant Value $ 300,000

Single Family Age New yrs. to 100+ yrs. Predominant Age 20 yrs.

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

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): The subject property is located in the southern section of the City of Harrisonburg. The neighborhood boundaries are within a 10 mile radius of the subject property.

SITE

Dimensions Irregular = 3.684 Sq. Ft. or Acres ☐ Corner Lot

Zoning classification B-2, General Business — Present Improvements ☒ do ☐ do not conform to zoning regulations

Highest and best use ☒ Present use ☐ Other (specify)

	Public	Other (Describe)	OFF SITE IMPROVEMENTS	
Elec.	☒		Street Access ☒ Public ☐ Private	Topo Gently sloping
Gas	☐		Surface Asphalt	Size Typical
Water	☒		Maintenance ☒ Public ☐ Private	Shape Irregular
San. Sewer	☒		☐ Storm Sewer ☒ Curb/Gutter	View Typical
	☐	Underground Elect. & Tel.	☐ Sidewalk ☐ Street Lights	Drainage Appears adequate

Is the property located in a HUD Identified Special Flood Hazard Area? ☒ No ☐ Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): The subject does have typical utility easements. No apparent adverse easement or encorachments were noted during the routine site inspection.

MARKET DATA ANALYSIS

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

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	70 Baxter Drive Harrisonburg	East Kaylor Park Drive Harrisonburg		3295 South Main Street Harrisonburg		3201 Peoples Drive Harrisonburg	
Proximity to Subject		0.14 miles		0.51 miles		0.41 miles	
Sales Price	$ N/A		$ 6.32		$ 4.40		$ 5.28
Price Total	$		$ 900,000		$ 650,000		$ 229,950
Data Source	Inspection	Public record		Public Record		Public Record	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(−)$ Adjust.	DESCRIPTION	+(−)$ Adjust	DESCRIPTION	+(−)$ Adjust.
	N/A	June 2007	+0.38	August 2006	+0.54	March 2008	0
Location	Urban/Avg	Urban/Avg	0	Urban/Avg	0	Urban/Avg	0
Site/View	Typical	Typical	0	Typical	0	Typical	0
Size	3.684 acres	3.268 acres	0	3.392 acres	0	1.0 acres	-.26
Sales or Financing Concessions	N/A	None reported	0	None reported	0	None reported	0
Net Adj. (Total)		☒ + ☐ −	$ 0.38	☒ + ☐ −	$ 0.54	☐ + ☒ −	$ 0.26
Indicated Value of Subject			$ 6.7		$ 4.94		$ 5.02

Comments on Market Data: The comparables above are felt to be the best and most representative sales available in the current market for comparison. All yield similar values after adjustments for site size and amenities. See Comments Addendum.

RECONCILIATION

Comments and Conditions of Appraisal: The cost approach and the income approach were not utilized as land value is typically derived from the sales comparison approach.

Final Reconciliation: Equal weight was given to all of the Comparable Sales. In the final reconciliation, the sales comparison approach to value most accurately reflects the opinion of market value for the subject property. 3.684 acres equals 160,475 square feet. 160,475 square feet @ $5.00 per square foot equals $802,375. Rounded $802,000.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF August 14, 2008 to be $ 802,000

State Certification No. 4001-006378, Expiration January 31, 2009.

Susan D. Pugh — Appraiser(s)

Review Appraiser (if applicable) ☐ Did ☐ Did Not Physically Inspect Property

[Y2K]

Subject Photo Page

Borrower/Client A Bird In Hand Land, LC			
Property Address 70 Baxter Drive			
City Harrisonburg	County Rockingham	State VA	Zip Code 22801
Lender Farmers & Merchants Bank			

Subject Front

70 Baxter Drive

Sales Price	N/A
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Urban/Avg
View	Typical
Site	
Quality	
Age	

Subject

Subject Street

SUPPLEMENTAL ADDENDUM

File No.

