

Uniform Residential Appraisal Report

File # 2011-11-100

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

SUBJECT

Property Address 7116 Ayres Ln Rd City Snow Hill State MD Zip Code 21863
 Borrower Patricia Reed Owner of Public Record Robert & Patricia Reed County Worcester
 Legal Description Liber 1177 Folio 238
 Assessor's Parcel # Map 72 Grid 15 Parcel 112/Acct 02-027771 Tax Year 2011 R.E. Taxes \$ 1,990
 Neighborhood Name Snow Hill Map Reference 72-15-112 Census Tract 9908.00
 Occupant Owner Tenant Vacant Special Assessments \$ None PUD HOA \$ per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) Asset management
 Lender/Client Hebron Savings Bank Address 543C Riverside Drive, Salisbury, Md 21801
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). MLS, listing contract expired

CONTRACT

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Subject is not under contract
 Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s) Tax Records
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. n/a

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	40 %		
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	0 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input checked="" type="checkbox"/> Over 6 mths	95	Low 1	Multi-Family	0 %		
Neighborhood Boundaries Refer to Narrative Addendum		300	Pred. 50	Commercial	2 %		
				Other	58 %		

Neighborhood Description The subject neighborhood is composed of single family homes and agricultural and poultry farms of varying age, design and amenities
 Market Conditions (including support for the above conclusions) Refer to Narrative Addendum

SITE

Dimensions no survey or plat provided Area 20.17 ac Shape irregular View res/agricultrual
 Specific Zoning Classification AR Zoning Description Agricultural single family residential
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/> well/typical	Street asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> lp available	Sanitary Sewer	<input type="checkbox"/> septic/typical	Alley none	<input type="checkbox"/>	<input type="checkbox"/>

 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone C FEMA Map # 2400830175C FEMA Map Date 06/16/1992
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls	block/avg-gd	Floors	carpet, vinyl/avg
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	vinyl/avg-gd	Walls	drywall/avg
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area crawl sq.ft.	Roof Surface	shingle/avg	Trim/Finish	wood/avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish space %	Gutters & Downspouts	yes/yes	Bath Floor	vinyl/avg-gd
Design (Style) rancher	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	dbl hung/avg	Bath Wainscot	fiberglass/avg
Year Built 1986	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	yes/yes	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 15 years	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	yes	<input checked="" type="checkbox"/> Driveway	# of Cars 4
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input checked="" type="checkbox"/> Other bb	Fuel elec	<input type="checkbox"/> Fireplace(s) #	<input checked="" type="checkbox"/> Garage	# of Cars 2 +
<input checked="" type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck	<input type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att.	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: 6 Rooms 3 Bedrooms 2 Bath(s) 1,632 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). Refer to narrative addendum
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The overall condition of the subject property is considered average-good refer to good narrative addendum for further comments

