

SUMMARY APPRAISAL REPORT

OF THE REAL PROPERTY LOCATED AT

22 Wolf Way
Paw Paw, WV 25434

for

James H and Linda J Higinbotham
6230 MARTINS BRANDON WAY
Centreville, VA

as of

July 28, 2014

by

Sharon Brinkman Saville
276 East Main Street
Romney, WV 26757

Sharon Brinkman Saville

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276 East Main Street
Romney, WV 26757
304.822.5863

July 29, 2014

James H and Linda J Higinbotham
6230 MARTINS BRANDON WAY
Centreville, VA

Property -	22 Wolf Way Paw Paw, WV 25434
Borrower -	HIGINBOTHAM JAMES H and LINDA J
File No. -	20140728
Case No. -	Higinbotham

Dear Mr/Mrs Higinbotham:

In accordance with your request, I have prepared an appraisal of the real property located at 22 Wolf Way, Paw Paw, WV.

The purpose of the appraisal is to provide an opinion of the market value of the property described in the body of this report.

Enclosed, please find the report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of July 28, 2014 is :

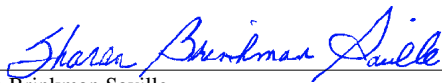
\$235,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

Sharon Brinkman Saville



Sharon Brinkman Saville
WV Certification #0224

WV Certification #0224

Uniform Residential Appraisal Report

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.

Property Address **22 Wolf Way** City **Paw Paw** State **WV** Zip Code **25434**
 Borrower **HIGINBOTHAM JAMES H and LINDA J** Owner of Public Record **HIGINBOTHAM JAMES H&LINDA J** County **Hampshire**
 Legal Description **Lot 22 Phase 2 on Wolf Way contains 3.45 acres Deed Bk 448 Page 495**
 Assessor's Parcel # **1401019A00220000** Tax Year **2014** R.E. Taxes \$
 Neighborhood Name **Hampshire County and adjacent Morgan County, WV** Map Reference **025** Census Tract **9682**
 Occupant ☒ Owner ☐ Tenant ☐ Vacant Special Assessments \$ **n/a** ☐ PUD HOA \$ **300** ☒ per year ☐ per month
 Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
 Assignment Type ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe)
 Lender/Client **James H and Linda J Higinbotham** Address **6230 MARTINS BRANDON WAY, Centreville, VA**
 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 the appraisal? ☐ Yes ☒ No
 Report data source(s) used, offering price(s), and date(s). **MRIS Comprehensive Real Estate data and information online system, courthouse records. Subject is not on the market. Not listed for sale.**
 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. **This property is not listed for sale or 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) **n/a**
 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**

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

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Percent Land Use %	
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	50.0 %
Built-Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	85	Low	1	Multi-Family
Neighborhood Boundaries Eastern Hampshire County and adjacent Morgan County, WV								650	High	80	Commercial
								350	Pred.	30	Other
											50.0 %

Neighborhood Description **Subject property is in a diversely characteristic area, which is rural, agricultural, and recreational as well as residential. . Many residents work in VA and live in WV. This is an due to home taxes being lower in WV. Properties located in Hampshire county have higher values due to close proximity to work in Winchester VA**
 Market Conditions (including support for the above conclusions) **Subject market is stable with supply and demand in balance.**
Adequate financing available. Concessions are considered more common now. The subject neighborhood bounded by recreational areas, farms and residential areas.
 Dimensions **too numerous to mention** Area **3.45 acres** Shape **sl irregular** View **average**
 Specific Zoning Classification **No Zoning** Zoning Description **n/a**
 Zoning Compliance ☐ Legal ☐ Legal Nonconforming (Grandfathered Use) ☒ No Zoning ☐ Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe
The highest and best use as stated above as "yes" is as residential.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gas	<input type="checkbox"/>		Sanitary Sewer	<input type="checkbox"/>	Alley	<input type="checkbox"/>	
FEMA Special Flood Hazard Area		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone		X	FEMA Map No. 54027C0160C FEMA Map Date 11/07/2002	
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							

The shape and landscaping of this site is typical of sites in this neighborhood No apparent adverse easements, encroachments, special assessments, etc. that negatively affect the subject's value. It is usual and customary for rural properties to have well and septic systems and be located on private roads.

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	piers set in concrete	Floors	wood/avg				
# of Stories	2	<input type="checkbox"/> Full Basement	<input checked="" type="checkbox"/> Partial Basement	Exterior Walls	log/avg	Walls	TG wood/avg				
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area	sq. ft.	Roof Surface	com shingle/avg	Trim/Finish	wood/avg				
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish	%	Gutters & Downspouts	aluminum/avg	Bath Floor	vinyl/tile/avg				
Design (Style)	chalet	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	double hung/avg	Bath Wainscot	tiles/fb/avg				
Year Built	1991	Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	yes	Car Storage	<input type="checkbox"/> None				
Effective Age (Yrs)	5	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	yes	<input checked="" type="checkbox"/> Driveway	# of Cars				
Attic	<input type="checkbox"/> None <input checked="" type="checkbox"/>	Heating	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input checked="" type="checkbox"/> WoodStove(s) # 1	Driveway Surface	gravel				
<input type="checkbox"/> Drop Stair		<input checked="" type="checkbox"/> Other EBB	Fuel ele	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence	<input type="checkbox"/> Garage	# of Cars				
<input type="checkbox"/> Floor		Cooling	<input 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 checked="" type="checkbox"/> Individual	<input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Built-in			
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)											
Finished area above grade contains: Rooms Bedrooms Bath(s) 1,152 Square Feet of Gross Living Area Above Grade											
Additional features (special energy efficient items, etc.)											
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The house has little to no deferred maintenance. It is well cared.											
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe											
The appraiser is not a structural expert.											
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe											

