

*Op Kelly  
Loan # 434569*

**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

2174 Le Conte St.  
Lots 47 and Pt 46, Casablanca Subdivision  
Morristown, TN 37814

**FOR:**

GreenBank  
100 N. Main St.

**AS OF:**

May 8, 2009

**BY:**

N Beth Ledbetter  
N BETH LEDBETTER & ASSOC.  
P O Box 294  
Fall Branch, TN 37656  
423.348.6343  
nbethled@yahoo.com



## Subject Photo Page

Borrower/Client Jason Kelley			
Property Address 2174 Le Conte St.			
City Morristown	County Hamblen	State TN	Zip Code 37814
Lender GreenBank			

### Subject Front

2174 Le Conte St.  
Sales Price N/A  
Gross Living Area 3,220  
Total Rooms 10  
Total Bedrooms 5  
Total Bathrooms 3  
Location Hamblen Co  
View Res/Mtns  
Site 0.48 Ac  
Quality  
Age 40



### Subject Rear

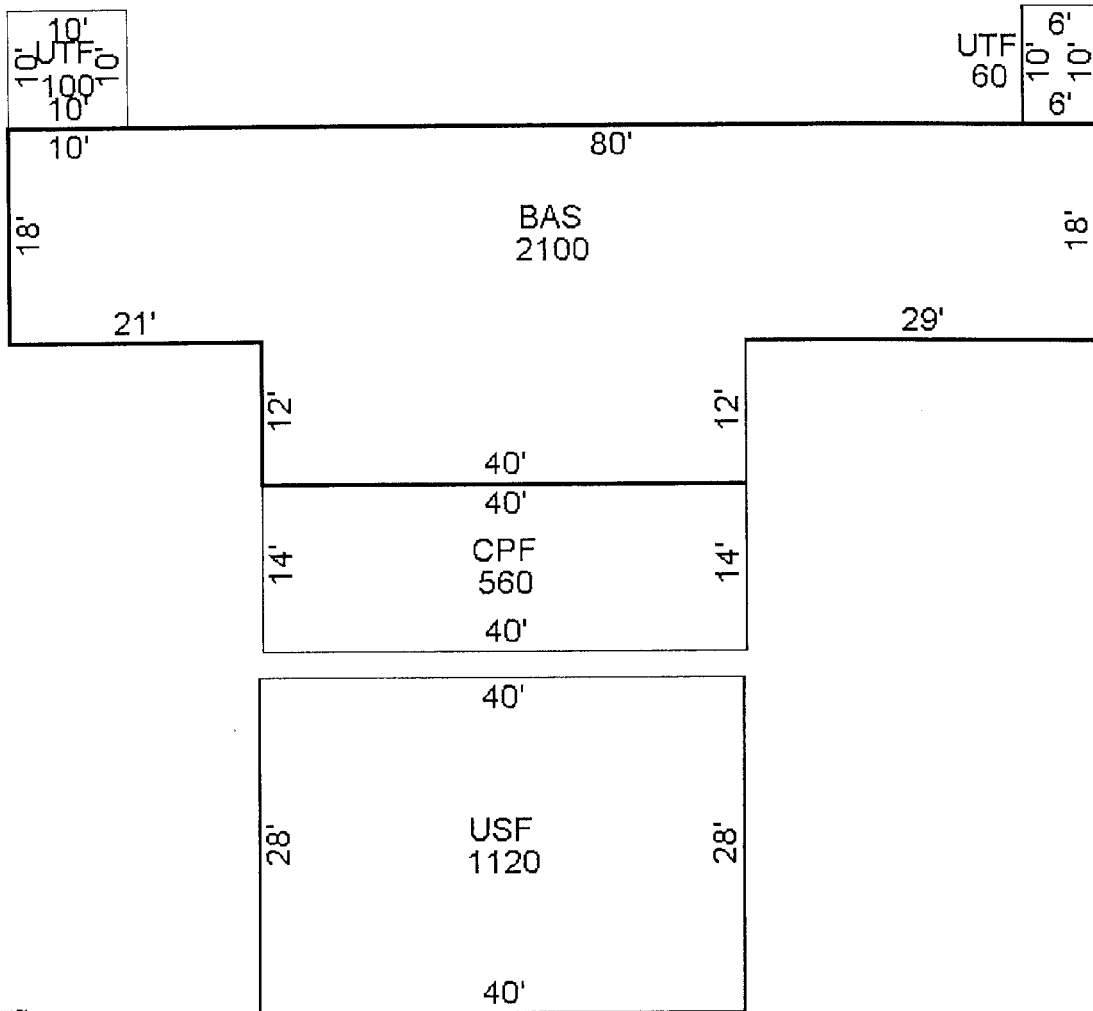
A rear view photo was not possible since the appraiser did not have access to the property. This is a photo taken from another side looking up the street.