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

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There are 3 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 300,000 to \$ 680,000		There are 5 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 160,000 to \$ 399,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	7116 Ayres Ln Rd Snow Hill, MD 21863	518 Snow Hill Rd Stockton, MD 21864	2359 Klej Grange Rd Pocomoke City, MD 21851	7870 Scotts Landing Rd Snow Hill, MD 21863			
Proximity to Subject		5.70 miles SW	5.02 miles W	3.68 miles E			
Sale Price	\$ N/A	\$ 200,000	\$ 150,000	\$ 399,000			
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 112.93 sq.ft.	\$ 92.59 sq.ft.	\$ 249.38 sq.ft.			
Data Source(s)		MLS 468841	MLS 437132	MLS 444891			
Verification Source(s)		Public Records	Public Records	Public Records			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		Conv none known		Conv none known		Conv none known	
Date of Sale/Time		04/27/2011		07/26/2010		03/10/2009	
Location	Snow Hill	Stockton/infer	+20,000	Pocomoke/sup	-10,000	Snow Hill	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	20.17 ac	16.33 ac	+9,600	5.31 ac	+37,000	11.35 ac*	
View	res/agricult	res/agricult		res		*water view/bay	-150,000
Design (Style)	rancher	colonial		doublewide		contemp	
Quality of Construction	modular/avg-gd	frame/avg	0	manufact/avg	+10,000	frame/gd	-30,000
Actual Age	25 years	80 years*		6 years	-2,000	5 years*	
Condition	average-gd	*average	+15,000	average-good		*good	-15,000
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
	6 3 2	7 3 2		6 3 2		7 3 2	
Gross Living Area	1,632 sq.ft.	1,771 sq.ft.	-4,170	1,620 sq.ft.	0	1,600 sq.ft.	0
Basement & Finished Rooms Below Grade	crawl space	crawl space		crawl space		Pier Foundation	
Functional Utility	typical	typical		typical		typical	
Heating/Cooling	fwa,bb ele/cac	hwbb/cac		fwa/cac		fwa/cac	
Energy Efficient Items	typical	typical		typical		typical	
Garage/Carport	2 +	2 + car garage		2 car garage		2 car garage	
Porch/Patio/Deck	none	porch	-2,000	deck	-1,000	decks	
outbuildings*	poultry hs,sheds	poultry hs,sheds		none	+60,000	none	+60,000
add'l dwelling*	single wide	none	+12,000	none	+12,000	none	+12,000
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 50,430	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 106,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -123,000
Adjusted Sale Price of Comparables		Net Adj. 25.2 % Gross Adj. 31.4 %	\$ 250,430	Net Adj. 70.7 % Gross Adj. 88.0 %	\$ 256,000	Net Adj. 30.8 % Gross Adj. 66.9 %	\$ 276,000

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explainMy research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Tax Records

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

Data Source(s) Tax Records

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

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	No Transfers	No Transfers	No Transfers	No Transfers
Price of Prior Sale/Transfer	No Transfers	No Transfers	No Transfers	No Transfers
Data Source(s)	Tax Records	Tax Records	Tax Records	Tax Records
Effective Date of Data Source(s)	11/2011	11/2011	11/2011	11/2011

Analysis of prior sale or transfer history of the subject property and comparable sales see above for prior transfer of the subject property in the past thirty six months and comparables in the past twelve months.

Summary of Sales Comparison Approach Refer to Narrative Addendum

Indicated Value by Sales Comparison Approach \$ 275,000

Indicated Value by: Sales Comparison Approach \$ 275,000 Cost Approach (if developed) \$ 276,420 Income Approach (if developed) \$

RECONCILIATION

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 275,000 , as of November 1, 2011 , which is the date of inspection and the effective date of this appraisal.

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Clarification of Intended Use and Intended User: The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for asset management subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The opinion of the site value is based upon a review of recent similar land sales in the subject's marketing area, and or evaluation of site to total ratios.

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 90,000
Source of cost data Marshall & Swift	DWELLING 1,632 Sq.Ft. @ \$ 80.00 = \$ 130,560
Quality rating from cost service avg-gd Effective date of cost data 2011	crawl Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	manuf home,poultry houses, outbldngs = \$ 85,000
	Garage/Carport 1,500 Sq.Ft. @ \$ 22.00 = \$ 33,000
	Total Estimate of Cost-New = \$ 248,560
	Less Physical Functional External
	Depreciation 62,140 = \$(62,140)
	Depreciated Cost of Improvements = \$ 186,420
	"As-is" Value of Site Improvements = \$
	as includes, manuf home,poultry houses & outbldng
Estimated Remaining Economic Life (HUD and VA only) 45 Years	INDICATED VALUE BY COST APPROACH = \$ 276,420

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach
 Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal Name of Project
 Total number of phases Total number of units Total number of units sold
 Total number of units rented Total number of units for sale Data source(s)
 Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.
 Does the project contain any multi-dwelling units? Yes No Data Source
 Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.
 Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.
 Describe common elements and recreational facilities.