Uniform Residential Appraisal Report

There are <u>3</u> comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ <u>350,000.00</u> to \$ <u>200,000.00</u>				
There are <u>3</u> comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ <u>375,000.00</u> to \$ <u>200,000.00</u>				
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
22 Wolf Way Address <u>Paw Paw, WV 25434</u>	<u>404 Mill Farm Berkeley Springs, WV 25411</u>	<u>765 Whitetail Crossing Rd Augusta, WV 26704</u>	<u>5025 Dillon Run Rd Capon Bridge, WV 26711</u>	
Proximity to Subject	<u>9.03 miles NE</u>	<u>11.40 miles SW</u>	<u>9.91 miles S</u>	
Sale Price	\$ <u>n/a</u>	\$ <u>210,000</u>	\$ <u>260,000</u>	\$ <u>239,900</u>
Sale Price/Gross Liv. Area	\$ <u>sq. ft.</u>	\$ <u>235.43 sq. ft.</u>	\$ <u>194.03 sq. ft.</u>	\$ <u>166.14 sq. ft.</u>
Data Source(s)	<u>MO8171136</u>	<u>HS8264829</u>	<u>HS7985017</u>	
Verification Source(s)	<u>MRIS and public records</u>	<u>MRIS and public records</u>	<u>MRIS and public records</u>	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION
Sale or Financing	<u>Conventional</u>	<u>Conventional</u>		<u>Conventional</u>
Concessions	<u>None</u>	<u>None</u>		<u>None</u>
Date of Sale/Time	<u>10/31/2013</u>	<u>+5,000</u>	<u>05/09/2014</u>	<u>01/07/2013</u>
Location	<u>Rural</u>	<u>Rural</u>		<u>Rural</u>
Leasehold/Fee Simple	<u>Fee Simple</u>	<u>Fee Simple</u>		<u>Fee Simple</u>
Site	<u>3.45 acres</u>	<u>3.97 acres</u>	<u>-4,000</u>	<u>6.50 acres</u>
View	<u>average</u>	<u>average</u>		<u>average</u>
Design (Style)	<u>chalet</u>	<u>Chalet</u>		<u>Chalet</u>
Quality of Construction	<u>avg/log</u>	<u>avg/log</u>	<u>+10,000</u>	<u>avg/wd siding</u>
Actual Age	<u>A23/E5</u>	<u>A17/E5</u>		<u>A25/E5</u>
Condition	<u>average</u>	<u>average</u>		<u>average</u>
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths
Room Count	<u>6 2 1</u>	<u>5 2 1</u>	<u>-7,500</u>	<u>6 3 2</u>
Gross Living Area	<u>1,152 sq. ft.</u>	<u>892 sq. ft.</u>	<u>+6,500</u>	<u>1,340 sq. ft.</u>
Basement & Finished	<u>partial basement</u>	<u>full</u>	<u>-7,500</u>	<u>full</u>
Rooms Below Grade	<u>pier construction</u>	<u>partially finished</u>		<u>partially finished</u>
Functional Utility	<u>average</u>	<u>average</u>		<u>average</u>
Heating/Cooling	<u>EBB</u>	<u>HP/CA</u>	<u>-3,000</u>	<u>HP/CA</u>
Energy Efficient Items	<u>avg/FP</u>	<u>avg/FP</u>		<u>avg/FP</u>
Garage/Carport	<u>None</u>	<u>garage</u>	<u>-10,000</u>	<u>garage</u>
Porch/Patio/Deck	<u>decks</u>	<u>decks</u>		<u>decks</u>
Waterfront	<u>yes/river</u>	<u>creek</u>	<u>+10,000</u>	<u>yes/river</u>
DOM Not listed	<u>DOM 24</u>	<u>DOM 98</u>		<u>DOM 4</u>
OLP	<u>OLP \$219200</u>	<u>OLP \$260000</u>		<u>OLP \$239900</u>
Net Adjustment (Total)	<u>X + -</u>	\$ <u>6,000</u>	<u>X + -</u>	\$ <u>-26,700</u>
Adjusted Sale Price	Net Adj. <u>2.86 %</u>	Net Adj. <u>10.27 %</u>	Net Adj. <u>0.33 %</u>	Net Adj. <u>0.33 %</u>
of Comparables	Gross Adj. <u>17.62 %</u>	Gross Adj. <u>17.96 %</u>	Gross Adj. <u>29.51 %</u>	Gross Adj. <u>29.51 %</u>
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain <u>Research was conducted on</u>				
<u>subject and sales. With the market just beginning to get back to a selling mode and the winter being very cold and</u>				
<u>snowy, the comps have some age but are within reasonable time frame. Comps are best appraiser could find.</u>				
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) <u>courthouse records</u>				
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the prior year to the date of sale of the comparable sale.				
Data Source(s) <u>courthouse records</u>				
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	<u>2,005</u>	<u>No sales in past 3 years</u>	<u>No sales in past 3 years</u>	<u>No sales in past 3 years</u>
Price of Prior Sale/Transfer	<u>239,000</u>			
Data Source(s)	<u>MRIS</u>			
Effective Date of Data Source(s)				
Analysis of prior sale or transfer history of the subject property and comparable sales <u>No sales were discovered with subject or comps that</u>				
<u>were within the 3 year time frame.</u>				
Summary of Sales Comparison Approach <u>To arrive at a value conclusion from the analysis of market data, the most weight is</u>				
<u>given to the comp with the least dollar adjustments; however, all comparable properties were considered and other</u>				
<u>were considered and reviewed even though they are not listed in this report. Being in a suburban market, this is the</u>				
<u>best sales comparisons that can be found. The prices in 2008 thru 2011 dropped drastically; however, they have</u>				
<u>appeared to be leveling off in 2010 and are actually slowly increasing. 2013 has been much better; however, it will be</u>				
<u>years before the prices will get back to where they were before the real estate prices fell. Comp 3 is 18 months old;</u>				
<u>however, it is in same development and very close, a loghome and extremely similar. Appraiser feels that loghome</u>				
<u>comps are crucial for appraising a loghome as they are built more expensively in everyway, not just logs.</u>				
Indicated Value by Sales Comparison Approach \$ <u>235,000</u>				
Indicated Value by: Sales Comparison Approach \$ <u>235,000</u> Cost Approach (if developed) \$ <u>242,500</u> Income Approach (if developed) \$ <u>n/a</u>				
The Direct Sales Approach is considered the most accurate by the appraiser; however, the cost approach was processed				
and considered. There is virtually no income data comparable to the subject property so it was not processed by the				
appraiser.				
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been				
completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the				
following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: <u>Appraisal made</u>				
<u>on surface, fee simple. Appraiser assume subject has good marketable title.</u>				
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				
\$ <u>235,000</u> , as of <u>July 28, 2014</u> , which is the date of inspection and the effective date of this appraisal.				

COMPARABLE LISTINGS

Borrower HIGINBOTHAM JAMES H and LINDA J																
Property Address		22 Wolf Way														
City		Paw Paw		County		Hampshire			State		WV		Zip Code		25434	
Lender/Client		James H and Linda J Higinbotham														
ITEM		SUBJECT			LISTING NO. 1				LISTING NO. 2				LISTING NO. 3			
22 Wolf Way		Address Paw Paw, WV 25434			275 Hemlock Court				638 Tonoloway Court Circle							
Address					Paw Paw, WV 25434				Great Cacapon, WV 25422							
Proximity to Subject					1.71 miles E				10.44 miles NE							
List Price		\$ n/a			\$ 199,900				\$ 199,500							
Price/Gross Liv. Area		\$ 142.79			\$ 142.79				\$ 277.08				\$ 277.08			
Data and/or Verification Source					HS8356742				MO8265073							
					MRIS and public records				MRIS and public records							
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION + (-) \$ Adjustment				DESCRIPTION + (-) \$ Adjustment				DESCRIPTION + (-) \$ Adjustment			
Days on Market					DOM 53				DOM 176							
Time					present				present							
Location		Rural			Rural				Rural							
Leasehold/Fee Simple		Fee Simple			Fee Simple				Fee simple							
Site		3.45 acres			13.13 acres				4.73 acres				-1,500			
View		average			average				average							
Design and Appeal		Chalet			Chalet				contemporary							
Quality of Construction		avg/log			avg/wd siding				avg/wd siding							
Age		A23/E5			A21/E5				A32/E10				+10,000			
Condition		average			average				average							
Above Grade		Total Bdms Baths			Total Bdms Baths				Total Bdms Baths				Total Bdms Baths			
Room Count		6 2 1			5 2 2				4 2 1				+4,000			
Gross Living Area		1,152 Sq. Ft.			1,400 Sq. Ft.				720 Sq. Ft.				+6,500			
Basement & Finished Rooms Below Grade		partial basement pier construction			full				partial/crawl							
Functional Utility		average			average				average							
Heating/Cooling		EBB			EBB				EBB							
Energy Efficient Items		avg/FP			avg/FP				avg/wd stove				+2,500			
Garage/Carport		None			None				None							
Porch, Patio, Deck, Fireplace(s), etc.		decks			deck				deck-porch							
Fence, Pool, etc.																
Waterfront		yes/river			No				No							
Net Adj. (total)					+20,000				+20,000							
Adjusted List Price					-6,200				41,500							
					Gross 23.1%				Gross 22.3%							
					Net -3.1%				Net 20.8%							
					\$ 193,700				\$ 241,000							
Date, Price and Data Source, for prior sales within year of appraisal		2,005 239,000 MRIS			No sales within past 3 years				No sales within past 3 years							

