

**AN APPRAISAL ASSIGNMENT  
UTILIZING A NARRATIVE  
SUMMARY APPRAISAL REPORT FORMAT  
OF**

**TWO PARCELS OF RAW LAND AND TWO INDIVIDUAL RESIDENCES**

**LOCATED AT**

**HAYDEN FARM LANE  
LEONARDTOWN, MARYLAND 20650**

**PREPARED FOR  
ST. MARY'S COUNTY PUBLIC SCHOOLS**

**PREPARED BY  
TREFFER APPRAISAL GROUP  
1244 RITCHIE HIGHWAY, SUITE 19  
ARNOLD, MARYLAND 21012**

**EFFECTIVE DATE  
JUNE 5, 2007**

**FILE NO. SH060701C**



**Treffer** | Appraisal Group  
*The value of experience.*

June 28, 2007

Ms. Kimberly Howe  
Supervisor of Capital Planning  
St. Mary's County Public Schools  
27190 Point Lookout Road  
Loveville, Maryland 20656

RE: Appraisal of the raw land in Parcel  
339/Outparcel A (89.563 acres) and  
Parcel 82 (78.923 acres), the residences  
on Parcel 399/Lot 1 and on Parcel 225  
located at Hayden Farm Lane  
Leonardtown, Maryland 20650

Dear Ms. Howe:

In accordance with your request, we have completed a Narrative Summary Appraisal of the above captioned property for the purpose of estimating the **Fee Simple Market Value, "As Is"**, of the subject properties. The subjects consist of four individual parcels defined as following: Parcel 339/Lot 1 is a single family residential plot of 1.064 acres with a rancher dwelling. Parcel 225 is a single family residential plot of 1.693 acres with a rancher dwelling. Both Parcel 339/Lot 1 and Parcel 225 are sited within Parcel 339/Outparcel A. Parcel 339/Outparcel A is 89.563 acres of raw land. The fourth parcel is Parcel 82, consisting of 78.923 acres of raw land. All four parcels are contiguous and are located on the outskirts of the Leonardtown city proper in St. Mary's County, Maryland.

The appraisal report will contain individual values for each parcel. Single family residential values are provided for Parcel 339/Lot 1 and Parcel 225. Parcel 339/Outparcel A and Parcel 82 are valued fee simple **"AS IS"** raw land value. All four parcels are separate legal entities.

The subject properties are being considered by the St. Mary's County Public Schools for a potential school building site. In order to establish the market value of a property, it is necessary for the appraiser to first determine the "Highest and Best" use of the property and to relate the market value "As Is" to that use. The subject properties are zoned RL/Residential Low Density and RPD/Rural Preservation District; although development with a school site is a permitted use by right under these zoning regulations, such use does not satisfy all the criteria, which needs to be considered in establishing the "Highest and Best" use:

1. Physically Possible.
2. Legally Permissible.
3. Financially Feasible.
4. Maximally Productive.

Development of the land with a school site does satisfy the first three criteria, but not the fourth – Maximally Productive. In the current real estate market in this area of St. Mary's County, it is the opinion of the appraiser, based on an analysis of market sales, discussions with other appraisers and overall market experience that at the present time the "Highest and Best" use of the subject properties is a residential subdivision building site.

**\*Thus, it must be noted that the appraiser considers the highest and best use of all four parcels together to be a potential residential subdivision building site. The future value of the land at its highest and best use would be as a residential subdivision. However, per the request of Ms. Kimberly Howe, Supervisor of Capital Planning, the properties are to be appraised without any consideration to valuation of the properties as a subdivision site. Thus, this appraisal is based on the current value of the land derived via the Sales Comparison Approach. PER THE CLIENT THE SCOPE OF THE APPRAISAL IS LIMITED TO THE AS IS VALUE WITHOUT CONSIDERATION OF ANY SUBDIVISION POTENTIAL.**

The accompanying report contains a market analysis and related data concerning the subject properties. The scope of our work is described in the text of this report. The value of the subjects was rendered after considering the various legal and regulatory requirements applicable to this project including zoning, utilities, current uses, etc. No effort has been made to quantify the possible effect on these properties of severe energy shortages or of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof.

The assumptions and the real estate referenced above are more clearly defined in the Specific, Extraordinary Assumptions and Limiting Conditions sections and in the Property Description sections of this report.

It is hereby certified that to the best of our knowledge and belief the facts and data contained herein are correct; the properties herein described has been inspected, and we have no interest, present or prospective, therein.

We are not aware of any ADA (Americans with Disabilities Act) studies, reports, or surveys that have been completed on the subject properties. However, we do recommend such a study be completed as the ADA law became effective January 26, 1992. If the property does not meet the ADA standards, then the value would be negatively impacted. Possible non-compliance was not considered in the valuation of these properties.

The attached Summary Appraisal Report has been prepared to comply with our understanding of the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal and the conclusions herein are intended solely for your information. Neither the report nor its contents may be referred to or quoted in any

registration statement, prospectus, or other agreement or document without our prior written consent.

No warranty of the appraised properties is given or implied, and no liability is assumed for structural, electrical, or mechanical elements of the properties. No test for radon gas or other environmental hazards has been completed on the subject properties.

The appraiser(s) are not trained or skilled in environmental assessments, studies, or related site surveys which might provide environmental engineers or related investigators with concern that potentially toxic or other such hazardous materials or conditions might be present. This is beyond our expertise and scope of the appraisal.

It is noted that the following extraordinary assumption is an integral part of this report as we assume that any Phase I environmental assessment or any other such study conducted would conclude that there are no environmental issues or site contamination. Should the sites be contaminated the value of the properties would be negatively impacted. We have specifically assumed that the subjects are clean sites with no environmental issues or related past or present contamination issues.

Furthermore, unless otherwise noted, the appraiser was not supplied with, nor made aware of, any environmental studies performed on the properties which would indicate or suggest the presence of potentially toxic, contaminated, or other environmentally hazardous conditions on the subject properties.

We have carefully considered all of the relevant data affecting the value, including locational attributes, physical characteristics, and market conditions. As a result of this appraisal, it is our opinion based on past historical trends and the research presented in this report that the **market value of the fee simple estate of the subject properties, "As Is", subject to the Extra Ordinary Assumptions, Underlying Assumptions, and Contingent and Limited Conditions contained herein as of June 5, 2007, was:**

**PARCEL 339/LOT 1**  
**SINGLE FAMILY RESIDENTIAL LOT**  
**TWO HUNDRED SIXTY-TWO THOUSAND DOLLARS**

**\$262,000.00**

**PARCEL 225**  
**SINGLE FAMILY RESIDENTIAL LOT**  
**TWO HUNDRED FIFTY-EIGHT THOUSAND DOLLARS**

**\$258,000.00**

PARCEL 339/OUT PARCEL A  
"AS IS" RAW LAND VALUE  
TWO MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS

\$2,150,000.00

PARCEL 82  
"AS IS" RAW LAND VALUE  
ONE MILLION FOUR HUNDRED THOUSAND DOLLARS

\$1,400,000.00

Should you have any questions, or if we can be of further assistance, please do not hesitate to contact this office.

Respectfully submitted,

Signed: Steve Jorgensen  
Steven D. Jorgensen  
Maryland Certified General Appraiser  
#04-6000

Signed: Suzanne L. Harrison  
Suzanne Harrison  
Maryland Licensed Appraiser  
#06-12690

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## SUMMARY OF SALIENT FACTS and VALUATION CONCLUSION FOR

## PARCEL 339/OUTPARCEL A AND PARCEL 82

(Please see attached Residential Appraisal Reports for salient facts and valuation conclusions for the residential lots, Parcel 339/ Lot 1 and Parcel 225)

I.	Effective Date of the Appraisal	June 5, 2007
II.	Purpose of the Appraisal	Estimate Market Value
III.	Intended Use of the Appraisal	Private Party/Client Use
IV.	Property Type	Raw land
V.	Location	Hayden Farm Lane, Leonardtown, MD
VI.	Legal Description Parcel 339/Outparcel A	Tax Map 32, Grid 11, Parcel 339, Hayden Farm Ln, Outparcel A
	Parcel 82	Tax Map 32, Grid 11, Parcel 82, Cemetery Rd, The Hayden Farm
VII.	Property Rights (Interest) Appraised	Fee Simple Estate
VIII.	Gross Site Size Parcel 339/Outparcel A	89.563± acres
	Parcel 82	78.923± acres
IX.	Flood Hazard Zone	X
X.	Improvements	Barns/outbuildings – do not contribute value
XI.	Gross Building Area	N/A
XII.	Prior Sale of Subject Parcel 339/Outparcel A	Not arms-length transfer 9/11/06, \$0
	Parcel 82	None in the last 36 months
XIII.	Current Contract Price	None
XIV.	Current List Price	None

**SUMMARY OF SALIENT FACTS AND VALUATION CONCLUSION (continued)**

XV.	Acquisition Date/Price	
	Parcel 339/Outparcel A	7/2006 - \$0.00 - Not-arms-length transfer
	Parcel 82	10/1976 - \$10.00 - Not-arms-length transfer
XVI.	Utilities	Private Well and Septic
XVII.	Zoning	
	Parcel 339/Outparcel A	RL/Residential Low Density
	Parcel 82	RPD/Rural Preservation District
XVIII	Present Use	Raw Land/Farmland
XIX.	Highest and Best Use	Subdivision*

**\*It must be noted that the appraiser considers the highest and best use of all four parcels together to be a potential subdivision site. The future value of the land at its highest and best use would be as a subdivision. However, per the request of the client, the properties are to be valued without any consideration to valuation of the properties as a subdivision site. Thus, this appraisal is based on the current value of the land, the "as is" raw land, not the value of the land at its highest and best use.\* \* PER THE CLIENT THE SCOPE OF THE APPRAISAL IS LIMITED TO THE AS IS VALUE WITHOUT CONSIDERATION OF ANY SUBDIVISION POTENTIAL.\***

XX. FF & E (Furniture, Fixtures & Equipment) None

XXI. Values:

Cost Approach: N/A

Sales Comparison Approach:

Raw Land:

Parcel 339/Outparcel A \$2,150,000.00

Parcel 82 \$1,400,000.00

Residential Lots:

Parcel 339/Lot 1 \$ 262,000.00

Parcel 225 \$ 258,000.00

(Please see attached Residential Appraisal Reports for valuation conclusions for the residential lots)

Income Approaches:

Direct Capitalization N/A

Discounted Cash Flow Analysis N/A

XXII. Final Value Conclusion:

\$2,150,000.00

\$1,400,000.00

\$ 262,000.00

\$ 258,000.00

See the Assumptions Section

## Qualifications, Certifications, Limiting Conditions

**EXECUTIVE SUMMARY**

The subject properties are located just outside the incorporated city of Leonardtown, St. Mary's County, Maryland, on the north side of Point Lookout Road (Route #5), and west of Hollywood Road (Route 245). The subject properties are within a mile north of the County Courthouse in Leonardtown and approximately eight (8) miles west of the Patuxent Naval Air Station.

The subject property is described in the St. Mary's Tax Records as follows:

Parcel 339/Outparcel A

Tax Map 32, Grid 11, Parcel 339,  
Hayden Farm Ln, Outparcel A

Parcel 82

Tax Map 32, Grid 11, Parcel 82,  
Cemetery Rd, The Hayden Farm

Parcel 339/Outparcel A is zoned RL, Residential Low Density. Parcel 82 is zoned RPD, Rural Preservation District. This data is reflected in the zoning map obtained from the St. Mary's County Office of Planning and Zoning, and is included in this report.

In determining the highest and best use of the subject properties, we have considered the applicable zoning regulations, land use patterns, and current trends of supply and demand in the local market. After considering all the legally permissible, socially acceptable, physically possible and financially feasible uses, it is the appraiser's opinion that the potential use of the subject sites as a residential subdivision represents the highest and best use of the site. However, per the request of the client, the subject properties are to be valued at their present uses as raw land for Parcel 339/Outparcel A and Parcel 82, and as residential lots for Parcel 339/Lot 1 and Parcel 225.

**HAZARDOUS MATERIAL(S) DISCLAIMER**

Unless otherwise stated in this report, the existence of hazardous material(s), which may or may not be present on the properties, was not observed nor tested for by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the properties. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon, toxic wastes, or other potentially hazardous material(s) may affect the value of the properties. The value estimate is predicated on the assumption that there is no such material on or in the properties that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

**PROPERTY CONTAMINATION DISCLAIMER**

Under Federal and State Superfund Laws a property owner, as a "potentially responsible party," may be required to assume the cleanup costs for his or her own property and for adjoining properties onto which hazardous releases have spread. Commercial and industrial property owners also should be concerned about the possible presence of asbestos in their buildings and the cost to remove or contain it. Cleanup of hazardous substances and removal or abatement of asbestos are costly operations for which expenses can climb into million dollar figures.

U.S. courts are currently attempting to determine whether damage from the presence of hazardous waste or asbestos, or an order to cleanup contamination, constitutes "damage" within the meaning of insurance policies and whether insurance coverage is precluded by the so-called "pollution exclusion" (which, in liability policies, excludes coverage for contamination, unless it results from a sudden and accidental event).

Unless stated elsewhere in this report, no tests for such hazards as lead, asbestos, underground fuel tank leakage, radon gas, etc., have been made.

The typical appraiser does not have the knowledge or experience required to detect the presence of hazardous material(s), or to measure the quantities or effects of such material(s). The appraiser, like the buyers and sellers in the open market, typically relies on the advice of others in matters that require special expertise. The typical appraiser must rely on the findings of others with respect to the presence of, and the probable effects of, environmental hazards.

The appraiser strongly recommends that the lender and/or owner/contract purchaser employ other experts in the detection of such hazards. These hazards and others, if present, may impact the value of the subject.

## EXTENT OF THE APPRAISAL PROCESS

### APPRAISAL CONTENT / SCOPE OF THE APPRAISAL

The Summary Appraisal Report must summarize the extent of the process of collecting, confirming, and reporting data. The "Scope of Work Rule" (effective 7/1/2006) states that for each appraisal, an appraiser must: 1) identify the problem to be solved; 2) determine and perform the scope of work necessary to develop credible assignment results; and 3) disclose the scope of work in the report. The "Comment" to the rule states that "Scope of work includes, but is not limited to: the extent to which the property is identified; the extent to which tangible property is inspected; the type and extent of data researched; and the type and extent of analyses applied to arrive at opinions or conclusions."

### PROBLEM IDENTIFICATION

The comment to the "Problem Identification" element in the new Scope of Work Rule states that in an appraisal assignment, identification of the problem to be solved requires the appraiser to identify the following assignment elements, including:

- Client and any other intended users;
- Intended use of the appraiser's opinions and conclusions;
- Type and definition of value;
- Effective date of the appraiser's opinions and conclusions;
- Subject of the assignment and its relevant characteristics; and
- Assignment conditions.

The appraiser herein and elsewhere in this report (under clearly labeled headings) has identified these and other pertinent elements necessary for the appraiser to identify the problem at issue in this appraisal assignment.

### ACCEPTABILITY OF SCOPE OF WORK

The Scope of Work is acceptable when it meets or exceeds the intended users' expectations and what an appraiser's peers' actions would be in performing the same or similar assignment.

The appraiser has followed appraisal industry practices and methodologies accepted by peers within the appraisal industry in defining an appropriate scope of work and in completing an acceptable scope of work in this assignment.

## SCOPE OF THE APPRAISAL & DISCLOSURE OBLIGATIONS

USPAP requires that an appraisal report must contain sufficient information to allow intended users to understand the scope of work performed.

The value conclusions herein are based upon review and analysis of market conditions affecting real property including the sales, listings, rentals, operating expenses, and attributes of the subject and other competitive properties. This information has been obtained from public records, real estate sales people and brokers, property managers, commercial real estate databases, company files from previous appraisals of similar properties, other appraisers, and personal inspections. In addition, the subject has been inspected (see the Specific Assumptions and Limiting Conditions section of this report) and photographed.

The sources used to collect and verify data include an on-site inspection, public records, conversations with property owners, brokers, and related parties or entities. In addition, COMPS, MRIS, Korpacz, and other publications may be used in the completion of the report.

Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property that would make the property more or less valuable. In addition, the appraiser makes no guarantees or warranties, express or implied, regarding the condition of the property. Furthermore, this appraisal report is not a home inspection or commercial inspection report. No warranty of any kind is either expressed or implied.

This appraisal report is presented with the understanding that reporting formats vary greatly. The nature of this assignment required that the written reporting format be a narrative summary appraisal. The report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice and includes:

- (1) Identification of the subject property.
- (2) Understanding the intended use and users of the report.
- (3) Use of appropriate appraisal methodology



- (4) Summarization and description of the land and the building improvements being appraised;
- (5) Review of property trends in the local market;
- (6) Completion of a highest and best use analysis;
- (7) Review and analyses of comparable sales/rental data and other related data
- (8) Consideration of the three traditional approaches to value (Direct Sales Comparison, Income Capitalization, and Cost Approaches.)
- (9) An estimate of reasonable exposure and marketing time.
- (10) All appropriate photographs, maps, graphics and addendum/exhibits are provided.
- (11) Unless otherwise noted or stated in this appraisal report, the appraiser(s) has/have no knowledge of any hidden or apparent conditions of the property that would make the property more or less valuable. Furthermore, I/we make no guarantees or warranties, express or implied, regarding the condition of the property. This appraisal is not a home or building inspection report.
- (12) The client should consult with other outside experts if there are questions regarding the property.
- (13) The depth of discussion contained in the report is specific to the client's needs and for the intended use stated herein.

**ASSUMPTIONS MADE BY APPRAISERS**

The Summary Appraisal Report must state all assumptions, hypothetical conditions and limiting conditions that affect the analyses, opinions, and conclusions.

**SPECIFIC ASSUMPTIONS:**

This Summary Appraisal Report and the resulting estimate of market value is made expressly for the client named herein and is subject to the following extraordinary, general and specific assumptions and limiting conditions.

**EXTRAORDINARY and GENERAL ASSUMPTIONS:**

1. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, these forecasts are subject to changes in future conditions. The value estimate(s) in this appraisal report are stated in terms of United States currency, as of the date of the appraisal report.
2. No responsibility is assumed for the legal description or for matters regarding legal or title considerations. Title is assumed to be good and marketable and in Leased Fee (subject to the terms of the existing leases), unless stated otherwise in this appraisal report.
3. Unless stated otherwise in this appraisal report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos or other potentially hazardous materials may affect the value of the subject property. Value estimates within this appraisal report are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any expertise or engineering knowledge required to discover them. The appraiser recommends that appropriate experts be retained to investigate and determine the extent, if any, such substances are present and what risks, if any, are involved. Should any subsequent studies, research, or investigation reveal the presence of any potentially hazardous substance, this appraisal report is **INVALID**.
4. The property is appraised free and clear of all existing liens and encumbrances, including deed restrictions and developer's agreements, unless stated otherwise in this appraisal report.
5. Information furnished by other parties is believed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

6. Maps, plats, exhibits and photographs included in this appraisal report are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose. The appraiser has not made a survey of the property, and no responsibility is assumed in connection with such matters.
7. The physical condition of the improvements described herein was based on a visual, walk-through inspection. No liability is assumed for the soundness of structural elements, building components, mechanical equipment, plumbing, or electrical components, as no professional tests were made of the same. The appraiser assumes that no hidden or unapparent conditions of the property, subsoil, or structures exist which would render the property more or less valuable. The appraiser assumes no responsibility for such conditions, or for the engineering which might be required to discover such factors. The appraiser recommends that the client obtain an opinion from a competent engineering firm.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in this appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state, federal or private entity or organization, have been obtained or can be obtained or renewed for any use on which the value estimate(s) contained in this report is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that no encroachment or trespass exists, unless noted in this appraisal report.
12. Value estimates in this appraisal report apply only to the entire property, and cannot be prorated to individual portions or fractional interests. Any proration or division of interest will invalidate the value estimate(s), unless such proration or division of interests is set forth in this appraisal report.
13. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been made previously thereto. The fee charged for this appraisal report does not include payment for court testimony or for further consultation.
14. Unless stated otherwise in this appraisal report, no consideration has been given to subsurface rights (minerals, oil, water, et cetera) that may be found on the subject property.

15. The appraiser reserves the right to alter opinions of value contained in this appraisal report on the basis of information withheld or not discovered in the normal course of diligent investigation.
16. The Americans with Disability Act (ADA) became effective July 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis would reveal the need for renovations to comply with that statute. Such a requirement could have an adverse impact on the market value, and/or marketability, of the subject property. Because the appraiser has no direct evidence relating to this issue, the appraiser does not consider possible noncompliance with the requirements of the ADA in this appraisal report.
17. Neither all nor part of the contents of this report, or copy thereof (conclusions as to property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which he/she is connected) shall be used for any purposes by anyone but the mortgagee or its assigns and private mortgage insurers, consultants, professional appraisal organizations, state or federally chartered bank, any department, agency or instrumentality of the United States or of any state or the District of Columbia, without the previous written consent of the appraiser except upon demand by the mortgagor; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualifications and only in its entirety.
19. All furnishings and equipment, except specifically indicted and typically considered as part of real estate, have been disregarded by this appraiser. Only the real estate has been considered.

**Note:** Treffer Appraisal Group is a division of Caralex, LLC. This corporation trades as Treffer Appraisal Group.

## **LIMITING CONDITIONS AND ASSUMPTIONS**

### **1. LIMIT OF LIABILITY**

Liability of Treffer Appraisal Group is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone, other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships, syndication offerings or stock offerings in real estate, the client agrees that in the case of a lawsuit (brought by a lender, partner or part owner in any form of ownership, tenant, or any other party) any and all awards, settlements of any type in such suit, regardless of outcome, the client will hold the appraiser completely harmless in any such action.

### **2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT**

Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may it be used for other than its intended use. The physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser.

### **3. CONFIDENTIALITY**

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis are set forth in the report and were prepared by the appraiser whose signature appears on the appraisal report, unless indicated as "Supervisory Appraiser." No change of any item in the report shall be made by anyone other than the appraiser and/or officer of the firm. The appraiser and firm shall have no responsibility if any such unauthorized change is made.

The appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing, except as may be required by the Appraisal Institute as it may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

**4. TRADE SECRETS**

This appraisal was obtained from Treffer Appraisal Group and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4).

**5. INFORMATION USED**

No responsibility is assumed for the accuracy of information furnished by work of or work by others, the client, his designee or public records. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or from other source thought reasonable. All are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease or other significant commitment of funds for the subject property.

**6. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE**

The contract for appraisal, consultation, or analytical service, is fulfilled and the total fee payable upon completion of the report. The appraiser and/or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with the client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of the issuing party.

**7. EXHIBITS**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from a separate surveyor.

**8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL OR MECHANICAL ISSUES, HIDDEN COMPONENTS, SOIL**

No responsibility is assumed for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the Deed, the client, his designee, or as derived by the appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, or soils and potential for settlement, drainage, and such (seek legal assistance.) The lender and owner should inspect the property before any disbursement of funds. Further, it is likely that the lender or owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil and structural engineer, architect or other expert.

The appraiser has inspected, as far as possible, by observation, the land and the improvements thereon; however it was not possible to personally observe conditions beneath the soil or hidden structural or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however subsidence in the area is unknown. The appraiser does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable conditions and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements, unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

If the appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The appraiser assumes no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

## 9. LEGALITY OF USE

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated in the report; further, that all applicable zoning, building and use regulations and restrictions of all types have been complied with, unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits or other legislative or administrative

authority; local, state, federal and/or private entity or organizational permissions have been, or can be, obtained or renewed for any use considered in the value estimate.

#### **10. COMPONENT**

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

#### **11. AUXILIARY AND RELATED STUDIES**

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.

#### **12. DOLLAR VALUES, PURCHASING POWER**

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

#### **13. INCLUSIONS**

Furnishings and equipment, personal property, or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate, unless otherwise stated. In some property types, business and real estate interests and values are combined.

#### **14. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER**

The estimated market value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the market place.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value is a reflection of such benefits and the appraiser's interpretation of income and yields and other factors derived from general and specific market information. Such estimates are as of the date of the estimate of value, and are, thus, subject to change as the market value is naturally dynamic.

The "Estimation of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the subject property or of other properties in the vicinity.



The appraisal report and value estimate are subject to change if the physical or legal entity or financing are different than that envisioned in this report.

#### 15. MANAGEMENT OF THE PROPERTY

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor unusually efficient.

#### 16. FEE

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself.

#### 17. INSULATION AND TOXIC MATERIALS

Unless otherwise stated in this report, the appraiser signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements. If such is present, the value of the property may be adversely affected and reappraisal at additional cost necessary to estimate the effects of such.

#### 18. REVIEW

Unless otherwise noted herein, the supervisory appraiser has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties.

#### 19. CHANGES, MODIFICATIONS

The appraisers and/or officers of Treffer Appraisal Group reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished. Additional research, analysis, and report writing may be undertaken at a later date upon request by the client, **at an additional fee for time and costs.**

#### 20. AFTER TAX ANALYSIS AND/OR VALUATION

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid. Note that the appraiser does not claim expertise in tax matters and advises the client, and any other person using the appraisal, to seek competent tax advice, as the appraiser is in no way to be considered a tax advisor or investment advisor.

21. Acceptance of, and/or use of, this appraisal report by the client or any third party constitutes acceptance of the above conditions. The appraiser's liability extends only to the

stated client, not subsequent parties or users, and is limited to the amount of the fee received by the appraiser.

## **22. DETRIMENTAL CONDITIONS**

There are a wide variety of detrimental conditions that can impact property values. These include, but are not limited to, non-market motivations, future temporary disruptions, acts of terrorism, stigmas, convicted criminals who reside in the neighborhood, neighborhood nuisances, future unannounced surrounding developments, structural and engineering conditions, construction conditions, soils and geotechnical issues, environmental conditions and natural conditions. The appraiser has inspected the subject property using a level of knowledge and due diligence consistent with typical appraisal industry practice and consistent with the Uniform Standards of Professional Appraisal Practice (USPAP,) including the USPAP Competency Rule. However, unless otherwise stated within this report, the appraiser herein declares NO EXPERTISE in, among other things, market analysis, soil and geotechnical sciences, structural, civil, and general engineering, urban planning or any similar technical specialty information fields of potential utility in appraising real estate. THE APPRAISER ASSUMES NO RESPONSIBILITY FOR IMPACTS TO VALUATION CONCLUSIONS CONTAINED HEREIN CAUSED BY DETRIMENTAL CONDITIONS UNKNOWN TO THE APPRAISER DURING THE DEVELOPMENT OF THIS REPORT AND FOR WHICH THE APPLICATION OF STANDARD APPRAISAL INDUSTRY PRACTICES AND USPAP REQUIREMENTS WOULD NOT HAVE RESULTED IN THE APPRAISER BECOMING AWARE OF SUCH DETRIMENTAL CONDITIONS.

- a. It is noted that the appraisal report is not a home inspection or building inspection.
- b. The appraiser is not trained as home or building inspectors and offers "no" opinion regarding the structure or any of its component parts.
- c. With regards to the improvements, no warranty of any kind is expressed or implied.

## **23. HAZMAT STATEMENT**

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, radon, urea-formaldehyde foam insulation, lead paint or other potentially hazardous materials may affect the value of the property. The value is predicated on the assumption that there are no such materials on or in the property that would cause the loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

**24. LEAD PAINT**

If a property was constructed prior to 1978, the Lead Paint Act requires disclosure of any lead paint problems observed during the inspection. Although lead paint is not as common in commercial properties as residential, areas such as stairwells, hallways and some interior areas may have, at one time, contained lead paint. We assume lead paint issues are not associated with the subject.

**25. ENCROACHMENTS**

The appraiser cannot guarantee that the property is free of encroachments or easements, and recommends further investigation and survey by other experts who are trained in this field.

**26. BUILD-ABILITY OF SITE**

The appraiser's conclusion(s) of value are based upon the assumption that there are no hidden or unapparent conditions of the property or site that might impact upon build-ability. The appraiser recommends due diligence be conducted through local building department or municipality to investigate build-ability and whether property is suitable for the intended use or proposed use. The appraiser makes no representations, guarantees, or warranties whatsoever.

## **TREFFER APPRAISAL GROUP PRIVACY POLICY (AS OF JULY 1, 2001)**

Treffer Appraisal Group, like many providers of financial services, is now required by the Gramm-Leach-Bliley Act to inform customers of our policies regarding the collection of nonpublic personal information during the appraisal process.

The Federal Trade Commission (FTC) has recently ruled that appraisers are now considered to be financial institutions. This stems, in part, from longstanding statements by Fannie Mae, Freddie Mac, and FHA that appraisers are considered as part of the financial institution for their participation in the lending process.

State Licensed/Certified Appraisers have been and continue to be bound by the Uniform Standards of Professional Appraisal Practice (USPAP) and the Ethics Rule which consists of the conduct, management, confidentiality and record keeping sections. These rules and standards are more stringent than those required by law or regulation. This appraisal firm has always been diligent about protecting information deemed to be private or confidential in nature.

### **TYPES OF NONPUBLIC PERSONAL INFORMATION COLLECTED**

Personal information about you and your property is collected during the course of the appraisal process. This is generally accomplished with your knowledge and approval. Nonpublic information is normally provided to our company by you or obtained by us with your authorization. The purpose of the appraisal process is to develop a credible value opinion for the client or customer. A credible value opinion is part of the requirement for successful completion of a particular real estate financial transaction or business decision.

### **PARTIES TO WHOM WE DISCLOSE INFORMATION**

This appraisal firm does not disclose any nonpublic personal information obtained during the course of developing a property's specific value opinion except as required by law or at the direction of the client to assist in the completion of a particular financial transaction. Such nonpublic information may be disclosed to the client and any identified intended users of the specific appraisal, review, or appraisal consulting assignment. A fiduciary agreement is automatically in effect between our company and the identified client/customer and intended users per the Ethic Rule contained within the USPAP. Additionally, in all such situations, the appraiser must comply with all pertinent laws, rules and regulations regarding the safeguarding of the analyses, conclusions, survey results, adjustments and opinions relative to the appraisal process.

**RECORD KEEPING REQUIREMENTS**

Our agency retains records relating to the informational services that we provide so that we are better able to assist with your professional needs and to comply with the requirements of the Ethics Rule as contained within the USPAP. In order to secure your nonpublic personal information, our agency maintains physical, electronic, and procedural safeguards to comply with our professional standards of practice.

**CUSTOMERS' RIGHTS TO LIMIT PUBLIC DISCLOSURE OR SHARING OF NONPUBLIC PERSONAL INFORMATION**

Clients/customers have the right to limit the reuse of their nonpublic personal information gathered during the course of the appraisal process. The customer must notify this agency within a reasonable time (considered to be 30 days) that public disclosure or reuse of such information is prohibited except as required by applicable law, regulation or the USPAP.

Please call if you have any questions concerning this policy. Your privacy, our professional ethics and the ability to provide you with a quality product or service are very important to us.

**RESTRICTIONS UPON DISCLOSURE AND USE**

Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute.

One (or more) of the signatories of this appraisal report is a Member (SRPA) of the Appraisal Institute. The by-laws and regulations require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared, however, selected portions of this appraisal report shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media or other media for public communication without prior written consent of the signatories of this appraisal report.

### PURPOSE OF THE APPRAISAL

**The Summary Appraisal Report must state the purpose and intended use of the appraisal.**

The purpose of this Summary Appraisal Report is to estimate the market value of the Fee Simple Estate (as there are no long-term leases in place) as of the effective date of the appraisal report, for either/or mortgage lending and internal decision making process by the client. In this case, market value is to be estimated as there are no long-term leases in place as of the date of the appraisal.

### PREMISE OF THE APPRAISAL

**The premise of this appraisal valuation is "As Is" Raw Land on the date of value. PER THE CLIENT, THE SCOPE OF THE APPRAISAL IS LIMITED TO THE AS IS VALUE WITHOUT CONSIDERATION OF ANY SUBDIVISION POTENTIAL.\***

### TERMS AND DEFINITIONS

There are various definitions that are included throughout the report. Furthermore, a glossary of terms that be may be used in this appraisal can be found in the Addenda as needed.

**INTENDED USER(S), USE AND CLIENT OF THE APPRAISAL**

**The Summary Appraisal Report must state the purpose, the intended use, and the intended users of the appraisal.**

The intended use of this Summary Appraisal Report is to assist the client with internal decisions regarding the mortgage financing of subject property. The intended user(s) of this appraisal are the client, the borrower, the secondary mortgage market and the judicial system. The appraiser is not responsible for the unauthorized use of this report.

The applicable definitions from USPAP 2006 are as follows:

1. Client per USPAP is defined as "the party or parties who engage an appraiser (by employment or contract) in a specific assignment".

The Client is the lender, which has engaged the appraiser or ordered the appraisal and is St. Mary's County Public Schools. The address of the lender is on the letter of transmittal which is part of this report.

2. "Intended Use," per USPAP, is defined as "the use or users in an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions, and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment".

The Intended Use or function of the report is to assist or aid or to support decisions related to encumbering the subject property for the benefit of the lending institution.

3. "Intended User" per USPAP, is defined as "the client any other third party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment."

The intended user is the client and/or the representative of the lender office whose name is Kimberly Howe.



**DATE OF INSPECTION**

The subject was inspected on June 5, 2007.

**EFFECTIVE DATE or DATE OF VALUE**

**The Summary Appraisal Report must state the effective date of the appraisal and the date of the report.**

Unless specified otherwise, the effective date of the appraisal report is the day the property was inspected and shall be as follows:

**JUNE 5, 2007**

All sales data and research contained herein has been adjusted to the effective date stated above.

**DATE OF REPORT**

The date of the report is the date indicated on the letter of transmittal.

**INTEREST BEING APPRAISED**

**The Summary Appraisal Report must define the interest to be estimated.**

Unless otherwise stated in the appraisal, there is no fractional interest, physical segment or partial holding.

The value being estimated is for the entire property. There is no partial or fractional interest being appraised. This **“is not”** a leased fee interest as “there are no” long-term leases in place on the effective date of the appraisal.

**MARKET VALUE "AS IS" ON APPRAISAL DATE**

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

Furthermore, the "As Is" Raw Land market value is the value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the evaluation is prepared.

**DEFINITION OF MARKET VALUE AS UTILIZED IN THIS APPRAISAL**

**The Summary Appraisal Report must define the value to be estimated.**

Market Value, as defined below, emanates from two sources: the definition itself, which is from the joint terminology endeavor of SREA\* and AIREA\* in 1981 and the OCC Rule which makes explicit the essential ingredients of the definition.

Furthermore, this definition is contained in the OCC's Final Rule, 12CFR, Part 34, Subpart C - Appraisals Section 34.42(F) as follows:

"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." \*\* (Terminology 1981, page 160).

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

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\* These organizations have merged and are jointly referred to as the Appraisal Institute. This definition of market value is also set forth under the uniform standards of professional practice, April 20, 1990.

\*\* This is the same definition as is found in the 12th edition of Appraisal Institute, published by Appraisal Institute, (page 23) and is the federal definition of market value.

### PROPERTY RIGHTS APPRAISED

The Summary Appraisal Report must state the real property interest being appraised.

The appraisal is of the **fee simple** title to the subject property.