Borrower/Client A Bird In Hand Land, LC			
Property Address 70 Baxter Drive			
City Harrisonburg	County Rockingham	State VA	Zip Code 22801
Lender Farmers & Merchants Bank			

COMMENTS ADDENDUM

1.□The comparables used in this appraisal are felt to be the best and most representative current sales found for comparison in this report. Subject's rural location often necessitates the use of comparable sales more than six months old and located more than seven (7) miles from the subject.
2.□Sufficient rental data was unavailable in the subject's neighborhood to utilize the income approach to value.
3.□The market at this time does not warrant any adjustments between conventional, FHA and VA financing, unless noted in the appraisal.
4.□All adjustments are based on market contribution, not cost.
5.□All comparables cited in the Market Data Analysis are settled and recorded sales.
6.□Every effort has been made to use comparables sold within three (3) years of the appraisal date. Our data base includes local MLS data, appraisal files and available public record, and is considered to be as good or better than any competing residential appraisal service in our area. Paramount to time is matching the most similar sales to the subject. This at times necessitates using comparables over three (3) years old.

INTENDED USERS AND PURPOSE OF THE APPRAISAL

□The client and intended users of this appraisal are Farmers & Merchants Bank. The purpose of this appraisal is to develop an opinion of market value in terms of cash or on financing terms equivalent to cash of the subject property in fee simple title unencumbered as of August 14, 2008, for use for financial lending purposes.

DEFINITION OF MARKET VALUE

The definition of market value, as used in this report, was obtained from the *Federal Deposit Insurance Corporation Law, Regulations, Related Acts Section 323.2 (g)* and is defined as:

The most probable price, in terms of money, which a property should bring in a competitive and open market under all conditions requisite to a fair sale with the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1.□Buyer and seller are typically motivated.
2.□Both parties are well informed or well advised, and acting in what they consider their own best interests;
3.□A reasonable time is allowed for exposure in the open market;
4.□Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
5.□The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.

6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.

2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.

3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.

4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 70 Baxter Drive, Harrisonburg, VA 22801

APPRAISER:	**SUPERVISORY APPRAISER (only if required):**
Signature:	Signature:
Name: Susan D. Pugh	Name:
Date Signed: August 18, 2008	Date Signed:
State Certification #: 4001 006378	State Certification #:
or State License #:	or State License #:
State: Virginia	State:
Expiration Date of Certification or License: January 31, 2009	Expiration Date of Certification or License:
	☐ Did ☐ Did Not Inspect Property

SUPPLEMENTAL ADDENDUM

File No.

Borrower/Client A Bird In Hand Land, LC			
Property Address 70 Baxter Drive			
City Harrisonburg	County Rockingham	State VA	Zip Code 22801
Lender Farmers & Merchants Bank			

ASSUMPTIONS AND LIMITING CONDITIONS

The term "Appraiser", as referenced herein, refers to the appraiser preparing the report, the appraiser's employer for purposes of this appraisal, and other employees of the employer and/or appraiser.

1.□LIMIT OF LIABILITY: The liability of the Appraiser is limited to the client and to the fee collected (if any) with no liability or obligation to any other third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser assumes no responsibility for any costs incurred to discover or correct deficiencies of any nature present in the property.

2.□CONFIDENTIALITY: This appraisal is to be used only in its entirety; no part is to be used without the entire report. All conclusions and opinions concerning the analysis set forth in the report were prepared by the specific Appraiser(s) whose signature(s) appear(s) on the appraisal report, unless indicated otherwise in the report. No change in the report shall be made by anyone other than this Appraiser. The Appraiser shall have no responsibility if any such unauthorized change is made.

3.□INCLUSIONS: Unless otherwise stated in the report, the valuation in this report is based on surface rights free and clear of all liens and encumbrances (Fee Simple).

4.□EXCLUSIONS: Unless specifically cited, value does not reflect mineral, gas, oil or similar rights that may exist in whole or in part unless specifically noted in the report. Furnishings, equipment, personal property, and business operations, except as indicated in the report, have been disregarded with only the real estate and fixtures being considered in the value estimate.

5.□LEGAL MATTERS: The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable.