Comments on Market Data	Adjustments are under the 25% restriction; however, they are all abnormally high due to the
subjects waterfront.	
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Uniform Residential Appraisal Report

THE APPRAISER HAS NEVER APPRAISED, SOLD OR LISTED SUBJECT d have been referred to as average and

There are no PUDs in Hampshire County, WV. The roads are NOT owned by the Association of Homeowners the property owners all own to the center of the road in front of their homes.

ADDITIONAL
COMMENTS

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)

COST
APPROACH

ESTIMATED	<input checked="" type="checkbox"/>	REPRODUCTION OR	<input type="checkbox"/>	REPLACEMENT COST NEW	OPINION OF SITE VALUE.....=\$				50,000					
Source of cost data	Marshall and Swift				Dwelling	1,152	Sq. Ft. @ \$	169.00	=\$ 194,688					
Quality rating from cost service	avg		Effective date of cost data	2014	BSMT	144	Sq. Ft. @ \$	12.11	=\$ 1,744					
Comments on Cost Approach (gross living area calculations, depreciation, etc.)					Landscaping to river				30,000					
The cost approach was completed using Marshall and Swift Replacement Approach and the appraiser knowledge of local building costs. The value of the land was derived using the direct sales approach of similar properties. The cost approach is out of range with the sales comparison due to the economic downward trend.					Garage/Carport		Sq. Ft. @ \$	=\$						
					Total Estimate of Cost-New				=\$ 226,432					
					Less	Physical	Functional	External						
					Depreciation	33,965	none	none	=\$ (33,965)					
					Depreciated Cost of Improvements.....				=\$ 192,467					
					'As-is' Value of Site Improvements.....				=\$					
									=\$					
					Estimated Remaining Economic Life (HUD and VA only)					Years	Indicated Value By Cost Approach.....=\$			242,467

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ ins rental data X Gross Rent Multiplier n/a = \$ n/a Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) n/a

INCOME

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 n/a

Total number of phases n/a Total number of units N/A Total number of units sold

Total number of units rented n/a Total number of units for sale N/A Data Source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversionDoes the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source(s)Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion. n/aAre the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options. n/a

Describe common elements and recreational facilities N/A

Uniform Residential Appraisal Report

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 this 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.

Uniform Residential Appraisal Report**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.

Uniform Residential Appraisal Report

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 Sharon Brinkman Saville
 Name Sharon Brinkman Saville
 Company Name Sharon Brinkman Saville
 Company Address 276 East Main Street
Romney, WV 26757
 Telephone Number 304.822.5863
 Email Address sharonbsaville@yahoo.com
 Date of Signature and Report July 28, 2014
 Effective Date of Appraisal July 28, 2014
 State Certification # 0224
 or State License # _____
 or Other _____
 State WV
 Expiration Date of Certification or License 09/30/2014

ADDRESS OF PROPERTY APPRAISED

22 Wolf Way
Paw Paw, WV 25434
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 235,000
 LENDER/CLIENT
 Name Mr/Mrs James Higinbotham
 Company Name James H and Linda J Higinbotham
 Company Address 6230 MARTINS BRANDON WAY
Centreville, VA
 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 _____

Market Conditions Addendum to the Appraisal Report

Higinbotham
File No. 20140728

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **22 Wolf Way** City **Paw Paw** State **WV** ZIP Code **25434**

Borrower **HIGINBOTHAM JAMES H and LINDA J**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	2	1	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.33	0.33	0.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	3	3	3	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	9.00	9.00	9.00	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	142,000	125,000	155,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	145	205	165	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	149,950	103,260	133,950	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	270	130	90	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	87.26	84.62	97.33	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.) paid financial assistance prevalent?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). After studying the MRIS records for the past 12 months it appears seller subsidy is not used as it was in the very near past. This home is higher than the above prices due to the proximity to the VA line and it can substantially raise the price of the home, due to the proximity to work and the home can be used as retirement, recreational, or full time dwelling.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. Date is from local MRIS.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The sales in this region continue to post robust numbers this spring. In April there were 12,874 pending sales, an increase of 24.8 percent from April 2008 and the 5th consecutive month of year-over-year increase. Unfortunately, the jump in pending sales over the last few months is not translating to a similar jump in closed sales. Closed sales for April were actually 7.8 percent lower than last year, which is the 3rd consecutive month of year-over-year decline. The overall median sales price remains in decline due to increased market share of foreclosures and short sales. The April median sales price of \$255,000 is 15.3 percent behind April of last year.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature