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

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

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

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

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

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

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

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

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

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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

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

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

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

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

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

APPRAISER

Signature Annette Marriner
 Name Annette Marriner
 Company Name _____
 Company Address 28703 Adlers Rest Lane, Princess Anne, Md
21853
 Telephone Number (410) 251-1203
 Email Address _____
 Date of Signature and Report November 09, 2011
 Effective Date of Appraisal November 1, 2011
 State Certification # _____
 or State License # 02-11691
 or Other (describe) _____ State # _____
 State Md
 Expiration Date of Certification or License 02/27/2014

ADDRESS OF PROPERTY APPRAISED

7116 Ayres Ln Rd
Snow Hill, MD 21863

APPRAISED VALUE OF SUBJECT PROPERTY \$ 275,000

LENDER/CLIENT

Name _____
 Company Name Hebron Savings Bank
 Company Address 543C Riverside Drive, Salisbury, Md 21801
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

SUBJECT PROPERTY

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

COMPARABLE SALES

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

Subject Photo Page

Borrower/Client	Patricia Reed				
Property Address	7116 Ayres Ln Rd				
City	Snow Hill	County	Worcester	State	MD Zip Code 21863
Lender	Hebron Savings Bank				

**Subject Front**

7116 Ayres Ln Rd
 Sales Price N/A
 Gross Living Area 1,632
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location Snow Hill
 View res/agricult
 Site 20.17 ac
 Quality modular/avg-gd
 Age 25 years

**Subject Rear****Subject Street**

Subject Photo Page

Borrower/Client	Patricia Reed				
Property Address	7116 Ayres Ln Rd				
City	Snow Hill	County	Worcester	State	MD Zip Code 21863
Lender	Hebron Savings Bank				

**Subject Front**

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 Site 20.17 ac
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**Subject Rear****Subject Street**

Comparable Photo Page

Borrower/Client	Patricia Reed				
Property Address	7116 Ayres Ln Rd				
City	Snow Hill	County	Worcester	State	MD Zip Code 21863
Lender	Hebron Savings Bank				

**Comparable 1**

518 Snow Hill Rd
 Prox. to Subject 5.70 miles SW
 Sales Price 200,000
 Gross Living Area 1,771
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location Stockton/infer
 View res/agricult
 Site 16.33 ac
 Quality frame/avg
 Age 80 years*

**Comparable 2**

2359 Klej Grange Rd
 Prox. to Subject 5.02 miles W
 Sales Price 150,000
 Gross Living Area 1,620
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location Pocomoke/sup
 View res
 Site 5.31 ac
 Quality manufact/avg
 Age 6 years

**Comparable 3**

7870 Scotts Landing Rd
 Prox. to Subject 3.68 miles E
 Sales Price 399,000
 Gross Living Area 1,600
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location Snow Hill
 View *water view/bay
 Site 11.35 ac*
 Quality frame/gd
 Age 5 years*

Comparable Photo Page

Borrower/Client	Patricia Reed				
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Comparable 4

2410 Saint Lukes Road
 Prox. to Subject 13.13 miles NW
 Sales Price 182,000
 Gross Living Area 2,072
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 2.5
 Location Snow Hill
 View res
 Site 1.9 ac
 Quality frame/avg
 Age 21 years



Comparable 5

1534 New Bridge Rd
 Prox. to Subject 11.56 miles SW
 Sales Price 300,000
 Gross Living Area 1,456
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 2
 Location Pocomoke/sup
 View res/agricult
 Site 34. ac
 Quality modular/avg-gd
 Age 20 years

Comparable 6

Prox. to Subject
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Interior Photos

Borrower/Client	Patricia Reed				
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Lender	Hebron Savings Bank				



Supplemental Addendum

File No. 2011-11-100

Borrower/Client	Patricia Reed		
Property Address	7116 Ayres Ln Rd		
City	Snow Hill	County	Worcester
		State	MD
		Zip Code	21863
Lender	Hebron Savings Bank		

SCOPE OF WORK (Expanded):

Pursuant to the directions on the prescribed appraisal report form, "The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment." Therefore, in addition to the scope of work presented within the attached appraisal report, this document will further describe the extent and type of information researched and the techniques applied, as well as define or clarify additional terminology used in the appraisal report. The intended user, or agent for the intended user, has requested the appraiser to evaluate the property, which is the subject of this appraisal report, for asset management. The appraiser has given consideration to the traditional valuation approaches: the Sales Comparison Approach, the Cost Approach and the Income Approach. The applicability of each approach to value must be weighed according to the qualitative and quantitative analysis of available data.