6.□LEGAL DESCRIPTION AND EXHIBITS: The legal description of the property as provided by the client, is assumed to be accurate. Any plats, maps or sketches in the report show approximate dimensions and are included to assist the reader in visualizing the property. Such items may not be to scale and are not surveys unless provided by a registered surveyor.

7.□MANAGEMENT OF THE PROPERTY: The property is appraised as though under prudent and competent ownership and management. Further, the appraisal is based on the premise that there is full compliance with all applicable federal, state, and local statues and/or environmental regulations, unless otherwise stated in the report.

8.□HAZARDOUS OR TOXIC MATERIALS: The Appraiser is not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated on this form or an attachment hereto, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.

9.□HIDDEN COMPONENTS: The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such factors.

10.□INFORMATION USED:□Information, estimates, and options furnished to the Appraiser, and contained in this report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items is assumed by the Appraiser. It is suggested that the client independently verify the information provided prior to entering into transaction that would significantly impact the property or would require a substantial commitment of funds. Unless otherwise noted, no one provided significant professional assistance to the undersigned.

11.□COURT TESTIMONY: The Appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been made previously therefore.

12.□COMPONENT VALUES: The distribution of the total valuation in this report between land and improvements applies only under the existing program or utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if used.

13.□TIME EFFECT ON VALUES: The market value estimated, the cost estimates, and other estimates used in arriving at the final estimate of value are as of the effective date of the appraisal. Because the markets upon which these estimates and conclusions are based are dynamic in nature, they are subject to change over time. Further, the appraisal report and value estimates are subject to change if physical, legal, financial and other conditions differ from conditions on the appraisal date.

14.□CHANGES AND MODIFICATIONS: The Appraiser reserves the right to alter statements, analysis conclusions or value estimates in the appraisal if facts become known that are pertinent to the appraisal process that were unknown to the Appraiser at the time of report preparation.

15.□DISTRIBUTION AND USE OF REPORT: Neither all nor any part of the contents of this report, or copy thereof shall be distributed without the prior written consent of the Appraiser. Possession of this report of any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. Neither all nor any part of the appraisal report shall be conveyed to the general public through advertising, public relations, news, sales or other media, without the written consent and approval of the Appraiser. The physical report(s) remain the property of the Appraiser for the use of the client.

16.□FEE:□The fee (if any) for this appraisal or study is for the service rendered and not for the physical report or the time spent preparing the physical report itself. The fee for provision of this report is for analytical services provided by the Appraiser and has no relation to the final values report.

17.□ACCEPTANCE OF, AND/OR USE OF, THE APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

OTHER CONDITIONS:

SUPPLEMENTAL ADDENDUM

File No.

Borrower/Client A Bird In Hand Land, LC			
Property Address 70 Baxter Drive			
City Harrisonburg	County Rockingham	State VA	Zip Code 22801
Lender Farmers & Merchants Bank			

COLONIAL APPRAISAL SERVICE, INC.
2340 South Main Street
Harrisonburg, Virginia 22801

SCOPE OF APPRAISAL

In the preparation of this appraisal, the appraiser, and/or their associates, as noted in this report, have gathered information in the following ways:

1.□Personally visited the subject property. The subject property is vacant. Did walk the property.

2.□Contacted the assessor's office and the clerk of the court's office of the applicable jurisdiction to verify the legal description, current tax assessment, date of assessment, and checked for transfers of the property in the previous 12-month period.

3.□The public record, the Multiple Listing Service, and the office of the selling/listing broker were used to obtain data and are assumed to be reliable and correct.

4.□This office subscribes to the Marshall and Swift Cost Valuation Service and uses this data and local builder information to establish the estimates used in the cost approach to value. The cost approach was not developed.

5.□Local rental management services, realtors and private landlords are checked to supply timely income approach data where applicable. The income approach was not developed.

6.□Information regarding financing, seller's concessions, etc. is obtained from the contract of purchase, the lender, and the listing/selling broker's office, and is assumed to be correct.