Appraiser Name **Sharon Brinkman Saville**

Company Name **Sharon Brinkman Saville**

Company Address **276 East Main Street, Romney, WV 26757**

State License/Certification # **0224**

State **WV**

Email Address **sharonbsaville@yahoo.com**

Signature

Appraiser Name

Company Name

Company Address

State License/Certification #

State

Email Address

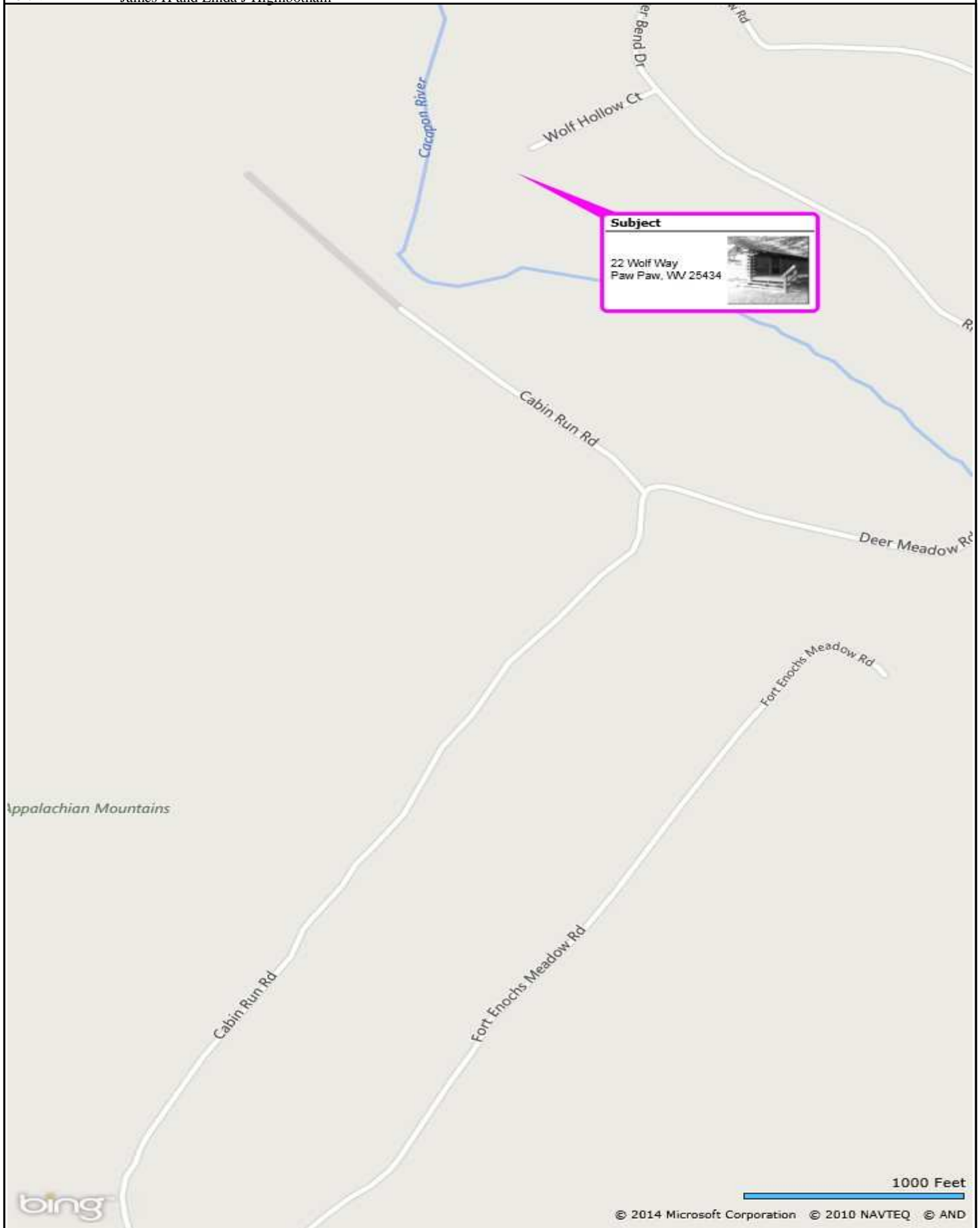
MARKET RESEARCH & ANALYSIS

CONDOMINIUM/CO-OP PROJECTS

APPRAISER

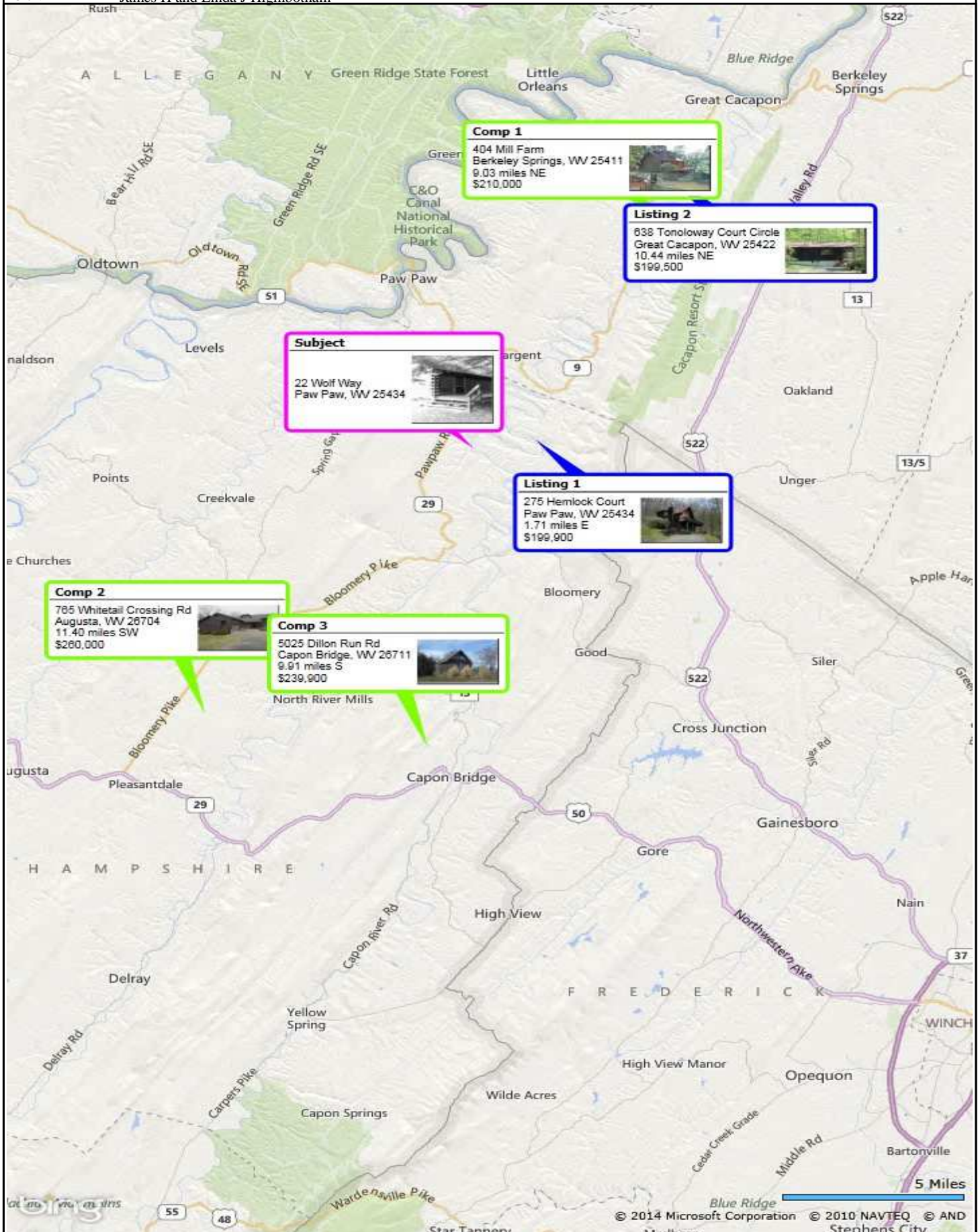
Subject Location Map

Borrower or Owner **HIGINBOTHAM JAMES H and LINDA J**
Property Address **22 Wolf Way**
City **Paw Paw** County **Hampshire** State **WV** Zip Code **25434**
Client **James H and Linda J Higinbotham**



Location Map for Comps and Listings

Borrower or Owner	HIGINBOTHAM JAMES H and LINDA J		
Property Address	22 Wolf Way		
City	Paw Paw	County	Hampshire
Client	James H and Linda J Higinbotham		



Appraisers License

Borrower or Owner **HIGINBOTHAM JAMES H and LINDA J**

Property Address **22 Wolf Way**

City **Paw Paw** County **Hampshire**

State **WV**

Zip Code **25434**

Client **James H and Linda J Higinbotham**

State of West Virginia
West Virginia Appraiser Licensing & Certification Board
I am to certify that