The Sales Comparison Approach is a set of procedures in which a value indication is developed by comparing the property being appraised to the most recent sales of similar properties, applying appropriate units of comparison, and making adjustments to the sales prices of the comparables based on the elements of comparison. The Sales Comparison Approach may be used to value improved properties, vacant land, or land being considered as though vacant. The Sales Comparison Approach best reflects the attitudes of buyers and sellers in today's market place for one-to-four family properties.

The Cost Approach is required when considered to be applicable and necessary to provide a credible opinion of value. The Cost Approach is a set of procedures through which a value indication is derived for the fee simple interest in the property by estimating the current reproduction or replacement cost-to-construct the existing structure, deducting accrued depreciation from the reproduction or replacement costs, and adding the estimated land value plus an entrepreneurial profit. It is necessary to make adjustments for depreciation in the Cost Approach. The appraiser must estimate the effective age and economic life for the subject property. Effective age is the age indicated by the condition and utility of a structure and is based on an appraiser's judgment and interpretation of market perceptions. Economic age is the period of time over which improvements to real property contribute value. The Cost Approach, if developed, is intended to provide support for the Opinion of Market Value and is not intended to serve any other purpose (e.g. Insurable Value).

The Income Approach is required, when considered to be applicable and necessary to provide a credible opinion of value. Regarding one to four family properties, the appraiser estimates the gross monthly income a property is expected to generate and capitalizes this income into a value indication using a gross rent multiplier (GRM). A GRM is the relationship or ratio between the sales price or value of the property and its gross monthly income.

The appraiser has completed the appraisal report in compliance with the appraiser's interpretation of the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation.

IMPORTANT: Please read the following very carefully:

This appraisal is for no purpose other than property valuation as limited by the scope of the assignment as stated in this report. The appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

PROPERTY INSPECTION

A "complete visual inspection" includes a walking tour of the property, interior and exterior and viewing all readily observable items; observing the floor plan and layout; identifying relevant amenities, evaluating conformity of the subject with the neighborhood; observing general conditions; assessing functional utility; measuring the house or utilizing other data and information to calculate the living area, and noting any renovations or remodeling that may have been done to the property. A "complete visual inspection" does not include observing or viewing any portion of the property not readily accessible from a walking tour including full access to attics and/or crawl spaces; activation or operation of all mechanical, electrical, or plumbing equipment or fixtures; any observation or viewing of the roof surface or structure other than that which is readily viewable from ground level; or activation or testing of any water system or sewage or septic tank; walking the entire site if the size and/or topography do not readily allow. The appraiser is not qualified as an engineer or home inspector and does not represent those services.

GEOGRAPHIC COMPETENCE

In accordance with Certification 11, I further attest to my geographic competence for the market area that is the subject of this report. This location of the subject property is within an area regularly serviced within my appraisal practice and I utilize the MLS and other data sources specific to this market area.

"In compliance with the ethics rule of USPAP, I hereby certify that this appraiser has no current or prospective interest in the subject property or parties involved, and has not performed any services regarding the subject property within the 3 year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity"

APPRAISAL IS MADE WITH LIMITED DATA

Appraisal reports are technical documents addressed to the specific needs of clients. In most cases, appraisals are made for mortgage companies and/or banks whose use for this report may be wholly different than that of the casual reader. Therefore, the reader should understand that this report was made with a limited amount of data and limited ability to verify certain information. Information was verified when possible through public records, multi-listing services, real estate agents and exterior inspection. This includes verification that the comparables are actually

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closed sales and the transactions are arms length. No verification technique is one hundred percent accurate but the appraiser has relied upon information as reported and recorded unless better sources prevail.

From time to time, the indicated sizes of comparables shown in available sources such as MLS services or listing sheets appears to be incorrect based on the appraisers professional experience. If the size used in the MLS sheets does not correlate with other known data, the appraiser may use other methods to determine the size of comparables. These include assessor's sheets, physical inspection and use of interior room measurements along with a multiplier to depict size based on exterior measurements. The deviation of comparable size from published sizes only indicates an attempt at higher accuracy in the final report. However, there are many times that the exact size and features found in comparables cannot be confirmed except by an exterior inspection from the street. We have used three or more comparables in this report to eliminate the limited data associated with any single comparable. While no factors we believe to be significant but unknown to the client have been knowingly withheld, it is always possible that we have information of significance which may be important to others but which, based on the original scope of this appraisal for mortgage or other purposes, was not included in the report to the client. A mortgage company or other professional client may not require data that may be important if the report is to be used for decision making outside the scope of the report. No decision should be made that is outside the scope of this report without first contacting the appraiser in writing for further clarification.