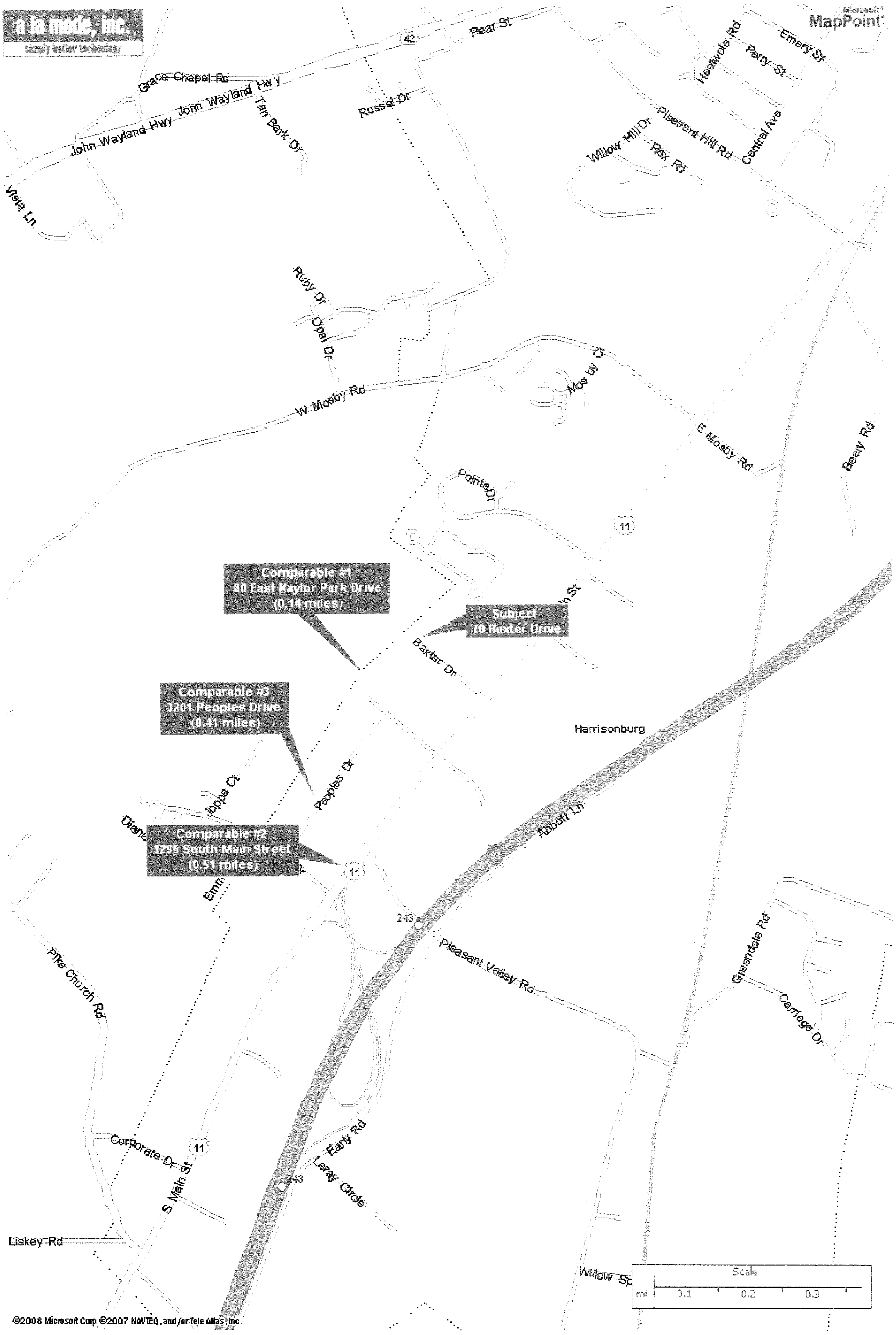
7.□Census tract number is obtained from applicable maps maintained in our office. Flood hazard maps for local areas are maintained in our office and updated as new information become available. For flood hazard information on areas not maintained in our office, applicable jurisdictions are consulted and the information is assumed to be correct.

8.□Accumulated area data and files on previous appraisals from this office are used when possible, and the information is assumed to be correct.