### DEFINITION OF FEE SIMPLE ESTATE

The definition of fee simple estate, according to the Appraisal Institute, The Appraisal of Real Estate, 11th Edition, (Chicago: AIREA, 1996), page 137 is:

"Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government". A fee simple estate is subject only to the limitations of eminent domain, escheat, police power, and taxation. "An inheritable estate".

### DEFINITION OF LEASED FEE

**The Summary Appraisal Report must state the real property interest being appraised.**

Per the Appraisal Institute, Appraisal Terminology and Handbook, 5<sup>th</sup> Edition, page 120, leased fee is defined as "a property held in fee with the right of use and occupancy conveyed under lease to others."

The owner's or lessor's interest is termed the "leased fee," while the tenant's interest is termed the "leasehold interest."

Typically, the leased fee situation arises when the property is encumbered with long-term leases. When this situation occurs, the appraiser must use these leases. Then the value sought is not necessarily market value, but the leased fee value, as dictated by the terms of the lease(s).

The landlord's (lessor's) interest in the fee estate, bound by a stated term and other conditions of a lease, or leases, conveying rights, usually use and occupancy, to one or more tenants (lessees) is the leased fee estate.

**Note:** In the case of the subject "there are no" long-term leases in effect at the date of appraisal; thus, the interest appraised is fee simple.

### APPRAISAL CATEGORY

**The Appraiser must state the type of real property appraisal report being prepared.**

The Appraisal Standards Board of the Appraisal Foundation issued the revised Uniform Standards of Professional Appraisal Practice on July 1, 2006. One of the items covered in these requirements is the identification of appraisal reports in one of the following three categories:

1. Self-Contained Appraisal Report
2. Summary Appraisal Report
3. Restricted Appraisal Report

Unless otherwise noted, this report is a **SUMMARY APPRAISAL REPORT.**

The Summary Report has been prepared in compliance with the guidelines established by the Code of Federal Regulations, and is subject to the assumptions, limiting conditions and certifications stated in the report. In addition, this report conforms to the policies and guidelines of the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Board of Governors of the Federal Reserves System.

### SPECIAL APPRAISAL INSTRUCTIONS

We have not been requested to assume any special events nor have any special instructions or assumptions (other than those listed herein) been provided to or received by the appraiser. **\*The client requested that the properties be valued "AS IS," two parcels of raw land and two residential lots, with no consideration being given to the highest and best use of the properties as a potential subdivision.\***

**AMERICANS WITH DISABILITIES ACT COMPLIANCE**

We have assumed that the subject property does meet the requirements set forth within the Americans with Disabilities Act. The appraiser is not an expert in this field and offers no opinion(s) as to the subject's compliance with the ADA laws and regulations.

If the lender, client or other parties to the appraisal have a need for this information or questions regarding the subject's compliance thereto, then an outside expert should be consulted. This is beyond the scope of both the appraiser's training and this appraisal.

**APPRAISER COMPETENCY**

**The Appraiser who has completed the valuation of real property described herein is competent to complete this type appraisal.**

In developing a real property appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

### **HYPOTHETICAL CONDITION**

Hypothetical condition is defined as per USPAP as:

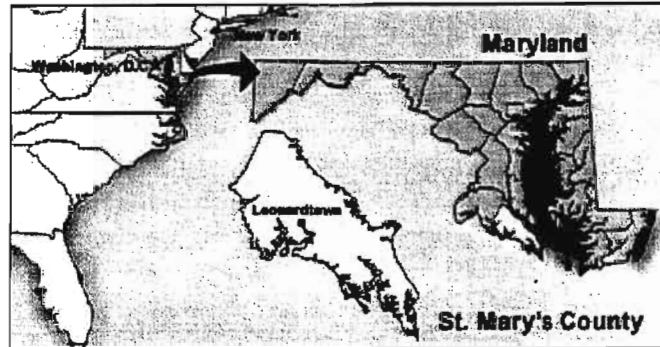
“That which is contrary to what exists but is supposed for the purpose of analysis.”

“Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions, trends, or about the integrity of data used in the analysis”.

In the report we have not assumed that a hypothetical condition exists as the property is an existing property and is being valued “AS IS” raw land and residential lots.



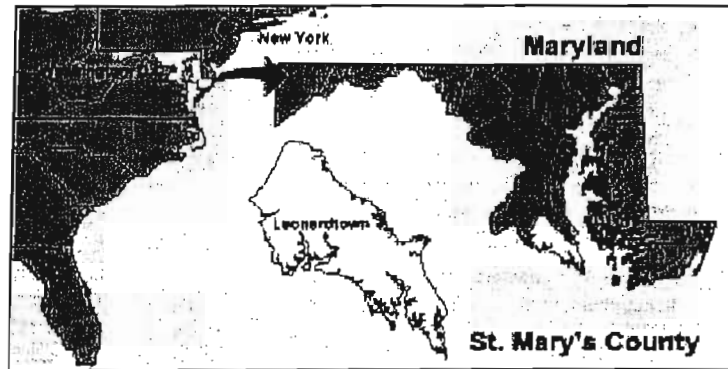
## ST. MARY'S COUNTY AREA DESCRIPTION



### St. Mary's County

St. Mary's County is situated on a peninsula in Southern Maryland with over 500 miles of shoreline on the Patuxent River, Potomac River and Chesapeake Bay. The Patuxent River Naval Air Station, employing 20,200 military, civilians and defense contractors, is home to the U.S. Naval Air Systems Command (NAVAIR), including the Naval Air Warfare Center Aircraft Division (NAWCAD). With over 230 high-tech defense contractors, the county has emerged as a world-class center for maritime aviation research, development, testing and evaluation. Due mainly to the influx of technical jobs resulting from the consolidation of several Navy activities, the county had one of the largest increases in its median household income during the 1990's in the state.

The area combines access to technology with a rich heritage and a myriad of outdoor opportunities. The county's location allows for easy access to major metropolitan areas while offering residents a high quality of life and affordable lifestyles. St. Mary's County's 1,870 businesses employ 26,500 workers; an estimated 41 of these businesses have 100 or more workers. Businesses include BAE Systems, Boeing, Lockheed Martin, Northrop Grumman, Titan Systems, Wyle Laboratories and many others. Non-defense employers include the Lundeborg School of Seamanship, St. Mary's Hospital, and St. Mary's College of Maryland. The Lexington Park area has been designated a State Enterprise Zone, affording a number of incentives for expanding businesses.

**ST. MARY'S COUNTY, MARYLAND****BRIEF ECONOMIC FACTS**

St. Mary's County is situated on a peninsula in Southern Maryland with over 600 miles of shoreline on the Patuxent River, Potomac River and Chesapeake Bay. The Patuxent River Naval Air Station, employing 20,200 military, civilians and defense contractors, is home to the U.S. Naval Air Systems Command (NAVAIR), including the Naval Air Warfare Center Aircraft Division (NAWCAD). With over 230 high-tech defense contractors, the county has emerged as a world-class center for maritime aviation research, development, testing and evaluation. Due mainly to the influx of technical jobs resulting from the consolidation of several Navy activities, the county had one of the largest increases in its median household income during the 1990's in the state.

The area combines access to technology with a rich heritage and a myriad of outdoor opportunities. The county's location allows for easy access to major metropolitan areas while offering residents a high quality of life and affordable lifestyles. St. Mary's County's 1,870 businesses employ 26,500 workers; an estimated 41 of these businesses have 100 or more workers. Businesses include BAE Systems, Boeing, Lockheed Martin, Northrop Grumman, Thales Systems, Wyle Laboratories and many others. Non-defense employers include the Lundberg School of Seamanship, St. Mary's Hospital, and St. Mary's College of Maryland. The Lexington Park area has been designated a State Enterprise Zone, affording a number of incentives for expanding businesses.

**LOCATION**

Driving distance from Leonardtown:

	(In miles)	(In kilometers)
Atlanta, GA	610	981
Baltimore, MD	80	129
Boston, MA	470	756
Chicago, IL	737	1,186
New York, NY	263	423
Philadelphia, PA	174	280
Pittsburgh, PA	282	454
Richmond, VA	95	153
Washington, DC	54	87

**CLIMATE**

Yearly Precipitation (inches)	47.5
Yearly Snowfall (inches)	17.8
Summer Temperature (°F)	74.4
Winter Temperature (°F)	37.4
Duration of Freeze-Free Period	199 days

Note: Temperature and precipitation data based on 30-year averages.

National Oceanic and Atmospheric Administration; Maryland State Office of Climatology.

**POPULATION**

	St. Mary's County	Maryland
1990 Census	75,974	4,780,753
2000 Census	86,211	5,296,486
2005 Estimate	96,100	5,602,250
2010 Projection	107,700	5,904,425
2015 Projection	119,450	6,138,025

Selected areas population (2000 Census): California, 9,307; Leonardtown, 1,896; Lexington Park, 11,021.

U.S. Bureau of the Census; Maryland Department of Planning.

**POPULATION DISTRIBUTION**

(2005 Estimate)

Age	Number	Percent
Under 5	7,460	7.8
5 - 19	21,250	22.1
20 - 44	34,140	35.5
45 - 64	23,800	24.8
65 and over	9,450	9.8
Total	96,100	100.0

Note: Columns may not add due to rounding.

Maryland Department of Planning.

## ST. MARY'S COUNTY, MARYLAND

### LABOR AVAILABILITY

(by place of residence) St. Mary's County

#### Civilian Labor Force (2005 annual averages):

Total civilian labor force	49,890
Employment	48,194
Unemployment	1,696
Unemployment rate	3.4%

Residents commuting outside the county to work (2005): 11,565 24.2%

#### Employment in selected occupations (2005):

Management, professional and related	18,566	39.4%
Service	6,329	13.4%
Sales and office	11,671	24.8%
Production, transp. and material moving	3,048	6.5%

Maryland Department of Labor, Licensing and Regulation, Office of Workforce Information and Performance; U.S. Bureau of the Census.

### MAJOR EMPLOYERS

Firm	Product/Service	Employment
Patuxent River Naval Air Station	Military installation	10,000
DynCorp International	Profes. and tech. services	1,500
Eagan, McAllister Associates	Engineering, scientific and management services	1,000
St. Mary's Hospital	Medical services	988
BAE Systems	Technical prod. and services	900
Wyle Laboratories	Technical and scientific research services	700
General Dynamics	Aeronautics and syst. engr.	600
CSC Applied Technologies	Profes. and tech. services	430
St. Mary's College of MD	Higher education	400
Food Lion	Groceries	344
Wal-Mart	Consumer goods	323
Booz Allen Hamilton	Systems engr. and mgmt.	315
Burch Oil	Fuel oil	280
Northrop Grumman	Systems and software devt.	280
McKay's Foodland	Groceries	261
ManTech International	Systems and software devt.	260
Charlotte Hall Veterans Home	Nursing care, assisted living center	256
Sabre Systems	Engineering services	250
Target	Consumer goods	230
J.F. Taylor	Technology simulations	225
Lundeberg School of Seamanship	Seamanship training	210
Eagle Systems	Systems engr. and mgmt.	200
National Technologies Associates	Systems engr. and mgmt.	200
Lowe's	Home improvement prods.	193
DCS	Technology simulations	180

St. Mary's County Department of Economic & Community Development; Maryland Department of Business and Economic Development.

### EMPLOYMENT

(2005, by place of work)

Industry	Annual Average Employment	%	Average Weekly Wage
Federal government	6,858	18.2	\$1,537
State government	778	2.1	731
Local government	3,456	9.2	731
Private sector	26,499	70.5	741
Natl. resources and mining	29	0.1	573
Construction	1,860	4.9	670
Manufacturing	487	1.3	973
Trade, transp. and utilities	6,458	17.2	550
Information	226	0.6	807
Financial activities	942	2.5	681
Prof. and business services	8,655	23.0	1,144
Educ. and health services	3,742	10.0	673
Leisure and hospitality	3,224	8.6	215
Other services	876	2.3	471
<b>Total</b>	<b>37,591</b>	<b>100.0</b>	<b>885</b>

Note: Percentages may not add due to rounding.

Maryland Department of Labor, Licensing and Regulation, Office of Workforce Information and Performance.

### HOURLY WAGE RATES

(2006)

Selected Occupations:	Median	Entry	Experienced
Accountants	\$30.00	\$18.50	\$39.00
Bookkeeping/accounting clerks	15.75	10.50	18.25
Computer support specialists	22.25	15.75	25.50
Computer systems analysts	35.00	24.00	39.25
Customer service representatives	14.00	9.25	17.00
Electrical engineers	36.25	24.50	41.50
Electronic engineering technicians	30.75	21.75	35.00
Freight, stock and material movers, hand	10.75	8.25	14.75
Industrial truck operators	14.50	11.50	17.50
Machinists	19.75	16.75	21.50
Network administrators	27.75	20.75	34.50
Packers and packagers, hand	10.50	6.50	12.25
Secretaries	15.00	10.50	17.75
Shipping/receiving clerks	12.50	8.25	16.25
Team assemblers	11.75	8.50	14.75

Note: These wages are an estimate of what workers might expect to receive in Southern Maryland (Calvert, Charles and St. Mary's Counties). Wages may vary by industry, employer, and locality.

Maryland Department of Labor, Licensing and Regulation, Office of Workforce Information and Performance.

# ST. MARY'S COUNTY, MARYLAND

## PERSONAL INCOME

<b>Per Capita Personal Income - 2004</b>	
St. Mary's County	\$33,004
Maryland	\$39,631
U.S.	\$33,050
<b>Total Personal Income (millions) - 2004</b>	
St. Mary's County	\$3,134
Maryland	\$220,402
U.S.	\$9,705,504
U.S. Department of Commerce, Bureau of Economic Analysis.	

## EDUCATION

### Educational Attainment - age 25 and over (2005):

High School Graduate or Higher	88.4%
Bachelor's Degree or Higher	26.0%

### Public Schools

Number: 16 Elementary; 4 Middle; 4 High

Enrollment: 16,649 (Sept. 2005)

Cost per Pupil: \$8,903 (2004-2005)

Students per Teacher: 15.1 (Oct. 2005)

High School Career/Tech Enrollment: 1,837 (2006)

High School Graduates: 911 (June 2005)

### Private Schools

Number: 31; Enrollment: 3,321 (Sept. 2005)

### Higher Education

(2005)	Enrollment	Degrees
<b>2-Year Institutions</b>		
Harry Lundeberg School of Seamanship	127	1*
College of Southern Maryland**	7,534	658
<b>4-Year Institution</b>		
St. Mary's College of Maryland	1,964	465

### 2-Year Institutions

Harry Lundeberg School of Seamanship

127

1\*

College of Southern Maryland\*\*

7,534

658

### 4-Year Institution

St. Mary's College of Maryland

1,964

465

Other universities offering programs in the county at the Frank Knox Center include: Embry Riddle Univ., Florida Institute of Technol., Univ. of Tennessee Space Institute, and the Univ. of Maryland University College. At the Southern Maryland Higher Education Center, programs are offered by: Catholic Univ., College of Notre Dame, Johns Hopkins Univ., Old Dominion Univ., Univ. of Maryland College Park, Univ. of Maryland University College, Towson Univ. and Washington College.

\*Limited number of degrees awarded due to change in course requirements in 2004.

\*\*Includes 4 campuses in Calvert, Charles and St. Mary's Counties.

Maryland State Department of Education and Higher Education Commission; U.S. Bureau of the Census.

## TAX RATES

	St. Mary's County	Maryland
<b>Corporate Income Tax (2007)</b>	none	7.0%
Base - Federal taxable income.		
<b>Personal Income Tax (2007)</b>	3.00%	4.75%*
Base - Federal adjusted gross income.		
*Graduated tax peaking at 4.75% on taxable income over \$3,000.		
<b>Sales and Use Tax (2007)</b>	none	5.0%
Exempt - sales for resale; manufacturer's purchase of raw materials; manufacturing machinery and equipment; purchases of materials and equipment used in R&D and testing of finished products; purchases of computer programs for reproduction or incorporation into another computer program for resale.		
<b>Real Property Tax (FY 2007)</b>	\$0.857	\$0.112
Effective rate per \$100 of assessed value.		
In addition to this rate, there are some miscellaneous taxes and/or special taxing areas in the county. In an incorporated area, a municipal rate will also apply.		
<b>Business Personal Property Tax (FY 2007)</b>	\$2.195	none
Rate per \$100 of depreciated value.		
Exempt - manufacturing and R&D machinery, equipment, materials and supplies; manufacturing, R&D, and warehousing inventory.		
<b>Major Tax Credits Available</b>		
Enterprise Zone; Job Creation; Research and Development		
Maryland State Department of Assessments and Taxation; Comptroller of the Treasury.		

## BUSINESS/INDUSTRIAL PROPERTY

A variety of business sites are available in St. Mary's County. Industrial and office parks offer raw acreage, furnished office space and everything in between. Utilities including fiber optic lines, public water, sewer, broadband service and natural gas are available at most locations.

The greatest concentration of manufacturing is in St. Mary's Industrial Park in California, near the regional airport. High technology firms are clustered in and around Lexington Park. Major business parks are located at Wildewood, Lexington Park Corporate Center, Exploration, Expedition, Willows Run and Pine Hill.

St. Mary's County Department of Economic and Community Development maintains a listing of available office, warehouse and industrial sites and space and publishes an annual directory of technology companies and resources. Both are available in PDF format on [www.stmarysmd.com/decd](http://www.stmarysmd.com/decd).

### Market Profile Data

Land - cost per acre	Low	High	Average
Industrial	\$40,000	\$100,000	\$60,000
Office	\$60,000	\$125,000	\$80,000
<b>Rental Rates - per square foot</b>			
Warehouse / Industrial	\$7.00	\$13.00	\$10.00
Flex / R&D / Technology	\$7.00	\$13.00	\$10.00
Class A Office	\$9.00	\$19.50	\$13.25
St. Mary's County Department of Economic & Community Development			

## ST. MARY'S COUNTY, MARYLAND

### TRANSPORTATION

**Highways:** Maryland arteries in the county connect with U.S. 301, I-95 and I-495 (Washington D.C. Beltway).

**Rail:** The closest rail depot, CSX Transportation, is in adjacent Charles County at Waldorf.

**Truck:** 17 motor freight common carriers serve the county.

**Water:** Served by the Port of Baltimore, 50' channel; a leading U.S. automobile and break-bulk port; six public terminals including the state-of-the-art Intermodal Container Transfer Facility; 81 miles from Leonardtown.

**Air:** Served by Baltimore/Washington International Thurgood Marshall Airport (BWI), Washington Dulles International Airport and Ronald Reagan Washington National Airport. Capt. Duke Regional Airport at St. Mary's ([www.stmarysmd.com/dpw/airport](http://www.stmarysmd.com/dpw/airport)) is available for private planes.

### UTILITIES

**Electricity:** Southern Maryland Electric Cooperative, Inc. Customers of investor-owned utilities and major cooperatives may choose their electric supplier.

**Gas:** Natural gas is available from Washington Gas.

**Water:** St. Mary's County Metropolitan Commission serves greater Lexington Park-Hollywood area, Charlotte Hall/Golden Beach and Piney Point. Municipal system serves Leonardtown.

**Sewer:** St. Mary's County Metropolitan Commission serves greater Lexington Park-Hollywood area and Piney Point. Municipal system serves Leonardtown.

**Telecommunications:** Local Carrier - Verizon Maryland. Long Distance Carriers - AT&T, MCI, Sprint and numerous additional carriers and resellers of WATS and MTS. Cable internet service or broadband service is available from MetroCast Communications or Comcast.



*Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor  
David W. Edgerley, Secretary*

### GENERAL INFORMATION

**County Seat** - Leonardtown

**Government** - Five commissioners elected for four-year terms.

**Elevation** - Sea level to 188 feet

**Land Area** - 372.5 square miles

**Water Area** - 37.7 square miles

**Shoreline** - 507 miles

### RECREATION and CULTURE

Residents and visitors to St. Mary's County enjoy a variety of water and land based recreational activities including boating, fishing, camping and hiking. The county has several golf courses and three motor sports venues.

Colonial and maritime history sites include St. Clement's Island, site of Maryland's founding, and Historic St. Mary's City, Maryland's first capital and now one of the nation's premier archaeological and outdoor living history museums. The county is home to the oldest lighthouse on the Potomac River, the Piney Point Lighthouse, as well as Point Lookout Lighthouse located at the county's southern tip. Other historic sites and museums include 18th century Sotterley Plantation and The Patuxent River Naval Air Museum, an official U.S. Navy museum. The county seat of Leonardtown has several historic sites plus a variety of shops and restaurants. Waterside restaurants serving seasonal seafood and marines dot the county's miles of shoreline.

The county's Recreation and Parks Department maintains 20 county parks. Public facilities include a year-round pool, boat ramps, beaches, fishing piers, lighted tennis courts and sports fields, picnic facilities, playgrounds and a skatepark. The county is also home to four state parks: Point Lookout, St. Mary's River, St. Clements Island and Greenwell State Parks.

Festivals and fairs celebrate the county's unique way of life. Weekly throughout the summer St. Mary's College sponsors the River Concert series. Yearly events include the Crab Festival in June, County Fair in September, Blessing of the Fleet and Oyster Festival/National Oyster Shucking Championships and National Oyster Cook-off in October. The Governor's Cup Yacht Race, the largest overnight race on the East Coast, finishes at St. Mary's College in August. St. Mary's City events include Maryland Day, Woodland Indian Culture Days, Grand Militia Muster, Hearth and Home in Early Maryland, and an Archaeology Weekend.

Contact St. Mary's County Division of Tourism at (800) 327-9023 or visit [www.stmarysmd.com/tourism](http://www.stmarysmd.com/tourism) for more information.

### ECONOMIC DEVELOPMENT CONTACTS:

Division of Business Development  
Maryland Department of Business & Economic Development  
217 E. Redwood Street • Baltimore, Maryland 21202  
Telephone: (410) 767-6870 • Toll Free: 888-ChooseMD  
Fax: (410) 333-6792  
TDD/TTY: (410) 333-6926  
<http://www.ChooseMaryland.org>

St. Mary's County Department of Economic & Community Development  
23115 Leonard Hall Drive • P.O.B. 653, Governmental Center  
Leonardtown, Maryland 20650  
Telephone: (301) 475-4200 x1400 • Toll Free: (800) 327-9023  
Fax: (301) 475-4414 • E-mail: [decdd@stmarysmd.com](mailto:decdd@stmarysmd.com)  
<http://www.stmarysmd.com/decdd>

2006-2007

[www.ChooseMaryland.org](http://www.ChooseMaryland.org)

888-ChooseMD

## NEIGHBORHOOD ANALYSIS

Social, economic, governmental and environmental forces act together to influence property values in the vicinity of a site. This vicinity or neighborhood, with complementary land uses, is usually considered as a geographically bounded or delineated part of a larger region. It can also be defined as an area of influence. The subject is located adjacent to the Leonardtown city proper, the central area and county seat of St. Mary's County. The neighborhood or sphere of market influence is believed to be the Leonardtown area with some influence from the surrounding region.

## NEIGHBORHOOD BOUNDARIES and ADJACENT PROPERTY USES

The property is located in a market area that, for the purposes of this analysis, may be considered as being roughly bounded by the following:

- To the north, Patuxent River;
- To the south, Breton Bay and the Potomac River;
- To the east, Lexington Park;
- To the west, Wicomico River.

The subject property is located just outside of the incorporated city of Leonardtown, the county seat of St. Mary's County. The downtown area of Leonardtown has a town square surrounded by small retail businesses and public service facilities. The majority of residential neighborhoods fan out from the downtown area. The College of Southern Maryland (Leonardtown Campus), a two year community college, is less than 1 mile from the subject property.

Main access to the local area is provided by Point Lookout Road, (Maryland Route 5), Hollywood Road, (Maryland Route 245) and Saint Andrews Church Road (Maryland Route 4). The neighborhood surrounding the subject has a variety of land uses, primarily residential with some commercial businesses and public service facilities along the major streets and

transportation routes, as well as within the historic area of Leonardtown. There are rural areas along the major streets as well. The immediate neighborhood surrounding the subject is a fairly even mix of agricultural, residential, public service and retail. St. Mary's County, in the vicinity of the subject, presents both a rural and suburban atmosphere, with available access to the balance of the greater Washington- Baltimore Metropolitan areas.

Transportation routes within the neighborhood provide reasonably good access for the property, although public transportation is inconvenient, when available (limited bus service). Some important factors businesses and people consider in deciding to locate in a given area include the caliber of the schools, the general quality of life, including environmental and social factors, commuting times and distances. The subject neighborhood places adequately, but not necessarily highly, in most or all of these categories. The predominant residential form in the area is of medium sized single-family detached homes.

Employment opportunity for the most part lies in the immediate neighborhood of the subject and job growth is projected to be excellent. Shopping is available in the immediate areas of the subject. Police and fire protection is considered as average. Educational and religious facilities are provided by public schools and by private schools, as well as churches of various denominations. The subject neighborhood is reasonably accessible for its type, and is considered a desirable place to live.

Neighborhoods are said to have a life cycle. That life cycle is generally considered to have four stages. These are:

1. Growth - The period during which the neighborhood experiences public favor and acceptance.
2. Stability - A period of general equilibrium.
3. Decline - A period of diminishing demand and loss of acceptance and public favor.
4. Revitalization - A period of increased demand accompanied by renewal and modernization.



The subject property neighborhood is believed to be in a period of stability with properties constantly being renovated and undergoing use changes.

**COMMUNITY LAND USE DISPERSION**

Along the major roadways, there is residential and retail development and elsewhere away from the traffic flow areas, the area is predominately agricultural and residential. Further away from the subject in surrounding areas, there are similar pockets of residential suburban communities and a higher concentration of commercial development that comprise the eastern portion of St. Mary's County.

**SUPPORTING SERVICES**

Private and public services support the neighborhood. There are schools proximate to the neighborhood that provide both public and private education. The area's fire and police stations are situated within Leonardtown and St. Mary's County. The downtown commercial area of Leonardtown, office buildings, medical facilities, places of worship and grocery stores are located within the general neighborhood area.

**NEIGHBORHOOD TRENDS**

The subject is a rural area with a built-up rate in excess of 60%. This part of St. Mary's County is predominately a mixture of residential and agricultural properties with commercial retail and office properties located on the main thoroughfares. With residential areas away from the main thoroughfares, property prices within the county would be considered on the moderate side for the county as a whole. Employment is provided within the general area along the major thoroughfares, including Leonardtown, the county seat for St. Mary's County and the Patuxent River Naval Air Station.

**NEIGHBORHOOD CONCLUSION**

The subjects are two raw land parcels and two residential lots located just outside the Leonardtown proper in the middle western part of St. Mary's County. This rural neighborhood consists of residential properties, some being waterfront, agricultural

properties and commercial properties located on the major feeder roads to the area. In conclusion, the neighborhood is found to be economically sound and a desirable place in which to work as well as live.

## THE STATE OF MARYLAND

Maryland, one of the original thirteen states, is irregularly shaped and contains approximately 10,577 square miles. It is comprised of 23 counties and Baltimore City, and is located approximately midway between Maine and Florida. Maryland entered the Union as the 7th state on April 28, 1788. It was one of the thirteen original colonies. It is a relatively small Atlantic coastal state, and lies between Pennsylvania and Virginia, along the eastern bank of the Potomac River and encompasses a large part of the Chesapeake Bay. The state's entire northern boundary is with Pennsylvania, and represents a portion of the Mason-Dixon Line. The southern and western boundary follows the Potomac River, except for a small portion constituting the District of Columbia.

Large sections of Maryland are rural and sparsely settled. Other than Baltimore, with a population in excess of 600,000, Maryland's largest cities have populations of less than 100,000. More than 85% of the state's population resides along the western side of the Chesapeake Bay, in the metropolitan Baltimore-Washington corridor. The state is primarily characterized by low coastal plains, with the Appalachian Mountain range crossing the western end of the state near its border with West Virginia.

The Chesapeake Bay, which is the largest saltwater bay in the continental United States, separates Maryland into what is known locally as the "Eastern Shore" and the "Western Shore."

### Official State Attributes:

CAPITAL:	Annapolis
STATE FLOWER:	Black-Eyed Susan
STATE TREE:	White Oak
STATE BIRD:	Baltimore (Northern) Oriole
NICKNAME:	The Old Line State, the Free State

### REGIONAL MARKET CONCLUSIONS

In expressing our opinion of value, it is considered reasonable to assume that the county will remain as sound as other local jurisdictions, and that growth potential should remain constant. Residential and commercial real estate development has many inherent investment risks. These can be both property specific, relating to the realty in question particularly, and general, usually related to the local, regional and national economies. The success of real property is determined in large measure by the national economy and by the local economic conditions in the market area. Near the end of the first quarter of 2007, the general economy was seen by most regional market participants as growing in some sectors, however, residential sales are seen to be growing at a rate lower than the past three years. According to most sources, the overall region is still showing steady growth and positive economic signals. The outlook for the remainder of 2007, and beyond is, of course, dependent on the overall economy. However, 2007 should be a good year for residential, industrial and commercial property values as prices in all categories are still increasing. It is difficult to predict growth and absorption trends in the area. The county government is generally cooperative to *orderly* development. St. Mary's County has drawn new jobs and residents each year. Given the concentration of government (Federal, State, and Local) and defense related employment surrounding the Patuxent River Naval Air Station, the growth in St. Mary's County and interest in the downtown Leonardtown area should continue. Both real estate prices and commercial rental values have continued to increase over the past three years. Demand appears to exceed the supply in many areas.

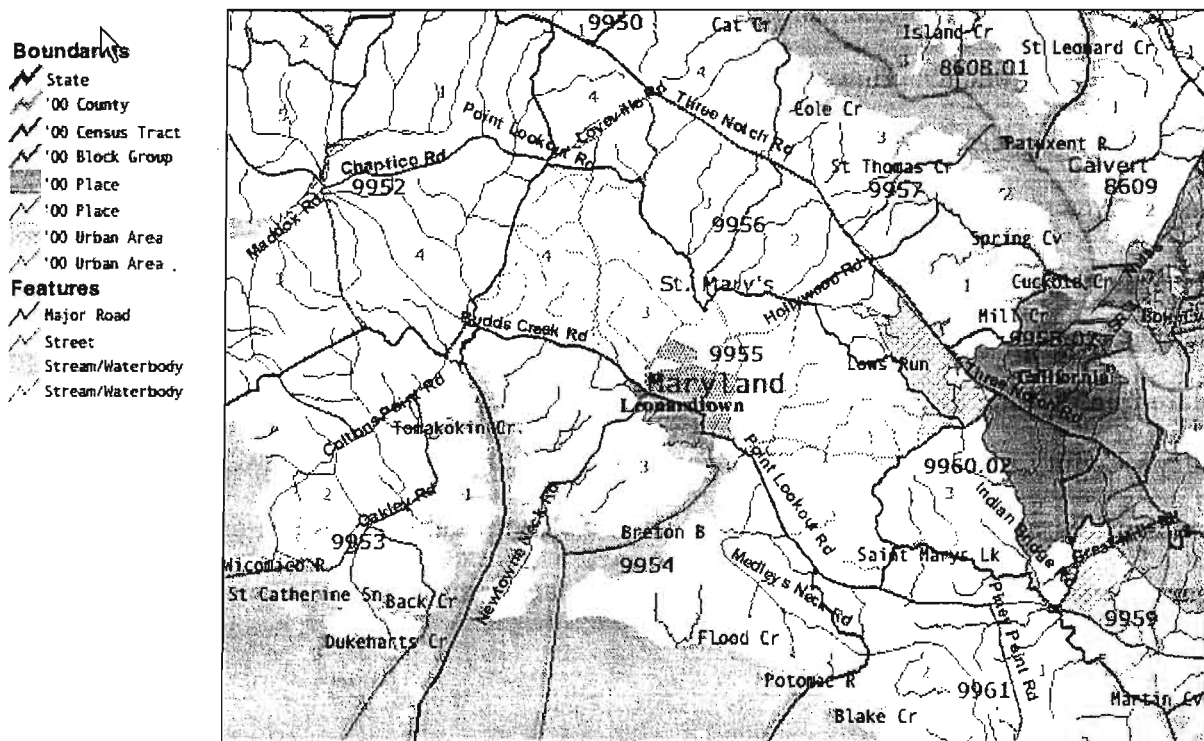
## USE OF THE REAL ESTATE EXISTING AS OF THE DATE OF VALUE

As of the date of the appraisal, Parcel 339/Outparcel A and Parcel 82 were parcels of raw land and were not occupied. Parcel 339/Lot 1 and Parcel 225, currently and in prior years, have been used as residences.

## CENSUS TRACT

According to the Census Bureau, the Census Tract number is 9955.00 for all four parcels.

Census Tract 9955, St. Mary's County, Maryland



**STATEMENT OF CURRENT OWNERSHIP**

The appraisers have inspected the public records in the St. Mary's County Courthouse. By virtue of the deed, both the public records and other data available, that the fee estate in the properties being appraised rests with the following, who for the purposes of this appraisal are considered to be the owners of the properties, Parcel 339/Outparcel A and Parcel 82, and are identified as:

**DEBRA A. GRIFFIN, WALTER V. HAYDEN JR., RICHARD I. HAYDEN SR.,  
ELLEN K. EMMART, JOSEPH E. HAYDEN AND M. CATHERINE KNAPP**

The appraisers accept no responsibility for matters of title. The property value does not change due to ownership, although there may be several interests involved. Any item concerning the title should be checked by legal counsel or by an appropriate abstractor.

### **HISTORY OF THE SUBJECT**

Based on our research, the property has been used as a farmland and residence for the past 50± years.

### **PROPERTY IDENTIFICATION/LOCATION**

**The Summary Appraisal Report must identify and provide a summary description of the real estate being appraised.**

The subject property can be identified as follows:

Parcel 339/Outparcel A: Tax Map 32, Grid 11, Parcel 339, Outparcel A. It is also known as Hayden Farm Lane; Leonardtown, MD, 20650

Parcel 82: Tax Map 32, Grid 11, Parcel 82. It is also known as Cemetery Road, The Hayden Farm; Leonardtown, MD, 20650



### SITE DESCRIPTION

The subject property consists two parcels of raw land in the city of Leonardtown located on the west side of Hollywood Road/ Rt. 245 in St. Mary's County, Maryland. The properties are located within a mile north of Point Lookout Road/Rt. 5 and are just outside the Leonardtown city limits. Parcel 339/Outparcel A is a rectangular shaped parcel that is abutted by Parcel 82 to the north. A minimal portion of Parcel 339/Outparcel A falls within the Leonardtown corporate limits.

Parcel 339/Outparcel A is located north of Greenbrier Lane and west of Hollywood Road/Rt. 245. The lot contains 89.563± acres or 3,901,364± square feet. Parcel 339/Outparcel A is a rectangular shaped lot consisting of farmlands, two ponds, a gravel pit and several outbuildings. Two separately deeded, residential lots, Parcel 225 and Parcel 339/Lot 1 are located within the central part of Parcel 339/Outparcel A. The Leonardtown corporate city limits extend along the south and west sides of the site. A small portion of the site in the southwestern corner lies within the city limits and contains a gravel pit. The appraiser was unable to determine the exact amount of acreage within the city limits; however, upon reviewing the plat, it appears to be approximately two acres or less. Based on conversations with the property owner and county officials, the fact that this portion falls within city limits should not create any impediments or restrictions upon the property as a whole.