### Subject Street

View of the street and the mountains in the distance.



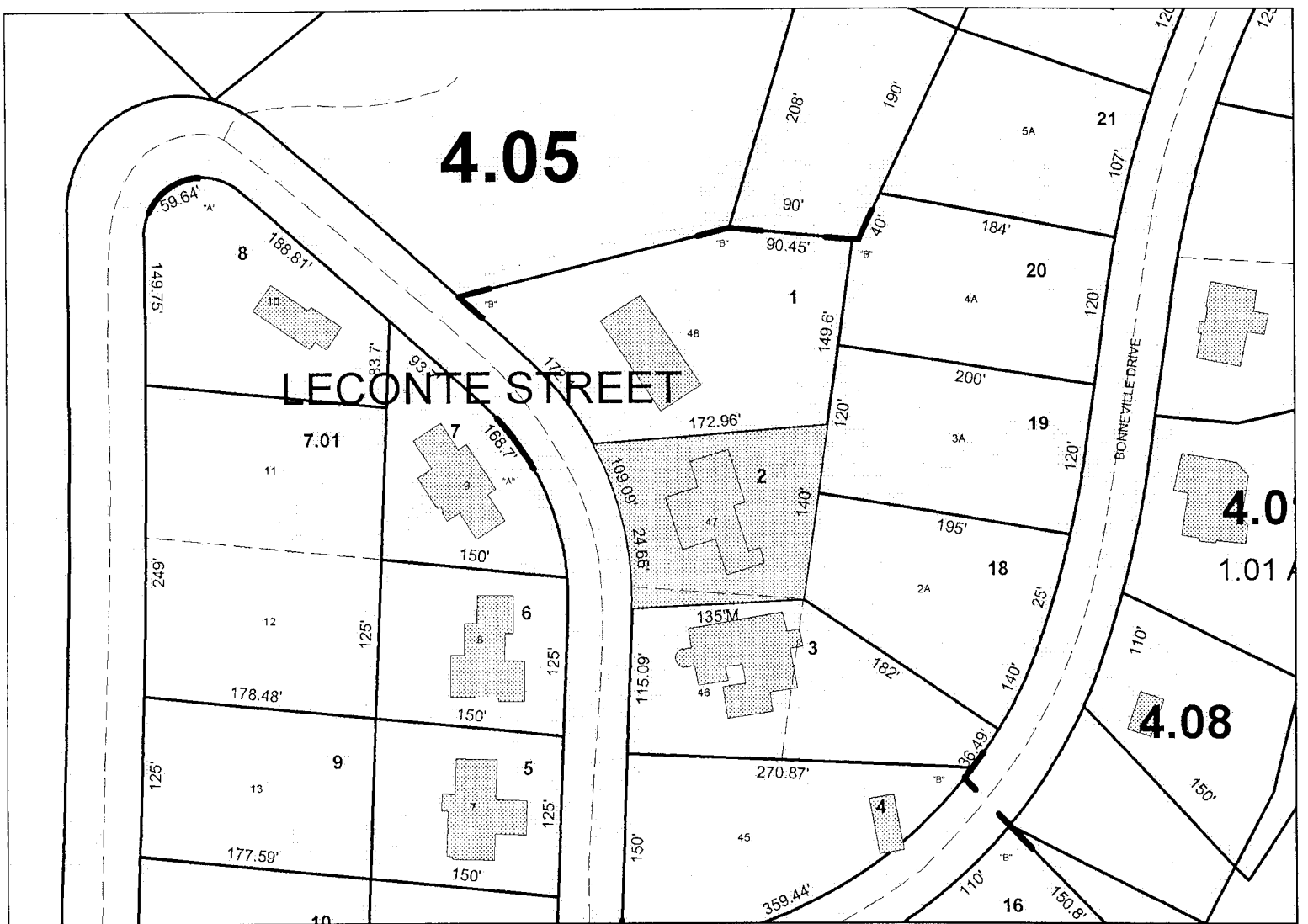


Printed by Apex IV Windows™

4.05

LECONTE STREET

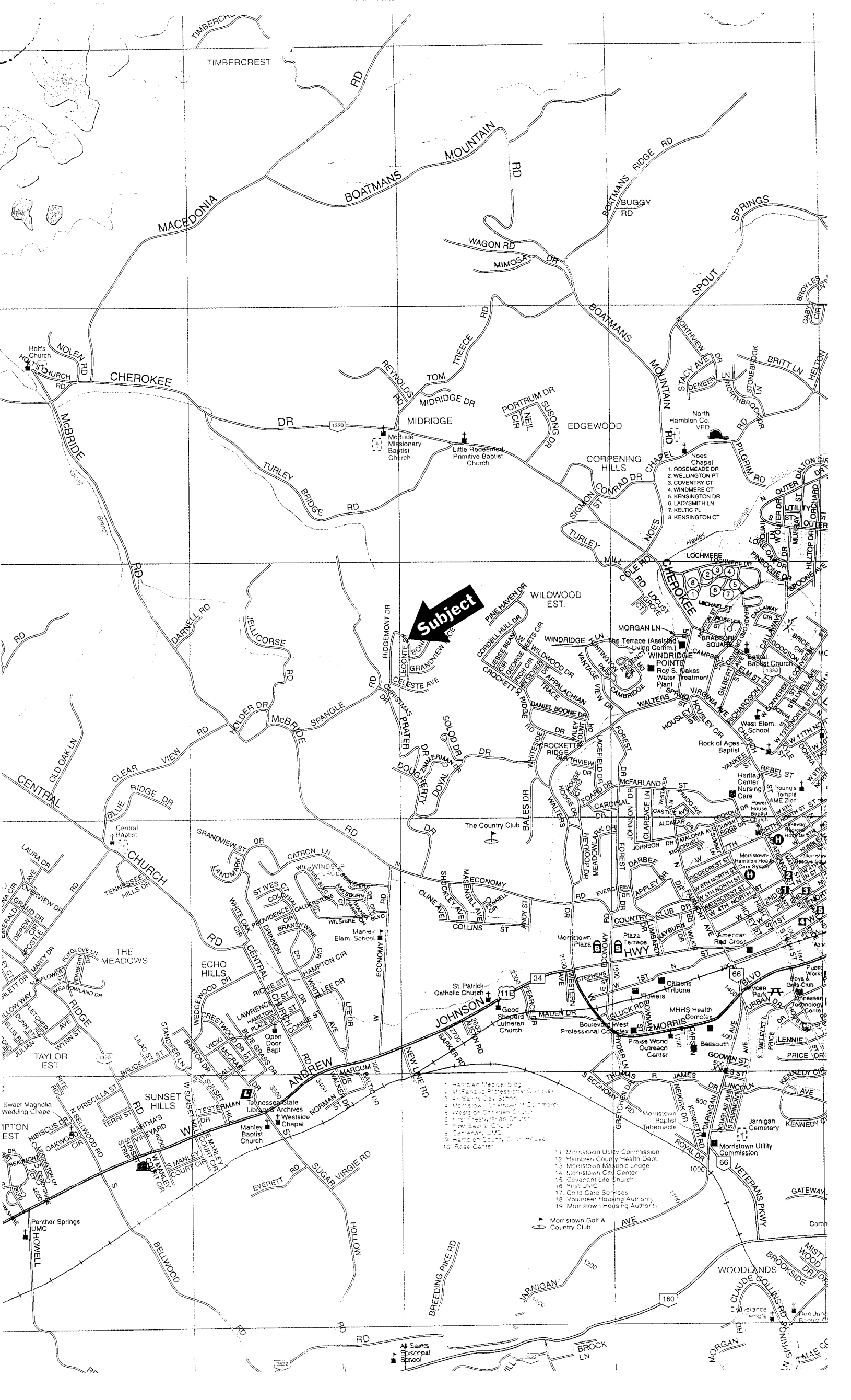
BONNEVILLE DRIVE



4.0

1.01

4.08



**Subject**

- 1. Hamden Medical Bldg
- 2. Morristown Post Office Complex
- 3. St. Ann's Day School
- 4. Morristown Christian Center
- 5. Westside Christian Church
- 6. First Presbyterian Church
- 7. St. Paul's Church
- 8. Central UMC
- 9. Hamden County Court House
- 10. Rose Center

- 11. Morristown Utility Commission
- 12. Hamden County Health Dept
- 13. Morristown Masonic Lodge
- 14. Morristown City Center
- 15. Covenant Life Church
- 16. First UMC
- 17. Child Care Services
- 18. Volunteer Housing Authority
- 19. Morristown Housing Authority

Morristown Golf & Country Club

St. Ann's Episcopal School

# GreenBank

Tennessee's Most *Convenient* Bank

100 North Main Street • Greeneville, TN 37743  
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www.greenbankusa.com

Date: April 10, 2009

N. Beth Ledbetter & Associates

Dear Beth:

We request that an evaluation be performed for the following:

