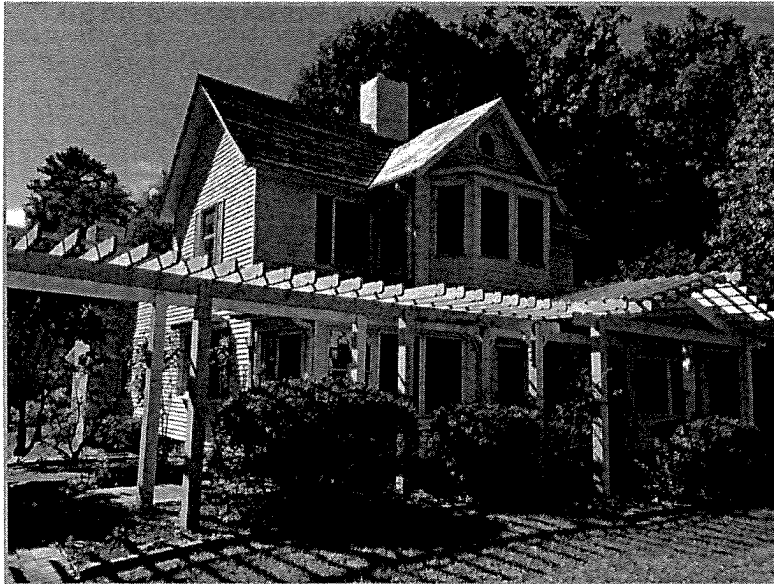


# Exhibit 2



**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

131 Garren Creek Rd  
See Attached  
Fairview, NC 28730

**FOR:**

USAA Federal Savings Bank  
10750 McDermott Freeway  
San Antonio, TX 78288

**AS OF:**

10/09/2014

**BY:**

Devin Chapman

Uniform Residential Appraisal Report

13392292-It0003758255012

File # 1410061508

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

**Property Address** 131 Garren Creek Rd City Fairview State NC Zip Code 28730  
**Borrower** Sarah G Z Pearshall Owner of Public Record **Burton W Wiant** County Buncombe  
**Legal Description** See Attached  
**Assessor's Parcel #** 9696-12-9070-00000 **Tax Year** 2014 **R.E. Taxes \$** 2,209  
**Neighborhood Name** Fairview **Map Reference** 9696 **Census Tract** 0032.04  
**Occupant**  Owner  Tenant  Vacant **Special Assessments \$** 0  PUD **HOA \$** 0  per year  per month  
**Property Rights Appraised**  Fee Simple  Leasehold  Other (describe)  
**Assignment Type**  Purchase Transaction  Refinance Transaction  Other (describe)  
**Lender/Client** USAA Federal Savings Bank **Address** 10750 McDermott Freeway, San Antonio, TX 78288  
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?  Yes  No  
 Report data source(s) used, offering price(s), and date(s). **DOM 576; Per NCMMLS 553064, the subject was listed on 02/28/2013 for \$340,000. It expired on 12/01/2013 with no price changes. It was listed again on 12/17/2013 for \$320,000.**  
 I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. **Arms length sale; The terms of the contract are typical for the area.**

**Contract Price \$** 287,500 **Date of Contract** 10/03/2014 **Is the property seller the owner of public record?**  Yes  No **Data Source(s)** Buncombe Cnty  
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?  Yes  No  
 If yes, report the total dollar amount and describe the items to be paid. **\$0;**

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

Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	68 %	
Build-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	1 %	
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	31	Low 0	Multi-Family	1 %	
Neighborhood Boundaries	The subject is bounded to the North by Old Fort Rd, to the South by Hwy 74, to the West by Hwy 74 and to the East by Flat Creek Rd.			875	High 218	Commercial	5 %	
Neighborhood Description	The subject area is located approximately 2-10 miles from employment centers and approximately 2-10 miles from public recreation facilities such as parks, golf courses, etc. The area is predominantly owner occupied. The subject has a similar market appeal to other properties in the area. The 25% "other" land use is vacant or undeveloped land.			219	Pred. 30	Other	25 %	
Market Conditions (including support for the above conclusions)	See attached addenda.							

