

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT: National City Mortgage
Robert Vester
1593 Washington Pike
Bridgeville, Pa. 15017

APPRAISER: Schatzman Appraisals
930 North 9th Street
Stroudsburg, PA 18360

SUBJECT:

1. Acreage and improvements located at Stoney Brook Lane, Lower Towamensing Township, Carbon County, Pennsylvania.

Valuation:

**ONE MILLION NINE HUNDRED TWENTY THOUSAND (\$1,920,000)
DOLLARS
(160 acres)**

**TWO MILLION TWO HUNDRED EIGHTY THOUSAND (\$2,280,000) DOLLARS
(190 ACRES)**

EFFECTIVE DATE OF VALUE: July 13, 2007

PURPOSE OF THE APPRAISAL:

The purpose of this appraisal is to provide the appraiser's best estimate of the market value of the subject real property as of the effective date. *Market value* is defined by the federal financial institutions regulatory agencies as follows:

Market value means 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 are 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.

INTENDED USE OF REPORT: This appraisal is intended to assist the client in the re-financing of the subject property.

INTEREST VALUED: Fee Simple.

EFFECTIVE DATE OF VALUE: July 13th, 2007

DATE OF REPORT: August 8, 2007

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, the appraiser

- inspected the subject properties as well as the comparable;
- Gathered information on comparable land and improved sales, rents, operating expenses, construction costs, and accrued depreciation, and capitalization and yield rates;
- Confirmed and analyzed the data and applied the sales comparison, cost, and income approaches.

To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were invoked.

This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file.

The purpose of this appraisal is to determine the fair market value of the property transferred by deed dated October 11, 2002 and recorded in the Carbon County Recorder's Office in Deed Book 1069, page 707.

Location Description.

The subject is located on Stoney Brook Lane, Lower Towamensing Township, Palmerton Pa. The Carbon County parcel/map number identifies the property as 29-33-24.

HIGHEST AND BEST USE:

Highest and best use as though vacant. The Highest and best use as though vacant is for development purposes: to residential family dwellings as permitted by zoning.

Highest and best use as improved. The Highest and best use as improved is for residential use

Sales Comparison Approach. A summary of the data on comparable sales follows at the end of this report.

ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. 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 them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's 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 unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I have made a person inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report. I have completed the requirements of the continuing education program of the Appraisal Institute.

Appraiser's Signature

State Certification #GA-000378-L General Appraiser

Market Sales Data

Sale #	Location	<u>Grantor/Grantee</u>	<u>Date/Deed/Price</u>	Description	
1	Blakeslee Boulevard Drive East, Lehighon, Pa. This is a growing commercial area in Mahoning Township, Carbon County	Nis Hollow Hunting Club to Lehighon Commercial Ventures, LLC	12/29/06 1540/144 \$1,350,000	An irregular rectangle, which is fairly compact. Consists of 83.3 acres, net 81.855 ac. Property slopes downward front to rear Zoned commercial	\$16,493
2	¼ mile north of Rte. 115 N exit of I-80 at Blakeslee, Pa. (Tobyhanna Township, Monroe County.)	Sincavage Corp to Hannig Development, LLC	Deed 7/10/06 2273/6641 \$1,300,000	Irregular rectangle containing 107.55 acres. Topography is mostly rolling. Zoned for residential, multi-family, PUD.	\$12,088
3	557 Belvidere Corner Rd., Mt. Bethel, Pa. (Upper Mt. Bethel Township, Northampton County.)	Edward Thomas to Medical Device Development Co.	Deed 6/21/04 2004-1/ 239152 \$740,000	The property has an irregular shape, with frontage on Belvidere Corner Rd., and lesser access from Frutchey Court and River Rd. The property slopes down from Belvidere towards the rear. There is a structure on the property with well water and septic approval. Use potential includes residential, planned residential, agriculture. The site falls under Act 515.	\$7,976
4	Acreage located in Middle Smithfield Township (Monroe County) between Route 209 and Hidden Lake Drive	Northpark Development Corp. to LTS Development Inc.	12/19/02 2139/9500 \$1,200,000	The property consists of four parcels totaling app. 178.459 acres. The largest of the properties is (by deed) 141.721 acres, and is relatively compact.	\$6,724

<u>Sale #</u>	<u>Location</u>	<u>Grantor/Grantee</u>	<u>Date/Deed/Price</u>	<u>Description</u>	<u>Cost/Acre</u>
5	A2 Route 534, Albrightsville, Pa. (Penn Forest Township, Carbon County.)	Francis Lisella to John Stefanowicz	Deed 8/12/05 1365/74 \$1,100,000	This is a fairly compact parcel of approximately 143 acres. The site is improved with a small chalet-style building of about 800 square feet. The acreage is mostly wooded, with some clearing near the existing structure. A small pond is also located on the property. General zoning is commercial/residential.	\$7,692
6	Off Rte. 29, at 115 Hickory Tree Rd, Dallas, Pa. (Lake Township, Luzerne County.)	Robert S. Sanders, Sr. to David W. & Christina Bryant	Deed 7/24/06 3006/197083 \$840,000	This property is almost a perfect square, roughly 120 acres. The land is a mix of wooded and pasture/containing field areas. Improvements consist of a house and barn, both of which are in fair condition. Zoning is agricultural, but subdivision into one-acre lots is possible.	\$7,000

Market Sales Adjustment Grid

	<u>Sale #1</u>	<u>Sale #2</u>	<u>Sale #3</u>	<u>Sale #4</u>	<u>Sale #5</u>	<u>Sale #6</u>
<u>Unit of Comparison</u>	\$16,493	\$12,088	\$7,976	\$6,724	\$7,692	\$7,000
Rights Transferred	Similar	Similar	Similar	Similar	Similar	Similar
Financing Terms	Market	Market	Market	Market	Market	Market
Conditions of Sale	Market	Market	Market	Market	Market	Market
Market Conditions	Similar	Similar	Similar	Similar	Similar	Similar
Date of Sale	Similar	Similar	Similar	Similar	Similar	Similar
Adjusted Base	\$16,493	\$12,088	\$7,976	\$6,724	\$7,692	\$7,000
Location	Sup. -40%	Similar	Inf. +30%	Inf. +30%	Inf. +20%	Inf. +40%
Physical Traits	Inf. +20%	Inf. +10%	Inf. +20%	Inf. +30%	Inf. +20%	Inf. +20%
Overall Adj (%)	-20%	+10%	+50%	+60%	+40%	+60%
Overall Adj (\$)	-\$3,299	+\$1,209	+\$3,988	+\$4,034	+\$3,077	+\$4,200
Adjusted Base	\$13,194	\$13,297	\$11,964	\$10,758	\$10,769	\$11,200