Parcel 82 lays along the north side of Parcel 339/Outparcel A and extends northwest towards McIntosh Run. The lot contains 78.923± acres or 3,437,885± square feet. Parcel 82 is an irregular shaped vacant parcel that runs long Cemetery Road at its northeast corner and consists of pastures and forest land.

Access to both Parcel 339/Outparcel A and Parcel 82 is via Hayden Farm Lane which is a private gravel drive shared by both parcels, as well as the residential lots Parcel 339/Lot 1 and Parcel 225. Hayden Farm Lane connects with Hollywood Road/Rt. 245 via

an easement through the properties neighboring the subject parcels. The subject sites consist of rolling farmland, pastures and forest that appear to enjoy good drainage.

The subject lots are served by the public utilities including electricity and, telephone. The subject sites would require private wells and septic tanks upon development.

At the time of inspection, the subject property does not appear to be adversely affected by any nuisances or public hazards. The land use developed contiguous to, and in the immediate area of, the subject is compatible.

The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions.

## SITE DESCRIPTION SUMMARY

### LOCATION

The subjects are located on the north side of Greenbrier Lane and west of Hollywood Road/Rt. 245. Ingress and egress is available to the site via Hayden Farm Lane.

### TOPOGRAPHY

The sites are gently rolling farmland, pastures and forest. During the inspection of the site, no drainage problems were seen and none are assumed to exist.

### LAND AREA

Parcel 339/Outparcel A contains  $89.563 \pm$  acres or  $3,901,364 \pm$  square feet. Parcel 82 contains  $78.923 \pm$  acres or  $3,437,885 \pm$  square feet.

### SHAPE AND FRONTAGE

Parcel 339/Outparcel A is shaped in a rectangular manner. Parcel 82 has an irregular shape and lays along the north boundary of Parcel 339/Outparcel A.

### SOILS

A soil analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soil analysis or other such report, it is a specific assumption that the site has adequate soils to support the highest and best use.

### EASEMENTS AND ENCROACHMENTS

A title policy for the property has not been provided for the preparation of this appraisal. Based on our visual inspection, no adverse easements were observed. It is

recommended that the client obtain a current title report outlining all easements and encroachments. This is outside the training and expertise of the appraiser.

### **COVENANTS, CONDITIONS, AND RESTRICTIONS**

The appraiser is not aware of any covenants, conditions or restrictions impacting the site other than zoning.

### **UTILITIES**

The site is not presently served with public water or sewer.

### **ADJACENT PROPERTIES**

The land uses near the subject are generally compatible with the subject. We are not aware of any nearby negative factors within the immediate neighborhood that would have a negative impact on the subject.

### **CONCLUSION**

The sites are well located and afforded average access and visibility from the road. The size of the subjects is typical for the area. The appraiser is not aware of any factors that would prohibit the use of the site for its highest and best use.

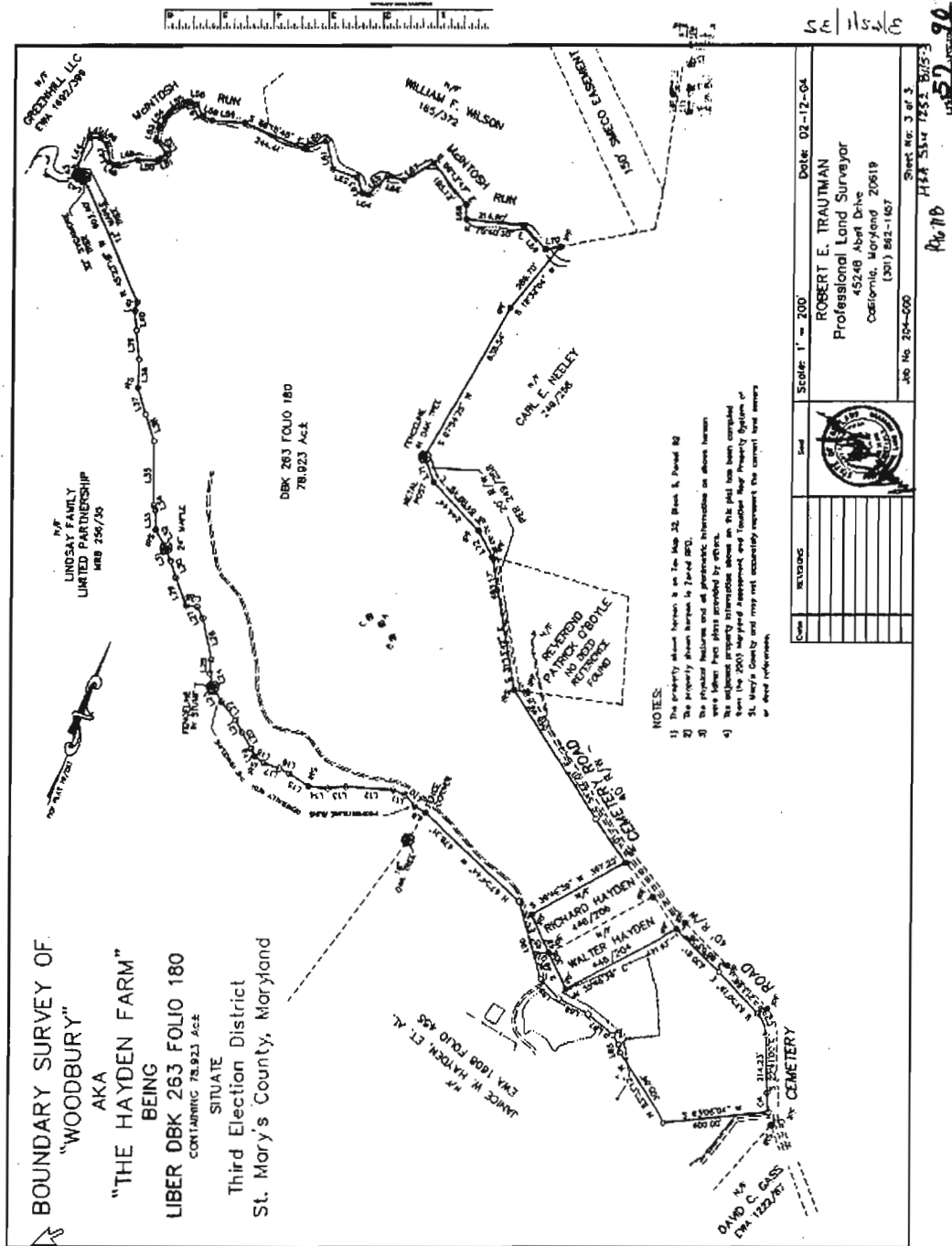
### **ROAD FRONTAGE:**

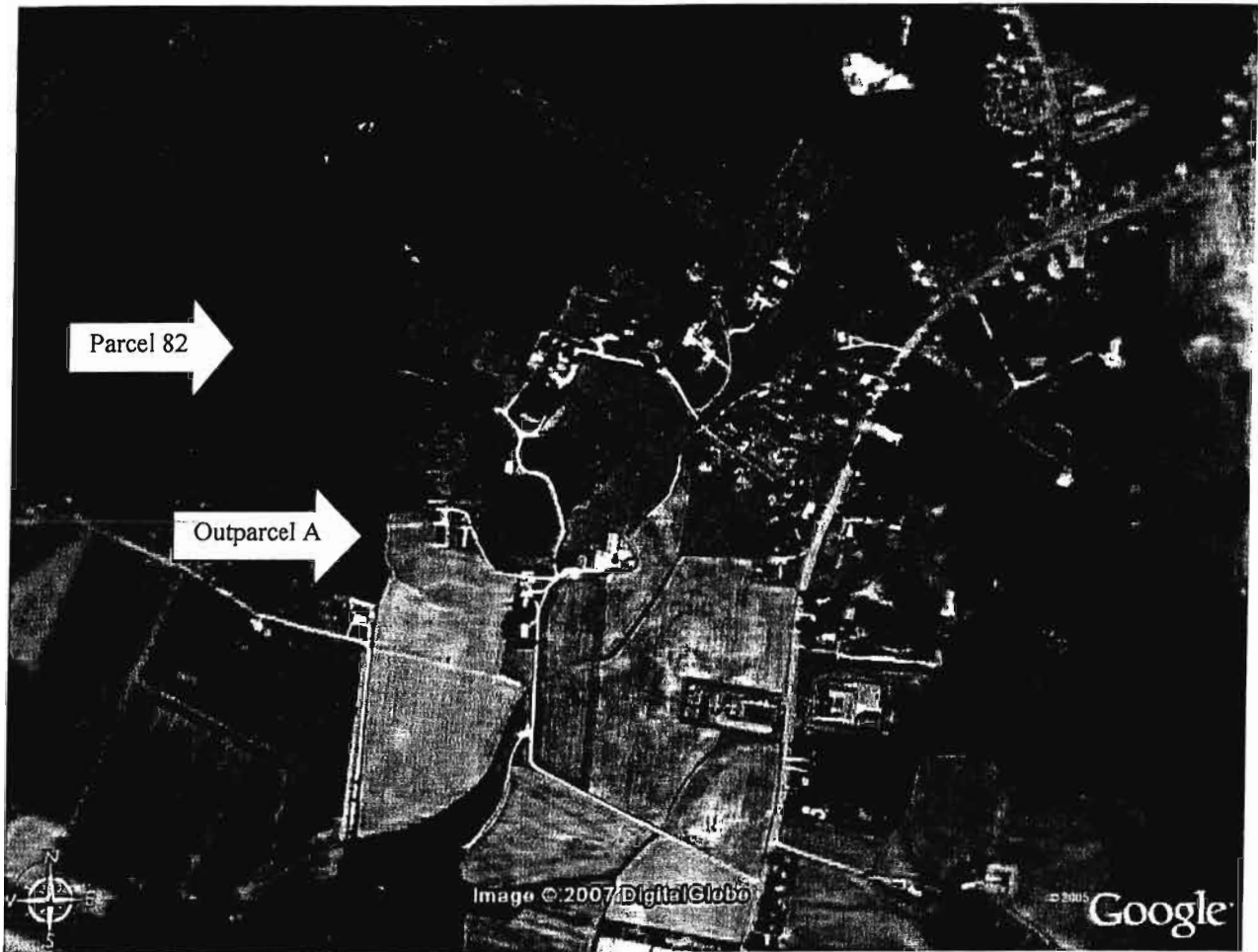
Depth:	Unknown
Known or visible easements:	Utility easements.
Encumbrances:	None known.
Covenants:	None known.
Off site improvement commitments:	None known.
Hazardous Materials:	None known.
Location of Utilities:	Street

6172



## Plat map - Parcel 82



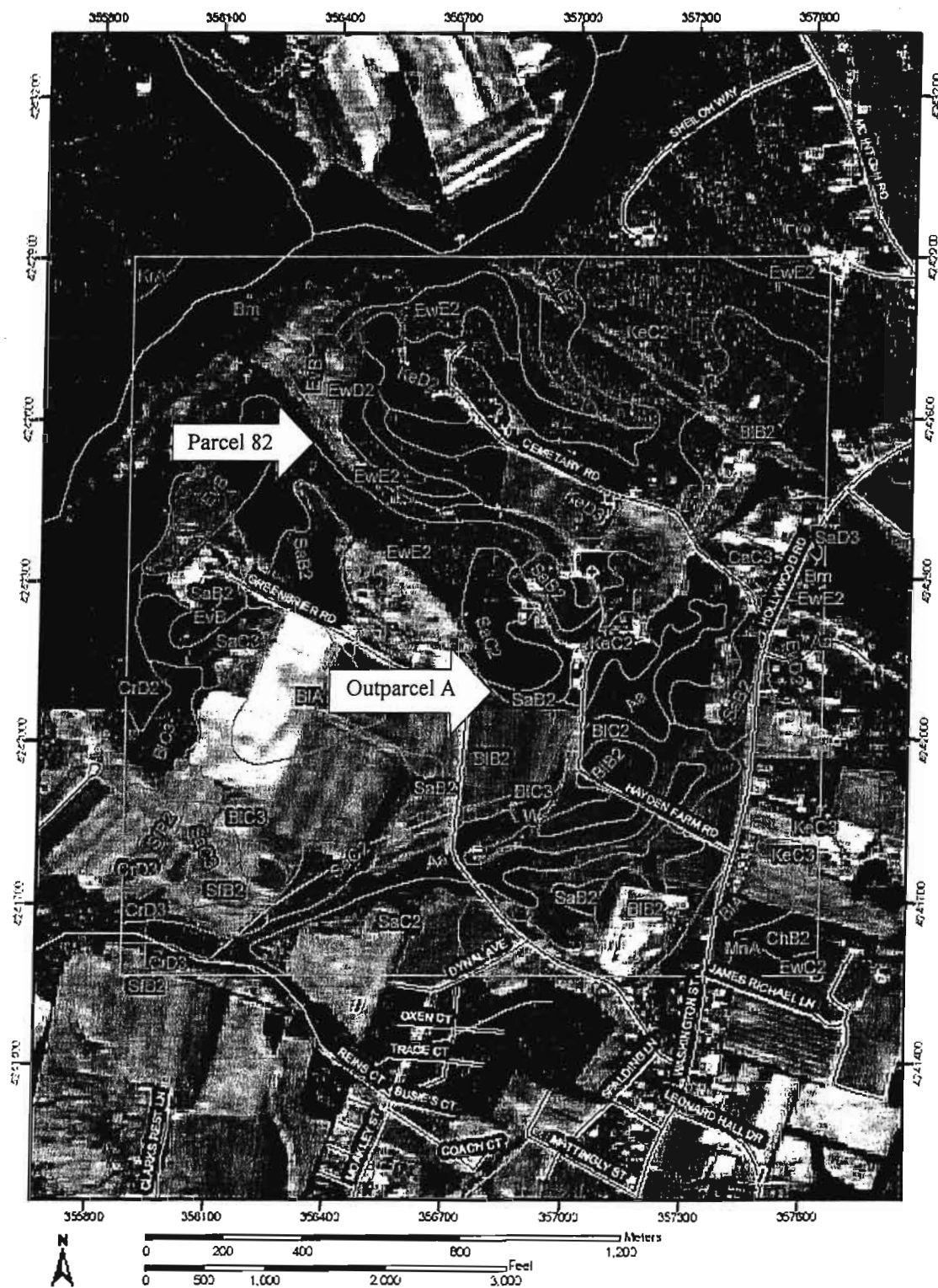


### SOIL ANALYSIS

According to the Soil Survey of St. Mary's County, Maryland, the subject property generally falls into various soil categories, including Alluvial land, Beltsville silt loam, Evesboro-Westpahlia complex 12-20% slopes/20-45% slopes, Kempsville fine sandy loam and the Sassafras Sandy Loam. There are no important limitations on these types of soil. At the time of inspection, the subject property does not appear to be adversely affected by any nuisances or public hazards. The land use developed contiguous to, and in the immediate area of, the subject is compatible.



Soil Map—St. Marys County, Maryland



Natural Resources  
Conservation Service

Web Soil Survey 2.0  
National Cooperative Soil Survey

6/20/2007  
Page 1 of 4

## Map Unit Legend

St. Marys County, Maryland (MD037)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
Aa	Alluvial land	35.1	4.5%
BIA	Beltsville silt loam, 0 to 2 percent slopes	37.0	4.7%
BIB2	Beltsville silt loam, 2 to 5 percent slopes, moderately eroded	163.9	20.8%
BIC2	Beltsville silt loam, 5 to 10 percent slopes moderately eroded	18.1	2.3%
BIC3	Beltsville silt loam, 5 to 10 percent slopes, severely eroded	16.4	2.1%
Bm	Bibb silt loam	88.5	11.2%
CaC3	Caroline silt loam, 5 to 10 percent slopes, severely eroded	7.0	0.9%
ChB2	Chillum loam, 2 to 6 percent slopes moderately eroded	4.5	0.6%
CrD2	Croom gravelly sandy loam, 10 to 15 percent slopes, moderately eroded	5.2	0.7%
CrD3	Croom gravelly sandy loam, 10 to 15 percent slopes, severely eroded	7.5	0.9%
EvB	Evesboro loamy sand, 0 to 8 percent slopes	24.1	3.1%
EwC2	Evesboro-Westphalia complex, 6 to 12 percent slopes, moderately eroded	0.9	0.1%
EwD2	Evesboro-Westphalia complex, 12 to 20 percent slopes, moderately eroded	16.6	2.1%
EwE2	Evesboro-Westphalia complex, 20 to 45 percent slopes, moderately eroded	73.9	9.4%
KeC2	Kempsville fine sandy loam, 5 to 10 percent slopes, moderately eroded	72.3	9.2%
KeC3	Kempsville fine sandy loam, 5 to 10 percent slopes, severely eroded	2.7	0.3%
KeD2	Kempsville fine sandy loam, 10 to 15 percent slopes, moderately eroded	23.2	2.9%
KeD3	Kempsville fine sandy loam, 10 to 15 percent slopes, severely eroded	43.6	5.5%

St. Marys County, Maryland (MD037)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
KrA	Keyport silt loam, 0 to 2 percent slopes	2.0	0.3%
MnA	Matapeake silt loam, 0 to 2 percent slopes	2.4	0.3%
SaB2	Sassafras sandy loam, 2 to 5 percent slopes, moderately eroded	41.4	5.3%
SaC2	Sassafras sandy loam, 5 to 10 percent slopes, moderately eroded	68.5	8.7%
SaC3	Sassafras sandy loam, 5 to 10 percent slopes, severely eroded	25.7	3.3%
SaD3	Sassafras sandy loam, 10 to 15 percent slopes, severely eroded	0.5	0.1%
SfB2	Sassafras loam, 2 to 5 percent slopes, moderately eroded	5.4	0.7%
W	Water	1.0	0.1%

**ENVIRONMENTAL STATEMENT & ASSUMPTIONS**

**Standards Rule 2-2 (b) (viii) - The Summary Appraisal Report must identify and state all assumptions, hypothetical assumptions and limiting conditions that affected the analyses, opinions and conclusions.**

The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraisers are not experts in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about such hazards did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions, which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous materials and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value. Your appraiser is not an expert in environmental matters.

**NOTICE TO THE CLIENT AND USER:** If subsequent information is obtained indicating that the property is contaminated or there are significant site issues or problems, then this appraisal and any estimates of value contained herein are considered **INVALID.**

## FLOOD HAZARD DECLARATION

According to the flood map, the subject properties are **not** located in a flood hazard area. The appraiser's flood hazard maps are included herein. Please note that the subjects are located in **Zone X** of the FEMA Flood Insurance Rate Map 24037C 0159E, dated 10/19/2007, County of St. Mary's, Maryland. A copy of the zoning flood map is included with this report.

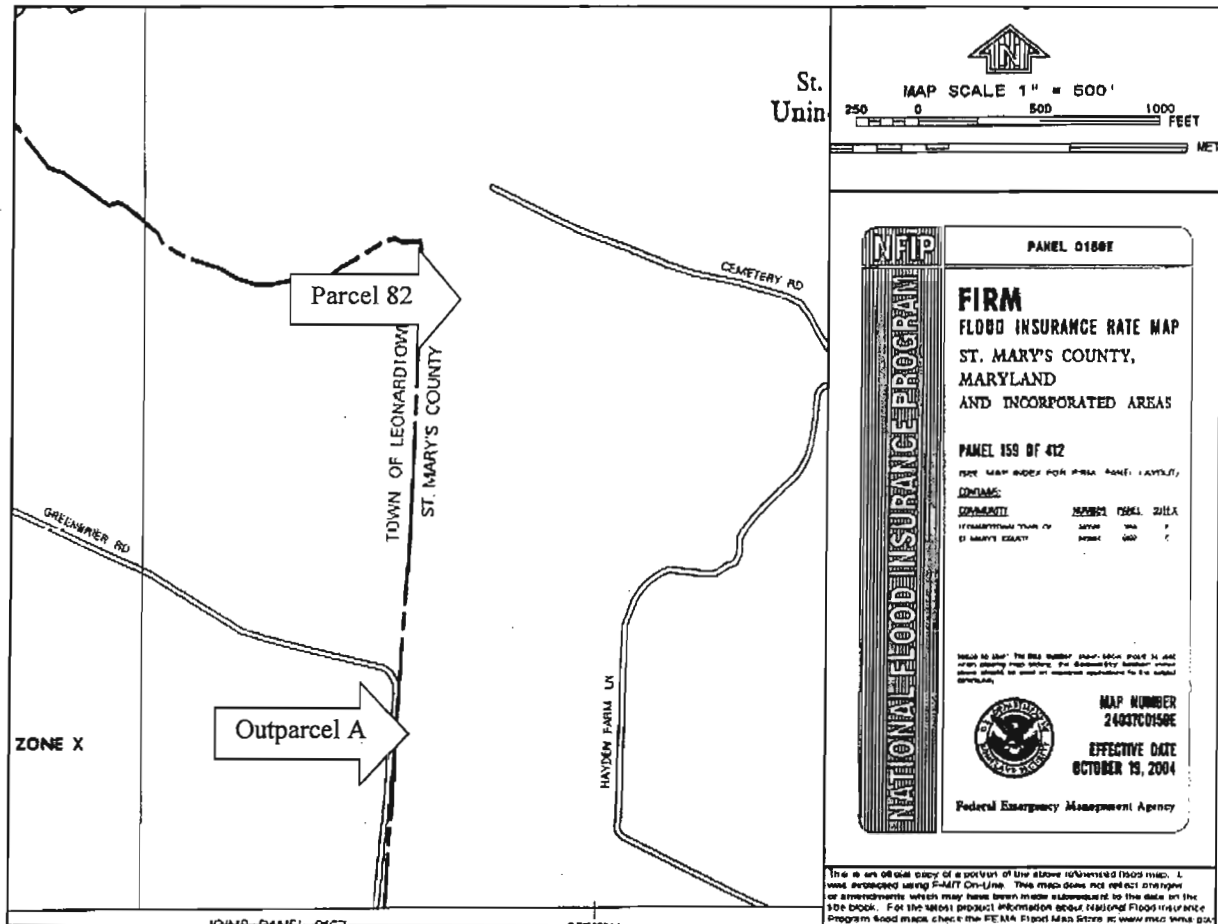
- A Areas of 100-year flood; base flood elevations and flood hazard factors not determined. Mandatory flood insurance purchase requirements apply.
- AE and A1 - A30 Areas of 100-year flood; base flood elevations and flood hazard factors determined. Mandatory flood insurance purchase requirements apply.
- AH Areas of 100-year shallow flooding with constant water surface elevation (usually areas of ponding) where depths are between one (1) and three (3) feet; base flood elevations are shown. Mandatory flood insurance purchase requirements apply.
- AO Areas of 100-year shallow flooding (usually sheet flow on sloping terrain) where depths are between one (1) and three (3) feet; average depths of inundation are shown. Mandatory flood insurance purchase requirements apply.
- AR Areas protected from flood hazards by *flood control structures*, such as a levee, that are being restored. AR designation may be applied to communities if the flood protection system has been deemed restorable by a federal agency, a minimum flood protection is still provided, and restoration of the flood protection system is scheduled to begin within a reasonable time. Mandatory flood insurance purchase requirements apply.
- A99 Areas of 100-year flood to be protected by a federal flood protection system under construction; base flood elevations and flood hazard factors not determined. Mandatory flood insurance purchase requirements apply.
- B Areas between limits of the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than (1) foot or where the contributing drainage area is less than one square mile; or areas protected by levees from the base flood (Medium shading).
- C Areas of minimal flooding. (No shading).
- D Areas of undetermined, but possible, flood hazards. Mandatory flood insurance purchase requirements do not apply, but coverage is available. Flood insurance rates for properties in Zone D are commensurate with the uncertainty of the flood risk.

**FLOOD HAZARD DECLARATION (continued)**

V Areas of 100-year coastal flood with velocity (wave action) base flood elevations and flood hazard factors not determined. Mandatory flood insurance purchase requirements apply.

VE, V1-30 Areas of 100-year coastal flood with velocity (wave action) base flood elevations and flood hazard factors determined. Mandatory flood insurance purchase requirements apply.

B, C, and X Zones that correspond to areas outside the 100-year floodplains, areas of 100-year sheet flow flooding where average depths are less than 1 foot, areas of 100-year stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 100-year flood by levees. No base flood elevations or depths are shown within this zone. Flood insurance purchase is not required in these zones.



Code of Federal Regulations]  
[Title 44, Volume 1]  
[Revised as of October 1, 2002]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 44CFR64.3]

[Page 336-337]

TITLE 44--EMERGENCY MANAGEMENT AND ASSISTANCE

CHAPTER I--FEDERAL EMERGENCY MANAGEMENT AGENCY

PART 64--COMMUNITIES ELIGIBLE FOR THE SALE OF INSURANCE--Table of Contents

Section 64.3 Flood Insurance Maps.

(a) The following maps may be prepared by the Administrator for use in connection with the sale of flood insurance:

(1) Flood Insurance Rate Map: This map is prepared after the flood hazard study for the community has been completed and the risk premium rates have been established. The FIRM indicates the risk premium rate zones applicable in the community and when those rates are effective. The FIRM also may indicate, at the request of the community, zones to identify areas of future-conditions flood hazards. The symbols used to designate the risk premium rate zones and future-conditions zones are as follows:

Zone symbol

A	Area of special flood hazard without water surface elevations determined
A1-30, AE	Area of special flood hazard with water surface elevations determined
A0	Area of special flood hazards having shallow water depths and/or unpredictable flow paths between (1) and (3) ft.
A99	Area of special flood hazard where enough progress has been made on a protective system, such as dikes, dams, and levees, to consider it complete for insurance rating purposes
AH	Areas of special flood hazards having shallow water depths and/or unpredictable flow paths between (1) and (3) feet, and with water surface elevations determined.

[[Page 337]]

AR	Area of special flood hazard that results from the decertification of a previously accredited flood protection system that is determined to be in the process of being restored to provide base flood protection.
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V	Area of special flood hazards without water surface elevations determined, and with velocity, that is inundated by tidal floods (coastal high hazard area).
V1-30, VE	Area of special flood hazards, with water surface elevations determined and with velocity, that is inundated by tidal floods (coastal high hazard area).
V0	Area of special flood hazards having shallow water depths and/or unpredictable flow paths between (1) and (3) ft. and with velocity.
B, X	Areas of moderate flood hazards or areas of future conditions flood hazard.
C, X	Area of minimal hazards
D	Area of undetermined but possible, flood hazards
M	Area of special mudslide (i.e., mudflow) hazards
N	Area of moderate mudslide (i.e., mudflow) hazards
P	Area of undetermined, but possible, mudslide hazards
E	Area of special flood-related erosion hazards.

Areas identified as subject to more than one hazard (flood, mudslide (i.e., mudflow), flood-related erosion) or potential hazard (i.e., future-conditions flooding) will be designated on the FIRM by use of the proper zone symbols in combination.

(2) Flood Hazard Boundary Map (FHBM). This map is issued by the Administrator delineating Zones A, M, and E within a community.

(b) Notice of the issuance of new or revised FHBMs or FIRMs is given in Part 65 of this subchapter. The mandatory purchase of insurance is required within designated Zones A, A1-30, AE, A99, AO, AH, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, V1-30, VE, V, VO, M, and E.

(c) The FHBM or FIRM shall be maintained for public inspection at the following locations:

(1) The information office of the State agency or agencies designated by statute or the respective Governors to cooperate with the Administrator in implementing the Program whenever a community becomes eligible for Program participation and the sale of insurance pursuant to this section or is identified as flood prone.

(2) One or more official locations within the community in which flood insurance is offered.

(3) [Reserved]

(4) The official record copy of each official map shall be maintained in FEMA files in Washington, D.C.

[41 FR 46986, Oct. 26, 1976. Redesignated at 44 FR 31177, May 31, 1979, as amended at 46 FR 1274, Jan. 6, 1981; 48 FR 28278, June 21, 1983; 48 FR 44544 and 44552, Sept. 29, 1983; 49 FR 4751, Feb. 8, 1984; 50 FR 36028, Sept. 4, 1985; 59 FR 53599, Oct. 25, 1994; 62 FR 55716, Oct. 27, 1997; 66 FR 59170, Nov. 27, 2001].



**DESCRIPTION OF THE SUBJECT IMPROVEMENTS**

**Standards Rule 2-2 (b) (iii) - The Summary Appraisal Report must identify and provide a summary description of the real estate being appraised.**

The basic construction characteristics of the building are detailed below (see the Extraordinary (specific, if any) Assumptions and Limiting Conditions section of this report regarding the appraiser's inspection of the subject property).

**DESCRIPTION OF SUBJECT IMPROVEMENTS**

The subject properties include two residential lots. Please review attached Residential Appraisals for Parcel 225 and Parcel 339/Lot 1 for detailed description and analysis of each parcel.

Parcel 339/Outparcel A contains several outbuildings that consist of barns and storage sheds in varying states of disrepair. For the purposes of this appraisal of the raw land, these building are not considered to add value to the property.

**GENERAL ASSUMPTIONS MADE BY APPRAISERS**

1. The subject has or will have proper zoning and use permits.
2. There are no parking problems other than those, if any, disclosed to the appraiser.
3. The appraiser assumes the deeds, plats, and other documents recorded in the courthouse are accurate.
4. There are no structural problems other than those, which have been disclosed to the appraiser.
5. The appraiser is unaware of any on-site or soil problems, unless these have been disclosed to the appraiser.
6. Proper management.
7. All permits which may be needed to operate, construct or develop the subject have been or will be obtained immediately from all local county, state or federal authorities.
8. Any environmental impact studies have been or will be completed, and that these studies will be positive in nature (permitting the development as pursued).
9. That all information supplied to the appraisers is accurate.
10. If any material changes (to the subject) should take place or become known later, the appraisers reserve the right to amend, revise, alter or change the appraisal conclusions and valuation(s) accordingly.
11. The lot as recorded on the plat is legal and capable of meeting both the building codes and the health department codes.
12. Subject complies with all ADA requirements.
13. Easements and restrictions will not hinder the use and development of the property.
14. All utilities to the subject are fully functional and operational.
15. Per the request of the client, the subject properties are to be valued without any consideration to the valuation of the properties as a subdivision site.

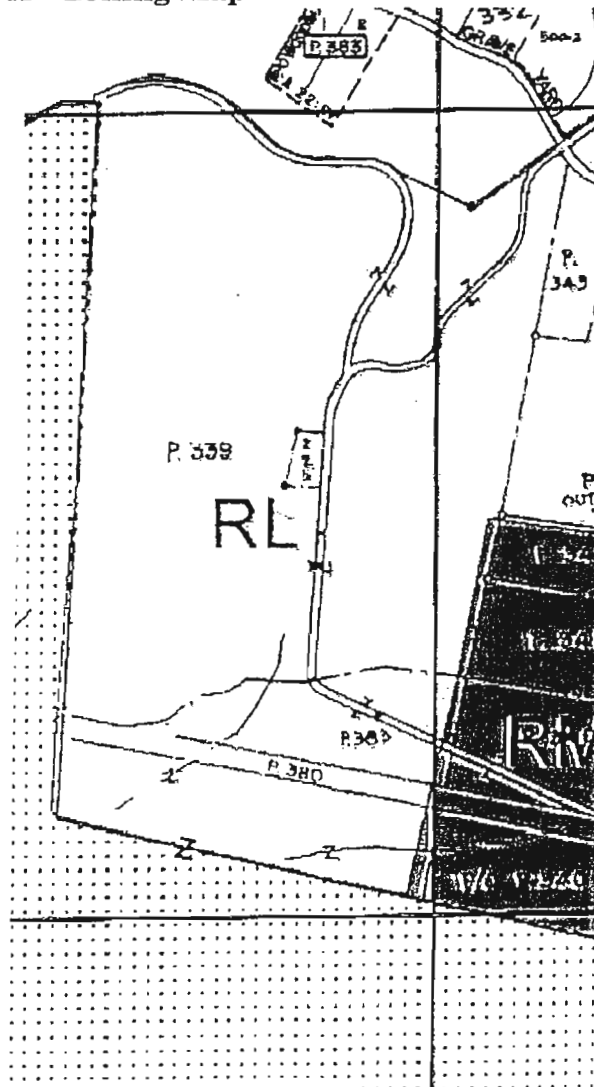
## ZONING

According to both public records and the Anne Arundel County Office of Planning and Zoning, the subject properties are zoned as follows:

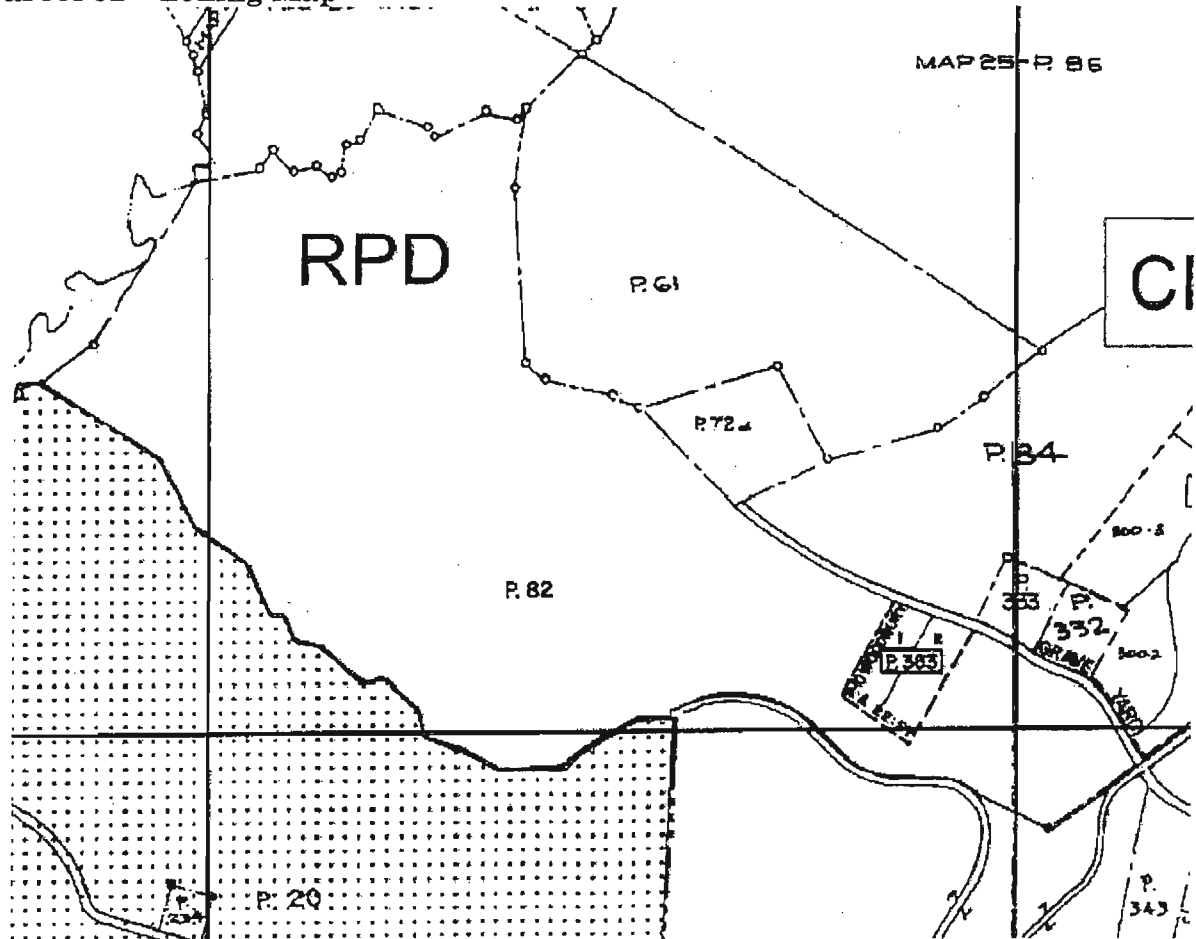
Parcel 339/Outparcel A is zoned RL/Residential Low Density. Parcel 82 is zoned RPD/Rural Preservation District. The use of these properties as raw land is a permitted use by right within the zoning.