This scope if not limited to the above contributors but does cover the large majority of information used in the normal course of business by this office. This report is prepared by the appraiser using computer-assisted computations and has been reviewed for accuracy by the appraisers to the best of their ability. We reserve the right to correct any mathematical or typographical errors that may have been overlooked in the review process.

Location Map

Borrower/Client A Bird In Hand Land, LC			
Property Address 70 Baxter Drive			
City Harrisonburg	County Rockingham	State VA	Zip Code 22801
Lender Farmers & Merchants Bank			



0 2 7 4 7 P 0 4 3

Tax Map No. 1-C-11

THIS DEED, made this 21st day of September, 2005, by and between BILL V. NEFF and L. E. WOOD, JR., Grantors, and A BIRD IN HAND LAND LLC, a Virginia limited liability company, Grantee,

WITNESSETH:

That for and in consideration of the sum of Ten Dollars ($10.00), cash in hand paid by the Grantee to the Grantors, before the execution and delivery hereof and of other good and valuable consideration given, the receipt of all of which is hereby acknowledged, the Grantors do hereby grant and convey with General Warranty and English Covenants of Title, unto A Bird In Hand Land LLC, a Virginia limited liability company, Grantee, all that certain lot or parcel of land containing 3.684 acres, more or less, together with any improvements thereon, and all rights, privileges, appurtenances, easements and rights-of-way thereunto belonging or in anywise appertaining, situate on Baxter Drive in the City of Harrisonburg, Virginia, and being known and designated as LOT 3, and shown on a survey made by Michael W. Mars, L.S., dated August 27, 2002, revised September 19, 2002, revised September 24, 2002, and revised October 21, 2002, which plat is entitled "**Final Plat, Section Three, South Main Commercial Park**", which plat is of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 2190, page 128.

The real estate herein conveyed is a portion of the property acquired by Bill V. Neff, by deed of exchange dated September 1, 1999, from L. Quinn Kaylor, Substitute Trustee of

Prepared By: Layman & Nichols, P.C. 268 Newman Avenue, Harrisonburg, VA 22801

B 2747 P 044

Elmer Baxter Kaylor Family Trust and Nureta A. Kaylor, which said deed of exchange is duly of record in the aforesaid Clerk's Office in Deed Book 1732, page 797. Bill V. Neff granted an undivided eighty percent (80%) interest in the property to L. E. Wood, Jr. by deed dated December 4, 2002, of record in the aforesaid Clerk's Office in Deed Book 2190, page 148.

This conveyance is further made subject to all recorded easements, conditions, restrictions and agreements as they may lawfully apply to the real estate hereby conveyed or any part thereof.

Reference is hereby made to the aforesaid deed and survey plat for further description and derivation of title to the property described herein.

WITNESS the following signatures and seals:

Bill V. Neff (SEAL)
BILL V. NEFF

COMMONWEALTH OF VIRGINIA,
CITY/~~COUNTY~~ OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 30 day of September, 2005, by BILL V. NEFF.

My commission expires: 3/31/06.

[signature]
Notary Public

B2747P045

L. E. WOOD, JR. (SEAL)

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF Harrisonburg to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 22 day of September, 2005, by L. E. WOOD, JR.

My commission expires: 3/31/06

Notary Public

Grantee's Address:

45 Fairview Ave
Harrisonburg, VA 22801

05 OCT -3 PM 1:41
CIRCUIT COURT
L. WAYNE HARPER, CLERK

VIRGINIA: In the Clerk's Office of the Circuit Court of Rockingham County
The foregoing instrument was this day presented in the office aforesaid, and is together with the certificate of acknowledgement annexed, admitted to record this 3 day of Oct, 20 05 at 1:45 P.M. I certify that
taxes were paid when applicable.
Sec. 58-54 — State [illegible] County [illegible] City 53.00
Sec. 58.54.1 — State 212.00 County [illegible] City 212.00 Transfer 1.00
Recording 24.00 Copies 1.50 TESTE
L. WAYNE HARPER
CLERK [illegible]

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