SHARON BRINKMAN SAVILLE
276 E. MAIN STREET
ROMNEY WV 26757-

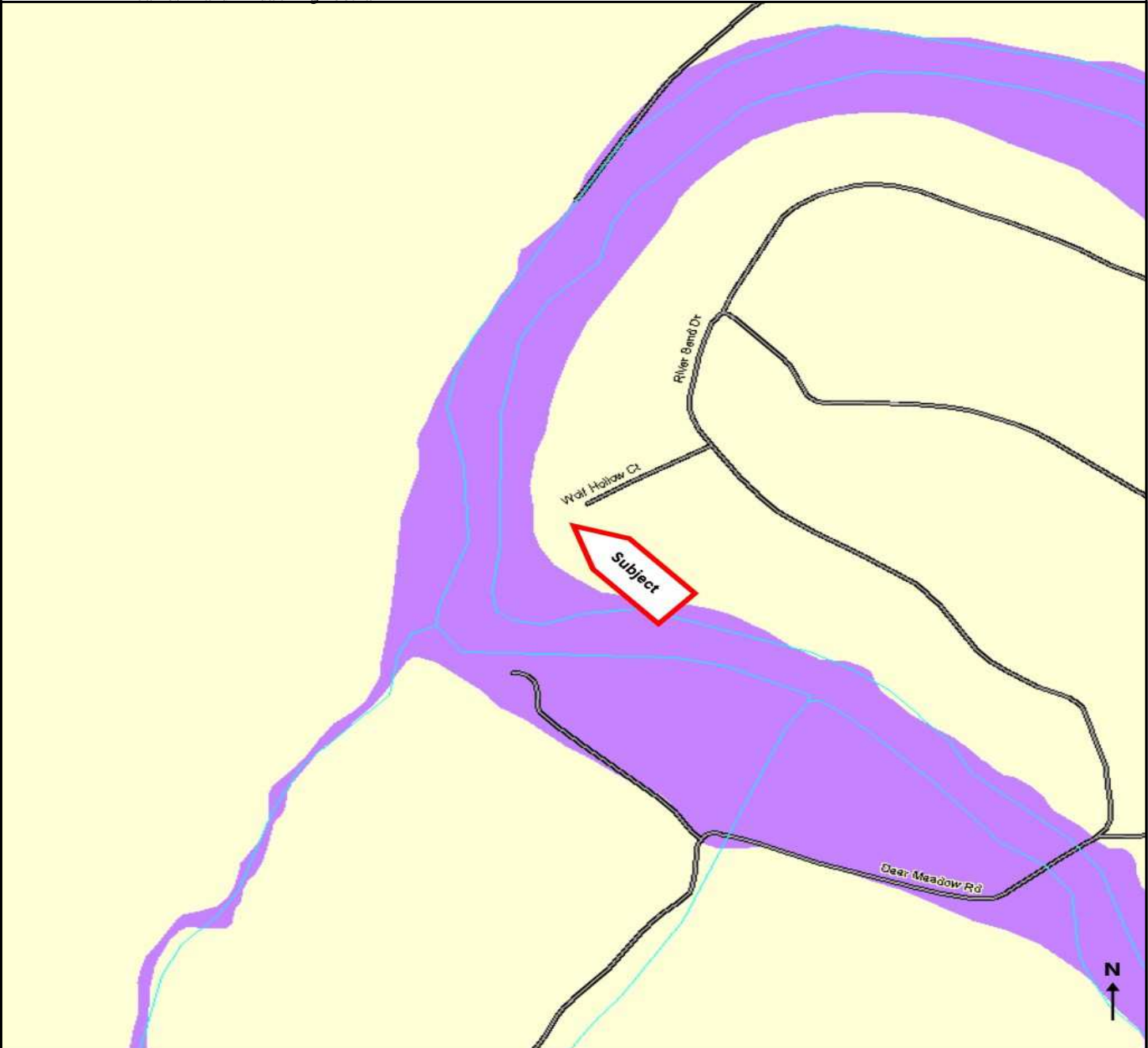
CERTIFIED RESIDENTIAL CR0224
Expiration Date 09/30/2014

Has met the requirements of this law, and is authorized to appraise real estate of
real property in the State of West Virginia.

Sharon A. Brinkman Executive Director

FLOOD MAP

Borrower or Owner	HIGINBOTHAM JAMES H and LINDA J				
Property Address	22 Wolf Way				
City	Paw Paw	County	Hampshire	State	WV
				Zip Code	25434
Client	James H and Linda J Higinbotham				



Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year flood plains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard

- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Flood Zone Determination

Latitude: 39.454258

Longitude: -78.424233

Community Name:

UNINCORPORATED AREA

Community: 540226

SFHA (Flood Zone): No

Within 250 ft. of multiple flood zones: Yes

Zone: X

Map #: 54027C0160C

Panel: 0160C

Panel Date: 11/07/2002

FIPS Code: 54027

Census Tract: 9682

This Report is for the sole benefit of the Customer that ordered and paid for the Report and is based on the property information provided by that Customer. That Customer's use of this Report is subject to the terms agreed to by that Customer when accessing this product. No third party is authorized to use or rely on this Report for any purpose. THE SELLER OF THIS REPORT MAKES NO REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTENT, ACCURACY OR COMPLETENESS OF THIS REPORT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The seller of this Report shall not have any liability to any third party for any use or misuse of this Report.

E & O Insurance Binder

Borrower or Owner HIGINBOTHAM JAMES H and LINDA J
Property Address 22 Wolf Way
City Paw Paw County Hampshire State WV Zip Code 25434
Client James H and Linda J Higinbotham



General Star National Insurance Company
P O Box 10360 (Attn: GSN)
Stamford, Connecticut 06904

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA957528

Renewal of Number:

1. **NAMED INSURED:** Sharon Brinkman Saville
STREET ADDRESS:
276 East Main Street
Romney, WV 26757

2. **POLICY PERIOD:** Inception Date: 08/06/2013 Expiration Date: 08/06/2014
Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. **LIMITS OF LIABILITY:**
Each Claim: \$500,000
Aggregate: \$1,000,000
Claim Expenses have a separate Limit of Liability:
Each Claim: \$500,000
Aggregate: \$1,000,000

4. **DEDUCTIBLE:** Each Claim: \$0 Aggregate: \$0

5. **RETROACTIVE DATE:** 08/06/2013
If a date is indicated, this policy will not provide coverage for any **Claim** arising out of any act, error, omission or personal injury which occurred before such date.

6. **ANNUAL PREMIUM:** \$551.00
STATE SURCHARGE/TAX: \$3.00

TOTAL Premium and Taxes/Surcharge : \$554.00

7. **ENDORSEMENTS:**
This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).
AP 00 0001 (06/11), AP 04 0001 (06/11), AP 27 0004 (06/11), AP 21 0002 (06/11), AP 01 0043WV (06/11),
AP 20 0001 (06/11), AP 08 0050WV (06/2011).