The zoning was verified with Mr. Philip Shire of the St. Mary's County Office of Planning and Zoning and a copy of the zoning map is included herein.

### Parcel 339/Outparcel A - Zoning Map



Parcel 82 - Zoning Map



## UTILITIES

According to the St. Mary's County Department of Public Works, the subject property is not served by public sewer or water. The residential lots, Parcel 225 and Parcel 339/Lot 1 are served by a private well and septic system. There are telephone and electrical services available to the site.

**ASSESSMENT DATA**

According to the St. Mary's County Department of Assessments and Taxation, the subject properties are assessed as follows:

(Please note that the properties are assessed at agricultural farm value and do not represent market value).

**Parcel 339/Outparcel A:**

Hayden Farm Lane  
Leonardtown, Maryland 20650

Account: #03-077381

Assessment 1/01/2005

Land \$ 20,410.00

Building \$ 64,290.00

Total \$ 84,700.00

Note: The 2005 Assessed value for Parcel 339/Outparcel A is the value prior to the property being subdivided. On July 7, 2006, residential lots, Parcel 225 and Parcel 339/Lot 1, were subdivided out of Parcel 339 (which then became Parcel 339/Outparcel A). Thus the values noted above are not the most recent or the most accurate.

**Parcel 82:**

Cemetery Road  
Leonardtown, Maryland 20650

Account: #03-032582

Assessment 1/01/2005

Land \$10,850.00

Building \$ N/A

Total \$10,850.00

**THREE-YEAR SALES HISTORY OF THE SUBJECT PROPERTY**

**Standards Rule 1-5 (b) - The Appraisal Report must analyze all sales of the subject within the past three years.**

The appraisers have researched the sales history of the subject properties, and, over the past three (3) years, only Parcel 339/Outparcel A has been transferred as follows:

**Contract Summary**

Seller:	Janice W. Hayden, et al T/C
Buyer:	Debra A. Griffin & Walter V. Hayden Jr., et al T/C
Date of Sale:	9/11/06
Sale Price:	\$0.00

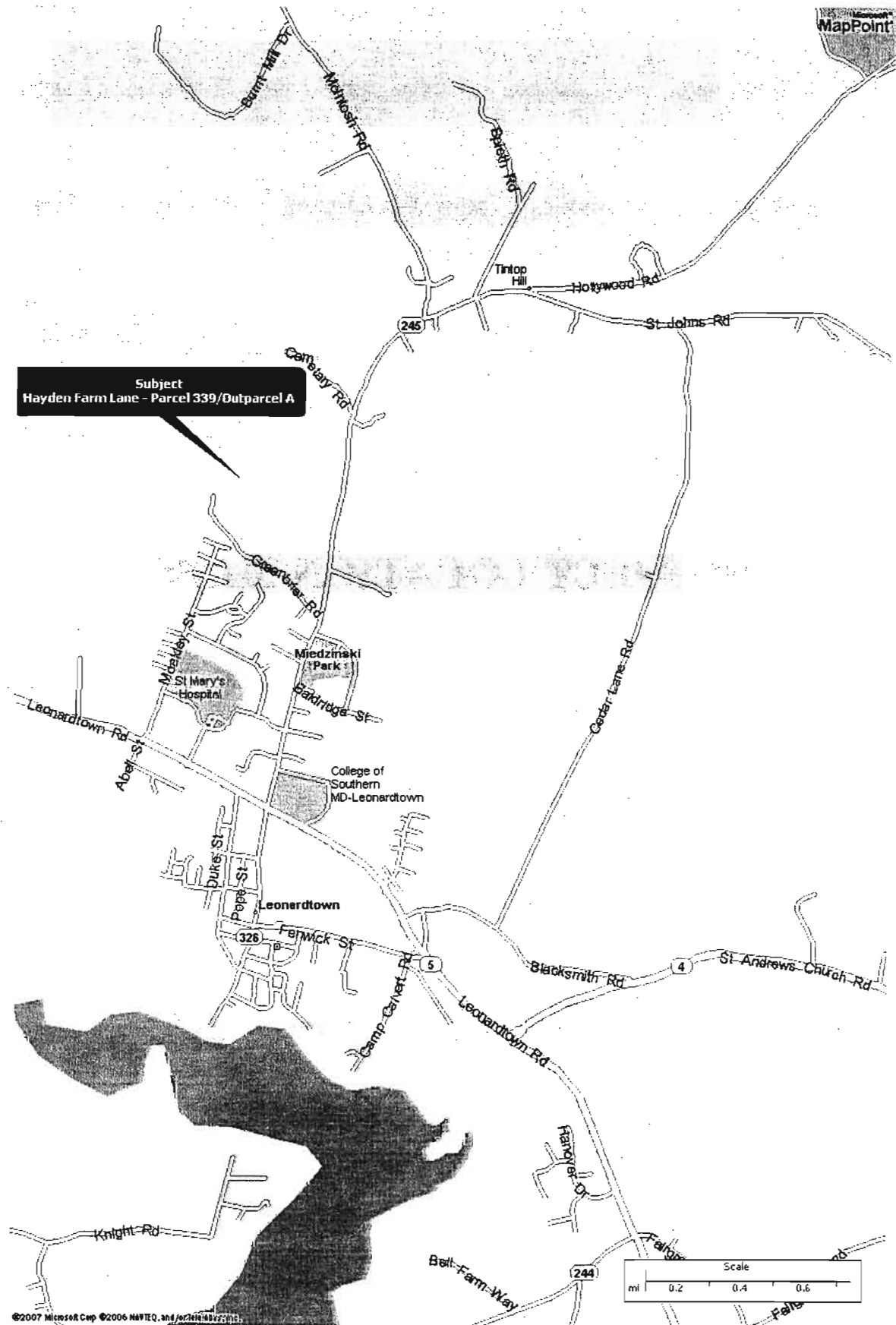
Based on the data provided to the appraiser, the transaction appears to be a not arm's length transaction. The properties containing the residential lots, Parcel 225 and Parcel 339/Lot 1 were subdivided out and ownership was retained by Janice Hayden. The remainder of the property was established as Parcel 339/Outparcel A and ownership was transferred from Janice Hayden to Debra Griffin, Walter Hayden, Jr., et al.

**OFFERS, OPTIONS AND LISTINGS**

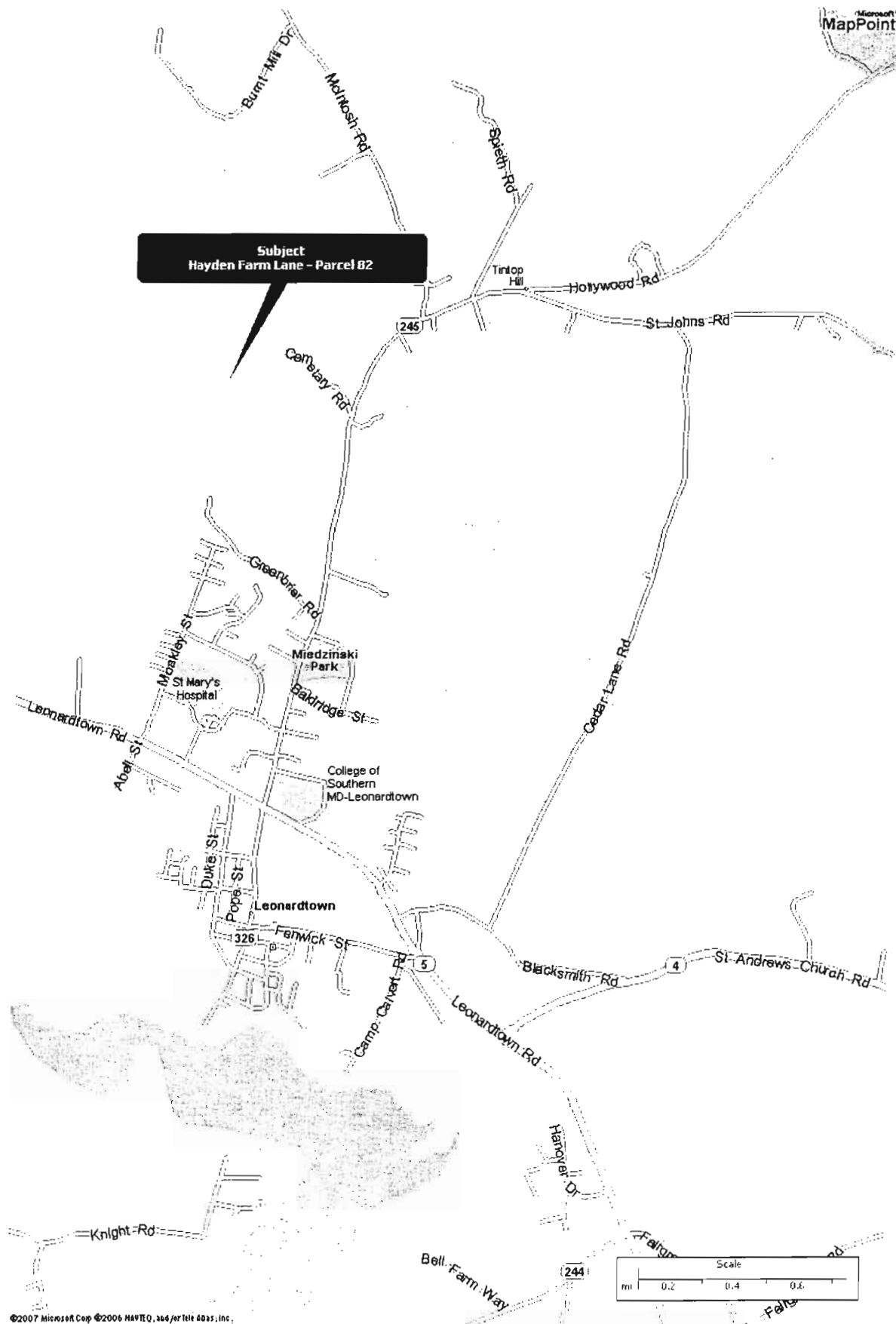
**Standards Rule 1-5-2 (a) - The Appraisal Report must analyze and provide an analysis of the current offers, options, and listings.**

As of the date of inspection, there were no offers on the subject property.

## SUBJECT LOCATION MAPS







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## SUBJECT PHOTOGRAPHS



NORTHWEST VIEW FROM HAYDEN FARM LANE  
PARCEL 339/OUTPARCEL A



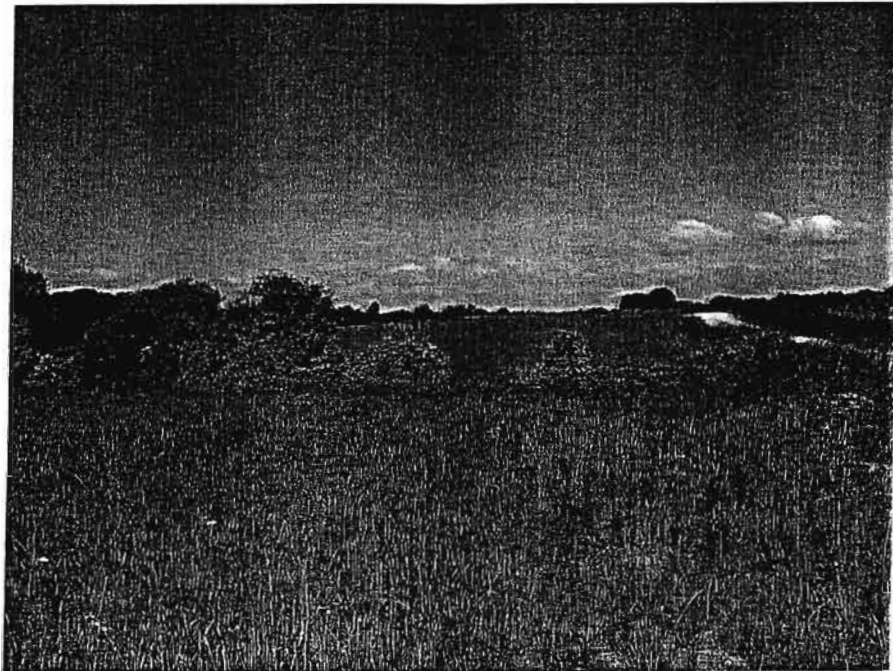
SOUTH EAST VIEW FROM HAYDEN FARM LANE TOWARD RT.245  
PARCEL 399/OUTPARCEL A



EAST VIEW TOWARDS RT. 245  
PARCEL 339/OUTPARCEL A



NORTH VIEW TOWARDS PARCEL 82  
PARCEL 399/OUTPARCEL A



WEST VIEW FROM HAYDEN FARM LANE  
PARCEL 339/OUTPARCEL A



SOUTHEAST VIEW  
PARCEL 339/OUTPARCEL A



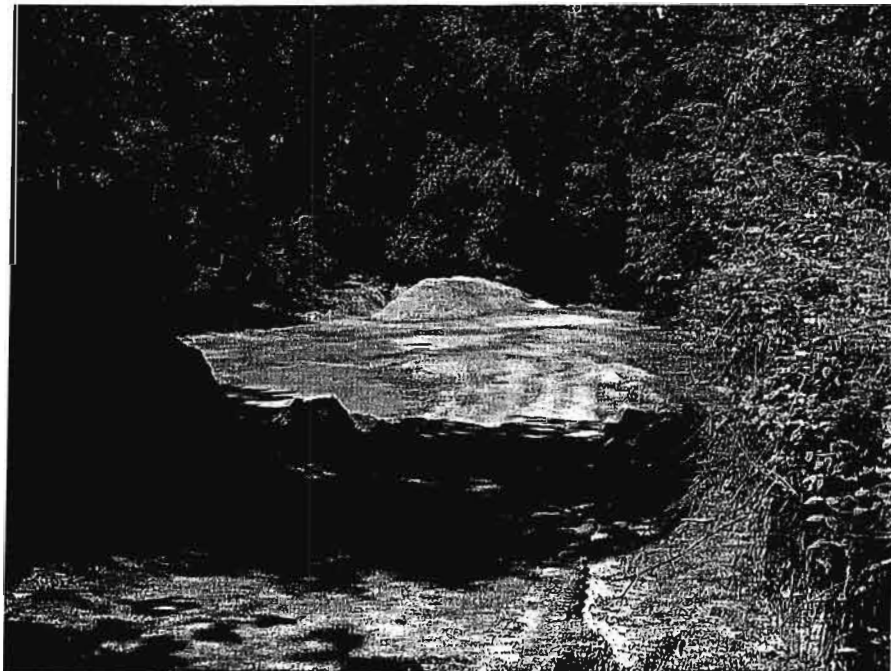
SOUTHWEST VIEW FROM REAR OF HOUSE ON PARCEL 225  
PARCEL 339/OUTPARCEL A



POND ON BORDER OF PARCEL 82, NORTHWEST VIEW  
PARCEL 339/OUTPARCEL A



OUTBUILDINGS  
PARCEL 339/OUTPARCEL A



GRAVEL PIT IN SOUTHWEST CORNER  
PARCEL 339/OUTPARCEL A





NORTHWEST VIEW  
PARCEL 82



SOUTH VIEW TOWARDS PARCEL 339/OUTPARCEL A  
PARCEL 82





SOUTHEAST VIEW TOWARD POND  
PARCEL 82



SOUTHWEST VIEW FROM CEMETARY ROAD  
PARCEL 82



WEST VIEW FROM CEMETARY ROAD  
PARCEL 82



NORTHEAST VIEW TOWARD CEMETARY ROAD  
PARCEL 82

### PRESENT USE

**Standards Rule 2-2 (b) (x) - The Summary Appraisal Report must state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal.**

At the time of inspection, Parcel 339/Outparcel A was a parcel of raw land with unoccupied outbuildings. Parcel 82 was a parcel of raw land. **This is the use reflected throughout this report.**

### HIGHEST AND BEST USE

**Standards Rule 2-2 (b) (x) - The Summary Appraisal Report must Summarize the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate.**

In order to estimate the highest and best use of the subject properties, the appraiser has considered those uses that are legally permissible, physically possible, maximally productive and financially feasible.

The use of these parcels as raw land is legally permissible under the current zoning regulations. It is assumed that no apparent physical characteristics would limit the development of the sites with any legally permitted use the current zoning regulations allow. The current zoning permits the subject's proposed use under the present RL and RPD zoning regulations. **In our opinion, the highest and best use for these sites "as improved" is development as a residential subdivision building site.**

**However, for the purposes of this appraisal, the sites are valued "AS IS" with no consideration given to their potential as a subdivision site.**

**PER THE CLIENT, THE SCOPE OF THE APPRAISAL IS LIMITED TO THE AS IS VALUE WITHOUT CONSIDERATION OF ANY SUBDIVISION POTENTIAL.\***

## HIGHEST AND BEST USE DEFINED

A property must be appraised in terms of its highest and best use. According to the Appraisal of Real Estate, Twelfth Edition, pages 60-61, Copyright 2001, by the Appraisal Institute, highest and best use is defined as:

"The reasonable and probable use that supports the highest present value, as defined, as of the date of the appraisal."

Alternatively, highest and best use is:

"The use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and that results in the highest and present land value."

The second definition applies specifically to the highest and best use of land or sites as though vacant. When a site contains improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue unless and until land value in its highest and best use exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skill - that is, that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use.

The definitions of highest and best use indicate that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use.

Any determination of highest and best use includes identifying the motivations of probable purchasers. The motivations are based on perceptions of benefits that accrue to property ownership. Different motivations influence highest and best use and are significant to an

appraiser's conclusions about the highest and best uses of any parcel of real estate.

When potential buyers contemplate purchasing real estate for personal use or occupancy, their principal motivations are such user benefits as enjoyment, prestige or security. Such motivations are particularly evident in the purchase of residential properties. Use benefits also apply to commercial and industrial property ownership. Benefits to the owner-occupant include assured occupancy, low management costs, control, and potential enhancement.

The benefits of investment properties that are not owner occupied relate to net income potential and to eventual resale or refinancing. The highest and best use decision for the income tax and inflation hedge aspects of the existing or proposed improvements often influence investment property. Determination of the type and intensity of the improvement to be placed in investor's land often requires an after-tax return analysis of various alternatives.

Land or improved property that has resale profit as its principal potential benefit is purely speculative land. The price such land commands in the market reflects the real motivation of the purchaser speculation."

This portion of the appraisal process is based on the definition of highest and best use supplied above. From this definition, it is obvious that market value of the land or site and of an improved property are both estimated under the assumption that potential purchasers will pay prices that reflect their analysis of the most profitable use of the land, or the property, as improved. For highest and best use of both land, as though vacant, and property as improved, a use must meet four criteria as follows: (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) maximally productive.

**HIGHEST AND BEST USE "AS VACANT" (SITE or LAND ONLY)****PHYSICALLY POSSIBLE**

The physical and locational aspects of a property are major determinants of value. The subject properties consist of raw land located on the west side of Hollywood Road/Rt. 245 in Leonardtown, Maryland. Hollywood Road is a public roadway that provides accessible frontage to the subject.

Electric and telephone services are available to the sites. It is assumed that the sites will support private well and septic systems. Based upon the on-site inspection of the subjects, there do not appear to be any physical constraints (size, shape, topography, easements, utilities) that would constrain the use of the sites. **It is assumed the parcels are buildable sites capable of sustaining a residential subdivision.**

**LEGALLY PERMISSIBLE**

Parcel 339/Outparcel A is zoned RL, Residential Low Density and Parcel 82 is zoned RPD, Rural Preservation District, both of which were designed to provide a variety of residential uses in this area of St. Mary's County. Development of the subject parcels with a residential subdivision is a permitted use.

**FINANCIALLY FEASIBLE**

The uses that are physically possible and legally permissible must be analyzed further to determine those that are likely to produce some income, or return, greater than the combined income needed to satisfy operating expense, financial expense, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. Moreover, any use of the subject sites which provides a financial return to the land in excess of the cost of land defines the limit of such use, which is financially feasible.

Upon examining the feasible or suitable uses of the subjects, their location becomes a dominant factor influencing the potential uses. The sites have primary road access, which is important for potential residential uses that are dependent upon traffic and access. At this time, it is our opinion that the owners of the properties should develop the sites as a residential subdivision building site. Based on our analysis, which is included in the Market Approach to value, development of the sites as a residential subdivision building site is financially feasible and market value is derived.

### **MAXIMALLY PRODUCTIVE**

Among financially feasible uses, the use that provides the highest rate of return or value (even a constant rate of return) is the highest and best use.

Due to the subjects' location just outside of the Leonardtown city limits, the visibility and good accessibility from all roads in the adjacent area and the general real estate activity in the area, the future use of these sites as a residential subdivision building site is the highest and best use to the owners.

In conclusion, after considering the physical constraints of the subject sites, the location on Hollywood Road, the use of the surrounding lots in this section of the county, and the zoning regulations, it is our opinion that the highest and best use for these sites is development as a residential subdivision building site.

There is no other use which will bring a higher present value to the properties. When considering the above factors and analysis, it is our opinion that the highest and best use of the subject parcels is development with a residential subdivision building site.

## **HIGHEST AND BEST USE "AS IMPROVED" (LAND AND BUILDING) PHYSICALLY POSSIBLE**

The physical and locational aspects of a property are major determinants of value. The subject properties consist of two raw land parcels with unoccupied buildings located on the west side of Hollywood Road in Leonardtown, Maryland in the southwestern section of St. Mary's County.

Electric and telephone services are available to the properties. There is currently sufficient capacity to serve the properties. Based upon the on-site inspection of the subject, there do not appear to be any physical constraints (size, shape, topography, easements or utilities) that would constrain the use of the properties. The location of the subjects just outside of the Leonardtown city limits is a positive factor.

## **LEGALLY PERMISSIBLE**

Parcel 339/Outparcel A is zoned RL, Residential Low Density and Parcel 82 is zoned RPD, Rural Preservation District, both of which were designed to provide a variety of residential uses in this portion of St. Mary's County. Development of the subject properties with a residential subdivision is a permitted use under these zoning classifications.

The development of the subject properties with a residential subdivision is appropriate. The subjects conform to the requirements of the zoning ordinance. The subjects correspond with the typical development within the subject's neighborhood. Based on our research of the subjects and the surrounding area, the use of the sites for development with a residential subdivision is a legally permitted use.

## **FINANCIALLY FEASIBLE**

The uses that are physically possible and legally permissible must be analyzed further to determine those that are likely to produce some income, or return, greater than the combined income needed to satisfy operating expense, financial expense, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. Moreover, any use of the subject sites, which provides a financial



return to the land in excess of the cost of land, defines the limit of such use, which is financially feasible.

Upon examining the feasible or suitable uses of the subjects, their location becomes a dominant factor influencing the potential uses. The sites have primary road access, which is important for a residential subdivision use that is dependent upon traffic and access. If the current supply and demand changes for residential subdivisions, then the owner might find himself with the choice of selling the properties or converting to a different use. At this time, it is our opinion and it appears to be the sense of the market, that the owners of the subject properties should use the properties as residential subdivision building site for the highest return. Based on our analysis, which is included in the Market Approach to value, uses such as a residential subdivision are financially feasible and market value is derived.

### **MAXIMALLY PRODUCTIVE**

Among financially feasible uses, the use that provides the highest rate of return or value (even a constant rate of return) is the highest and best use.

Due to the subject's location in this area of Leonardtown, its visibility and good accessibility along Hollywood Road, and the general real estate activity in the area, the most productive use of these properties is as a residential subdivision building site. This use is also consistent with zoning land use and will also yield the highest return to the owner.

In conclusion, after considering the physical constraints of the subject sites, the location on Hollywood Road, the use of the surrounding lots and the existing zoning regulations, it is our opinion that the highest and best use for these properties is for its future use as residential subdivision building site.

There is no other use which will bring a higher present value to the property than the existing improvements at this point in time. When considering the above factors and

analysis, it is our opinion that the highest and best use of the subject properties is with a residential subdivision.

## ESTIMATED REASONABLE EXPOSURE AND MARKETING PERIODS

**The Summary Appraisal Report must Summarize the appraiser's opinion of the reasonable exposure time linked to the value opinion.**

The expression of a reasonable exposure time is a condition in most market value definitions. According to the Uniform Standards of Professional Appraisal Practice (USPAP), the exposure period is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events, assuming a competitive and open market."

The period of sales exposure for a property is presumed to precede the effective date of the appraisal and is different for various types of real estate and different market conditions. The overall concept of a reasonable exposure time, while focusing on the time component, also encompasses the general market conditions and the degree of effort expended in the sales process.

Marketing time is an estimate of the period of time it is assumed might be required to sell a property immediately after the effective date of the evaluation. Marketing time is defined as the period necessary to expose a property for sale to potential purchasers in the open market, through marketing channels used by sellers of similar properties. The property is assumed to be offered at the market price, with terms, including concessions, normal to the market.

The estimated exposure and marketing time estimated below is intended to be considered in the context of price, time, and market conditions, as expressed in this report, and not as an isolated estimate of time alone. The subject properties are assumed offered at the market value price, with terms, including concessions, normal to the market. It is further assumed that an independent professional broker aggressively markets the property. In determining an appropriate exposure and a marketing time for the subject properties, all

of the factors regarding the highest and best use, the economy and economic base, the market and comparable sales activity were considered.

The size of the subject properties and use make it attractive for consideration primarily by an investor seeking a good rate of return on his equity. It is expected that the subject properties would probably be purchased by such an entity. It is expected that financing terms for the purchase of the subject properties would be determined primarily by the credit worthiness of the purchaser. Conventional and or seller financing of all or part of the sales price would be typical.

A survey of similar properties indicates a continuation of the general trend of stabilization of property prices. The expressed desire of the county and state governments to foster growth could lead to further expansion of the area economic base, but this is not expected to match the rates of increase in the past 30 years. It is expected that tax revenue will increase, job growth will continue, and that most business sectors will be good. The county and the Leonardtown area remain a good and improving real estate market.

There is continuing demand for the subject in the county. The prevailing opinion, continues to be that commercial property can and should reasonably be expected to sell within a one-year (1) period, if well located and priced at market. It is, therefore, estimated that the subject could reasonably be expected to have an exposure period of one year, or less, if aggressively represented by a professional broker knowledgeable about such properties and the area.

Exposure time is considered as property specific, and the exposure time figure presented is intended to be considered as an estimate of what a reasonable or expected exposure time for the subject property could be, given the market conditions as perceived and defined in this report. The exposure time for the subject property is assumed to immediately precede the effective date of the evaluation. We believe that it is reasonable to expect a marketing period for the subject that is similar to the estimated exposure period.

**EXPOSURE and MARKETING TIMES**

Exposure and marketing times, typical lender requirement for appraisal reports, are defined below.

Exposure time – “The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”.

Marketing time – “The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal”.

The key difference in the definitions above is that exposure time is always presumed to proceed the effective date of the appraisal, whereas marketing time occurs after the date of the appraisal. It is also different for various types of real estate and different market conditions.

## THE COST APPROACH TO VALUE

### GENERAL THEORY

In the use of the Cost Approach to value it is necessary to reflect the new reproduction cost of the subject property improvement in today's market. From this, the elements of depreciation that have an effect on value are subtracted to reflect the present worth of the improvements. The Cost Approach value is **not** to be used for insurance purposes.

**Note:** As the subject is raw land, the Cost Approach is not appropriate and will not be used in this report. An Analysis of Land value will be included in the following Sales Comparison Approach.

## SALES COMPARISON APPROACH

## VALUE "AS IS" RAW LAND

The Direct Sales Comparison Approach is a relatively straightforward procedure. The salient characteristics of the subject properties (locational, physical and financial) are identified through an analysis of the land, as well as market area and neighborhood. These transaction characteristics include terms of financing and conditions of sale most typical or probable in the current market.

Sale data for competitive land sales are then gathered from appropriate sources. The appraiser must be careful to obtain information about each of the several salient points about the subject property identified as pertinent in the current market to the most probable type of purchaser-investor. The comparable land sales and the transactions involving them are then compared with the subject parcels. Where meaningful or measurable (by market standards,) differences are observed, quantitative adjustments were made to each comparable and an *adjusted price per acre* was derived. Where this was not possible, a qualitative adjustment was made and each of the comparables was ranked in comparison to the subject. A value estimate, on either the original Price per Acre or on an Adjusted Price per Acre of land of the comparables, was then assigned to the subject properties based on this rank analysis.

In researching the value estimate of the subject property, the sales in the overall market area were researched for recent comparable land sales. Also, real estate brokers and sales agents were contacted for offerings of properties, which would be competitive to the subject. Other knowledgeable individuals active in this area were contacted for information relating to the market. A number of land sales of similar use and zoning have been found in the general subject area of St. Mary's County. Taking into consideration the various similar and dissimilar characteristics, the sales presented are considered to be good comparables and the best available. All sales are raw land and have been compared to the subject parcels based on zoning classification. Parcel 339/Outparcel A is zoned RL/Residential Low Density. Sales compared with this parcel are zoned RL likewise.

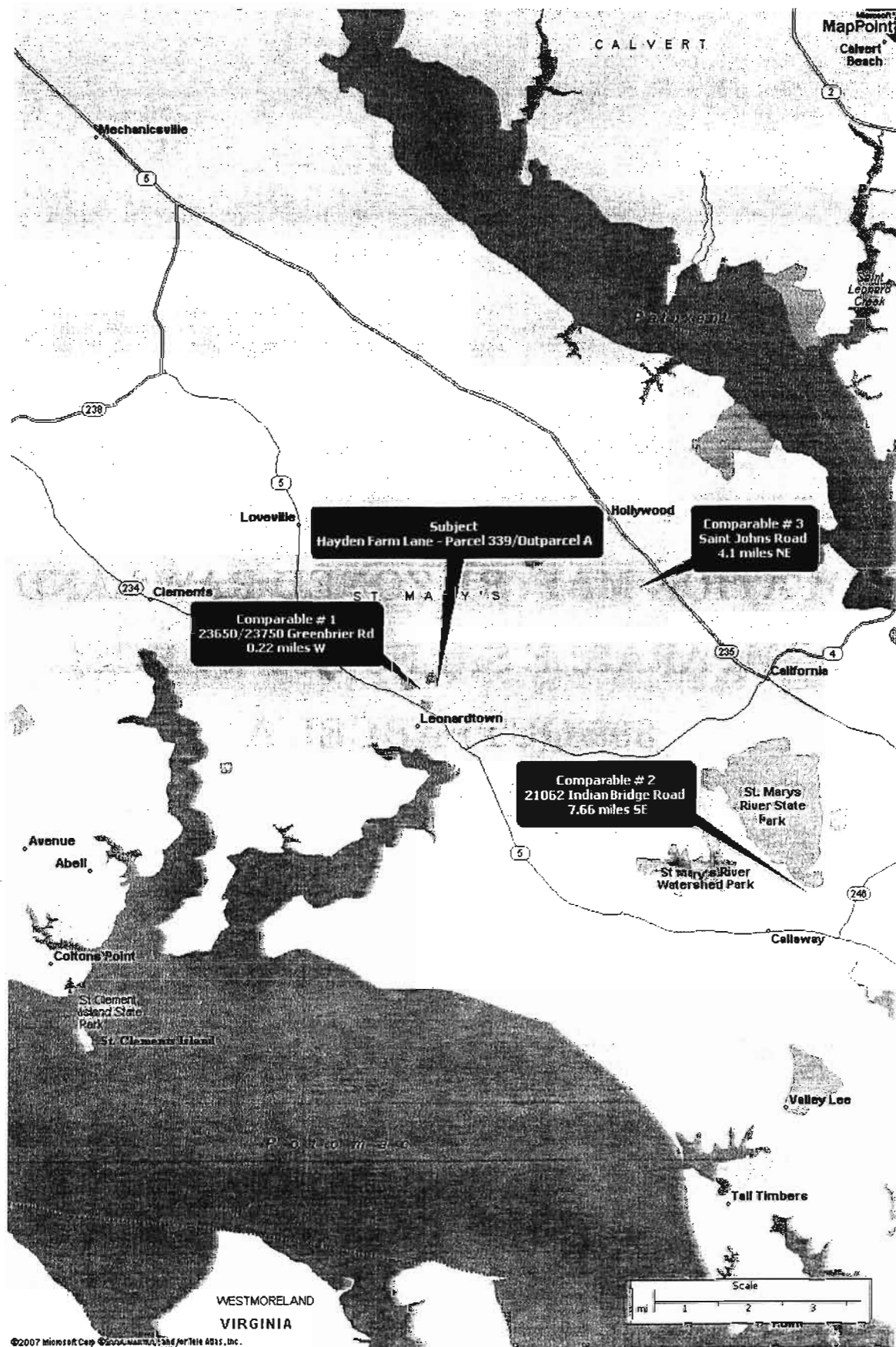
Comparables sales for Parcel 82 are zoned RPD/Rural Preservation District. All comparables for both parcels have the potential of residential subdivision development.

All sales are considered to be good comparables given the location and quality of sales information available. The sales that were considered are presented as indicators of the subjects' land value. Comparable sales have been adjusted for perceived differences regarding market conditions, location, size, utilities and physical characteristics at the time of sale, as considered necessary.

Listed on the following pages are various sales, which were considered to be most nearly comparable to the subject properties of all those available in the area. Sales are compared and identified by zoning classification to Parcel 339/Outparcel A and Parcel 82.