Condition of Materials and Mechanical Systems: The appraisal report requires the appraiser to note the condition of materials or several components of the subject property. The appraiser makes no representations, guarantees or warranties (express or implied), regarding those materials, their fitness, quality, condition or remaining economic life. An appraiser is not qualified or trained to disclose hidden defects in material or workmanship. The lender/client should utilize or at least consider the services of a professional licensed home inspector to evaluate same if concerned about the condition of materials of the subject property.

Personal Property: Unless otherwise indicated, the market value arrived at in this appraisal report is for real estate only and does not include any personal property of any kind. Above ground pools and non-attached items such as freestanding appliances and window treatments are some examples of personal property. The inclusion of personal property in the sale of real estate is common. Although only the real estate is valued in this report, including personal property in a sale does not limit the marketability of a house.

Plat of Survey: The appraiser is not a surveyor. In those instances when a survey has been provided to the appraiser or is available from other real property data sources, it has only been relied upon to provide a legal description, site and/or building dimensions, apparent encroachments, or apparent easements. The appraiser renders no opinion and makes no representations, guarantees or warranties, express or implied, regarding the accuracy of these items as delineated within the survey.

Public Records and Data Services: The appraiser uses a variety of data services such as public and private online databases which include assessor's records, county recorders, FEMA flood maps, county websites, local zoning maps and/or phone confirmations by the appropriate zoning authorities, local MLS information, or any other reliable sources considered typical for the market area. All sources are considered to be reliable sources of data. When discrepancies in the information are found, the appraiser will use the source(s) that is believed to be the most reliable in this appraisal report. The appraiser will report only the data pertinent to the valuation process. When applicable, the data presented in the Sales Comparison Approach has been verified by more than one source unless otherwise noted.

Replacement and Reproduction costs: Replacement and reproduction cost estimates used in the Cost Approach are for valuation purposes only. The lender/client should not rely on these estimates for insurance purposes. The definition of "Market Value" contained in this appraisal report is not consistent with the definition of "Insurable Value".

Sales Contract and Sellers Disclosure Statement: The appraiser is not an attorney. In those instances when a sales contract and/or a seller's disclosure statement have been provided to the appraiser, they have been relied upon only to verify the contract price and any seller concessions. The appraiser renders no opinion regarding the legal nature of the sales contract and/or seller's disclosure statement.

NEIGHBORHOOD BOUNDARIES

The subject is located in an area known as Snow Hill which is within Worcester County, Maryland. The subject immediate neighborhood boundaries are Route 12 to the west, town limits of Snow Hill to the north, Brick Kiln Road to the east and the communities of Girdletree and Stockton to the south.

The subject property is situated on 20 +/- acres, the improvements consist of a 1600 +/- square foot Nanticoke modular home, based upon an exterior and interior inspection it was rated as average-good condition. A single wide manufactured home also is located on the property. At the time of this appraisal the manufactured dwelling was tenant occupied. A exterior inspection of the manufactured home indicated an average to below average condition. According to the owner, the 1980 single wide has 2 bedrooms, 1 bath, living room and kitchen. No interior inspection was conducted on the manufactured home. The subject also has two 300' x 42' poultry houses, a 90' x 50' manure shed, 2 + car garage, 105 K generator, numerous other outbuildings, 2 inch and 4 inch wells and 750 gallon septic system and concrete pads for the poultry houses. The poultry houses have not been updated with tunnel ventilation and no poultry contracts are in place at this time, based upon limited interior inspection and exterior inspection they appeared to be in good condition. Research revealed an estimate \$30,000-\$35,000 per poultry house to update with tunnel ventilation. It is the opinion of your appraiser with the necessary updates the subject property could be an income producing poultry farm. Your appraiser is not an expert on the necessary updates required for growers however, based on conversation with owner and market research it appears that the only updates that are needed at this time is tunnel ventilation. This property was appraised as a single family

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dwelling with outbuildings since the poultry houses are not operational at this time. Should all updates be completed, it should increase the value of the subject property. However this would have to be determined by a commercial appraisal on an income producing property.