8. **PRODUCER NAME:** Marsh U. S. Consumer
STREET ADDRESS: 12421 Meredith Drive
Urbandale, IA 50398

Authorized Representative

Producer Code: 26460
Date: 08/07/2013
AP 10 0001 06 11

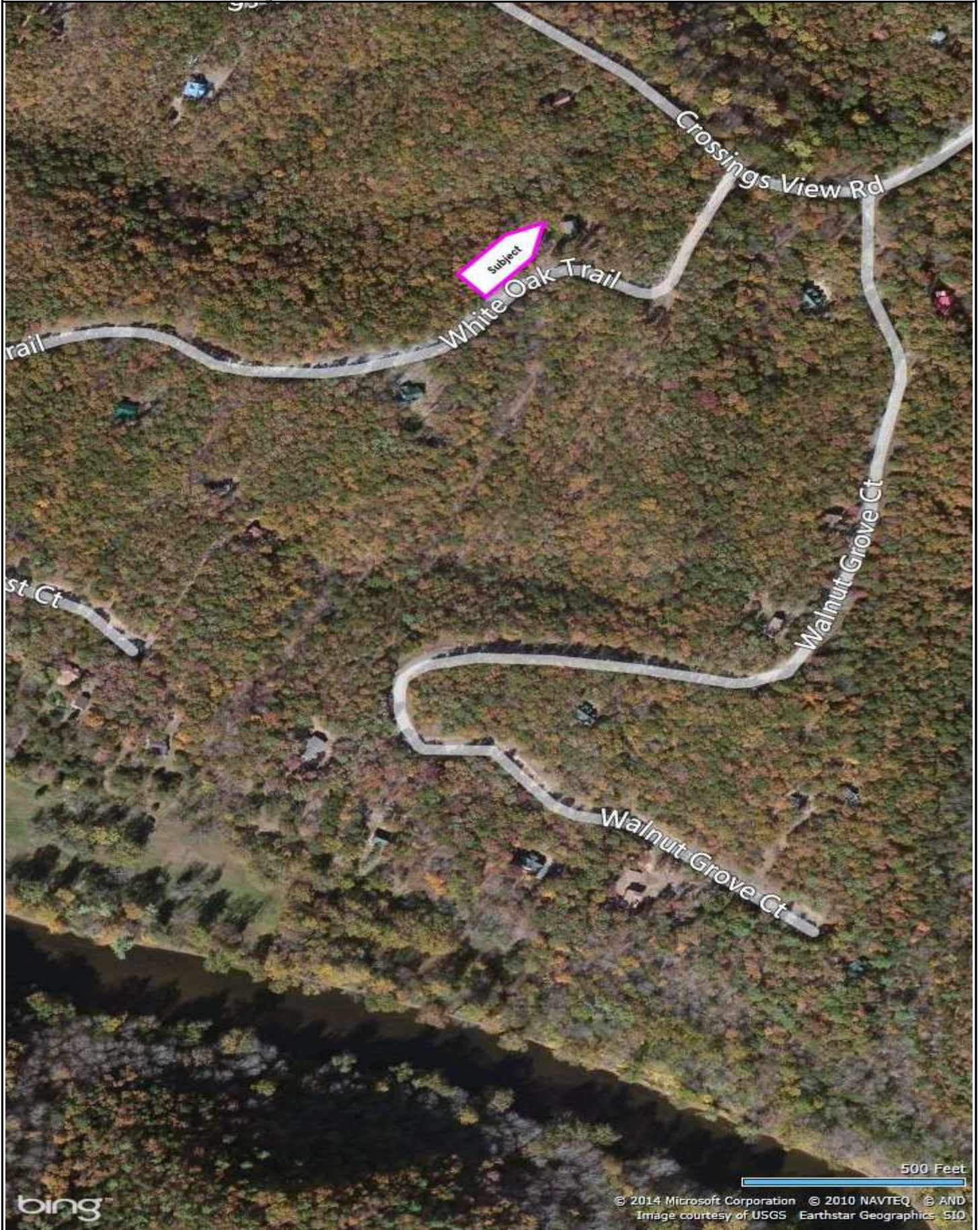
Class Code: 73128

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Page 1 of 1

General Map 2

Borrower or Owner HIGINBOTHAM JAMES H and LINDA J
Property Address 22 Wolf Way
City Paw Paw County Hampshire State WV Zip Code 25434
Client James H and Linda J Higinbotham



SKETCH ADDENDUM

Borrower or Owner	HIGINBOTHAM JAMES H and LINDA J		
Property Address	22 Wolf Way		
City	Paw Paw	County	Hampshire
		State	WV
		Zip Code	25434
Client	James H and Linda J Higinbotham		



Sketch by Apex Medina™
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	720.0	720.0
GLA2	Second Floor	432.0	432.0
P/P	deck	464.0	464.0
Net LIVABLE Area		(rounded)	1152

LIVING AREA BREAKDOWN		
Breakdown	Subtotals	
First Floor	24.0 x 30.0	720.0
Second Floor	18.0 x 24.0	432.0
2 Items	(rounded)	1152

PHOTOGRAPH ADDENDUM

Borrower or Owner **HIGINBOTHAM JAMES H and LINDA J**

Property Address **22 Wolf Way**

City **Paw Paw** County **Hampshire**

State **WV**

Zip Code **25434**

Client **James H and Linda J Higinbotham**



**FRONT VIEW OF
SUBJECT PROPERTY**



**REAR VIEW OF
SUBJECT PROPERTY**



**STREET SCENE OF
SUBJECT PROPERTY**

PHOTOGRAPH ADDENDUM

Borrower or Owner	HIGINBOTHAM JAMES H and LINDA J			
Property Address	22 Wolf Way			
City	Paw Paw	County	Hampshire	State WV Zip Code 25434
Client	James H and Linda J Higinbotham			



COMPARABLE #1

404 Mill Farm
Berkeley Springs, WV 25411

Price	\$210,000
Price/SF	235.43
Date	10/31/2013
Age	A17/E5
Room Count	5-2-1
Living Area	892

Value Indication \$216,000



COMPARABLE #2

765 Whitetail Crossing Rd
Augusta, WV 26704

Price	\$260,000
Price/SF	194.03
Date	05/09/2014
Age	A9/E4
Room Count	6-3-2.5
Living Area	1,340

Value Indication \$233,300



COMPARABLE #3

5025 Dillon Run Rd
Capon Bridge, WV 26711

Price	\$239,900
Price/SF	166.14
Date	01/07/2013
Age	A25/E5
Room Count	6-3-2
Living Area	1,444

Value Indication \$239,100

PHOTOGRAPH ADDENDUM

Borrower or Owner	HIGINBOTHAM JAMES H and LINDA J			
Property Address	22 Wolf Way			
City	Paw Paw	County	Hampshire	State WV
Client	James H and Linda J Higinbotham			
			Zip Code	25434



LISTING #1

275 Hemlock Court
Paw Paw, WV 25434

Price	\$199,900
Price/SF	142.79
Date	present
Age	A21/E5
Room Count	5-2-2
Living Area	1,400
Value Indication	\$193,700



LISTING #2

638 Tonoloway Court Circle
Great Cacapon, WV 25422

Price	\$199,500
Price/SF	277.08
Date	present
Age	A32/E10
Room Count	4-2-1
Living Area	720
Value Indication	\$241,000