**Dimensions** See Attached **Area** 3.26 ac **Shape** Irregular **View** N; Woods;  
**Specific Zoning Classification** OU **Zoning Description** Open Use  
**Zoning Compliance**  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)  
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?  Yes  No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/> Well - Typical	Street	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> Propane	Sanitary Sewer	<input checked="" type="checkbox"/> Septic - Typical	Alley	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	3700969600J	FEMA Map Date	01/06/2010
Are the utilities and off-site improvements typical for the market area?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe						
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe						

**Well and septic systems are common in the subject's market area and do not adversely affect the marketability of properties.**

General Description		Foundation		Exterior Description		Interior				
Units	<input type="checkbox"/> One <input checked="" type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Craw Space	Foundation Walls	Stone/Avg	Floors	Wd, Crpt, Tile/Avg				
# of Stories	2	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Alum/Avg	Walls	Pistr, Wd, Dry/Avg				
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Alt. <input type="checkbox"/> S-Det./End Unit	Basement Area	0 sq.ft.	Roof Surface	Metal/Avg	Trim/Finish	Wood/Avg			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish	0 %	Gutters & Downspouts	Alum/Avg	Bath Floor	Tile/Avg			
Design (Style)	Traditional	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Dbl Hung/Avg	Bath Wainscot	Fiberglass/Avg				
Year Built	1796	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Yes/Avg	Car Storage	<input type="checkbox"/> None				
Effective Age (Yrs)	42	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Avg	<input checked="" type="checkbox"/> Driveway	# of Cars	4			
Attic	<input checked="" type="checkbox"/> None <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Heating	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	0	Driveway Surface	Gravel		
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel	Propane	Fireplace(s) #	3	Fence	None	<input checked="" type="checkbox"/> Garage	# of Cars	2
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling	Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck	3	<input checked="" type="checkbox"/> Porch	1	<input type="checkbox"/> Carport	# of Cars	0	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	Individual	<input checked="" type="checkbox"/> Other	None	Pool	None	<input type="checkbox"/> Other	Gst House	<input type="checkbox"/> Att.	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Built-in
Appliances	<input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)									
Finished area	above grade contains:	11 Rooms	3 Bedrooms	2.0 Bath(s)	2,854	Square Feet of Gross Living Area Above Grade				
Additional features (special energy efficient items, etc.). <b>There are 3 fireplaces. There are 2 patios and a deck. There is a two car detached garage. There is a 1 bedroom, 1 bathroom, 768 square foot guest house.</b>										
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). <b>C4; No updates in the prior 15 years; The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.</b>										
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe										
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe										

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There are <b>3</b> comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ <b>275,000</b> to \$ <b>469,000</b>					
There are <b>6</b> comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ <b>235,000</b> to \$ <b>440,000</b>					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	131 Garren Creek Rd Fairview, NC 28730	178 Sunset Dr Black Mountain, NC 28711	1125 Reems Creek Rd Weaverville, NC 28787	1935 Charlotte Hwy Fairview, NC 28730	
Proximity to Subject		7.75 miles NE	14.04 miles NW	1.42 miles SE	
Sale Price	\$ 287,500	\$ 248,000	\$ 358,000	\$ 365,000	
Sale Price/Gross Liv. Area	\$ 100.74 sq.ft.	\$ 87.63 sq.ft.	\$ 125.26 sq.ft.	\$ 179.10 sq.ft.	
Data Source(s)		NCMMLS 553171;DOM 69	NCMMLS 539558;DOM 200	NCMMLS 536719;DOM 332	
Verification Source(s)		Buncombe County	Buncombe County	Buncombe County	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing		Armlth		Armlth	
Concessions		Conv;1000		Conv;0	
Date of Sale/Time		s02/14;Unk		s01/14;c12/13	
Location	N;Res;	N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	3.26 ac	2.00 ac	+15,120	5.85 ac	-31,080
View	N;Woods;	N;Woods;		B;Mtn;Creek	-25,000
Design (Style)	DT2;Trdtnl	DT2;Victorian	0	DT2;Victorian	0
Quality of Construction	Q4	Q4		Q4	
Actual Age	218	119	0	122	0
Condition	C4	C4		C4	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	11 3 2.0	10 4 2.0	0	9 4 2.1	-4,000
Gross Living Area	2,854 sq.ft.	2,830 sq.ft.	0	2,858 sq.ft.	0
Basement & Finished	0sf	0sf		0sf	
Rooms Below Grade					
Functional Utility	Average	Average		Average	
Heating/Cooling	Fa/-	Hpump/Ca	-4,000	Rdtr/-	+2,000
Energy Efficient Items	None	None		None	
Garage/Carport	2gd4dw	4dw	+12,000	4dw	+12,000
Porch/Patio/Deck	0,2,1	5,0,0	-4,000	2,0,2	-2,000
Extras	3 Fireplaces	2 Fireplaces	+2,000	2 Fireplaces	+2,000
Extras	Gst Hs-768 sf	None	+38,400	2Gst Hs-468 sf	-8,400
Extras	None	None		Gst Hs-1,031 sf	-13,150
Net Adjustment (Total)			\$ 59,520		\$ -59,480
Adjusted Sale Price		Net Adj. 24.0 %		Net Adj. 16.6 %	
of Comparables		Gross Adj. 30.5 %	\$ 307,520	Gross Adj. 25.6 %	\$ 298,520
				Gross Adj. 43.0 %	\$ 293,490