Comparables

The gross and net adjustments exceed 15% and 25% respectively, this is primarily due to the necessary adjustments for poultry houses, outbuildings and single wide manufactured home. No comparables were located that were more similar to the subject property or required less adjustments.

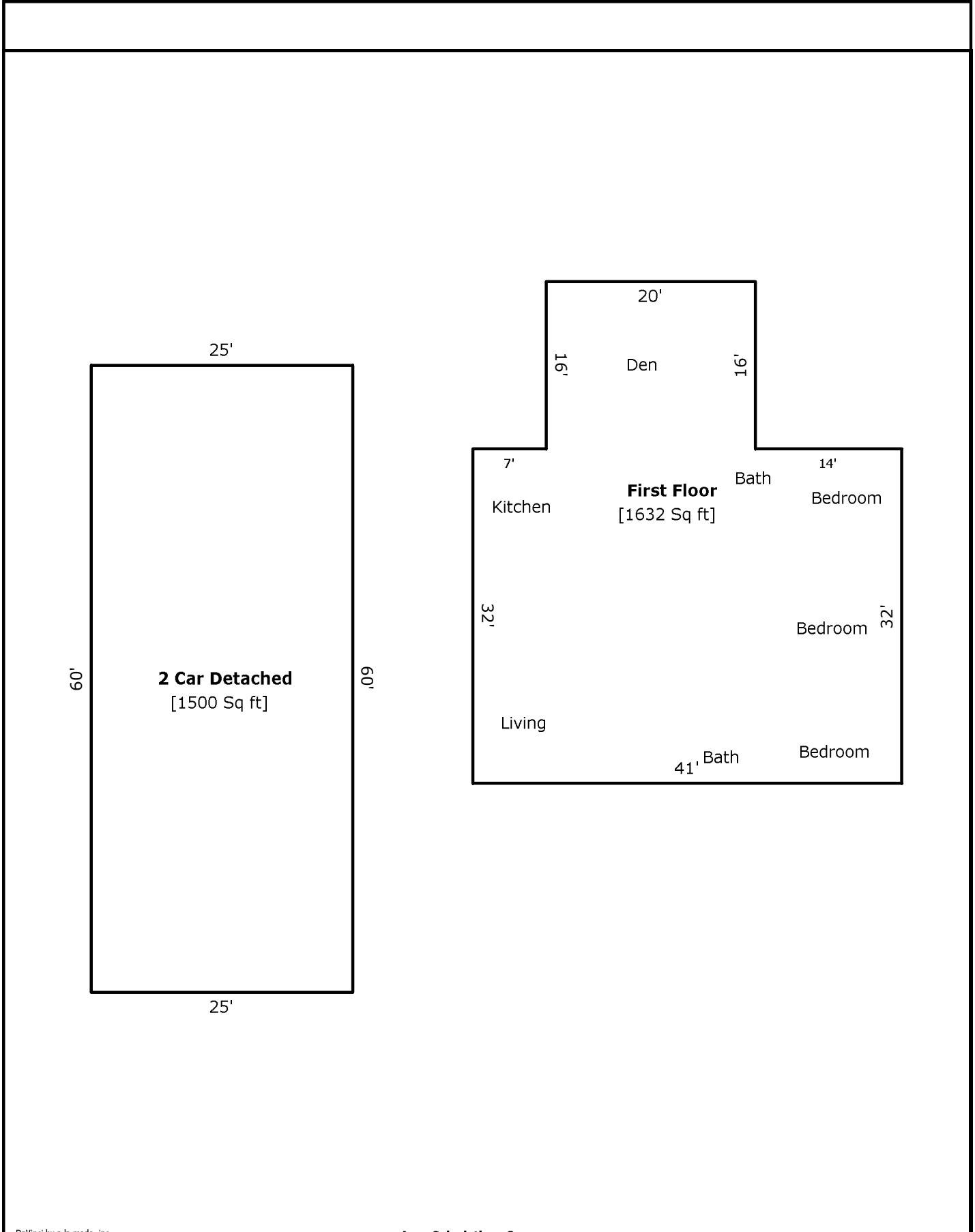
Due to the limited comparables it was necessary to exceed a 5 mile radius for one of the comparable properties, no sales were found closer in proximity or more recent.