LISTING #3

Price	\$
Price/SF	
Date	
Age	
Room Count	--
Living Area	

PHOTOGRAPH ADDENDUM

Borrower or Owner **HIGINBOTHAM JAMES H and LINDA J**

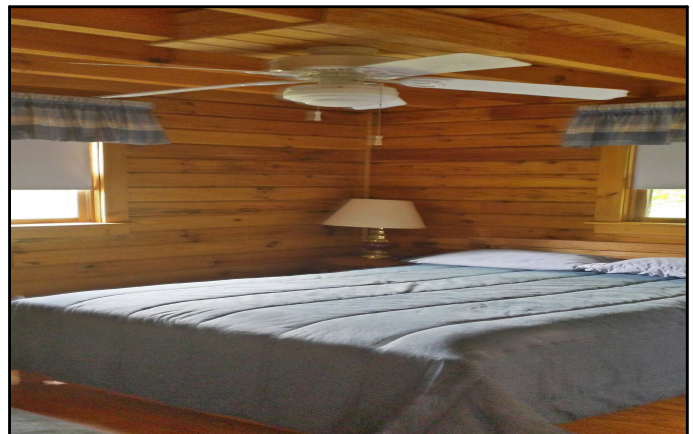
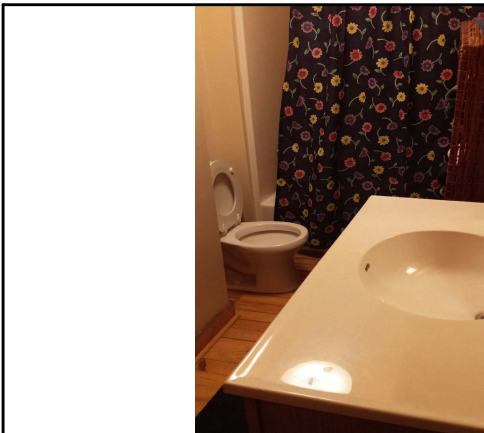
Property Address **22 Wolf Way**

City **Paw Paw** County **Hampshire**

State **WV**

Zip Code **25434**

Client **James H and Linda J Higinbotham**



PHOTOGRAPH ADDENDUM

Borrower or Owner **HIGINBOTHAM JAMES H and LINDA J**

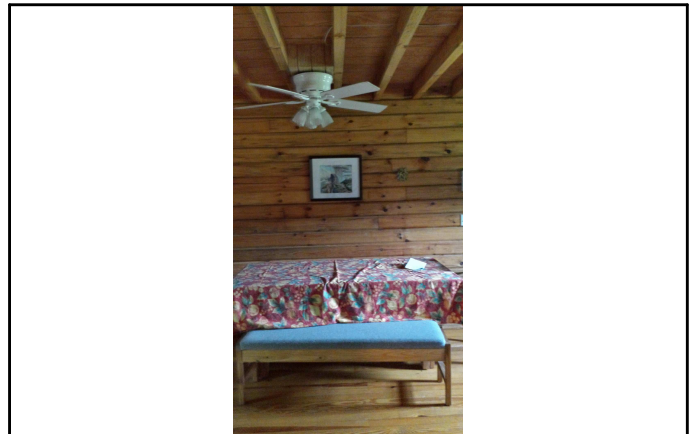
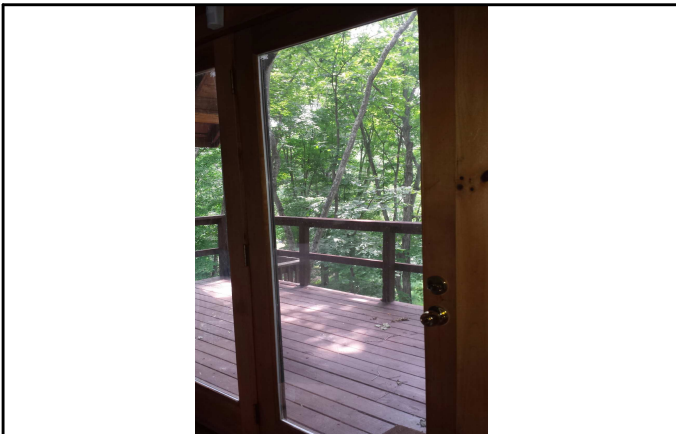
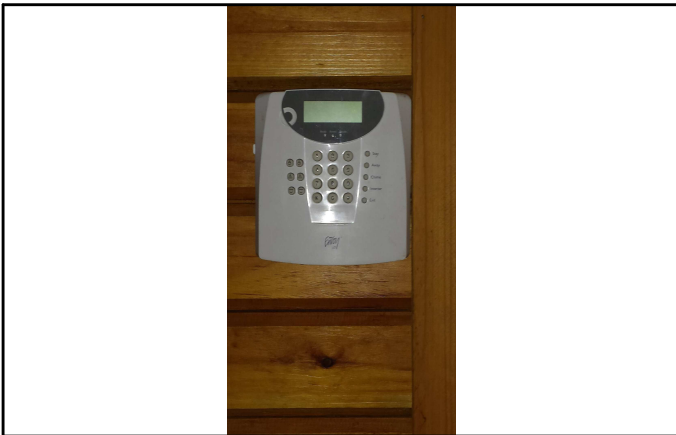
Property Address **22 Wolf Way**

City **Paw Paw** County **Hampshire**

State **WV**

Zip Code **25434**

Client **James H and Linda J Higinbotham**



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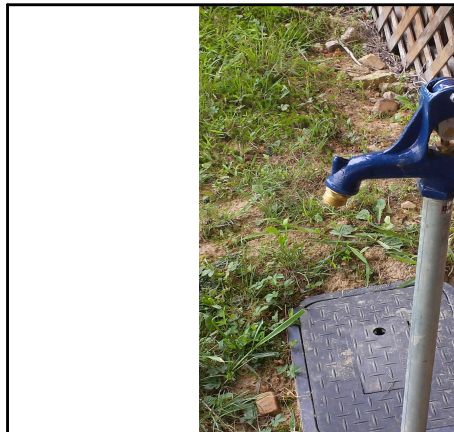
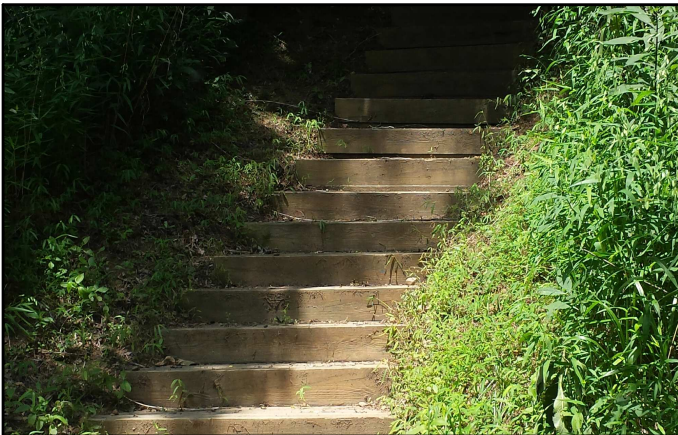
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DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not 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 concessions 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 a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. The separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

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

ADDRESS OF PROPERTY APPRAISED: 22 Wolf Way, Paw Paw, WV 25434

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: Sharon Brinkman Saville
Date Signed: July 29, 2014
State Certification #: 0224
or State License #: _____
State: WV
Expiration Date of Certification or License: 09/30/2014

Signature: _____
Name: _____
Date Signed: _____
State Certification #: 0224
or State License #: _____
State: _____
Expiration Date of Certification or License: _____
☐ Did ☐ Did Not Inspect Property

ENVIRONMENTAL ADDENDUM

Higinbotham
File No. 20140728

APPARENT* HAZARDOUS SUBSTANCES AND/OR DETRIMENTAL ENVIRONMENTAL CONDITIONS

Borrower/Client HIGINBOTHAM JAMES H and LINDA J
Address 22 Wolf Way
City Paw Paw County Hampshire State WV Zip Code 25434
Lender James H and Linda J Higinbotham

*** Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.**

This universal Environmental Addendum is for use with any real estate appraisal. Only the statements which have been checked by the appraiser apply to the property being appraised.