**LOCATION MAP: RL ZONED RAW LAND  
COMPARABLE SALES FOR PARCEL  
399/OUTPARCEL A**



## **RL ZONED RAW LAND COMPARABLE SALES AND PHOTOGRAPHS**

## RL ZONED RAW LAND COMPARABLE SALE NO. 1

LOCATION:	23650 & 23750 Greenbrier Road Old Hollywood Road Leonardtown, Maryland
LEGAL DESCRIPTION:	23650 Greenbrier Rd: Map 121, Grid 2, Parcel 53 23750 Greenbrier Rd: Map 115, Grid 19, Parcel 1 Old Hollywood Rd: Map 32, Grid 11, Parcel 380
GRANTOR:	All 3 Parcels : Lindsey Family Ltd Partnership
GRANTEE:	All 3 Parcels: Quality Built Homes, Incorporated
LIBER/FOLIO:	All 3 Parcels: 2318/28
DATE OF SALE:	07/02/04
SALE PRICE:	\$6,000,000.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	267.86± acres
CONDITIONS OF SALE:	Multi-accounts Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	PUD-M
PRESENT USE:	Raw land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$22,400.00 per acre
COMMENTS:	The Greenbrier Road parcels lay adjacent to the subject Parcel 339/Outparcel A. These two parcels are within city limits and are zoned PUD-M, a city zoning ordinance comparable with county RL zoning. The Old Hollywood Road parcel is an easement for an access road to the other two parcels that runs through the subject parcel. It is zoned RL.
PRIOR SALE/36 MONTHS:	None

**PUD-M ZONED RAW LAND COMPARABLE SALE NO. 1  
23650 & 23750 GREENBRIER RD/ OLD HOLLYWOOD ROAD**



## RL ZONED RAW LAND COMPARABLE SALE NO. 2

LOCATION:	21062 Indian Bridge Road California, Maryland
LEGAL DESCRIPTION:	Map 50, Grid 12, Parcel 292
GRANTOR:	James T. Tennyson
GRANTEE:	Calvert, LLC
LIBER/FOLIO:	2456/566
DATE OF SALE:	02/10/05
SALE PRICE:	\$1,180,000.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	58.75± acres
CONDITIONS OF SALE:	Unimproved Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	RL
PRESENT USE:	Raw Land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$20,085.00 per acre
COMMENTS:	Inferior location.
PRIOR SALE/36 MONTHS:	None

RL ZONED RAW LAND COMPARABLE SALE NO. 2  
21062 INDIAN BRIDGE ROAD, CALIFORNIA, MD



## RL ZONED RAW LAND COMPARABLE SALE NO. 3

LOCATION:	Saint Johns Road Hollywood, Maryland
LEGAL DESCRIPTION:	Map 26, Grid 24, Parcel 85
GRANTOR:	Thomas M. & Patricia Dillow
GRANTEE:	Talon, LLC
LIBER/FOLIO:	2369/642
DATE OF SALE:	09/27/04
SALE PRICE:	\$1,800,000.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	92.82± acres
CONDITIONS OF SALE:	Unimproved Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	RL
PRESENT USE:	Raw Land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$19,392.00 per acre
COMMENTS:	Farmland with similar topography to subject.
PRIOR SALE/36 MONTHS:	None



RL ZONED RAW LAND COMPARABLE SALE NO. 3  
SAINT JOHNS ROAD, HOLLYWOOD, MD



## RL ZONED RAW LAND COMPARABLE SALES GRID

ZONING RL - PARCEL 339 OUTPARCEL A				
	Subject	Comp #1	Comp #2	Comp #3
PROPERTY ADDRESS	Hayden Farm Ln, Parcel 339, Outparcel A	23650/23750 Greenbrier Rd, Old Hollywood Rd	21062 Indian Bridge Rd	Saint Johns Rd
City	Leonardtown, MD	Leonardtown, MD	California, MD	Hollywood, MD
GENERAL INFORMATION				
Sale Price	TBD	\$6,000,000	\$1,180,000	\$1,800,000
Sale Date	N/A	7/2/2004	2/10/2005	9/27/2004
Zoning	RL	PUD-M	RL	RL
Unit of Measure	Acre	Acre	Acre	Acre
Lot Square Footage (+/-)	89.56	267.86	58.75	92.82
Highest and Best Use	Residential	Residential	Residential	Residential
Utilities	Private well/septic	Private well/septic	Private well/septic	Private well/septic
Unadjusted Sales Price/Unit		\$22,400	\$20,085	\$19,392
ELEMENTS OF COMPARISON				
TRANSACTION ADJUSTMENTS				
Property Rights Conveyed		0%	0%	0%
Adjusted Sale Price		6,000,000	1,180,000	1,800,000
Financing Terms		0%	0%	0%
Adjusted Sale Price		6,000,000	1,180,000	1,800,000
Conditions of Sale		0%	0%	0%
Adjusted Sale Price		6,000,000	1,180,000	1,800,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sale Price		6,000,000	1,180,000	1,800,000
Market Conditions (Time)		23%	18%	21%
Adjusted Sale Price		7,380,000	1,392,400	2,178,000
PROPERTY ADJUSTMENTS				
Location		0%	5%	3%
Physical Characteristics				
Size		-10%	0%	0%
Economic Characteristics		0%	0%	0%
Use (Zoning)		-5%	0%	0%
Net Property Adjustments		-15%	5%	3%
Market Value Indication		\$6,273,000	\$1,462,020	\$2,243,340
Unit of Measure (size)		267.86	58.75	92.82
Adjusted Value per Unit		<u>\$23,419</u>	<u>\$24,885</u>	<u>\$24,169</u>
INDICATED RATE (\$/Acre)	\$24,000			
ESTIMATED VALUE OF SUBJECT	\$2,149,512			
Rounded	\$2,150,000			

**VALUE OF PARCEL 339/OUTPARCEL A**

89.56± Acres x \$24,000.00 per acre. = \$2,149,512.00

**INDICATED VALUE OF PARCEL 339/OUTPARCEL A "AS IS" RAW LAND**

**\$2,150,000.00 (rounded)**

## **ADJUSTMENTS**

Under the analysis of the sales data, the appraisers have compared the raw land that is Parcel 339/Outparcel A to the comparable land sales, taking into consideration the following factors:

- location in relation to subject
- land area
- date of sale
- zoning
- utilities
- access and visibility
- topography
- financing available at date of sale

The sales used in this analysis transacted between July 2004 and February 2005. The sales prices (not adjusted) ranged from \$19,392.00 per acre to \$22,400.00 per acre. The adjusted sales prices ranged from \$23,419.00 to \$24,885.00 per acre with an overall average of \$24,000.00 per acre. All of the sales are considered good comparables; thus, equal emphasis has been given to each sale and as a result the indicated market value of the subject raw land is \$24,000.00 per acre.

## **ADJUSTMENTS – RL ZONED RAW LAND COMPARABLES**

### **PROPERTY RIGHTS CONVEYED**

All of the sales were fee simple transactions, thus no adjustments were necessary.

### **FINANCING TERMS**

All of the sales were transacted under normal market conditions with no known excessive sales concessions.

**CONDITIONS OF SALE**

Comparable properties can be adjusted for differences in the motivations of the buyer or seller. All sales comparables were arms length transactions, thus no adjustments were necessary.

**EXPENDITURES MADE IMMEDIATELY AFTER PURCHASE**

Comparable properties can be adjusted for any additional costs to cure or deferred maintenance that may be required to make a property saleable. No adjustments were necessary.

**MARKET CONDITIONS**

All comparables have been adjusted at a rate of 8% per annum, or pro rata, to reflect increases in values in the marketplace over the periods in question.

**LOCATION**

It is the opinion of the appraisers that a market/location adjustment was required for the comparables located at a greater distance from the Leonardtown city proper. Comparable sales #2 and #3 are located in inferior market areas as compared to the subject property. Comparable #1 is located adjacent to the subject property and runs along the western boundary of the subject.

**PHYSICAL CHARACTERISTICS**

Comparable properties can be adjusted for differences in such characteristics as size, age of property as of the date of sale, condition, and quality of the improvements. To reflect the differences in size, Comparable #1 was adjusted downward accordingly.

**ECONOMIC CHARACTERISTICS**

Comparable properties can be adjusted for differences in the attributes that affect a property's income, such as operating expenses, quality of management, leasing information, and tenant mix. No adjustments were necessary.

**USE AND ZONING**

Comparable properties can be adjusted for differences in highest and best use and / or zoning. Comparable #1 is within the Leonardtown city limits and is zoned PUD-M by the city zoning ordinances. This zoning allows for greater dwelling unit capacity per acre than the subject zoning of RL; thus this sale was adjusted accordingly.

**RECONCILIATION - RL ZONED RAW LAND COMPARABLES**

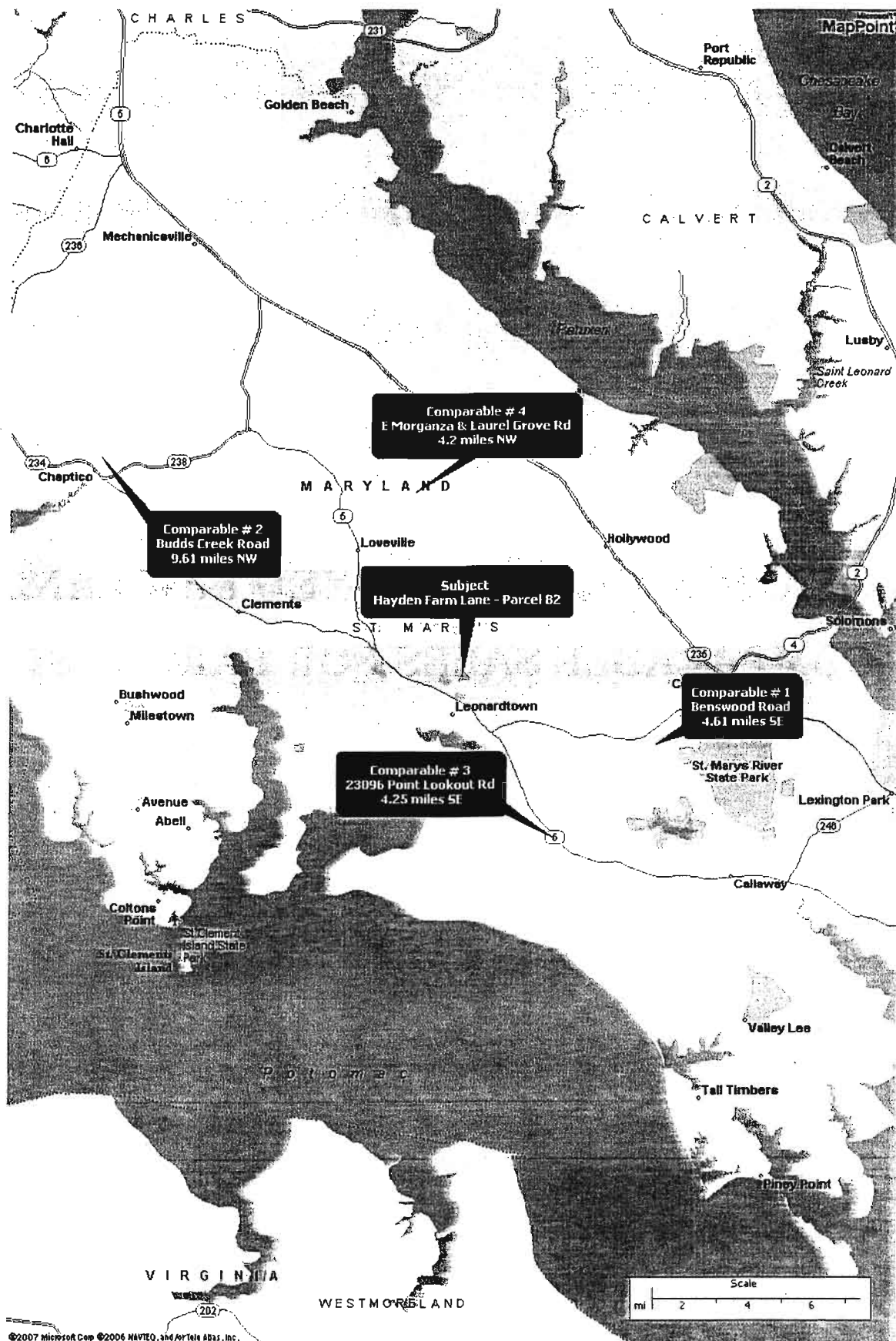
The comparable sales represent transfers of similar raw land sales in the general area of the subject Parcel 339/Outparcel A. However, all sales are considered good comparables. The sales have been analyzed and adjusted on a price per acre unit of comparison.

Based on the comparables presented, Parcel 339/Outparcel A's estimated unit price is \$24,000.00 per acre. Applying \$24,000.00 per acre to the 89.563± acres of the subject Parcel 339/Outparcel A equals \$2,149,512.00 which results in an overall value estimate via the Sales Comparison Approach, as of June 5, 2007:

$$89.563\pm \text{ Acres} \times \$24,000.00 \text{ sq. ft.} = \$2,150,000.00 \text{ (rounded)}$$

**VALUE "AS IS" RAW LAND PARCEL 339/OUTPARCEL A**  
**TWO MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS**  
**\$2,150,000.00**

**LOCATION MAP: RPD ZONED RAW LAND  
COMPARABLE SALES FOR PARCEL 82**



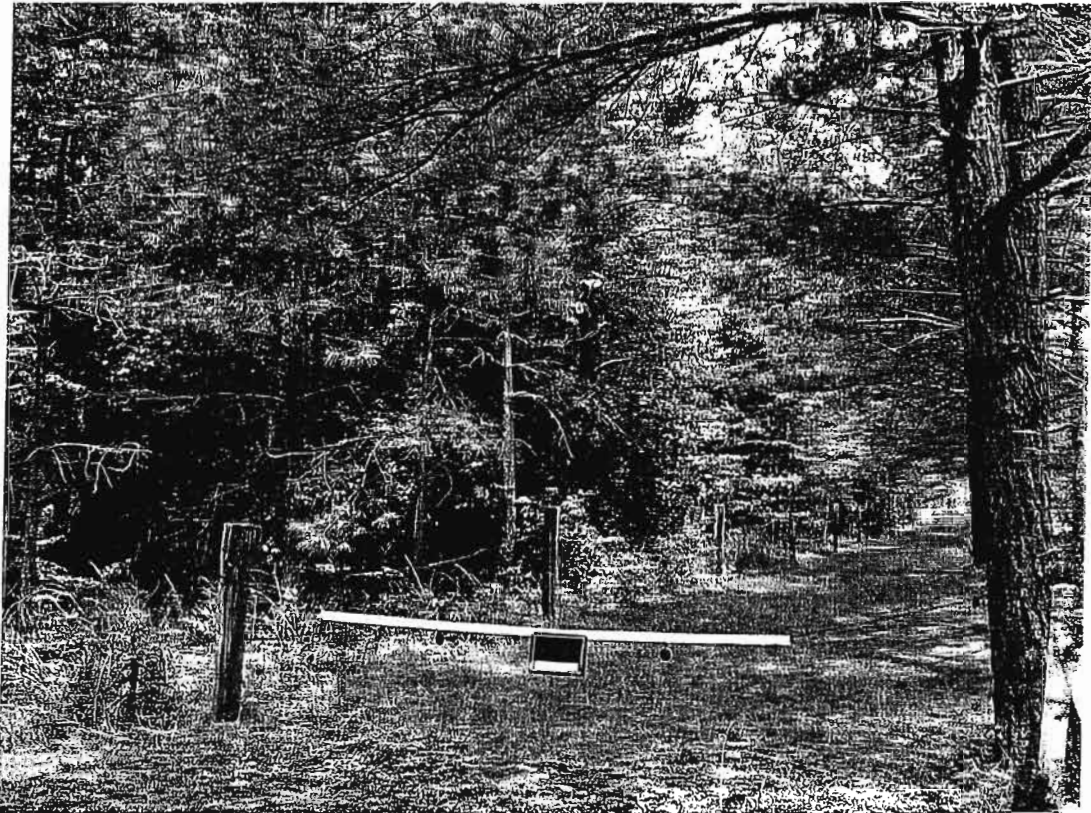


**RPD ZONED  
RAW LAND COMPARABLE SALES AND  
PHOTOGRAPHS**

## RPD ZONED RAW LAND COMPARABLE SALE NO. 1

LOCATION:	Benswood Road Leonardtown, Maryland
LEGAL DESCRIPTION:	Map 17, Grid 7, Parcel 9
GRANTOR:	Wildewood Residential, LLC
GRANTEE:	St. Mary's Co Board of Education
LIBER/FOLIO:	2688/246
DATE OF SALE:	12/29/05
SALE PRICE:	\$895,000.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	54.99± acres
CONDITIONS OF SALE:	Unimproved Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	RPD
PRESENT USE:	Raw land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$16,276.00 per acre
COMMENTS:	Smaller parcel with similar topography as subject.
PRIOR SALE/36 MONTHS:	None

RPD ZONED RAW LAND COMPARABLE SALE NO. 1  
BENSWOOD ROAD, LEONARDTOWN, MD



## RPD ZONED RAW LAND COMPARABLE SALE NO. 2

LOCATION:	Budds Creek Road Chaptico, Maryland
LEGAL DESCRIPTION:	Map 17, Grid 7, Parcel 9
GRANTOR:	Marjon Investments, LLC
GRANTEE:	Burroughs Family, LLC
LIBER/FOLIO:	2894/319 and 2956/584
DATE OF SALE:	02/28/07
SALE PRICE:	\$1,870,000.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	110.00± acres
CONDITIONS OF SALE:	Unimproved Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	RPD
PRESENT USE:	Raw Land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$17,000.00 per acre
COMMENTS:	Larger parcel in inferior location. Raw land at the time of sale, Site construction occurring at the time of inspection.
PRIOR SALE/36 MONTHS:	None

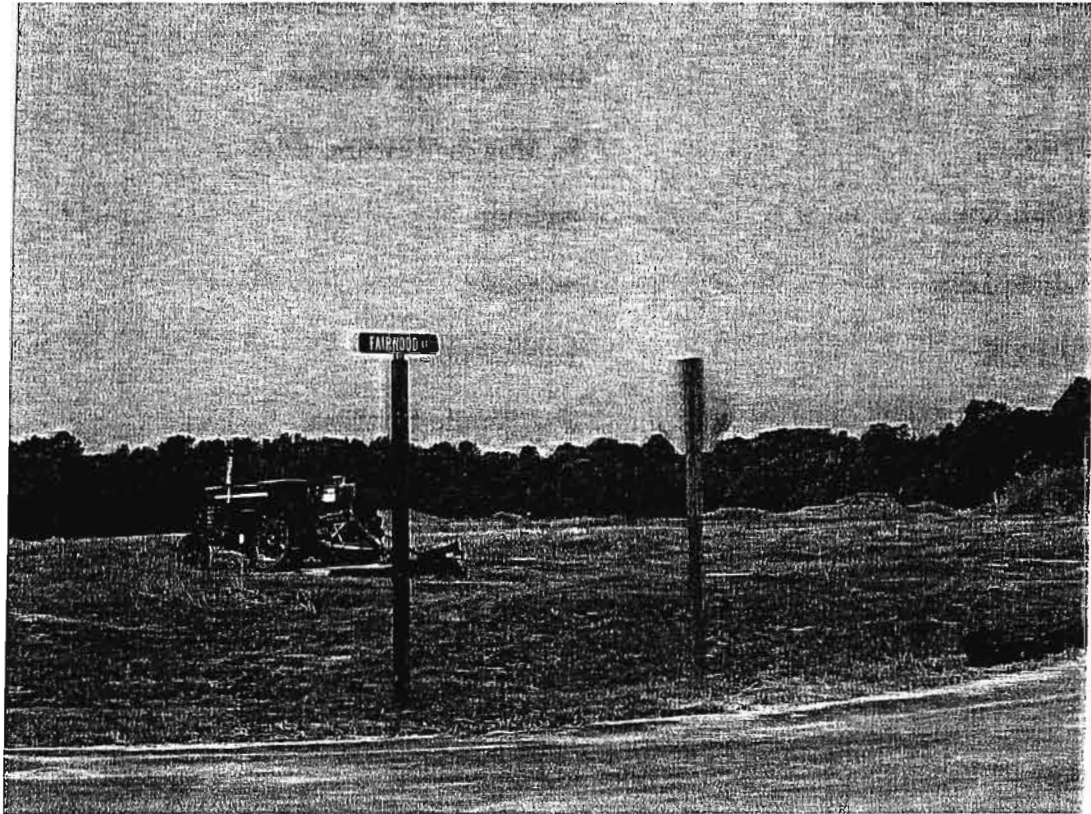
RPD ZONED RAW LAND COMPARABLE SALE NO. 2  
BUDDS CREEK ROAD, CHAPTICO, MD



## RPD ZONED RAW LAND COMPARABLE SALE NO. 3

LOCATION:	23096 Point Lookout Road Leonardtown, Maryland
LEGAL DESCRIPTION:	Map 49, Grid 10, Parcel 45
GRANTOR:	John B. McNeill, Jr.
GRANTEE:	Calvert, LLC
LIBER/FOLIO:	2338/741
DATE OF SALE:	08/09/04
SALE PRICE:	\$2,615,782.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	219.00± acres
CONDITIONS OF SALE:	Unimproved Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	RPD
PRESENT USE:	Raw Land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$11,944.00 per acre
COMMENTS:	Farmland with similar location and topography to subject. Raw land at time of sale. Subdivision lots at time of inspection.
PRIOR SALE/36 MONTHS:	None

RPD ZONED RAW LAND COMPARABLE SALE NO. 3  
23096 POINT LOOKOUT ROAD, LEONARDTOWN, MD



## RPD ZONED RAW LAND COMPARABLE SALE NO. 4

LOCATION:	E. Morganza & Laurel Grove Road Morganza, Maryland
LEGAL DESCRIPTION:	Map 19, Grid 1, Parcel 191
GRANTOR:	Otto & Emma Gottlieb
GRANTEE:	St. Mary's Venture, LLC
LIBER/FOLIO:	2864/68
DATE OF SALE:	09/28/06
SALE PRICE:	\$2,600,000.00
PROPERTY RIGHTS CONVEYED:	Fee Simple Interest
FINANCING:	Conventional
SIZE:	186.59± acres
CONDITIONS OF SALE:	Unimproved Arm's length transaction
VERIFICATION:	MDAT and Public Records
ZONING:	RPD
PRESENT USE:	Raw Land
HIGHEST AND BEST USE:	Residential Subdivision
UNIT PRICE:	\$13,934.00 per acre
COMMENTS:	Wooded topography in an inferior location. Larger parcel than subject.
PRIOR SALE/36 MONTHS:	None



RPD ZONED RAW LAND COMPARABLE SALE NO. 4  
E. MORGANZA & LAUREL GROVE ROAD, MORGANZA, MD



**RPD ZONED RAW LAND COMPARABLE SALES GRID  
PARCEL 82**

	Subject	Comp #1	Comp #2	Comp #3	Comp #4
PROPERTY ADDRESS	Hayden Farm Ln, Parcel 82	Benswood Rd	Budds Creek Rd	23096 Point Lookout Rd	E Morganza & Laurel Grove Rd
City	Leonardtown, MD	Leonardtown, MD	Chaptico, MD	Leonardtown, MD	Morganza, MD
<b>GENERAL INFORMATION</b>					
Sale Price	TBD	\$895,000	\$1,870,000	\$2,615,782	\$2,600,000
Sale Date	N/A	12/29/2005	2/28/2007	8/9/2004	9/28/2006
Zoning	RPD	RPD	RPD	RPD	RPD
Unit of Measure	Acre	Acre	Acre	Acre	Acre
Lot Square Footage (+/-)	78.92	54.99	110.00	219.00	186.59
Highest and Best Use	Residential	Residential	Residential	Residential	Residential
Utilities	Private well/septic	Private well/septic	Private well/septic	Private well/septic	Private well/septic
Unadjusted Sales Price/Unit		<b>\$16,276</b>	<b>\$17,000</b>	<b>\$11,944</b>	<b>\$13,934</b>
<b>ELEMENTS OF COMPARISON</b>					
<b>TRANSACTION ADJUSTMENTS</b>					
Property Rights Conveyed		0%	0%	0%	0%
Adjusted Sale Price		895,000	1,870,000	2,615,782	2,600,000
Financing Terms		0%	0%	0%	0%
Adjusted Sale Price		895,000	1,870,000	2,615,782	2,600,000
Conditions of Sale		0%	0%	0%	0%
Adjusted Sale Price		895,000	1,870,000	2,615,782	2,600,000
Expenditures After Sale		\$0	\$0	\$0	\$0
Adjusted Sale Price		895,000	1,870,000	2,615,782	2,600,000
Market Conditions (Time)		11%	2%	22%	5%
Adjusted Sale Price		993,450	1,907,400	3,191,254	2,730,000
<b>PROPERTY ADJUSTMENTS</b>					
Location		0%	5%	0%	10%
Physical Characteristics					
Size		-3%	5%	10%	7%
Economic Characteristics		0%	0%	0%	0%
Use (Zoning)		0%	0%	0%	0%
Net Property Adjustments		-3%	10%	10%	17%
Market Value Indication		\$963,647	\$2,098,140	\$3,510,379	\$3,194,100
Unit of Measure (size)		54.99	110.00	219.00	186.59
Adjusted Value per Unit		<b><u>\$17,524</u></b>	<b><u>\$19,074</u></b>	<b><u>\$16,029</u></b>	<b><u>\$17,118</u></b>
INDICATED RATE (\$/Acre)	\$17,500				
ESTIMATED VALUE OF SUBJECT	\$1,381,153				
Rounded	\$1,400,000				

VALUE OF PARCEL 82

78.923± Acres x \$17,500.00 per acre. = \$1,381,153.00

INDICATED VALUE OF PARCEL 82 "AS IS" RAW LAND

\$1,400,000.00 (rounded)

## **ADJUSTMENTS**

Under the analysis of the sales data, the appraisers have compared the raw land that is Parcel 82 to the comparable land sales, taking into consideration the following factors:

- location in relation to subject
- land area
- date of sale
- zoning
- utilities
- access and visibility
- topography
- financing available at date of sale

The sales used in this analysis transacted between August 2004 and February 2007. The sales prices (not adjusted) ranged from \$11,944.00 per acre to \$17,000.00 per acre. The adjusted sales prices ranged from \$16,029.00 to \$19,074.00 per acre with an overall average of \$17,500.00 per acre. All of the sales are considered good comparables; thus, equal emphasis has been given to each sale and as a result the indicated market value of the subject raw land is \$17,500.00 per acre.

## **ADJUSTMENTS – RPD ZONED RAW LAND COMPARABLES**

### **PROPERTY RIGHTS CONVEYED**

All of the sales were fee simple transactions, thus no adjustments were necessary.

### **FINANCING TERMS**

All of the sales were transacted under normal market conditions with no known excessive sales concessions.

**CONDITIONS OF SALE**

Comparable properties can be adjusted for differences in the motivations of the buyer or seller. All sales comparables were arms length transactions, thus no adjustments were necessary.

**EXPENDITURES MADE IMMEDIATELY AFTER PURCHASE**

Comparable properties can be adjusted for any additional costs to cure or deferred maintenance that may be required to make a property saleable. No adjustments were necessary.

**MARKET CONDITIONS**

All comparables have been adjusted at a rate of 8% per annum, or pro rata, to reflect increases in values in the marketplace over the periods in question.

**LOCATION**

It is the opinion of the appraisers that a market/location adjustment was required for the comparables located at a greater distance from the Leonardtown city proper. Comparable sales #2 and #4 are located in inferior market areas as compared to the subject property.

**PHYSICAL CHARACTERISTICS**

Comparable properties can be adjusted for differences in such characteristics as size, age of property as of the date of sale, condition, and quality of the improvements. To reflect the differences in size, all four comparables were adjusted accordingly.

**ECONOMIC CHARACTERISTICS**

Comparable properties can be adjusted for differences in the attributes that affect a property's income, such as operating expenses, quality of management, leasing information, and tenant mix. No adjustments were necessary.

**USE AND ZONING**

Comparable properties can be adjusted for differences in highest and best use and / or zoning. No adjustments were necessary.

**RECONCILIATION – RPD ZONED RAW LAND COMPARABLES**

The comparable sales represent transfers of similar raw land sales in the general area of the subject Parcel 82. However, all sales are considered good comparables. The sales have been analyzed and adjusted on a price per acre unit of comparison.

Based on the comparables presented, Parcel 82's estimated unit price is \$17,500.00 per acre. Applying \$17,500.00 per acre to the 78.923± acres of the subject Parcel 82 equals \$1,381,153.00 which results in an overall value estimate via the Sales Comparison Approach, as of June 5, 2007:

$$78.923\pm \text{ Acres} \times \$17,500.00 \text{ sq. ft.} = \$1,400,000.00 \text{ (rounded)}$$

**VALUE "AS IS" RAW LAND PARCEL 82****ONE MILLION FOUR HUNDRED THOUSAND DOLLARS****\$1,400,000.00**

## INCOME APPROACH

As discussed in the Executive Summary due to the subject being raw land and not income producing the Income Approach to value is not appropriate and has not been included in this report.

## RECONCILIATION AND FINAL VALUE ESTIMATE

In view of the facts and factors previously mentioned herein, and the analysis of the data, which has been considered in connection with this appraisal report, the values indicated by the various techniques and ownership assumptions are as follows:

### SUMMARY OF APPROACHES TO VALUE

INCOME APPROACHES TO VALUE            N/A

COST APPROACH TO VALUE                N/A

### MARKET COMPARISON APPROACH

#### Raw Land:

Parcel 339/Outparcel A	\$2,150,000.00
Parcel 82	\$1,400,000.00

#### Residential Lots:

Parcel 339/Lot 1	\$ 262,000.00
Parcel 225	\$ 258,000.00

(Please see attached Residential Appraisal Reports for valuation conclusions for the residential lots)

Stated above are the values which were derived from their respective approaches earlier in this report. These values were estimated based on the subject properties maintaining their present usefulness under its highest and best use.

Because appraising is not a science wherein property differences may be precisely measured, it would be unusual for the value estimated by all approaches to be exactly the

same. Each approach implements different tools to analyze the market data into an estimate of value and normally indicates a range of values to be reconciled into a final value estimation revealing both the strengths and weaknesses involved in the analysis and the imperfections in the market and data used for each.

Reconciliation involves a review of the reliability of the data used in each approach, the relative applicability of the approach to the type of property being appraised and the relative applicability of the approach in light of the definition of value sought.

Since the value sought in this appraisal is the unencumbered value of a parcel with proper zoning, the reconciliation involves weighing the dependability of each estimate as a reflection of the probable actions of the most typical investors in the market. The location of the property is centralized with respect to the area it services. Growth in the neighborhood is expected to increase slowly, and when coupled with increasing demand, should result in enhanced values in the general area and in the subject area in particular.

Had the Cost Approach been used, data used in the Cost Approach to value would be gathered from the Marshall Valuation Cost Service and the appraiser's experience. The land value estimate included in the Cost Approach would be supported by noted market transactions. The Cost Approach is generally more reliable for special purpose or non-income producing properties. This approach has not been utilized as one parameter of the appraisal process due to the subject properties being valued as raw land.

The Sales Comparison Approach utilized sales of similar land or comparable land for the valuation of the subject. The intricacies of each sale transaction, such as motivations and tax posture of the grantors and grantees, are seldom discernible. The relationships between sale prices per acre have been used as a means of comparison.

As the subject is raw land and not income producing the Income Approach does not apply and has not been included.

After a review of the degree of adequacy and reliability of the available market data, the relative applicability of each approach to the property being appraised and the market



value being sought, it is apparent that the supporting data in both approaches have strengths and weaknesses. The value conclusions by the various approaches, however, are within an acceptable range and are considered supportive of one another.

#### FINAL VALUE ESTIMATE

Predicated on the findings herein and the subject to the limiting conditions set forth previously, it is the opinion of the undersigned that the indicated market value of the fee simple estate the subject property, "As Is", as of June 5, 2007, was:

PARCEL 339/LOT 1  
SINGLE FAMILY RESIDENTIAL LOT  
TWO HUNDRED SIXTY-TWO THOUSAND DOLLARS

\$262,000.00

PARCEL 225  
SINGLE FAMILY RESIDENTIAL LOT  
TWO HUNDRED FIFTY-EIGHT THOUSAND DOLLARS

\$258,000.00

PARCEL 339/OUTPARCEL A  
"AS IS" RAW LAND VALUE  
TWO MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS

\$2,150,000.00

PARCEL 82  
"AS IS" RAW LAND VALUE  
ONE MILLION FOUR HUNDRED THOUSAND DOLLARS

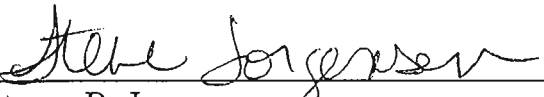
\$1,400,000.00

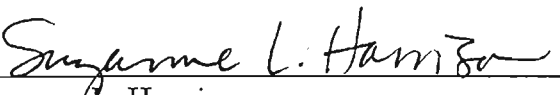
\*Thus, it must be noted that the appraiser considers the highest and best use of all four parcels together to be a potential residential subdivision building site. The future value of the land at its highest and best use would be as a residential

subdivision. However, per the request of Ms. Kimberly Howe, Supervisor of Capital Planning, the properties are to be valued without any consideration to valuation of the properties as a subdivision site. Thus, this appraisal is based on the current value of the land derived via the Sales Comparison Approach. This value conclusion is of the "as is" raw land and residential lots, not the value of the land at its highest and best use.\*

**PER THE CLIENT THE SCOPE OF THE APPRAISAL IS LIMITED TO THE AS IS VALUE WITHOUT CONSIDERATION OF ANY SUBDIVISION POTENTIAL.**

Respectfully submitted,

Signed:   
Steven D. Jorgensen  
Maryland Certified General Appraiser  
#04-6000

Signed:   
Suzanne L. Harrison  
Maryland Licensed Appraiser  
#06-12690

**UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE  
2006**

as promulgated by the  
Appraisal Standards Board of  
The Appraisal Foundation

**DEFINITIONS**

For the purposes of the Uniform Standards of Professional Appraisal Practice (USPAP), the following definitions apply:

**APPRAISAL:** (noun) the act or process of developing an opinion of value; an opinion of value.

(adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

**CLIENT:** the party or parties who engage an appraiser (by employment or contract) in a specific assignment.

**COST:** the amount required to create, produce, or obtain a property.

Comment: *Cost* is either a fact or an estimate of fact.

**EXTRAORDINARY ASSUMPTION:** an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**HYPOTHETICAL CONDITION:** that which is contrary to what exists but is supposed for the purpose of analysis.

Comment: Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**PRICE:** the amount asked, offered, or paid for a property.

Comment: Once stated, *price* is a fact, whether it is publicly disclosed or retained in private. Because of the financial capabilities, motivations, or special interests of a given buyer or seller, the price paid for a property may or may not have any relation to the *value* that might be ascribed to that property by others.

**REAL ESTATE:** an identified parcel or tract of land, including improvements, if any.

**REAL PROPERTY:** the interest, benefits, and rights inherent in the ownership of real estate.

**SCOPE OF WORK:** the amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

**VALUE:** the monetary relationship between properties and those who buy, sell, or use those properties.

Comment: *Value* expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified – for example, market value, liquidation value, or investment value.

## CERTIFICATION OF VALUE

## (a) Certification

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

- Statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusion in, or the use of, this report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I am currently certified under the voluntary continuing education program of the Appraisal Institute.
- As of the date of this report, I, Steven D. Jorgensen, have completed the requirements under the continuing education program of the Appraisal Institute.
- Suzanne Harrison has made a personal inspection of the subject property and comparable improved sales used in this report and provided significant professional assistance to the person signing this report.
- Thomas A. Weigand has provided additional professional assistance during the course of this engagement.
- No change of any item of appraisal report shall be made by anyone other than the appraiser, and the appraiser shall have no responsibility for any such unauthorized change.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

Signed: Steve Jorgensen  
Steven D. Jorgensen  
Maryland Certified General Appraiser  
#04-6000

Signed: Suzanne L. Harrison  
Suzanne Harrison  
Maryland Licensed Appraiser  
#06-12690

## ADDENDA

## REVISED LETTER OF ENGAGEMENT



**Treffers** Appraisal Group  
The value of experience.

June 8, 2007

Kimberly Howe  
Supervisor of Capital Planning  
St. Mary's County Public Schools  
27190 Point Lookout Road  
Loveville, Maryland 20656



Deliver Via Email and U. S. Postal Service

Re: Appraisal Assignment of St. Mary's County land Tax Map 32, Grid 5, Parcel 82, 78.923 acres, Grid 11, Parcel 339, Out Parcel A, 89.563 acres, Grid 11, Parcel 339, 1.064 acres, and Grid 11, Parcel 225, 1.693 acres

Dear Kimberly,

In response recent conversations with Mary Hayden and after inspecting the subject properties, our firm is submitting a revised proposal for the appraisal of the parcels noted above which are under consideration for a future school site.