Final Summary.

The subject property was on the market for \$299,000, according to the owner the contract has expired for the listing.

Building Sketch

Borrower/Client	Patricia Reed			
Property Address	7116 Ayres Ln Rd			
City	Snow Hill	County Worcester	State MD	Zip Code 21863
Lender	Hebron Savings Bank			



DaVinci by a la mode, inc.

Area Calculations Summary

Living Area	Calculation Details	
First Floor	1632 Sq ft	20 × 16 = 320 32 × 41 = 1312
Total Living Area (Rounded):	1632 Sq ft	
Non-living Area		
2 Car Detached	1500 Sq ft	60 × 25 = 1500

Uniform Residential Appraisal Report

File # 2011-11-100

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	7116 Ayres Ln Rd Snow Hill, MD 21863	2410 Saint Lukes Road Snow Hill, Md			1534 New Bridge Rd Pocomoke City, MD 21851					
Proximity to Subject		13.13 miles NW			11.56 miles SW					
Sale Price	\$ N/A	\$ 182,000			\$ 300,000			\$		
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 87.84 sq.ft.			\$ 206.04 sq.ft.			\$ sq.ft.		
Data Source(s)		MLS 468507			MLS 561419					
Verification Source(s)		Public Records			Public Records					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment		DESCRIPTION	+(-) \$ Adjustment		DESCRIPTION	+(-) \$ Adjustment	
Sales or Financing Concessions		Conv none known			Active Listing	-9,000				
Date of Sale/Time		01/25/2011			Active					
Location	Snow Hill	Snow Hill			Pocomoke/sup	-10,000				
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple					
Site	20.17 ac	1.9 ac	+46,000		34. ac	-33,000				
View	res/agricult	res			res/agricult					
Design (Style)	rancher	cape cod			rancher					
Quality of Construction	modular/avg-gd	frame/avg			modular/avg-gd					
Actual Age	25 years	21 years			20 years					
Condition	average-gd	good	-12,500		average-gd					
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count	6 3 2	7 4 2.5	-1,500		5 3 2					
Gross Living Area	1,632 sq.ft.	2,072 sq.ft.	-13,200		1,456 sq.ft.	+5,280			sq.ft.	
Basement & Finished Rooms Below Grade	crawl space	crawl space			crawl space					
Functional Utility	typical	typical			typical					
Heating/Cooling	fwa,bb ele/cac	fwa/cac			bb elec/none	+4,000				
Energy Efficient Items	typical	typical			typical					
Garage/Carport	2 +	O.S.P	+6,000		carport	+5,000				
Porch/Patio/Deck	none	screen porch	-2,000		none					
outbuildings*	poultry hs,sheds	none	+60,000		grns hs,outbld	+40,000				
add'l dwelling*	single wide	none	+12,000		none	+12,000				
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 94,800		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 14,280		<input type="checkbox"/> + <input type="checkbox"/> -	\$	
Adjusted Sale Price of Comparables		Net Adj. 52.1 %			Net Adj. 4.8 %			Net Adj. %		
		Gross Adj. 84.2 %	\$ 276,800		Gross Adj. 39.4 %	\$ 314,280		Gross Adj. %	\$	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).										
ITEM	SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6			
Date of Prior Sale/Transfer	No Transfers		No Transfers		No Transfers					
Price of Prior Sale/Transfer	No Transfers		No Transfers		No Transfers					
Data Source(s)	Tax Records		Tax Records		Tax Records					
Effective Date of Data Source(s)	11/2011		11/2011		11/2011					
Analysis of prior sale or transfer history of the subject property and comparable sales See Above for prior transfers of the subject property in the past thirty six months and comparables in the past twelve months.										
Analysis/Comments Refer to narrative addendum										

Location Map

Borrower/Client	Patricia Reed			
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Lender	Hebron Savings Bank			