This addendum reports the results of the appraiser's routine inspection of and inquires about the subject property and its surrounding area. It also states what assumptions were made about the existence (or nonexistence) of any hazardous substances and/or detrimental environmental conditions. **The appraiser is not an expert environmental inspector** and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have negative effect on the safety and value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental conditions on or around the property that would negatively affect its safety and value.

DRINKING WATER

☐ Drinking Water is supplied to the subject from a municipal water supply which is considered safe. However the only way to be absolutely certain that the water meets published standards is to have it tested at all discharge points.

☒ Drinking Water is supplied by a well or other non-municipal source. It is recommended that tests be made to be certain that the property is supplied with adequate pure water.

☒ Lead can get into drinking water from its source, the pipes, at all discharge points, plumbing fixtures and/or appliances. The only way to be certain that water does not contain an unacceptable lead level is to have it tested at all discharge points.

☒ **The value estimated in this appraisal is based on the assumption that there is an adequate supply of safe, lead-free Drinking Water.**

Comments _____

SANITARY WASTE DISPOSAL

☐ Sanitary Waste is removed from the property by a municipal sewer system.

☒ Sanitary Waste is disposed of by a septic system or other sanitary on site waste disposal system. The only way to determine that the disposal system is adequate and in good working condition is to have it inspected by a qualified inspector.

☒ **The value estimated in this appraisal is based on the assumption that the Sanitary Waste is disposed of by a municipal sewer or an adequate properly permitted alternate treatment system in good condition.**

Comments _____

SOIL CONTAMINANTS

☒ There are no apparent signs of Soil Contaminants on or near the subject property (except as reported in Comments below). It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

☒ **The value estimated in this appraisal is based on the assumption that the subject property is free of Soil Contaminants.**

Comments _____

ASBESTOS

☒ All or part of the improvements were constructed before 1979 when Asbestos was a common building material. The only way to be certain that the property is free of friable and non-friable Asbestos is to have it inspected and tested by a qualified asbestos inspector.

☐ The improvements were constructed after 1979. No apparent friable Asbestos was observed (except as reported in Comments below).

☒ **The value estimated in this appraisal is based on the assumption that there is no uncontained friable Asbestos or other hazardous Asbestos material on the property.**

Comments _____

PCBs (POLYCHLORINATED BIPHENYLS)

☒ There were no apparent leaking fluorescent light ballasts, capacitors or transformers anywhere on or nearby the property (except as reported in Comments below).

☒ There was no apparent visible or documented evidence known to the appraiser of soil or groundwater contamination from PCBs anywhere on the property (except as reported in Comments below).

☒ **The value estimated in this appraisal is based on the assumption that there are no uncontained PCBs on or nearby the property.**

Comments _____

RADON

☒ The appraiser is not aware of any Radon tests made on the subject property within the past 12 months (except as reported in Comments below).

☒ The appraiser is not aware of any indication that the local water supplies have been found to have elevated levels of Radon or Radium.

☒ The appraiser is not aware of any nearby properties (except as reported in Comments below) that were or currently are used for uranium, thorium or radium extraction or phosphate processing.

☒ **The value estimated in this appraisal is based on the assumption that the Radon level is at or below EPA recommended levels.**

Comments _____

USTs (UNDERGROUND STORAGE TANKS)

- ☒ There is no apparent visible or documented evidence known to the appraiser of any USTs on the property nor any known historical use of the property that would likely have had USTs.
- ☒ There are no apparent petroleum storage and/or delivery facilities (including gasoline stations or chemical manufacturing plants) located on adjacent properties (except as reported in Comments below).
- There are apparent signs of USTs existing now or in the past on the subject property. It is recommended that an inspection by a qualified UST inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.
- ☒ **The value estimated in this appraisal is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled and sealed.**

Comments _____

NEARBY HAZARDOUS WASTE SITES

- ☒ There are no apparent Hazardous Waste Sites on the subject property or nearby the subject property (except as reported in Comments below). Hazardous Waste Site search by a trained environmental engineer may determine that there is one or more Hazardous Waste Sites on or in the area of the subject property.
- ☒ **The value estimated in this appraisal is based on the assumption that there are no Hazardous Waste Sites on or nearby the subject property that negatively affect the value or safety of the property.**

Comments _____

UREA FORMALDEHYDE (UFFI) INSULATION

- ☒ All or part of the improvements were constructed before 1982 when UREA foam insulation was a common building material. The only way to be certain that the property is free of UREA formaldehyde is to have it inspected by a qualified UREA formaldehyde inspector.
- The improvements were constructed after 1982. No apparent UREA formaldehyde materials were observed (except as reported in Comments below).
- ☒ **The value estimated in this appraisal is based on the assumption that there is no significant UFFI insulation or other UREA formaldehyde material on the property.**

Comments _____

LEAD PAINT

- ☒ All or part of the improvements were constructed before 1980 when Lead Paint was a common building material. There is no apparent visible or known documented evidence of peeling or flaking Lead Paint on the floors, walls or ceilings (except as reported in Comments below). The only way to be certain that the property is free of surface or subsurface Lead Paint is to have it inspected by a qualified inspector.
- The improvements were constructed after 1980. No apparent Lead Paint was observed (except as reported in Comments below).
- ☒ **The value estimated in this appraisal is based on the assumption that there is no flaking or peeling Lead Paint on the property.**

Comments _____

AIR POLLUTION

- ☒ There are no apparent signs of Air Pollution at the time of the inspection nor were any reported (except as reported in Comments below). The only way to be certain that the air is free of pollution is to have it tested.
- ☒ **The value estimated in this appraisal is based on the assumption that the property is free of Air Pollution.**

Comments _____

WETLANDS/FLOOD PLAINS

- ☒ The site does not contain any apparent Wetlands/Flood Plains (except as reported in Comments below). The only way to be certain that the site is free of Wetlands/Flood Plains is to have it inspected by a qualified environmental professional.
- ☒ **The value estimated in this appraisal is based on the assumption that there are no Wetlands/Flood Plains on the property (except as reported in Comments below).**

Comments _____

MISCELLANEOUS ENVIRONMENTAL HAZARDS

- ☒ There are no other apparent miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:
- Excess Noise _____
- Radiation + Electromagnetic Radiation _____
- Light Pollution _____
- Waste Heat _____
- Acid Mine Drainage _____
- Agricultural Pollution _____
- Geological Hazards _____
- Nearby Hazardous Property _____
- Infectious Medical Wastes _____
- Pesticides _____
- Others (Chemical Storage + Storage Drums, Pipelines, etc.) _____
- ☒ **The value estimated in this appraisal is based on the assumption that there are no Miscellaneous environmental Hazards (except those reported above) that would negatively affect the value of the property.**

When any of the environmental assumptions made in this addendum are not correct, the estimated value in this appraisal may not be valid.