Applicant: Jennifer Williams, GreenBank  
Property Address: 2174 La Conte, Morristown, TN  
Legal Description: (see attached)  
Current Owner/Seller: Jason Kelley

This letter is your authorization to conduct a market value evaluation of the above referenced property. The evaluation must conform to the GreenBank's appraisal guidelines and the Federal Regulatory Agency's Evaluation requirements. An evaluation does not meet the comprehensive requirements of an appraisal. However, the evaluation should support the estimate of value and include sufficient information to fully understand the evaluator's analysis. The evaluation must be based on Market Value as defined by the Agency's. The evaluation should describe the property, its location, sales history, and discuss its use if non-residential property. The evaluation should include calculations, supporting assumptions, and, if used, a discussion of comparable sales. In the case of income property, the capitalization rate, discount rate, income and expense projections, vacancy rate and absorption rate should be reasonable. The scope of an evaluation should correlate to the complexity of the transaction and to the type of real estate collateral.

The evaluation is to be addressed to the Bank and two copies are to be provided. Your fee will be paid in full when the report has been reviewed and deemed in compliance with Agency guidelines and GreenBank's standards.

If the terms of this Engagement Letter are acceptable, please sign and return to me, retaining a copy for your files. We appreciate your prompt attention in completing this report as soon as possible. Please contact me if you have any questions or desire any further property information.

Signed:

Jennifer Williams, App

Accepted by:

N. Beth Ledbetter

Date:

5/19/09

**EXHIBIT A**

SITUATE in the 2nd Civil District of Hamblen County, Tennessee, and described as follows:

PARCEL I: BEING Lot No. 47 in Carsablanca a shown on plat of same which appears of record in the Register's Office for Hamblen County, Tennessee in Plat Cabinet C, Slide 2, to which reference is here made for a further description.

PARCEL II: BEING a portion of Lot No. 46 in Carsablanca as shown on plat of same which appears of record in the Register's Office for Hamblen County, Tennessee in Plat Cabinet C, Slide 2, and being more particularly described as follows:

BEGINNING at a point in the eastern right of way boundary of LeConte Street, corner to Lot No. 47 of said Carsablanca Subdivision; thence with the common line of Lots 47 and 47 South 86 deg. 16 min. 01 sec. East 136.97 feet to a pin, common corner of Lots 46, 47 and 2A; thence a new line with the remainder of Lot 46 South 87 deg. 29 min. 30 sec. West 137.11 feet to a point in the east right of way line of LeConte Drive; thence with the east line of LeConte Drive North 5 deg. 00 min. East 14.91 feet to the point of BEGINNING. This is the same description used in prior deed.

THIS CONVEYANCE is made and accepted SUBJECT to Restrictions in Warranty Deed Book 154, page 331, in the Register's Office for Hamblen County, Tennessee, and any setback lines, easements and restrictions as may appear on the plat of record aforesaid.

BEING the same property conveyed to Jason Kelley by warranty deed of Della S. Patty dated September 8, 2003, of record in Book 991, page 30, in the Register's Office for Hamblen County, Tennessee.

L:\Real Estate\Kelley, Jason R03\TO

# Desktop Underwriter Quantitative Analysis Appraisal Report

Driveby

File No. Kelley

**Project Information for PUDs** (If applicable) - - Is the developer/builder in control of the Home Owners' Association (HOA)?  Yes  No

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:

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 buildings into a PUD?  Yes  No If yes, date of conversion: \_\_\_\_\_  
Does the project contain any multi-dwelling units?  Yes  No Data Source: \_\_\_\_\_  
Are the common elements completed?  Yes  No If No, describe status of completion: N/A

Are any common elements leased to or by the Home Owners' Association?  Yes  No If yes, attach addendum describing rental terms and options.

Describe common elements and recreational facilities: N/A

**Project Information for Condominiums** (If applicable) - - Is the developer/builder in control of the Home Owners' Association (HOA)?  Yes  No

Provide the following information for all Condominium Projects:

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 buildings into a condominium?  Yes  No If yes, date of conversion: \_\_\_\_\_  
Project Type:  Primary Residence  Second Home or Recreational  Row or Townhouse  Garden  Midrise  Highrise  \_\_\_\_\_  
Condition of the project, quality of construction, unit mix, etc.: N/A

Are the common elements completed?  Yes  No If No, describe status of completion: N/A

Are any common elements leased to or by the Home Owners' Association?  Yes  No If yes, attach addendum describing rental terms and options.

Describe common elements and recreational facilities: N/A

**PURPOSE OF APPRAISAL:** The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report based on a quantitative sales comparison analysis for use in a mortgage finance transaction.