The appraisal report will be prepared for St. Mary's Public Schools, our client and is intended for use only by St. Mary's Public Schools. Use of this report by any other party is not intended by our firm. Please seek our permission before you disclose the contents of the report to any outside agency. *Copies will also be able to be supplied to the St. Mary's Co. Government and the property owner without prior written approval.*

The intended use of the appraisal report is to assist you, our client, in determining the "As Is" value of the real estate to be appraised for purposes of determining the market value of the property. The appraisal report will contain individual values for each parcel including single family residential values for parcels 339 (1.064 acres) and parcel 225 (1.693) acres. **The two additional large parcels 339, out parcel A (89.563 acres) and parcel 82 (78.923 acres) will be valued as raw land acreage without any consideration of subdivision valuation.** Please note that our values will represent the total (100%) fee simple values of the properties. The value of any partial takings is not included in this report and our appraisal report will not include values that represent partial or minority share interest in the property.

The type and definition of value required is Market Value. The source of this definition is found in the 12th edition of Appraisal Institute, published by Appraisal Institute, (page 28) and is the federal definition of Market Value. The legal interest being appraised will be the fee simple interest. The property will be valued as of the date we inspect the property.



The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). Attached to this engagement letter, you will find a copy of our Statement of Limiting Conditions and Appraiser's Certification which are attached to all written appraisal reports prepared by this firm. Please review and initial each attached page and return the executed copy to us indicating your acceptance and approval.

The estimated completion date of the appraisal is 30 days after your written authorization to proceed with the appraisal. The date of delivery of the appraisal report can only be met if we receive from you, in a timely manner any additional relevant information needed for the completion of the report. Additional information needed is listed below.

Exact address of the property.

The exact legal description of the parcel.

- Any plats or surveys that exist for the properties.

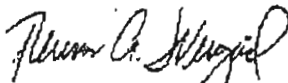
Copies of any previous feasibility for the properties.

Copies of any environmental studies conducted on the properties.

At completion of the assignment, you will receive three copies of the appraisal report. Our fee for this appraisal assignment is \$ . An invoice for the appraisal fee of will be presented to you with the delivered appraisal reports.

The appraisal assignment will begin on receipt of a signed copy of this engagement letter and an initialed copy of the Statement of Limiting Conditions and Appraiser's Certification attached. If you have any questions about the terms of the engagement letter or in any of the attachments, please contact me directly.

Sincerely,

  
Thomas A. Weigand  
Treffler Appraisal Group

Engagement Letter Accepted:  (date) 6/22/07

cc:

Attachment(s)

San Kimberly Howe

From: Tom Weigand  
Sent: Friday, June 08, 2007 3:31 PM  
To: 'Mary E. Hayden'  
Cc: Suzanne Harrison  
Subject: RE: Hayden Property

Mary,

Thank you for the additional information on the Hayden Farm property. I understand you request for the separate values for each of the parcels. We will issue one appraisal report with a separate value for each parcel within the body of the report. Also, per your request we will ignore the valuation issues related to the potential subdivision of this property. These requested changes will be included in an amended engagement letter which I will send to you. Please let me know if you have any questions.

Tom Weigand

-----Original Message-----

From: Mary E. Hayden [mailto:mehayden@smcps.org]  
Sent: Friday, June 08, 2007 11:12 AM  
To: Tom Weigand  
Cc: kahowe@smcps.org; Liz.Passarelli@co.saint-marys.md.us  
Subject: FW: Hayden Property

Mr. Weigand,

There have been some further discussions on the Hayden property and it is necessary to amend our original scope of work. As you will see below, the appraisal needs to be broken down into three components. If this change requires another engagement letter to be signed please let me know. In addition, we do not want to proceed with the engineering study you suggested. This is to ensure that all of the appraisals we are having done are comparable. If you have any questions regarding this please let me know.

Mary Hayden  
Capital Planning Assistant  
St. Mary's County Public Schools  
Department of Capital Planning  
27190 Point Lockout Road  
Loveville, MD 20656  
(301) 475-4256, ext. 6

-----Original Message-----

From: Liz Passarelli [mailto:Liz.Passarelli@co.saint-marys.md.us]  
Sent: Thursday, June 07, 2007 10:38 AM  
To: Kimberly A. Howe  
Cc: Tom Mattingly; Mary E. Hayden  
Subject: Hayden Property

Kim - I had the pleasure of meeting with Janice Hayden and her daughter, Debbie Griffin, yesterday. They have requested that the appraisals be done as follows:

Parcel 339 Outparcel A, 89.563 acres and Parcel B2, 78.923 acres, may be appraised together as they are both titled in the names of the children.

Parcel 339, Lot 1, 1.064 acres, in the name of Janice Hayden, separate.

Parcel 225, 1.693 acres, in the name of Janice Hayden, separate.

Thanks.

Liz

## TAX RECORD - PARCEL 82 - RAW LAND

Real Property Search - Individual Report

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STR

Account Identifier: District - 03 Account Number - 032582

## Owner Information

<b>Owner Name:</b>	HAYDEN, DEBRA ANN & ETAL	<b>Use:</b>	AGRICULTURAL
<b>Mailing Address:</b>	41515 HAYDEN FARM LN LEONARDTOWN MD 20650-5809	<b>Principal Residence:</b>	NO
		<b>Deed Reference:</b>	1) DBK/ 263/ 180 183 2)

## Location &amp; Structure Information

<b>Premises Address</b>	<b>Legal Description</b>
CEMETARY RD	78.92 ACRES PLAT 57/90 THE HAYDEN FARM

<b>Map</b>	<b>Grid</b>	<b>Parcel</b>	<b>Sub District</b>	<b>Subdivision</b>	<b>Section</b>	<b>Block</b>	<b>Lot</b>	<b>Assessment Area</b>	<b>Plat No:</b>	57 90
32	L1	82						2	<b>Plat Ref:</b>	

<b>Special Tax Areas</b>	<b>Town</b>	<b>Ad Valorem</b>	<b>FIRE DISTRICT 3</b>
		<b>Tax Class</b>	

<b>Primary Structure Built</b>	<b>Enclosed Area</b>	<b>Property Land Area</b>	<b>County Use</b>
0000		78.92 AC	

<b>Stories</b>	<b>Basement</b>	<b>Type</b>	<b>Exterior</b>
----------------	-----------------	-------------	-----------------

## Value Information

	<b>Base Value</b>	<b>Value As Of</b>	<b>Phase-in Assessments</b>		
		01/01/2005	As Of	As Of	
			07/01/2006	07/01/2007	
<b>Land:</b>	10,850	10,850			PREFERENTIAL LAND VALUE INCLUDED IN LAND VALUE
<b>Improvements:</b>	0	0			
<b>Total:</b>	10,850	10,850	10,850	10,850	
<b>Preferential Land:</b>	10,850	10,850	10,850	10,850	

## Transfer Information

<b>Seller:</b>	<b>Date:</b>	<b>Price:</b>
<b>Type:</b>	<b>Deed1:</b>	<b>Deed2:</b>
<b>Seller:</b>	<b>Date:</b>	<b>Price:</b>
<b>Type:</b>	<b>Deed1:</b>	<b>Deed2:</b>
<b>Seller:</b>	<b>Date:</b>	<b>Price:</b>
<b>Type:</b>	<b>Deed1:</b>	<b>Deed2:</b>

## Exemption Information

<b>Partial Exempt Assessments</b>	<b>Class</b>	<b>07/01/2006</b>	<b>07/01/2007</b>
<b>County</b>	000	0	0
<b>State</b>	000	0	0
<b>Municipal</b>	000	0	0

**Tax Exempt:** NO  
**Exempt Class:**

**Special Tax Recapture:**  
AGRICULTURAL TRANSFER TAX

## TAX RECORD - PARCEL 339/OUTPARCEL A - RAW LAND

Real Property Search - Individual Report

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STR

Account Identifier: District - 03 Account Number - 077381

## Owner Information

Owner Name: GRITIN, DEBRA A & WALTER V HAYDEN JR ETAL 1/C Use: AGRICULTURAL  
Principal Residence: NO  
Mailing Address: 41501 HAYDEN FARM LN Deed Reference: 1) EWA/ 2851/ 135- 144  
LEONARDTOWN MD 20650 2)

## Location &amp; Structure Information

Premises Address  
HAYDEN FARM LN

Legal Description

OUTPARCEL A  
PLAT 61/77  
WOODBURY

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:	61 77
32	11	339						2	Plat Ref:	

Special Tax Areas

Town  
Ad Valorem  
Tax Class  
FIRE DISTRICT 3

Primary Structure Built	Enclosed Area	Property Land Area	County Use
0000		90.74 AC.	000000
Stories	Basement	Type	Exterior

## Value Information

	Base Value	Value As Of 01/01/2005	Phase-in Assessments As Of 07/01/2006	As Of 07/01/2007	PREFERENTIAL LAND VALUE INCLUDED IN LAND VALUE
Land:	20,410	20,410			
Improvements:	64,290	64,290			
Total:	84,700	84,700	0	84,700	
Preferential Land:	20,410	20,410	0	20,410	

## Transfer Information

Seller: HAYDEN, JANICE W ETAL 1/C	Date: 09/11/2006	Price: 50
Type: NOT ARMS-LENGTH	Deed1: EWA/ 2851/ 135	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

## Exemption Information

Partial Exempt Assessments	Class	07/01/2006	07/01/2007
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: NO  
Exempt Class:

Special Tax Recapture:  
AGRICULTURAL TRANSFER TAX

## TAX RECORD - PARCEL 339/LOT 1 - RESIDENCE

Real Property Search - Individual Report

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Account Identifier: District - 03 Account Number - 029409

## Owner Information

<b>Owner Name:</b>	HAYDEN, JANICE W	<b>User:</b>	RESIDENTIAL
<b>Mailing Address:</b>	41515 HAYDEN FARM LN LEONARDTOWN MD 20650-5809	<b>Principal Residence:</b>	NO
		<b>Deed Reference:</b>	1) EWA/ 2851/ 121 - 34 2)

## Location &amp; Structure Information

**Premises Address**  
41501 HAYDEN FARM LN

**Legal Description**  
LOT 1  
PLAT 57/90 b2/77  
WOODBURY

<b>Map</b>	<b>Grid</b>	<b>Parcel</b>	<b>Sub District</b>	<b>Subdivision</b>	<b>Section</b>	<b>Block</b>	<b>Lot</b>	<b>Assessment Area</b>	<b>Plat No:</b>	61 77
32	11	339					1	2	<b>Plat Ref:</b>	57/ 90

**Special Tax Areas**

<b>Town</b>	<b>Ad Valorem</b>	<b>FIRE DISTRICT 3</b>
	<b>Tax Class</b>	

<b>Primary Structure Built</b>	<b>Enclosed Area</b>	<b>Property Land Area</b>	<b>County Use</b>
1994	1,152 SF	1.06 AC	
<b>Stories</b>	<b>Basement</b>	<b>Type</b>	<b>Exterior</b>
1	NO	STANDARD UNIT	SIDING

## Value Information

	<b>Base Value</b>	<b>Value As Of</b>	<b>Phase-in Assessments</b>	
		01/01/2005	As Of	As Of
			07/01/2006	07/01/2007
<b>Land:</b>	66,430	60,300		
<b>Improvements:</b>	122,370	82,890		
<b>Total:</b>	188,800	142,190	214,012	142,190
<b>Preferential Land:</b>	0	0	20,430	0

## Transfer Information

<b>Seller:</b> HAYDEN, JANICE W ETAL T/C	<b>Date:</b> 09/11/2006	<b>Price:</b> \$0
<b>Type:</b> NOT ARMS-LENGTH	<b>Deed1:</b> EWA/ 2851/ 121	<b>Deed2:</b>
<b>Seller:</b> HAYDEN, WALTER VINCENT	<b>Date:</b> 01/30/2001	<b>Price:</b> \$0
<b>Type:</b> NOT ARMS-LENGTH	<b>Deed1:</b> EWA/ 1608/ 455	<b>Deed2:</b>
<b>Seller:</b> HAYDEN, WALTER VINCENT	<b>Date:</b> 04/07/1999	<b>Price:</b> \$0
<b>Type:</b> NOT ARMS-LENGTH	<b>Deed1:</b> EWA/ 1405/ 89	<b>Deed2:</b>

## Exemption Information

<b>Partial Exempt Assessments</b>	<b>Class</b>	<b>07/01/2005</b>	<b>07/01/2007</b>
<b>County</b>	000	0	0
<b>State</b>	000	0	0
<b>Municipal</b>	000	0	0

**Tax Exempt:** NO  
**Exempt Class:**

**Special Tax Recapture:**


\* NONE \*

## TAX RECORD - PARCEL 225 - RESIDENCE

Real Property Search - Individual Report

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		<a href="#">Ground Rent</a>

Account Identifier: 14 District - 03 Account Number - 011410

## Owner Information

Owner Name:	HAYDEN, WALTER V & JANICE W	Use:	RESIDENTIAL
		Principal Residence:	YES
Mailing Address:	41515 HAYDEN FARM LN LEONARDTOWN MD 20650-5809	Deed Reference:	1) EWA/ 2852/ 1 - 14 2)

## Location &amp; Structure Information

Premises Address	41515 HAYDEN FARM LN	Legal Description	ADJ PARCEL 225 PLAT 57/90, 61/77 WOODBURY SUB
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Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:	61 77
32	11	225						2	Plat Ref:	57/ 90

Special Tax Areas	Town	Ad Valorem	FIRE DISTRICT 3
	Tax Class		

Primary Structure Built	Enclosed Area	Property Land Area	County Use
1960	1,768 S-	1.69 AC	

Stories	Basement	Type	Exterior
1	YES	STANDARD UNIT	BRICK

## Value Information

	Base Value	Value As Of 01/01/2005	Phase-in Assessments As Of 07/01/2006	As Of 07/01/2007
Land:	40,440	63,450		
Improvements:	105,020	147,620		
Total:	145,460	211,070	181,952	211,070
Preferential Land:	0	0	0	0

## Transfer Information

Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

## Exemption Information

Partial Exempt Assessments	Class	07/01/2006	07/01/2007
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: NO  
Exempt Class:

Special Tax Recapture:

\* NONE \*

[http://sdatcert3.resiusa.org/rp\\_rcwrite/results.asp?District=03&AccountNumber=011410&...](http://sdatcert3.resiusa.org/rp_rcwrite/results.asp?District=03&AccountNumber=011410&...) 5/29/2007

## **QUALIFICATIONS OF THE APPRAISER**

**QUALIFICATIONS OF THE APPRAISER****STEVEN D. JORGENSEN  
QUALIFICATIONS OF THE APPRAISER**

Maryland Certified General Real Estate Appraiser  
Virginia Certified General Real Estate Appraiser

**EXPERIENCE:**

Treffer Appraisal Group appraising apartment and commercial real estate, March 2002 – present. Appraise a wide variety of apartment and commercial real estate property.

**1985 – 2002**

- ☐ Developed and taught underwriting policy for subsidized rental housing properties utilizing tax credit financing.
- ☐ Developed appraisal and troubled property policy for subsidized apartment buildings.
- ☐ Conducted national training for the USDA for appraisal practices and techniques unique to subsidized financing and techniques to assess rural market conditions for determining how to proceed with troubled apartment properties.
- ☐ For 8 years, conducted area inspections to selected state's rental housing portfolio, examining problem and troubled properties through-out the national program. Prepare and submit a recommendation analysis to senior management for each inspection.
- ☐ As requested, spent up to two weeks working with staff appraisers resolving unusual appraisal issues that were specific to the host State's portfolio.
- ☐ Managed the Department's contract with Marshall & Swift Company for construction cost estimating and rehabilitation cost estimating.
- ☐ Conducted reviews of appraisals for the national lending program as a quality control action.
- ☐ Developed and implemented appraisal policy for USDA, Rural Housing Service, Multi-Family Housing Division, and conducted tax credit seminars.



- ☐ During this period I served on the initial Appraisal Foundation USPAP panel during the time that USPAP was being developed in 1990.
- ☐ During this period served as a member of the Inter-governmental Appraisal Panel that was lead by the Office of Management and Budget in Washington, D.C.
- ☐ Supervised Rural Housing Service appraisal quality system, taught staff appraisers appraisal policy and techniques for subsidized housing underwriting and liquidation actions.

**1976 - 1985**

- ☐ Loan underwriter for United States Department of Agriculture (USDA), Farmers Home Administration
- ☐ During this period conducted underwriting activities for high risk borrowers for apartment property and agricultural properties and management of a branch lending office.
- ☐ Experience included application processing, underwriting loans, appraisal of properties, construction inspections, collection activities, servicing of delinquent accounts, liquidation of foreclosed properties, and represent the Agency in litigation cases as required.

**EDUCATION:**

1972-1976 University of Nevada, Reno, Nevada  
BS in Agronomy  
AA in Horticulture

**Professional Courses:**

Supporting Capitalization Rates  
Appraisal Institute

USPAP Update for Instructors and Regulators  
Appraisal Foundation  
Litigation Valuation Overview  
Appraisal Institute

Highest and Best Use and Market Analysis #520  
Appraisal Institute

Apartment Appraisal

Instructor Training

Valuation Of Properties with Detrimental Conditions

Advanced Principles and Practices of Appraising Real Estate

Appraising Income Producing Properties  
Society of Real Estate Appraisers

Basic Statistics, OPM

Intermediate Statistics  
Bowie State University

Statistics for Managers. OPM

Program Evaluation Methods

Financial Statement Evaluation Techniques  
Bowie State University

Chattel Appraisal

Loan supervision and Account Servicing, Dunn & Bradstreet

Credit and Financial Analysis, Dunn & Bradstreet

Farm Business Financial Analysis

#### **PARTIAL LIST OF CLIENTS**

Bank of America  
Wells Fargo Bank  
Severn Savings Bank  
Bank of Annapolis  
The Bank of Glen Burnie  
United States Department of Agriculture, Rural Housing Service: Maryland,  
Delaware, Virginia, Kentucky, Alabama, Florida  
Apex Mortgage, Incorporated.  
Royal Asian Bank  
Optima Funding Group, Inc.

**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 APPRAISER'S CERTIFICATION

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

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

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

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

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

**ADDRESS OF PROPERTY APPRAISED:** 41515 Hayden Farm Lane, Leonardtown, MD 20650-5809

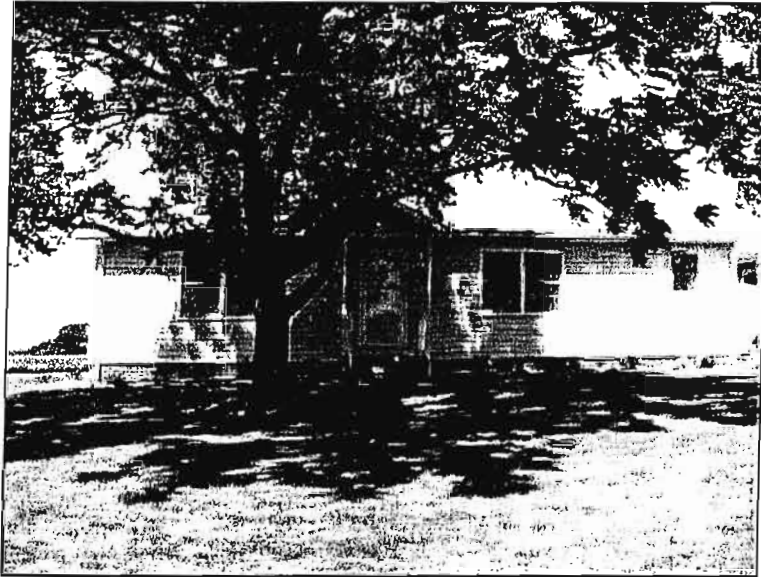
**APPRAISER:**

Signature: Suzanne L. Harrison  
 Name: Suzanne L. Harrison  
 Date Signed: 6/22/07  
 State Certification #: \_\_\_\_\_  
 or State License #: 06-12690  
 State: MD  
 Expiration Date of Certification or License: 3/8/2010

**SUPERVISORY APPRAISER (only if required):**

Signature: Emerson  
 Name: Emerson Treffer, SRA  
 Date Signed: 6/22/07  
 State Certification #: 04-512  
 or State License #: \_\_\_\_\_  
 State: Maryland  
 Expiration Date of Certification or License: 12/31/2009

☐ Did ☒ Did Not Inspect Property



**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

41501 Hayden Farm Ln  
Tax Map 32, Grid 11, Parcel 339, Lot 1, Assessment Area 2  
Leonardtown, MD 20650-5809

**FOR:**

Priv. Appraisal - St. Mary's Public Schools  
27190 Point Lookout Road, Loveville, MD 20656

**AS OF:**

June 5, 2007

**BY:**

Suzanne L. Hamson

## Supplemental Addendum

File No.

Borrower/Client	N/A				
Property Address	41515 Hayden Farm Lane				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				

and the availability of current cost information. Single family homes in this neighborhood are typically purchased for owner occupancy. For this reason and the lack of rental information, the Income Approach is not utilized.

All the sales are located within the subject's market area of properties. All the sales were considered to be similar to the subject in appeal, view, location, design and Highest and Best Use.

## Additional Comments

THIS APPRAISAL IS NOT A HOME INSPECTION REPORT. THE APPRAISER HAS ONLY PERFORMED A VISUAL INSPECTION OF THE EASILY ACCESSIBLE AREAS AND THAT THE APPRAISAL CAN NOT BE RELIED UPON TO DISCLOSE CONDITIONS AND/OR DEFECTS IN THE PROPERTY. THIS IS BEYOND THE SCOPE AND TRAINING OF THE APPRAISER.

NO WARRANTY OF THE APPRAISED PROPERTY IS GIVEN OR IMPLIED. NO LIABILITY IS ASSUMED FOR THE ELECTRICAL, HVAC, PLUMBING, MECHANICAL, FOUNDATION, ROOF, OR ANY STRUCTURAL ELEMENTS OF THE SUBJECT PROPERTY.

THE APPRAISER IS NOT A BUILDING CONTRACTOR, BUILDING INSPECTOR, HOME INSPECTOR OR CIVIL ENGINEER AND DOES NOT HAVE THE TRAINING OR EXPERTISE TO EVALUATE THE QUALITY OF THE WORKMANSHIP OR MATERIALS AND NEITHER MAKES NOR OFFERS ANY SUCH OPINION.

THE APPRAISER HAS NOT MADE ANY INSPECTION FOR MOLD, MILDEW, TERMITES, WOOD BORING INSECTS OR ANY OTHER RELATED INSPECTION FOR ANY TYPE OF INSECT, BAT(S), ANIMALS OR OTHER VERMIN, ETC. THIS IS BEYOND THE SCOPE AND TRAINING OF THE APPRAISER.

THIS APPRAISAL IS NOT INTENDED TO BE USED BY ANY THIRD PARTY AS THE THIRD PARTY IS NOT THE INTENDED USER AS DEFINED IN THE URAR REPORT.

## Comments on Income Approach

Due to lack of valid and pertinent data available to the appraiser, the Income Approach was not utilized as part of this report.

## Final Reconciliation

The adjusted sale prices via the sales comparison approach fall in close range and support the final estimate of value. The values indicated via the sales comparison analysis are used as the final estimate because of the quality of the data.

This appraisal has been made with the subject property having no subdivision potential.

The land value exceeds 30% of the final value estimate. This is larger than normal but it is in line with assessed land to value ratios and does not adversely affect the market value of the subject property.

## Comments on Sales Comparison

All weight was given to the sales comparison approach, which are settled sales and are considered to be the best available offering similar function, design, and utility to the subject. Square footage adjustments were made at \$30 per square foot when warranted. All sales are located in the subject's neighborhood or market area, and a good reflection of the subject's value. Room count line adjustments are for the bathroom differences only. There is no indication of a bedroom premium in this report, beyond the GLA adjustments. This report was completed for the GLA (Gross Living Area).

All three comparables were adjusted for condition. The appraiser noted water damage to the ceiling of the rear bedroom. Additionally, in the basement, the subject had water damage to the rear concrete block wall, as well as standing water on the concrete floor and possible settlement issues. Should the damage be rectified, this adjustment would no longer be necessary. If the cost to cure the damage is found to be a different monetary amount than the condition adjustment used in Sales Comparison Approach of this appraisal, then the appraiser reserves the right to amend the appraisal accordingly. This damage was also factored into in the Cost Approach under functional depreciation.

Due to the rural nature of the subject's neighborhood and surrounding areas, it was necessary to utilize comps located at a distance of greater than one mile. Comparable three is located in a different neighborhood than the subject property. This was necessary, however, in order to find and utilize similar comparable sales that were comparable in overall design, appeal, condition, and amenities.

The comparables are all smaller than the gross living area of the subject property. It was necessary, however, to utilize these comparable sales in order to compare dwellings that were similar in design, utility, and amenities. The sales presented are the best available.

Comparable one was a rancher requiring adjustments for an additional bath, slightly smaller living area, a rec room, patio and a fireplace. This sale also was adjusted downward for having updated appliances. This sale is the most recent sale, having sold in April 2007 after 167 days on the market.

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Comparable sale two was a rancher adjusted for lack of a brick facade, lack of a half bath, smaller living area, having double paned windows, decking, lack of a woodstove, and no shed. This sale has been completely remodeled throughout and thus required a significant downward adjustment. This sale was sold in September 2006 after 107 days on the market.

It is noted that comparable sale #2 is over 6 months old. This is longer than normal but this sale is considered one of the best available featuring design, appeal, condition, utility, and amenities. Other sales would require less desirable adjustments and were not utilized for that reason.

Comparable sale three lacked the brick facade of the subject and was adjusted upward to reflect this difference. Additional adjustments were made for lack of a half bath, a finished basement, having a garage, decking, and having a fireplace. This sale occurred in January 2007 after 34 days on the market.

All three sales are considered good comparables; thus no emphasis is given to any one sale.

It should be noted that all three comparable sales are larger in sales price than the final value estimate. It was, however, necessary to utilize these sales as they all were the most similar to the subject property with respect to design, appeal, utility, basement finish, and amenities. The three sales presented were the best available.

## Comparable Photo Page

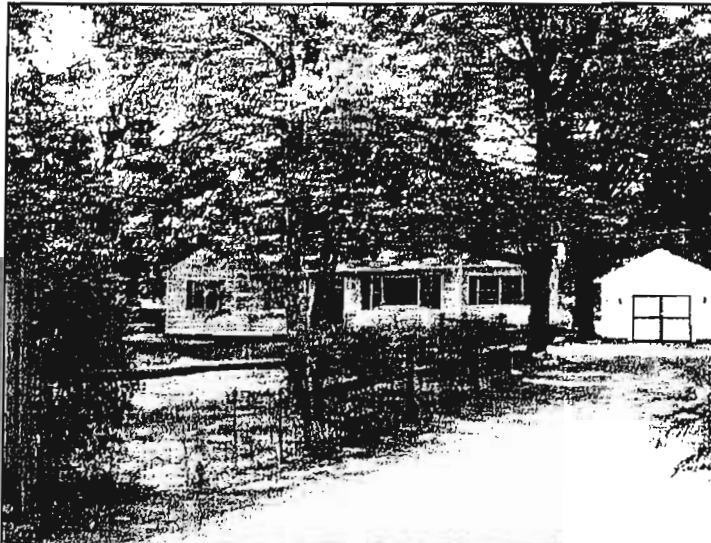
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**Comparable 1**

21920 Point Lookout Road  
 Prox. to Subject 6.45 miles SE  
 Sales Price 286,000  
 Gross Living Area 1,664  
 Total Rooms 7  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location Leonardtown  
 View Rural  
 Site 1.61+/- acres  
 Quality Brick/siding - gd  
 Age 55+/- years

**Comparable 2**

40610 Eddie Nelson Road  
 Prox. to Subject 2 miles W  
 Sales Price 273,987  
 Gross Living Area 1,226  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 1  
 Location Leonardtown  
 View Rural  
 Site 1.53+/- acres  
 Quality Vinyl siding-avg/gd  
 Age 50+/- years

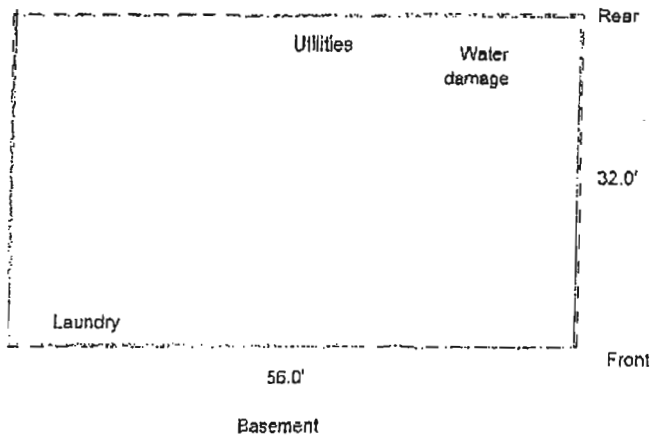
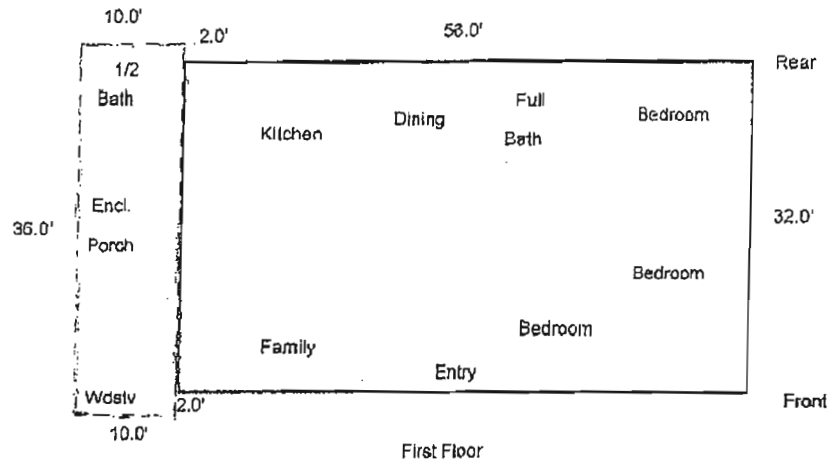
**Comparable 3**

21933 Point Lookout Road  
 Prox. to Subject 6.44 miles SE  
 Sales Price 265,000  
 Gross Living Area 1,285  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 1  
 Location Belvedere Wldd  
 View Rural  
 Site 1.83+/- acres  
 Quality Vinyl sidg -avg/gd  
 Age 53+/- years



## Building Sketch

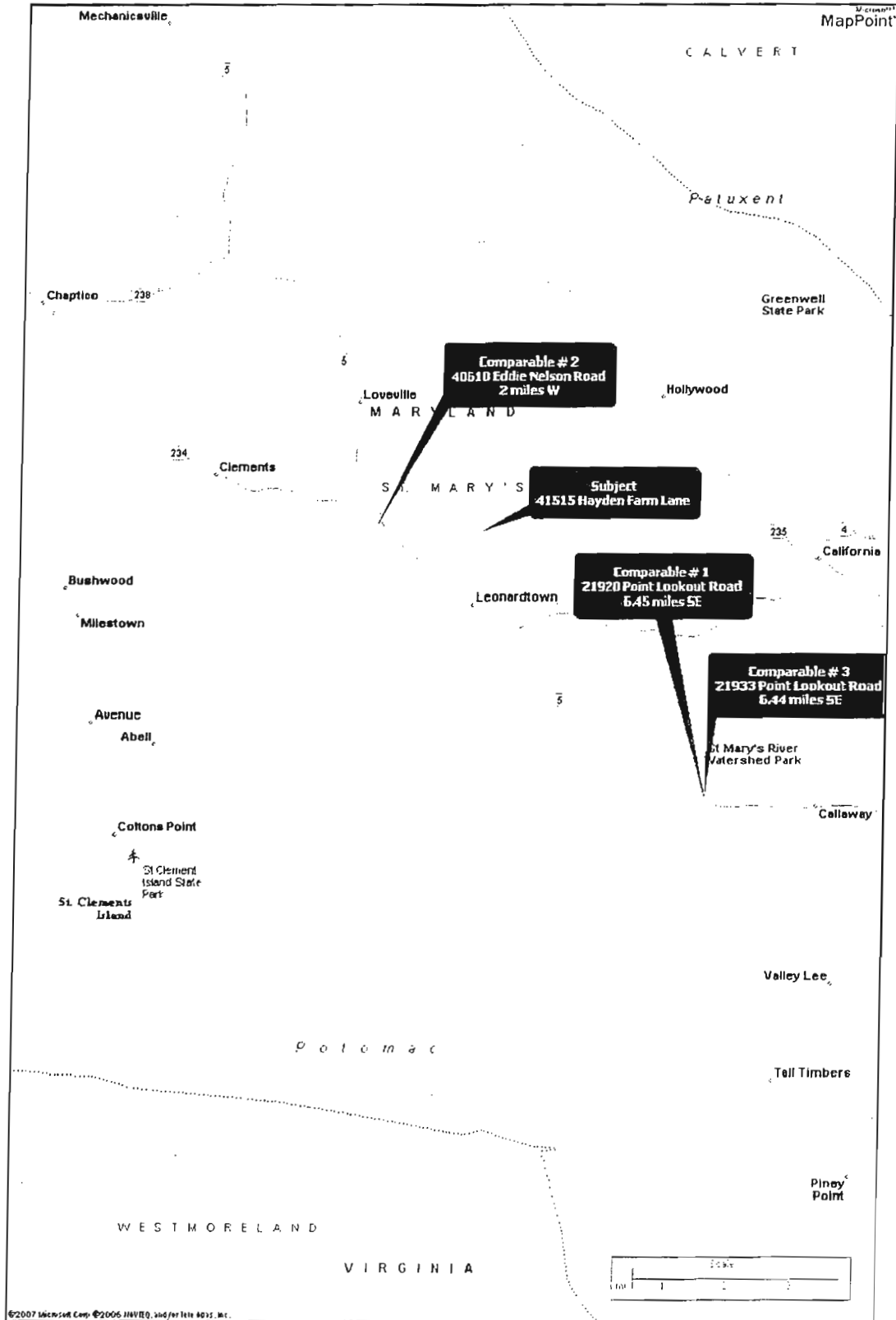
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SKETCH CALCULATIONS		Perimeter	Area
Living Area			
First Floor			1792.0
Basement			1792.0
Total Living Area			1792.0
Porch Area			
Enclosed Porch			360.0
Total Porch Area			360.0

## Location Map

Borrower/Client	N/A				
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## Purpose and Function of the Appraisal

The purpose of the report is to develop and report an opinion of value for the subject property. The function of the appraisal is defined below under intended use.

## Scope of the Appraisal

The scope of the appraisal provides for a physical inspection of the property and its surroundings sufficient to gather data necessary to form a supportable estimate of market value. Comparable properties are chosen after reviewing recent settled sales, current listings, and properties currently under contract for sale. An exterior "drive-by" inspection is made of the comparable sales selected. Specifics regarding physical features of the comparable properties and the terms of sale are obtained from one or more of the following sources: Multiple Listing Services, public records, and other subscription services such as First American Real Estate Solutions and Specprint. Comparable sales are then compared to the subject, and necessary adjustments (market abstracted) are applied to arrive at an indicated value by direct sales comparison. The cost approach is developed using sources such as Marshall & Swift Cost Service and local builders' cost data. An income approach is also considered when applicable. A reasoned reconciliation of the three approaches to value is then made to arrive at an estimate of market value as defined in the appraisal report as of the effective date of the appraisal and subject to the Certification and Limiting Conditions that are attached hereto.

Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property that would make the property more or less valuable and makes no guarantees, or warranties, expressed or implied, regarding the condition of the property. Furthermore, this appraisal report is not a home inspection report. No warranty is expressed or implied.

## Appraisal and Report Identification

This appraisal conforms to the following definition:

This report is a Summary Appraisal Report in accordance with Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

This report is of a type defined below:

Summary Report: A written report prepared under Standard's Rule 2-2 (B) of an appraisal performed under Standard 1 of USPAP.

## Standard Comments

1) Client: The client is the lender, Private Individual, or other employee that is a party to the ordering of the appraisal.

2) Intended Use: The intended use of the appraisal report is to assist the client in evaluating the subject property as collateral for lending purposes or private individual purposes. Since this will be a federally related transaction, the definition of market value which was applied by the appraiser was taken from the *Dictionary of Real Estate Appraisal-Fourth Edition*, Page 177, and is used by agencies that regulate federally insured financial institutions in the United States.

3) Intended User: The intended user of the report is the client who has ordered the appraisal report or the employee(s) of the client that may be required to review or comment on the appraisal. The report is intended for use only by the client. Use of the report by others is not intended by the appraiser.

4) Exposure Time: The exposure time of the subject is the same as marketing time. Exposure time is defined as: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

5) The site improvements' value, estimated in the cost approach, is an overall value for such items as driveway, landscaping, walkways, etc. The value is a "lump sum" estimate.

6) The appraiser is qualified and competent to perform this appraisal under USPAP guidelines.

7) No personal property other than what is typical for the area is included in this report, (i.e. appliances).

## Additional Certifications

-My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and in accordance with the regulations developed by the Lender's Federal Regulatory Agency as required by FIRREA.

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The photographs presented in this report were produced using digital photography. None of the photographs have been altered with the possible exception of brightness and or contrast in order to enhance clarity. Photographs are true representation of the subject and or comparable sales as of the inspection date unless otherwise noted in report.

Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.

The reproduction Cost is based on Marshall and Swift Residential Cost Service data supplemented by the appraiser's knowledge of the local market.

### Market Value

The 4th Edition of *The Dictionary of Real Estate Appraisal* includes several definitions for market value. The following definition from the dictionary is used by the federal agencies that regulate insured financial institutions in the United States.

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

### Hazmat/Environmental Statement

Unless otherwise stated in this report, the existence of hazardous material, wood boring insects, or concealed growths, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such conditions on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as mold, asbestos, radon, urea-formaldehyde foam insulation, lead paint, or other potentially hazardous materials may affect the value of the property. The value is predicated on the assumption that there are no such conditions on or in the property that would cause the loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. No tests or inspections have been completed for the aforementioned conditions. The client is urged to retain an expert in this field, if desired.

### Digital Signatures

The digital signatures attached to this report fully comply with minimum USPAP reporting requirements. Security features are utilized to ensure the integrity of the signatures and data. According to USPAP Statement on Appraisal Standards No. 8 dated 9/16/1998, electronically affixing a signature to a report is acceptable, and has the same level of authenticity and responsibility as a hand written ink signature.

### Detrimental Conditions Statement

There are a wide variety of detrimental conditions that can impact property values. These include, but are not limited to: non-market motivations, future temporary disruptions, acts of terrorism, stigmas, convicted criminals who reside in the neighborhood, neighborhood nuisances, future unannounced surrounding developments, structural and engineering conditions, construction conditions, soils and geotechnical issues, environmental conditions and natural conditions. The appraiser has inspected the subject property on a level that is consistent with the typical responsibilities of the appraisal profession; however the appraiser does not have the expertise of market analysts, soils, structural or engineers, scientists, specialists, urban planners and specialists for the various fields. Unless otherwise stated within the report, the appraiser assumes no responsibilities for the impact that the variety of detrimental conditions may cause.

### Neighborhood Market Conditions

At the present time; conventional, VA and FHA mortgages are available at rates purchasers consider attractive. Local market conditions reflect sales that are typically experiencing 3-6 months of market exposure. Sellers

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paying a portion of the purchaser's closing costs is typical of the market. Market trend is increasing, as is the local economy, including the local housing market. Marketing time is stable. Favorable interest rates should continue to add strength to the market. The subject property has not transferred/sold within the past 36 months or 3 years.

Conventional financing is readily available at rates purchasers consider attractive and sellers need not negotiate a sale on financing related concessions. Local brokers are referring to the current situation as a "seller's market", with relatively short market times for all but the most difficult to market properties.

This neighborhood provides a good environment for the house being appraised. There are no factors that will negatively affect the marketability of the house. All of the items in the neighborhood rating grid are rated good or average. The public schools, parks, view and noise level is typical for this type of neighborhood.

Nearby commercial land uses (i.e. stores, shops and offices) are typical and acceptable for both urban and suburban environments and they have no negative impact on value or marketability of the subject property.

No external inadequacies were observed in the neighborhood which would negatively affect the value of the property.

In my opinion, and based upon my knowledge and experience the subject property is not located in a speculative market or one which has experienced drastic price fluctuations relative to regional norms.

The predominant neighborhood value is significantly above the final value estimate. This, however, does not adversely affect the market value of the subject property.

#### Site Comments

Existing utility easements (telephone, electric, etc.) do not affect value. No known adverse easements or encroachments are known by the appraiser. The improvements on the property appear to conform to current zoning regulations. In the event of a major loss by fire it is most probable the improvements could be rebuilt without obtaining a zoning variance.

The subject property exhibits no apparent adverse effects from any apparent excessive physical, functional or external obsolescence.

The lack of curbs, gutters, sidewalks, and street lights is typical of the neighborhood and does not adversely affect the marketability of the subject property.

Gravel driveways are typical of the neighborhood and do not affect market value.

Access to the property is obtained via a common driveway. This appraiser is unaware of any easement or maintenance agreement between the owners of the subject property and the owners of the adjacent property. It is suggested that a written agreement be obtained that establishes the easement and states the responsibilities of both parties with regard to the access and maintenance.

Well and septic systems are typical of the area and do not adversely affect the marketability of the subject property. It is assumed that these systems meet all county standards and operate properly.

#### Improvement Comments

On the inspection date, the water damage was evident in the basement of the subject and the rear bedroom ceiling of the subject. Both the ceiling and the basement of the subject dwelling require significant repairs. Photographs are included that document the damage. The rear bedroom ceiling had drywall damage. The basement of the subject dwelling had noticeable stair-step settlement cracks, hairline settlement cracks, and settlement cracks. There was also evidence of water leakage and dampness with standing water on the basement floor. The noted items have an estimated cost to cure of \$10,000. Due to the condition of the basement and the structural issues which remain to be determined, the actual cost to cure may exceed the estimate given.

There appears to be evidence of foundation settlement. The house may need to be jacked up for the purpose of repairing/replacing the foundation. It is a requirement of the appraisal report that the subject property be inspected by a structural engineer to determine the degree of settlement and repairs required, if necessary. If additional or hidden repairs are discovered, the appraiser reserves the right to amend this report and its market value to reflect these items.

#### Comments on Sales Comparison

The scope of the assignment is to estimate the fee simple market value of the subject property and to consider the three conventional approaches to value. The Cost Approach and the Sales Comparison Approach are most reliable when appraising a single family home in this neighborhood due to sufficient number of comparable sales

UNIFORM RESIDENTIAL APPRAISAL REPORT										File No.	
Property Description		Property Address 41501 Hayden Farm Ln City Leonardtown State MD Zip Code 20650-5809									
Legal Description		Tax Map 32, Grid 11, Parcel 339, Lot 1, Assessment Area 2				County St. Mary's County					
Assessor's Parcel No.		03-011410				Tax Year 06/07 R.E. Taxes \$ 2,126.00		Special Assessments \$ 51.00			
Borrower		N/A				Current Owner Janice Hayden		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant			
Property rights appraised		<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold				Project Type <input type="checkbox"/> PUD <input type="checkbox"/> Condominium (HUD/VA only)		HOA \$ N/A /Mo.			
Neighborhood or Project Name		N/A				Map Reference SM 16-B-1		Census Tract 9955.00			
Sale Price \$		N/A				Date of Sale N/A		Description and \$ amount of loan charges/concessions to be paid by seller N/A			
Lender/Cient		Priv. Appraisal - St. Mary's Public Schools				Address 27190 Point Lookout Road, Loveville, MD 20656					
Appraiser		Suzanne L. Harrison				Address 1244 Ritchie Hwy, Ste. 19, Arnold, MD 21012					
Location		<input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural		Predominant occupancy		Single family housing PRICE \$ (000) AGE (yrs)		Present land use %			
Built up		<input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner 100		135 Low 1		One family 95%			
Growth rate		<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input type="checkbox"/> Tenant		710 High 87		2-4 family			
Property values		<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input type="checkbox"/> Vacant (0-5%)		Predominant		Multi-family			
Demand/supply		<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In balance <input type="checkbox"/> Over supply		<input type="checkbox"/> Vac. (over 5%)		305-405 2-7		Commercial 5%			
Marketing time		<input checked="" type="checkbox"/> Under 3 mos. <input type="checkbox"/> 3-6 mos. <input type="checkbox"/> Over 6 mos.						Land use change <input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely			
Note: Race and the racial composition of the neighborhood are not appraisal factors.											
Neighborhood boundaries and characteristics:		The subject property is bound by Point Lookout Road (Rt.5) to the south, Hollywood Road (Rt. 245) to the east, Maypole Road to the west, and Cemetery Road to the north. The property is sited within a farm property parcel.									
Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):		The neighborhood and marketing area is comprised of medium to large sized, attached and detached single family homes of average to good appeal and marketability. The subject property has good access to all typical urban amenities including shopping, schools and employment centers. This report is a summary appraisal report as defined by USPAP SR 2-2(B). THIS REPORT IS A SUMMARY APPRAISAL REPORT.									
Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):		At the present time, mortgage funds are available at interest rates which would be considered attractive to a prospective purchaser. Typical seller concessions may contribute three to six percent of the purchase price towards the buyer's closing costs. The market is in balance with buyer demand and the available supply of housing is in relative equilibrium resulting in stabilization of or slow increases of property values.									
Project Information for PUDs (if applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)?		<input type="checkbox"/> Yes <input type="checkbox"/> No N/A									
Approximate total number of units in the subject project		N/A				Approximate total number of units for sale in the subject project N/A					
Describe common elements and recreational facilities:		N/A - The subject property is not located in a PUD.									
Dimensions		MDAT & Public record information				Topography Level					
Site area		1.06 +/- acres				Size 1.06 +/- acres					
Specific zoning classification and description		RL - Residential Low Density				Shape Rectangular					
Zoning compliance		<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning				Drainage Appears adequate					
Highest & best use as improved:		<input type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)				View Rural					
Utilities		Public Other				Landscaping Typical					
Electricity		<input checked="" type="checkbox"/> <input type="checkbox"/>				Driveway Surface Dirt/Gravel					
Gas		<input type="checkbox"/> Oil				Apparent easements Typical					
Water		<input type="checkbox"/> Private Well/typical				FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Sanitary sewer		<input type="checkbox"/> Septic/typical				FEMA Zone X Map Date 10/19/2004					
Storm sewer		<input type="checkbox"/> None				FEMA Map No. 24037C0167E					
Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.):		None apparent, appraiser makes no warranties on easements or encroachments. Typical utility easements have no adverse affect on the subject's marketability. Flood Hazard Map Interpretation is believed accurate, is not guaranteed.									
GENERAL DESCRIPTION		EXTERIOR DESCRIPTION				FOUNDATION					
No. of Units		1				Area Sq. Ft. 0					
No. of Stories		1				% Finished N/A					
Type (Det./Att.)		Detached				Ceiling N/A					
Design (Style)		Rancher				Walls N/A					
Existing/Proposed		Existing				Floor N/A					
Age (Yrs.)		13 +/- years				Outside Entry N/A					
Effective Age (Yrs.)		5 +/- years				Unknown N/A					
ROOMS		Foyer Living Dining Kitchen Den Family Rm. Rec. Rm. Bedrooms				# Baths Laundry Other Area Sq. Ft.					
Basement						0					
Level 1		X X X X				2 2 1,152					
Level 2											
Finished area above grade contains:		5 Rooms; 2 Bedroom(s); 2 Bath(s);				1,152 Square Feet of Gross Living Area					
INTERIOR		Materials/Condition				HEATING					
Floors		Vinyl, w/w - good				Type FWA					
Walls		Drywall - good				Fuel Oil					
Trim/Finish		Wood - good				Condition Good					
Bath Floor		Vinyl - good				COOLING					
Bath Wainscot		Vinyl - good				Central CAC					
Doors		Wood - good				Other None					
KITCHEN EQUIP.		Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Scuttle <input checked="" type="checkbox"/> Floor <input checked="" type="checkbox"/> Heated <input checked="" type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> Finished <input checked="" type="checkbox"/>				ATTIC					
None						None					
Stairs						Drop Stair					
Porch						None					
Fence						Chain link					
Pool						None					
Driveway						Dirt/Gravel					
AMENITIES		Fireplace(s) # None <input type="checkbox"/> Patio None <input type="checkbox"/> Deck None <input type="checkbox"/> Porch None <input type="checkbox"/>				CAR STORAGE: None					
None						None <input checked="" type="checkbox"/>					
Attached						N/A					
Detached						N/A					
Built-In						N/A					
Carport						N/A					
Additional features (special energy efficient items, etc.):		THIS DWELLING HAS ENERGY EFFICIENT ITEMS THAT ARE CUSTOMARY FOR THE MARKET AREA. THIS APPRAISAL IS NOT A HOME INSPECTION AND A HOME WARRANTY IS NOT IMPLIED.									
Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.:		The subject is in good condition. Functional utility is typical for the area with adequately sized rooms, ample closet space, and an overall efficient floorplan.									
Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.:		There were no adverse environmental conditions noted by the appraiser at the time of inspection.									

Valuation Section

## UNIFORM RESIDENTIAL APPRAISAL REPORT

File No.

ESTIMATED SITE VALUE		= \$	80,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Site value is based on recent land sales, if any, or estimated by abstraction or allocation for built-up neighborhoods and review of land assessments. Cost Approach is developed from Marshall & Swift residential cost manual and/or local builder estimates. The Cost Approach reflects the replacement value at the time of the appraisal. This estimate is not intended to be used for insurance purposes.
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:				
Dwelling	1,152 Sq. Ft. @ \$ 130.00	= \$	149,760	
	Sq. Ft. @ \$ N/A	=		
Dbl paned wndws, fence, brckst stoop, stoop		=	35,000	
Garage/Carport	N/A Sq. Ft. @ \$ N/A	=		
Total Estimated Cost New		= \$	184,760	
Less	Physical Functional External			
Depreciation	15,391	= \$	15,391	
Depreciated Value of Improvements		= \$	169,369	
*As-is* Value of Site Improvements	Landscaping	= \$	15,000	
INDICATED VALUE BY COST APPROACH		= \$	264,369	Remaining economic life = 55+/- years.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	41501 Hayden Farm Ln Leonardtown, MD 20650	41925 Stephen Young Court Hollywood, MD 20636	41440 Charles Street Leonardtown, MD 20650	39973 Ben Morgan Road Leonardtown, MD 20650
Proximity to Subject		0.94 miles NE	1.04 miles SW	4.4 miles SW
Sales Price	\$ N/A	\$ 239,000	\$ 260,000	\$ 290,000
Price/Gross Living Area	\$ N/A	\$ 237.10	\$ 211.04	\$ 218.37
Data and/or Verification Source	Owner/public rec inspection	MLS # SM6167550 Public record, inspection	MLS# SM6017076 Public record, inspection	MLS# SM6033714 Public record, inspection
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-)\$ Adjust	DESCRIPTION + (-)\$ Adjust	DESCRIPTION + (-)\$ Adjust
Sales or Financing Concessions		\$7,000 sellr sub DOM - 45	\$6,781 sellr sub DOM - 54	\$5,000 sellr sub DOM - 23
Date of Sale/Time		10/26/06	6/30/06	7/27/06
Location	Leonardtown	Barnes Estates	Leonardtown	Leonardtown
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	1.06+/- acres	0.22+/- acre +15,000	0.48+/- acres +12,000	1.00+/- acres
View	Rural	Neighborhood	Neighborhood	Rural
Design and Appeal	Rancher - good	Rancher - good	Rancher - good	Rancher - good
Quality of Construction	Vinyl siding - gd	Vinyl siding - gd	Vinyl siding - gd	Vinyl siding - gd
Age	13+/- years	11+/- years	17+/- years	16+/- years
Condition	Good	Good	Good	Good
Above Grade	Total Bdrms: Baths	Total Bdrms: Baths	Total Bdrms: Baths	Total Bdrms: Baths
Room Count	5 2 2	5 3 1	5 2 2	6 3 2
Gross Living Area	1,152 Sq. Ft.	1,008 Sq. Ft. +4,320	1,232 Sq. Ft. -2,400	1,328 Sq. Ft. -5,280
Basement & Finished Rooms Below Grade	No basement N/a	No basement N/a	No basement N/a	No basement N/a
Functional Utility	Typical	Typical	Typical	Typical
Heating/Cooling	FWA/CAC	FWA/CAC	FWA/CAC	FWA/CAC
Energy Efficient Items	DP Wndws	DP Wndws	DP Wndw	DP Wndws, CF -500
Garage/Carport	None	None	2 car att. garage -8,000	1 car att. garage -4,000
Porch, Patio, Deck, Fireplace(s), etc.	None	None	None	Deck -4,000
Fence, Pool, etc.	Fence	Shed	None +300	None +300
Interior Amenities	Standard	Pergo floors -2,000	Standard	Hardwd, jacz tub -10,000
Net Adj. (total)		☒ + ☐ - \$ 25,320	☒ + ☐ - \$ 1,900	☐ + ☒ - \$ -23,480
Adjusted Sales Price of Comparable		\$ 264,320	\$ 261,900	\$ 266,520

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): The comparables chosen are most like the subject in size, style, effective age, utility and are closest in proximity to the subject, which provides a reasonable profile of the immediate market values. Due to the rural nature of the area, it was necessary to use comparables located at a distance further than one mile from the subject. Additionally, it was necessary to utilize comparables that had less acreage than the subject but were most similar to the subject in other comparison points. Emphasis is placed on Sale #2 as it was the most similar to the subject and required the least amount of adjustment. Please see Supplemental Addendum for further clarification of adjustments and comments for all three comparables.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	9/11/06, transfer \$0 to J. Hayden MDAT, public rec	No prior sales noted within the past 3 years. MDAT, public records	No prior sales noted within the past 3 years. MDAT, public records	No prior sales noted within the past 3 years. MDAT, public records

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: According to MDAT and public records, the subject transferred to the current owner on 9/11/06 for \$0. None of the comparable sales had a prior sale within the past three years.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 262,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$ N/A

This appraisal is made ☒ "as is" ☐ subject to the repairs, alterations, inspections or conditions listed below ☐ subject to completion per plans & specifications.

Conditions of Appraisal: This is not a home inspection, no new home warranty is expressed or implied. This report is a Summary Appraisal Report.

Homes in this area are generally utilized for residential use and not income thus the income approach is not applicable.

Final Reconciliation: The adjusted sale prices via the sales comparison approach fall in acceptable range and support the final estimate of value.

The values indicated via the sales comparison analysis are used as the final estimate because of the quality of the data. This is not a home inspection, no home warranty is expressed or implied.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF June 5, 2007

(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 262,000

APPRaiser: Signature *Suzanne L. Harrison* SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature *Emerson Treffer, SRA*

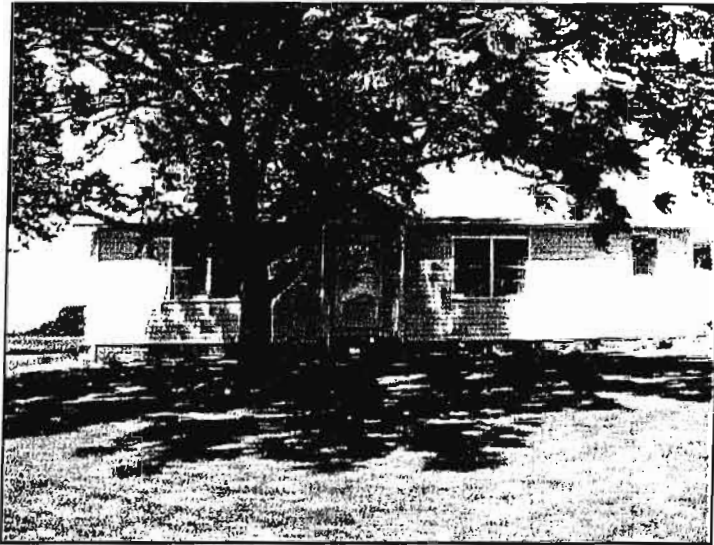
Name Suzanne L. Harrison State Md State Certification # 04-512 State Md

Date Report Signed 6/25/07 Date Report Signed 6/25/07

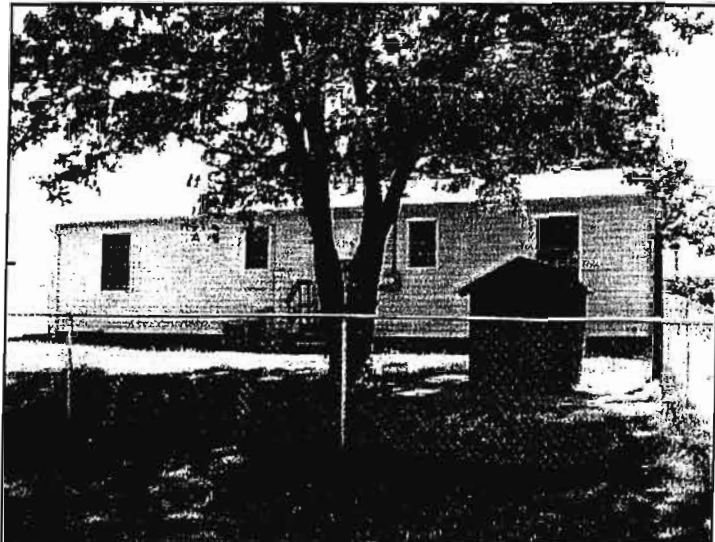
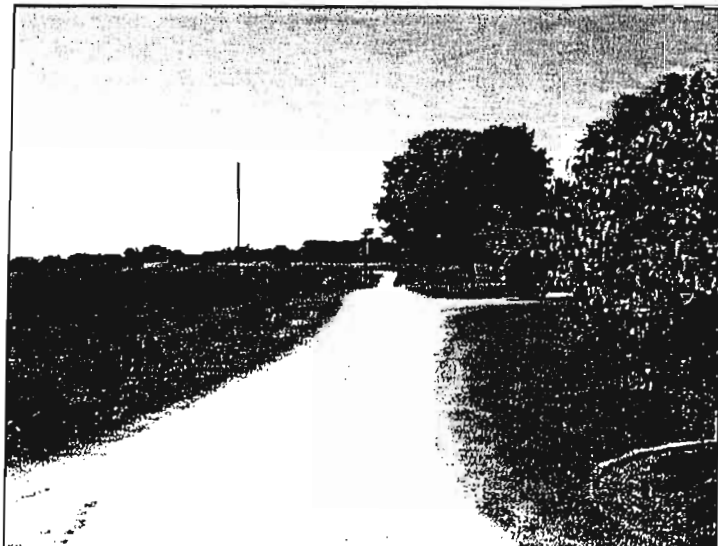
Or State License # 06-12690 State MD Or State License # State Md

**Subject Photo Page**

Borrower/Client	N/A					
Property Address	41501 Hayden Farm Ln					
City	Leonardtown	County	St. Mary's County	State	MD	Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools					

**Subject Front**

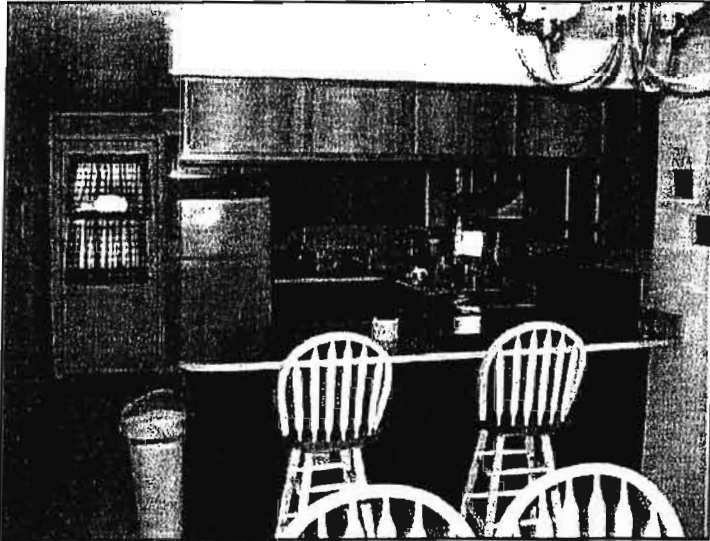
41501 Hayden Farm Ln  
Sales Price N/A  
Gross Living Area 1,152  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 2  
Location Leonardtown  
View Rural  
Site 1.06+/- acres  
Quality Vinyl siding - gd  
Age 13+/- years

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



## Photograph Addendum

Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				



Subject - Kitchen/Dining



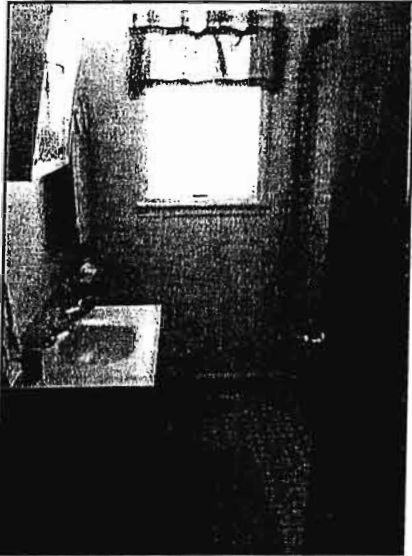
Subject - Living Room



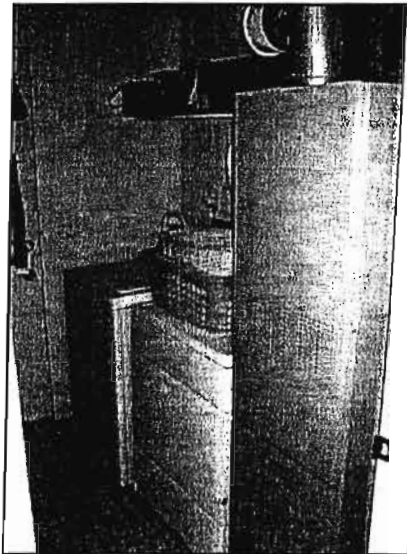
Subject - Bedroom

## Photograph Addendum

Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				



Subject - Full bath



Subject - Laundry/Utility

## Comparable Photo Page

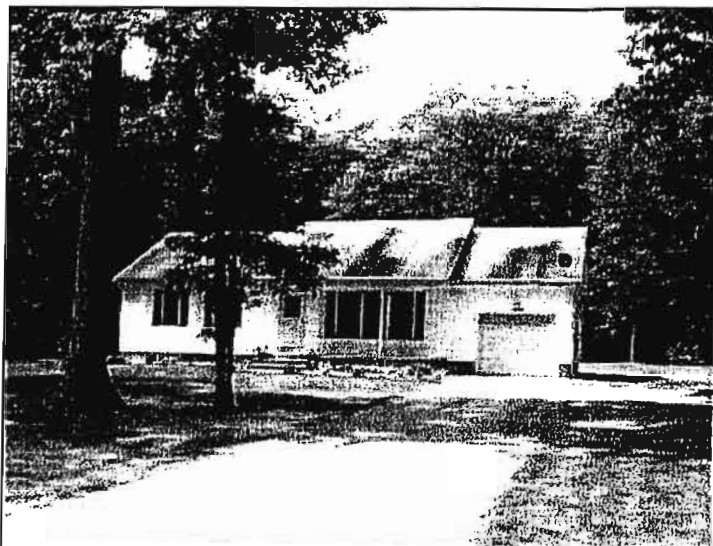
Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD
Zip Code	20650-5809				
Lender	Priv. Appraisal - St. Mary's Public Schools				

**Comparable 1**

41925 Stephen Young Court  
 Prox. to Subject 0.94 miles NE  
 Sales Price 239,000  
 Gross Living Area 1,008  
 Total Rooms 5  
 Total Bedrooms 3  
 Total Bathrooms 1  
 Location Barnes Estates  
 View Neighborhood  
 Site 0.22+/- acre  
 Quality Vinyl siding - gd  
 Age 11+/- years

**Comparable 2**

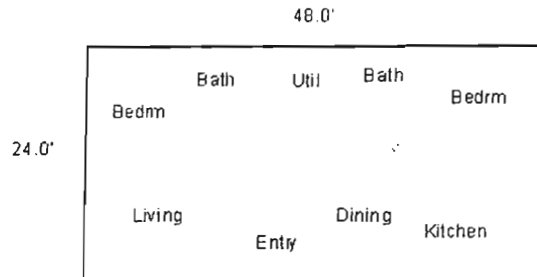
41440 Charles Street  
 Prox. to Subject 1.04 miles SW  
 Sales Price 260,000  
 Gross Living Area 1,232  
 Total Rooms 5  
 Total Bedrooms 2  
 Total Bathrooms 2  
 Location Leonardtown  
 View Neighborhood  
 Site 0.48+/- acres  
 Quality Vinyl siding - gd  
 Age 17+/- years

**Comparable 3**

39973 Ben Morgan Road  
 Prox. to Subject 4.4 miles SW  
 Sales Price 290,000  
 Gross Living Area 1,328  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location Leonardtown  
 View Rural  
 Site 1.00+/- acres  
 Quality Vinyl siding - gd  
 Age 16+/- years

## Building Sketch

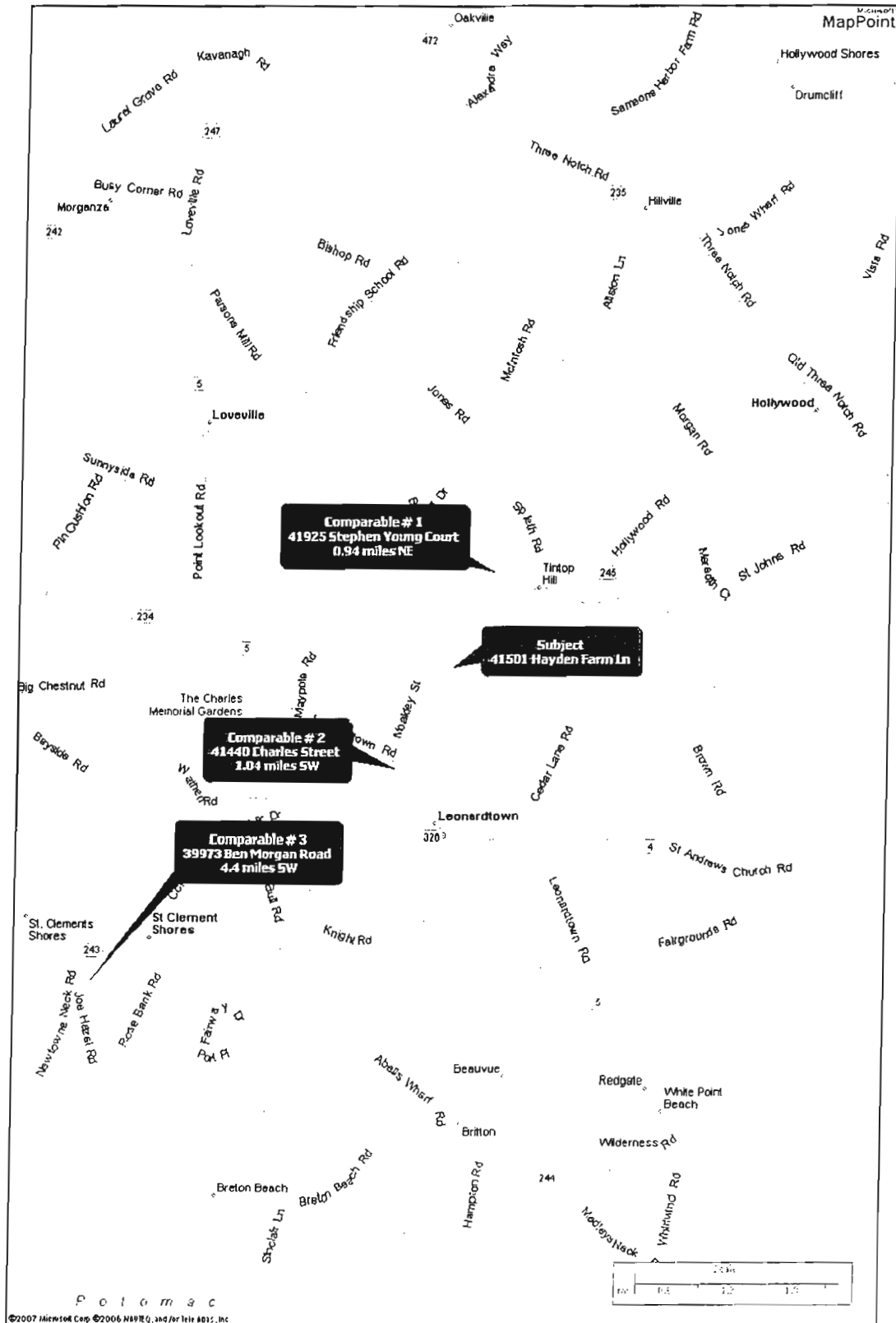
Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				



SKETCH CALCULATIONS		Perimeter	Area
Living Area			
First Floor			1152.0
Total Living Area			1152.0

## Location Map

Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD
Lender	Priv. Appraisal - St. Mary's Public Schools				
				Zip Code	20650-5809



## Supplemental Addendum

File No.

Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				

## Purpose and Function of the Appraisal

The purpose of the report is to develop and report an opinion of value for the subject property. The function of the appraisal is defined below under intended use.