**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 considers his 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 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 any required 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 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.
4. The appraiser has noted in the appraisal report any adverse conditions (such as, but not limited to, needed repairs, 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, expressed 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.
5. 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.
6. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
7. 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 report 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.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

# Desktop Underwriter Quantitative Analysis Appraisal Report

Driveby  
File No. Kelley

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

- I performed this appraisal by (1) personally inspecting from the street the subject property and neighborhood and each of the comparable sales (unless I have otherwise indicated in this report that I also inspected the interior of the subject property); (2) collecting, confirming, and analyzing data from reliable public and/or private sources; and (3) reporting the results of my inspection and analysis in this summary appraisal report. I further certify that I have adequate information about the physical characteristics of the subject property and the comparable sales to develop this appraisal.
- I have researched and analyzed the comparable sales and offerings/listings in the subject market area and have reported the comparable sales in this report that are the best available for the subject property. I further certify that adequate comparable market data exists in the general market area to develop a reliable sales comparison analysis for the subject property.
- 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 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, have considered these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them, and have commented about the effect of the adverse conditions on the marketability of the subject property. 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.
- 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.
- 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 the estimate of market value in the 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.
- 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.
- 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.
- I estimated the market value of the real property that is the subject of this report based on the sales comparison approach to value. I further certify that I considered the cost and income approaches to value, but, through mutual agreement with the client, did not develop them, unless I have noted otherwise in this report.
- I performed this appraisal as a limited appraisal, subject to the Departure Provision 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 as of the effective date of the appraisal (unless I have otherwise indicated in this report that the appraisal is a complete appraisal, in which case, the Departure Provision 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. The exposure time associated with the estimate of market value for the subject property is consistent with the marketing time noted in the Neighborhood section of this report. The marketing period concluded for the subject property at the estimated market value is also consistent with the marketing time noted in the Neighborhood section.
- I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. I further certify that no one provided significant professional assistance to me in the development of this appraisal.

**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 examined the appraisal report for compliance with the Uniform Standards of Professional Appraisal Practice, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 5 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

### APPRAISER:

Signature: *N Beth Ledbetter*  
 Name: N Beth Ledbetter  
 Company Name: N BETH LEDBETTER & ASSOC.  
 Company Address: P O Box 294  
Fall Branch, TN 37656  
 Date of Report/Signature: May 10, 2009  
 State Certification #: CG-693  
 or State License #: \_\_\_\_\_  
 State: Tennessee  
 Expiration Date of Certification or License: 12/31/09

### SUPERVISORY APPRAISER (ONLY IF REQUIRED):

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Company Name: \_\_\_\_\_  
 Company Address: \_\_\_\_\_  
 Date of Report/Signature: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

### ADDRESS OF PROPERTY APPRAISED:

2174 Le Conte St.  
Morristown, TN 37814

APPRAISED VALUE OF SUBJECT PROPERTY \$ 175,000  
 EFFECTIVE DATE OF APPRAISAL/INSPECTION May 8, 2009

### LENDER/CLIENT:

Name: Jennifer Williams  
 Company Name: GreenBank  
 Company Address: 100 N. Main St.

### SUPERVISORY APPRAISER:

#### SUBJECT PROPERTY

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

#### COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street

**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 considers his 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 judgement.

## STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

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

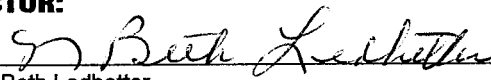
1. The inspector will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The inspector has made no survey of the property.
3. The inspector 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.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. 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.
5. The inspector has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, 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 inspector 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.
6. The inspector 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 inspector does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The inspector will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
8. The inspector 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.
9. The inspector 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 inspector's identity and professional designations, and references to any professional appraisal organizations or the firm with which the inspector 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 inspector's prior written consent. The inspector'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.
10. The inspector is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

**CERTIFICATION:** The inspector certifies and agrees that:

1. 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.
2. 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.
3. 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 analysis is contingent on the appraised value of the property.
4. I performed this analysis 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.
5. I have personally inspected the exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. To the best of my knowledge and belief, all statements and information in this report are true and correct, and I have not knowingly withheld any significant information.
6. I personally prepared all conclusions and opinions about the real estate that were set forth in the inspection. 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.

**ADDRESS OF PROPERTY ANALYZED:** 2174 Le Conte St., Morristown, TN 37814

**INSPECTOR:**

Signature:   
Name: N Beth Ledbetter  
Date Signed: May 10, 2009  
State Certification #: CG-693  
or State License #: \_\_\_\_\_  
State: Tennessee  
Expiration Date of Certification or License: 12/31/09