## Scope of the Appraisal

The scope of the appraisal provides for a physical inspection of the property and its surroundings sufficient to gather data necessary to form a supportable estimate of market value. Comparable properties are chosen after reviewing recent settled sales, current listings, and properties currently under contract for sale. An exterior "drive-by" inspection is made of the comparable sales selected. Specifics regarding physical features of the comparable properties and the terms of sale are obtained from one or more of the following sources: Multiple Listing Services, public records, and other subscription services such as First American Real Estate Solutions and Specprint. Comparable sales are then compared to the subject, and necessary adjustments (market abstracted) are applied to arrive at an indicated value by direct sales comparison. The cost approach is developed using sources such as Marshall & Swift Cost Service and local builders' cost data. An income approach is also considered when applicable. A reasoned reconciliation of the three approaches to value is then made to arrive at an estimate of market value as defined in the appraisal report as of the effective date of the appraisal and subject to the Certification and Limiting Conditions that are attached hereto.

Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property that would make the property more or less valuable and makes no guarantees, or warranties, expressed or implied, regarding the condition of the property. Furthermore, this appraisal report is not a home inspection report. No warranty is expressed or implied.

## Appraisal and Report Identification

This appraisal conforms to the following definition:

This report is a Summary Appraisal Report in accordance with Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

This report is of a type defined below:

Summary Report: A written report prepared under Standard's Rule 2-2 (B) of an appraisal performed under Standard 1 of USPAP.

## Standard Comments

- 1) Client: The client is the lender, Private Individual, or other employee that is a party to the ordering of the appraisal.
- 2) Intended Use: The intended use of the appraisal report is to assist the client in evaluating the subject property as collateral for lending purposes or private individual purposes. Since this will be a federally related transaction, the definition of market value which was applied by the appraiser was taken from the *Dictionary of Real Estate Appraisal-Fourth Edition*, Page 177, and is used by agencies that regulate federally insured financial institutions in the United States.
- 3) Intended User: The intended user of the report is the client who has ordered the appraisal report or the employee(s) of the client that may be required to review or comment on the appraisal. The report is intended for use only by the client. Use of the report by others is not intended by the appraiser.
- 4) Exposure Time: The exposure time of the subject is the same as marketing time. Exposure time is defined as: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- 5) The site improvements' value, estimated in the cost approach, is an overall value for such items as driveway, landscaping, walkways, etc. The value is a "lump sum" estimate.
- 6) The appraiser is qualified and competent to perform this appraisal under USPAP guidelines.
- 7) No personal property other than what is typical for the area is included in this report, (i.e. appliances).

## Additional Certifications

-My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and in accordance with the regulations developed by the Lender's Federal Regulatory Agency as required by FIRREA.

## Supplemental Addendum

File No.

Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				

The photographs presented in this report were produced using digital photography. None of the photographs have been altered with the possible exception of brightness and or contrast in order to enhance clarity. Photographs are true representation of the subject and or comparable sales as of the inspection date unless otherwise noted in report.

Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.

The reproduction Cost is based on Marshall and Swift Residential Cost Service data supplemented by the appraiser's knowledge of the local market.

### Market Value

The 4th Edition of *The Dictionary of Real Estate Appraisal* includes several definitions for market value. The following definition from the dictionary is used by the federal agencies that regulate insured financial institutions in the United States.

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

### Hazmat/Environmental Statement

Unless otherwise stated in this report, the existence of hazardous material, wood boring insects, or concealed growths, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such conditions on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as mold, asbestos, radon, urea-formaldehyde foam insulation, lead paint, or other potentially hazardous materials may affect the value of the property. The value is predicated on the assumption that there are no such conditions on or in the property that would cause the loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. No tests or inspections have been completed for the aforementioned conditions. The client is urged to retain an expert in this field, if desired.

### Digital Signatures

The digital signatures attached to this report fully comply with minimum USPAP reporting requirements. Security features are utilized to ensure the integrity of the signatures and data. According to USPAP Statement on Appraisal Standards No. 8 dated 9/16/1998, electronically affixing a signature to a report is acceptable, and has the same level of authenticity and responsibility as a hand written ink signature.

### Detrimental Conditions Statement

There are a wide variety of detrimental conditions that can impact property values. These include, but are not limited to: non-market motivations, future temporary disruptions, acts of terrorism, stigmas, convicted criminals who reside in the neighborhood, neighborhood nuisances, future unannounced surrounding developments, structural and engineering conditions, construction conditions, soils and geotechnical issues, environmental conditions and natural conditions. The appraiser has inspected the subject property on a level that is consistent with the typical responsibilities of the appraisal profession; however the appraiser does not have the expertise of market analysts, soils, structural or engineers, scientists, specialists, urban planners and specialists for the various fields. Unless otherwise stated within the report, the appraiser assumes no responsibilities for the impact that the variety of detrimental conditions may cause.

### Neighborhood Market Conditions

At the present time; conventional, VA and FHA mortgages are available at rates purchasers consider attractive. Local market conditions reflect sales that are typically experiencing 0-3 months of market exposure. Sellers

## Supplemental Addendum

File No.

Borrower/Client	N/A				
Property Address	41501 Hayden Farm Ln				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				

paying a portion of the purchaser's closing costs is typical of the market. Market trend is increasing, as is the local economy, including the local housing market. Marketing time is stable. Favorable interest rates should continue to add strength to the market. The subject property has transferred/sold within the past 36 months or 3 years.

Conventional financing is readily available at rates purchasers consider attractive and sellers need not negotiate a sale on financing related concessions. Local brokers are referring to the current situation as a "seller's market", with relatively short market times for all but the most difficult to market properties.

This neighborhood provides a good environment for the house being appraised. There are no factors that will negatively affect the marketability of the house. All of the items in the neighborhood rating grid are rated good or average. The public schools, parks, view and noise level is typical for this type of neighborhood.

Nearby commercial land uses (i.e. stores, shops and offices) are typical and acceptable for both urban and suburban environments and they have no negative impact on value or marketability of the subject property.

No external inadequacies were observed in the neighborhood which would negatively affect the value of the property.

In my opinion, and based upon my knowledge and experience the subject property is not located in a speculative market or one which has experienced drastic price fluctuations relative to regional norms.

The predominant neighborhood value is significantly above the final value estimate. This, however, does not adversely affect the market value of the subject property.

#### Site Comments

Existing utility easements (telephone, electric, etc.) do not affect value. No known adverse easements or encroachments are known by the appraiser. The improvements on the property appear to conform to current zoning regulations. In the event of a major loss by fire it is most probable the improvements could be rebuilt without obtaining a zoning variance.

The subject property exhibits no apparent adverse effects from any apparent excessive physical, functional or external obsolescence.

The lack of curbs, gutters, sidewalks, and street lights is typical of the neighborhood and does not adversely affect the marketability of the subject property.

Gravel driveways are typical of the neighborhood and do not affect market value.

Access to the property is obtained via a common driveway. This appraiser is unaware of any easement or maintenance agreement between the owners of the subject property and the owners of the adjacent property. It is suggested that a written agreement be obtained that establishes the easement and states the responsibilities of both parties with regard to the access and maintenance.

Well and septic systems are typical of the area and do not adversely affect the marketability of the subject property. It is assumed that these systems meet all county standards and operate properly.

#### Comments on Sales Comparison

The scope of the assignment is to estimate the fee simple market value of the subject property and to consider the three conventional approaches to value. The Cost Approach and the Sales Comparison Approach are most reliable when appraising a single family home in this neighborhood due to sufficient number of comparable sales and the availability of current cost information. Single family homes in this neighborhood are typically purchased for owner occupancy. For this reason and the lack of rental information, the Income Approach is not utilized.

All the sales are located within the subject's market area of properties. All the sales were considered to be similar to the subject in appeal, view, location, design and Highest and Best Use.

#### Additional Comments

THIS APPRAISAL IS NOT A HOME INSPECTION REPORT. THE APPRAISER HAS ONLY PERFORMED A VISUAL INSPECTION OF THE EASILY ACCESSIBLE AREAS AND THAT THE APPRAISAL CAN NOT BE RELIED UPON TO DISCLOSE CONDITIONS AND/OR DEFECTS IN THE PROPERTY. THIS IS BEYOND THE SCOPE AND TRAINING OF THE APPRAISER.

NO WARRANTY OF THE APPRAISED PROPERTY IS GIVEN OR IMPLIED. NO LIABILITY IS ASSUMED FOR THE ELECTRICAL, HVAC, PLUMBING, MECHANICAL, FOUNDATION, ROOF, OR ANY STRUCTURAL ELEMENTS OF THE SUBJECT PROPERTY.



## Supplemental Addendum

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THE APPRAISER IS NOT A BUILDING CONTRACTOR, BUILDING INSPECTOR, HOME INSPECTOR OR CIVIL ENGINEER AND DOES NOT HAVE THE TRAINING OR EXPERTISE TO EVALUATE THE QUALITY OF THE WORKMANSHIP OR MATERIALS AND NEITHER MAKES NOR OFFERS ANY SUCH OPINION.

THE APPRAISER HAS NOT MADE ANY INSPECTION FOR MOLD, MILDEW, TERMITES, WOOD BORING INSECTS OR ANY OTHER RELATED INSPECTION FOR ANY TYPE OF INSECT, BAT(S), ANIMALS OR OTHER VERMIN, ETC. THIS IS BEYOND THE SCOPE AND TRAINING OF THE APPRAISER.

THIS APPRAISAL IS NOT INTENDED TO BE USED BY ANY THIRD PARTY AS THE THIRD PARTY IS NOT THE INTENDED USER AS DEFINED IN THE URAR REPORT.

#### Comments on Income Approach

Due to lack of valid and pertinent data available to the appraiser, the Income Approach was not utilized as part of this report.

#### Final Reconciliation

The adjusted sale prices via the sales comparison approach fall in close range and support the final estimate of value. The values indicated via the sales comparison analysis are used as the final estimate because of the quality of the data.

This appraisal has been made with the subject property having no subdivision potential.

The land value exceeds 30% of the final value estimate. This is larger than normal but it is in line with assessed land to value ratios and does not adversely affect the market value of the subject property.

#### Comments on Sales Comparison

All weight was given to the sales comparison approach, which are settled sales and are considered to be the best available offering similar function, design, and utility to the subject. Square footage adjustments were made at \$30 per square foot when warranted. All sales are located in the subject's neighborhood or market area, and a good reflection of the subject's value. Room count line adjustments are for the bathroom differences only. There is no indication of a bedroom premium in this report, beyond the GLA adjustments. This report was completed for the GLA (Gross Living Area).

Due to the rural nature of the subject's neighborhood and surrounding areas, it was necessary to utilize comps located at a distance of greater than one mile. Comparable one is located in a different neighborhood than the subject property. This was necessary, however, in order to find and utilize similar comparable sales that were comparable in overall design, appeal, condition, and amenities.

It is noted that comparable sales #1, #2, and #3 are over 6 months old. This is longer than normal but these sales are considered the best available featuring design, appeal, condition, utility, and amenities. Other sales would require less desirable adjustments and were not utilized for that reason.

The comparables all differ in the gross living area as compared to the subject property. It was necessary, however, to utilize these comparable sales in order to compare dwellings that were similar in design, utility, and amenities. The sales presented are the best available.

Comparable one was a rancher on a site smaller than the subject, requiring an adjustment for acreage. Additional adjustments were made for lack of a second bath, slightly smaller living area and having Pergo floors. This sale sold in October 2006 after 45 days on the market.

Comparable sale two was a rancher adjusted for smaller acreage, as well as a slightly larger living area, having a two car garage and lack of a fence. This sale was sold in June 2006 after 54 days on the market.

Comparable sale three was adjusted to reflect a larger living area, one car garage, lack of ceiling fans and a fence, having a deck, and superior interior amenities. This sale occurred in July 2006 after 23 days on the market.

All three sales are considered good comparables; however, emphasis is placed on Sale #2 as it is the most similar to the subject and required the least amount of net adjustment.

It was necessary to utilize these three comparable sales as they all were the most similar to the subject property with respect to design, appeal, utility, basement finish, and amenities. The three sales presented were the best available.

**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 APPRAISER'S CERTIFICATION

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

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

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

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

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

**ADDRESS OF PROPERTY APPRAISED:** 41501 Hayden Farm Ln, Leonardtown, MD 20650-5809

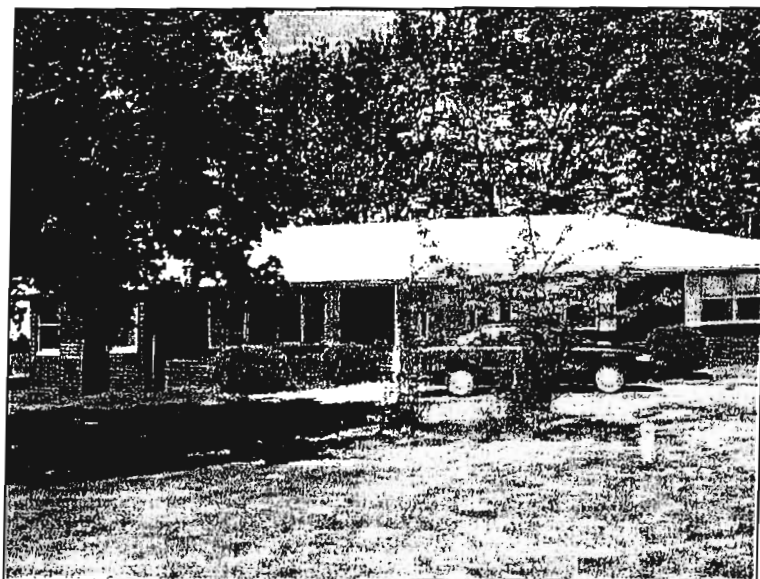
**APPRAISER:**

Signature: Suzanne L. Harrison  
 Name: Suzanne L. Harrison  
 Date Signed: 6/25/07  
 State Certification #: \_\_\_\_\_  
 or State License #: 06-12690  
 State: MD  
 Expiration Date of Certification or License: 3/8/2010

**SUPERVISORY APPRAISER (only if required):**

Signature: Emerson Treffer  
 Name: Emerson Treffer, SRA  
 Date Signed: 6/25/07  
 State Certification #: 04-512  
 or State License #: \_\_\_\_\_  
 State: Maryland  
 Expiration Date of Certification or License: 12/31/2009

☐ Did ☒ Did Not Inspect Property



**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

41515 Hayden Farm Lane  
Tax Map 32, Grid 11, Parcel 225, Assessment Area 2  
Leonardtown, MD 20650-5809

**FOR:**

Priv. Appraisal - St. Mary's Public Schools  
27190 Point Lookout Road, Loveville, MD 20656

**AS OF:**

June 5, 2007

**BY:**

Suzanne L. Hamison

## UNIFORM RESIDENTIAL APPRAISAL REPORT

File No.

Property Description		41515 Hayden Farm Lane		City Leonardtown		State MD		Zip Code 20650-5809																																																																																																																																																																																																																																									
Legal Description		Tax Map 32, Grid 11, Parcel 225, Assessment Area 2		County St. Mary's County																																																																																																																																																																																																																																													
Assessor's Parcel No.		03-011410		Tax Year 06/07		R.E. Taxes \$ 1,807.00		Special Assessments \$ 44.00																																																																																																																																																																																																																																									
Borrower N/A		Current Owner Janice Hayden		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant																																																																																																																																																																																																																																													
Property rights appraised		<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold		Project Type <input type="checkbox"/> PUD <input type="checkbox"/> Condominium (HUD/VA only)		HOA \$ N/A		/Mo.																																																																																																																																																																																																																																									
Neighborhood or Project Name		N/A		Map Reference SM 16-B-1		Census Tract 9955.00																																																																																																																																																																																																																																											
Sale Price \$		N/A		Date of Sale N/A		Description and \$ amount of loan charges/concessions to be paid by seller N/A																																																																																																																																																																																																																																											
Lender/Client		Priv. Appraisal - St. Mary's Public Schools		Address 27190 Point Lookout Road, Loveville, MD 20656																																																																																																																																																																																																																																													
Appraiser		Suzanne L. Harrison		Address 1244 Ritchie Hwy, Ste. 19, Arnold, MD 21012																																																																																																																																																																																																																																													
Location		<input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural		Predominant occupancy		Single family housing		Present land use %																																																																																																																																																																																																																																									
Built up		<input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner 100		PRICE \$ (000) 135 Low 1		One family 95%																																																																																																																																																																																																																																									
Growth rate		<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input type="checkbox"/> Tenant		710 High 87		2-4 family																																																																																																																																																																																																																																									
Property values		<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input type="checkbox"/> Vacant (0-5%)		Predominant		Multi-family																																																																																																																																																																																																																																									
Demand/supply		<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In balance <input type="checkbox"/> Over supply		<input type="checkbox"/> Vac. (over 5%)		305-405 2-7		Commercial 5%																																																																																																																																																																																																																																									
Marketing time		<input type="checkbox"/> Under 3 mos. <input checked="" type="checkbox"/> 3-6 mos. <input type="checkbox"/> Over 6 mos.						Land use change																																																																																																																																																																																																																																									
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<p><b>Note: Race and the racial composition of the neighborhood are not appraisal factors.</b></p> <p>Neighborhood boundaries and characteristics: The subject property is bound by Point Lookout Road (Rt.5) to the south, Hollywood Road (Rt. 245) to the east, Maypole Road to the west, and Cemetery Road to the north. The property is sited within a farm property parcel.</p> <p>Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):</p> <p>The neighborhood and marketing area is comprised of medium to large sized, attached and detached single family homes of average to good appeal and marketability. The subject property has good access to all typical urban amenities including shopping, schools and employment centers. This report is a summary appraisal report as defined by USPAP SR 2-2(B). THIS REPORT IS A SUMMARY APPRAISAL REPORT.</p> <p>Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):</p> <p>At the present time, mortgage funds are available at interest rates which would be considered attractive to a prospective purchaser. Typical seller concessions may contribute three to six percent of the purchase price towards the buyer's closing costs. The market is in balance with buyer demand and the available supply of housing in relative equilibrium resulting in stabilization of or slow increases of property values.</p>																																																																																																																																																																																																																																																	
<p><b>PUD</b></p> <p>Project Information for PUDs (if applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No N/A</p> <p>Approximate total number of units in the subject project N/A Approximate total number of units for sale in the subject project N/A</p> <p>Describe common elements and recreational facilities: N/A - The subject property is not located in a PUD.</p>																																																																																																																																																																																																																																																	
<p><b>SITE</b></p> <p>Dimensions MDAT &amp; Public record information</p> <p>Site area 1.69+/- acres Corner Lot <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Specific zoning classification and description RL - Residential Low Density</p> <p>Zoning compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning</p> <p>Highest &amp; best use as improved: <input type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)</p> <p>Utilities Public Other Off-site Improvements Type Public Private</p> <p>Electricity <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Private Well/typical <input type="checkbox"/> Septic/typical <input type="checkbox"/> None</p> <p>Street Asphalt - main road <input checked="" type="checkbox"/> Street Curb/gutter None/Typical <input type="checkbox"/> Sidewalk None/Typical <input type="checkbox"/> Street lights None/Typical <input type="checkbox"/> Alley None/Typical <input type="checkbox"/> None</p> <p>Topography Level</p> <p>Size 1.69+/- acres</p> <p>Shape Rectangular</p> <p>Drainage Appears adequate</p> <p>View Rural</p> <p>Landscaping Typical</p> <p>Driveway Surface Dirt/Gravel</p> <p>Apparent easements Typical</p> <p>FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>FEMA Zone X Map Date 10/19/2004</p> <p>FEMA Map No. 24037C0167E</p> <p>Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): None apparent,</p> <p>appraiser makes no warranties on easements or encroachments. Typical utility easements have no adverse effect on the subject's marketability. Flood Hazard Map Interpretation is believed accurate, is not guaranteed.</p>																																																																																																																																																																																																																																																	
<p><b>DESCRIPTION OF IMPROVEMENTS</b></p> <table border="1"> <thead> <tr> <th colspan="2">GENERAL DESCRIPTION</th> <th colspan="2">EXTERIOR DESCRIPTION</th> <th colspan="2">FOUNDATION</th> <th colspan="2">BASEMENT</th> <th colspan="2">INSULATION</th> </tr> </thead> <tbody> <tr> <td>No. of Units</td> <td>1</td> <td>Foundation</td> <td>Concrete block</td> <td>Slab</td> <td>N/A</td> <td>Area Sq. 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The enclosed porch includes a woodstove and a half bath. There is a shed.</p> <p>Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: The subject is in average condition. At the time of inspection, water damage was noted on the ceiling of the rear bedroom. Additionally, in the corner of the basement to the rear, the appraiser noted water damage to the concrete block wall and a puddle of standing water on the floor. Please see supplemental addendum for further comments and clarification of condition.</p> <p>Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.: There were no adverse environmental conditions noted by the appraiser at the time of inspection. The appraiser is unaware of any fuel oil tank leaks.</p>										GENERAL DESCRIPTION		EXTERIOR DESCRIPTION		FOUNDATION		BASEMENT		INSULATION		No. of Units	1	Foundation	Concrete block	Slab	N/A	Area Sq. Ft.	1,792	Roof	Concld <input checked="" type="checkbox"/>	No. of Stories	1 w/basemt	Exterior Walls	Brick	Crawl Space	N/A	% Finished	Unfinished	Ceiling	Concld <input checked="" type="checkbox"/>	Type (Det./Att.)	Detached	Roof Surface	Comp. shingle	Basement	Full bsmt - 100%	Ceiling	Exp. joists	Walls	Concld <input checked="" type="checkbox"/>	Design (Style)	Rancher	Gutters & Dwnspts.	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## UNIFORM RESIDENTIAL APPRAISAL REPORT

File No.

Valuation Section

ESTIMATED SITE VALUE		= \$	85,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Site value is based on recent land sales, if any, or estimated by abstraction or allocation for built-up neighborhoods and review of land assessments. Cost Approach is developed from Marshall & Swift residential cost manual and/or local builder estimates. The Cost Approach reflects the replacement value at the time of the appraisal. This estimate is not intended to be used for insurance purposes. Extras: Woodstove, enclosed porch, shed. Remaining economic life = 40 +/- years.
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:				
Dwelling	1,792 Sq. Ft. @ \$ 100.00	= \$	179,200	
	1,792 Sq. Ft. @ \$ 45.00	=	80,640	
Fans, woodstove, porch, shed		=	25,000	
Garage/Carport	N/A Sq. Ft. @ \$ N/A	=	0	
Total Estimated Cost New		= \$	284,840	
Less	Physical Functional External			
Depreciation	94,937 10,000	= \$	104,937	
Depreciated Value of Improvements		= \$	179,903	
"As-is" Value of Site Improvements	Landscaping	= \$	10,000	
INDICATED VALUE BY COST APPROACH		= \$	274,903	

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	41515 Hayden Farm Lane Leonardtown, MD 20650	21920 Point Lookout Road Leonardtown, MD 20650	40610 Eddie Nelson Road Leonardtown, MD 20650	21933 Point Lookout Road Leonardtown, MD 20650
Proximity to Subject		6.45 miles SE	2 miles W	6.44 miles SE
Sales Price	\$ N/A	\$ 286,000	\$ 273,987	\$ 265,000
Price/Gross Living Area	\$ N/A	\$ 171.88	\$ 223.48	\$ 206.23
Data and/or Verification Source	Owner/public rec inspection	MLS # SM6176949 Public record, inspection	MLS# SM6046200 Public record, inspection	MLS# SM6240320 Public record, inspection
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.
Sales or Financing Concessions		\$8,580 sellr sub DOM - 167	\$8,599 sellr sub DOM - 107	\$5,000 sellr sub DOM - 34
Date of Sale/Time		4/30/07	9/28/06	1/4/07
Location	Leonardtown	Leonardtown	Leonardtown	Belvedere Wldd
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	1.69 +/- acres	1.61 +/- acres	1.53 +/- acres	1.83 +/- acres
View	Rural	Rural	Rural	Rural
Design and Appeal	Rancher - good	Rancher - good	Rancher - good	Rancher - good
Quality of Construction	Brick - good	Brick/siding - gd	Vnl siding-avg/gd +10,000	Vnl sidg -avg/gd +10,000
Age	47 +/- years	55 +/- years	50 +/- years	53 +/- years
Condition	Avg -water damg	Good -10,000	Good -10,000	Good -10,000
Above Grade	Total : Bdrms : Baths	Total : Bdrms : Baths	Total : Bdrms : Baths	Total : Bdrms : Baths
Room Count	6 : 3 : 1.5	7 : 3 : 2 -3,000	6 : 3 : 1 +3,000	6 : 3 : 1 +3,000
Gross Living Area	1,792 Sq. Ft.	1,664 Sq. Ft. +3,840	1,226 Sq. Ft. +16,980	1,285 Sq. Ft. +15,210
Basement & Finished Rooms Below Grade	Full Basement Unfinished	Full basement Rec room -10,000	Full Basement Unfinished	Full basement Fam,bd,den,bath -15,000
Functional Utility	Typical	Typical	Typical	Typical
Heating/Cooling	FWA/CAC	Basebd/CAC	FWA/CAC	FWA/CAC
Energy Efficient Items	SP Wndw, CF	SP Wndw, CF	DP Wndw -6,000	SP Wndws
Garage/Carport	None	None	None	1 car det.garage -5,000
Porch, Patio, Deck, Fireplace(s), etc.	Enclosed porch Woodstove	Patio 1 fireplace +3,000 -5,000	Deck +1,000 +500	Encprch,deck,pal -4,000 1 fireplace -5,000
Fence, Pool, etc.	Shed	Shed	None +300	Fence
Interior Amenities	Hardwood Flrs	HW, Bl, UA -6,000	Remodeled -25,000	Hardwood flrs
Net Adj. (total)		□ + □ - \$ -27,160	□ + □ - \$ -9,220	□ + □ - \$ -10,790
Adjusted Sales Price of Comparable		\$ 258,840	\$ 264,767	\$ 254,210

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): The comparables chosen are most like the subject in size, style, effective age, utility and are closest in proximity to the subject, which provides a reasonable profile of the immediate market values. All three comparable sales were adjusted downward for condition as the subject had water damage in the basement and rear bedroom ceiling. All three sales are considered good comparables; thus no one sale is emphasized. Due to the rural nature of the area, it was necessary to use comparables located at a distance further than one mile from the subject. Abbreviations noted above are hardwoods (HW), built-ins (BI), ceiling fans (CF) and updated appliances (UA). Please see Supplemental Addendum for further comments.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	No sales within the past 3 yrs. MDAT, public recd	No prior sales noted within the past 3 years. MDAT, public records	Prior sale on 6/30/04 for \$182,000. MDAT, public records	No prior sales noted within the past 3 years. MDAT, public records
Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: According to MDAT and public records, the subject has not been sold, listed or under contract of sale for the past three years. Comparable sale #2 had a prior sale on 6/30/04 for \$182,000.				

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 258,000  
INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$ N/A

This appraisal is made ☒ "as is" ☐ subject to the repairs, alterations, inspections or conditions listed below ☐ subject to completion per plans & specifications.  
Conditions of Appraisal: This is not a home inspection, no new home warranty is expressed or implied. This report is a Summary Appraisal Report.  
Homes in this area are generally utilized for residential use and not income thus the income approach is not applicable.

Final Reconciliation: The adjusted sale prices via the sales comparison approach fall in acceptable range and support the final estimate of value.

The values indicated via the sales comparison analysis are used as the final estimate because of the quality of the data. This is not a home inspection, no home warranty is expressed or implied.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised 6/93).

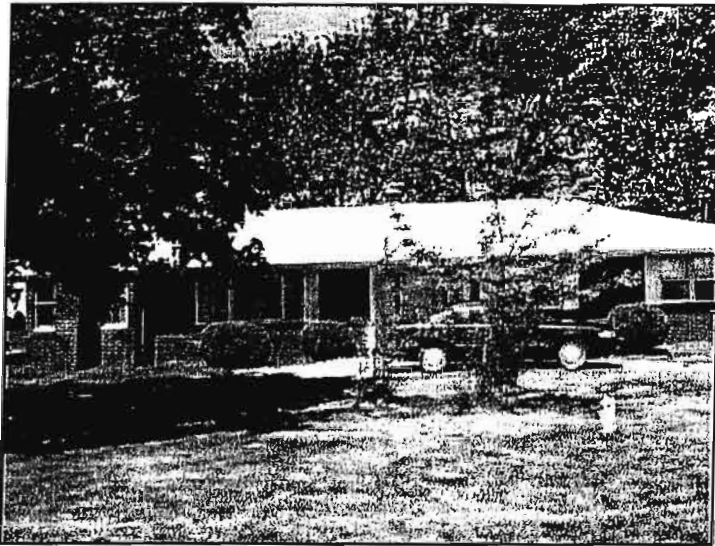
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF June 5, 2007

(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 258,000

APPRaiser: Suzanne L. Harrison SUPERVISOR/APPRaiser (ONLY IF REQUIRED):  
Signature: Suzanne L. Harrison Signature: Emerson Treffer, SRA ☐ Did ☒ Did Not  
Name: Suzanne L. Harrison Name: Emerson Treffer, SRA Inspect Property  
Date Report Signed: 6/22/07 Date Report Signed: 6/22/07  
State Certification #: State MD State Certification #: 04-512 State: Md  
Dr State License #: 06-12690 State MD Or State License #: State

## Subject Photo Page

Borrower/Client	N/A					
Property Address	41515 Hayden Farm Lane					
City	Leonardtown	County	St. Mary's County	State	MD	Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools					



## Subject Front

41515 Hayden Farm Lane  
 Sales Price N/A  
 Gross Living Area 1,792  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 1.5  
 Location Leonardtown  
 View Rural  
 Site 1.69+/- acres  
 Quality Brick - good  
 Age 47+/- years



## Subject Rear

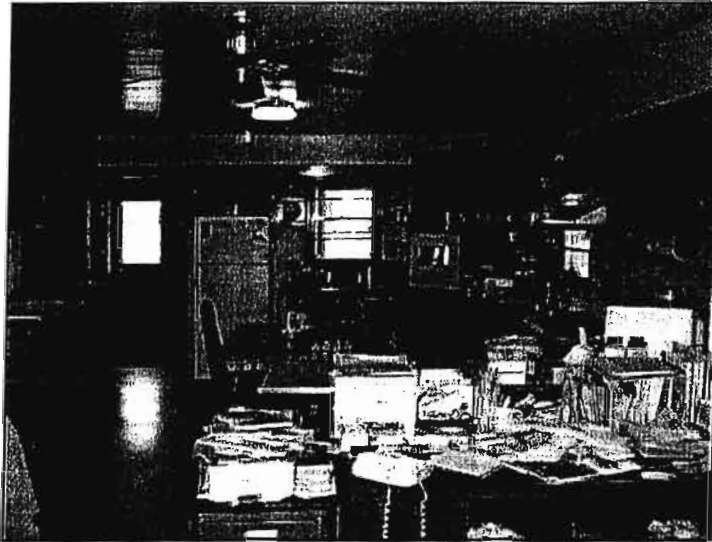


## Subject Street



## Photograph Addendum

Borrower/Client	N/A				
Property Address	41515 Hayden Farm Lane				
City	Leonardtown	County	St. Mary's County	State	MD
Zip Code	20650-5809				
Lender	Priv. Appraisal - St. Mary's Public Schools				



Subject - Kitchen/Dining



Subject - Bedroom



Subject - Full bath



## Photograph Addendum

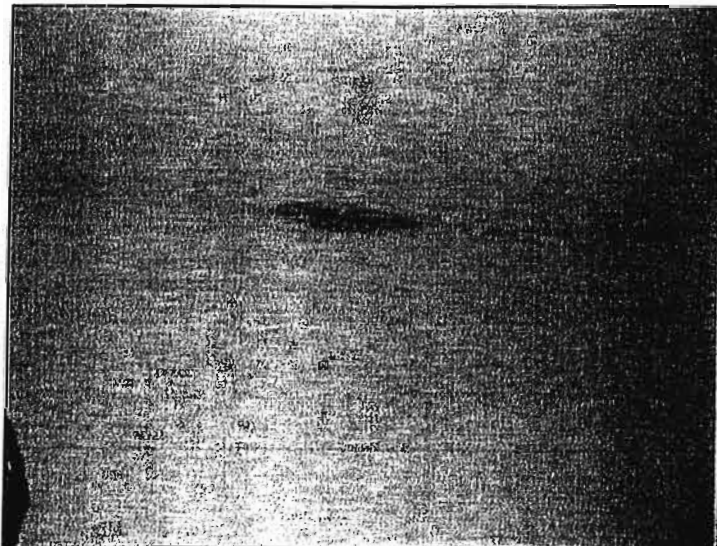
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Property Address	41515 Hayden Farm Lane				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				



Subject - Enclosed Porch



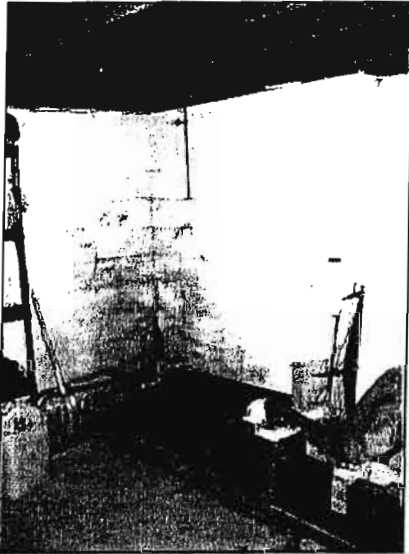
Subject - Backyard/Shed



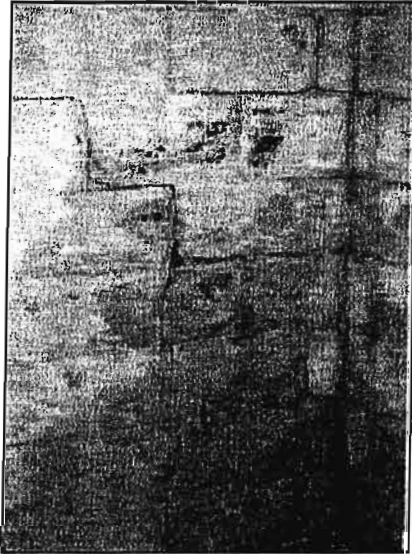
Subject - Water damaged ceiling in rear bedroom

## Photograph Addendum

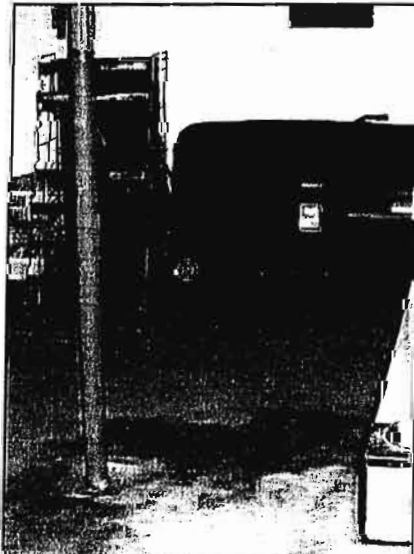
Borrower/Client	N/A				
Property Address	41515 Hayden Farm Lane				
City	Leonardtown	County	St. Mary's County	State	MD Zip Code 20650-5809
Lender	Priv. Appraisal - St. Mary's Public Schools				



Subject - Water intrusion/damage to rear basement wall



Subject - Basement wall water damage. Settlement noted.



Subject - Standing water on basement floor