did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Buncombe County Records, NCM MLS

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

Data Source(s) Buncombe County Records, NCM MLS

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

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	Buncombe County Records	Buncombe County Records	Buncombe County Records	Buncombe County Records
Effective Date of Data Source(s)	10/09/2014	10/09/2014	10/09/2014	10/09/2014

Analysis of prior sale or transfer history of the subject property and comparable sales No known prior sales of the subject or comparables except where noted.

Summary of Sales Comparison Approach See attached addenda.

Indicated Value by Sales Comparison Approach \$	295,000	Cost Approach (if developed) \$	298,880	Income Approach (if developed) \$	
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See attached addenda.

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: **No conditions known or made available to the appraiser.**

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ **295,000**, as of **10/09/2014**, which is the date of inspection and the effective date of this appraisal.

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**ADDITIONAL COMMENTS**

The appraiser is not a licensed home inspector. Unless otherwise noted, all mechanicals (HVAC, plumbing, wiring, fixtures, appliances and any other mechanical systems) are assumed to be in working order. The appraisal also assumes adequate legal means of ingress and egress to and from the property.

The roof covering of existing homes is inspected visually from the ground level. Any know or indicated (by sight) roof problems are included in the report. The lack of any problems being noted in the report does not guarantee that the roof is not leaking or will lead in the near future. Any assurance of the integrity of the roof or roof covering against failure or leaking would be determined by a roof inspection by a qualified home inspector or roof specialist.

If any sketches or measurements are shown in this report, they may be rounded and are approximate measurements not intended to be exact or drawn to scale.

I have no current or prospective interest in the subject property or the parties involved; and no services were performed by the appraiser within the 3 year period immediately preceding acceptance of this assignment, as an appraiser or in any capacity.

The subject is in C4 condition. Part of the consideration of that condition rating was the fact that there are no kitchen appliances. The missing appliances have minimal effect on the marketability of the subject because the fact that they are missing is consistent with the condition of the rest of the house.

The subject was vacant at the time of inspection. The utilities were on and working at the time of inspection.

Public utilities are not available at the subject site.

The retaining wall did not appear to be of any structural or safety concern for the house.

**COST APPROACH TO VALUE (not required by Fannie Mae)**

Provide adequate information for the lender/client to replicate the below cost figures and calculations.  
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

Comparable land sales in the area were used to establish an estimate for site value for the subject property. A combination of matched pairs and realtor data was used to estimate the site value for the subject property.

<b>ESTIMATED</b> <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 81,500
Source of cost data <b>Local Contractors</b>	DWELLING 2,854 Sq.Ft. @ \$ 110.00 = \$ 313,940
Quality rating from cost service <b>Average</b> Effective date of cost data <b>10/01/2014</b>	0 Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	ca, W, S, Dck, Fps, GH = \$ 105,000
Cost data provided by local contractors.	Garage/Carport 672 Sq.Ft. @ \$ 20.00 = \$ 13,440
Site value based on land sales, extraction or % allocation method.	Total Estimate of Cost-New = \$ 432,380
Land to improvement ratio is typical for the area.	Less Physical Functional External
No functional or external depreciation noted.	Depreciation 227,000 = \$( 227,000)
Physical depreciation calculated using effective age/life method.	Depreciated Cost of Improvements = \$ 205,380
	*As-is* Value of Site Improvements = \$ 12,000
Estimated Remaining Economic Life (HUD and VA only) <b>38</b> Years	INDICATED VALUE BY COST APPROACH = \$ 298,880

**INCOME APPROACH TO VALUE (not required by Fannie Mae)**

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

**PROJECT INFORMATION FOR PUDs (if applicable)**

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases	Total number of units	Total number of units sold
Total number of units rented	Total number of units for sale	Data source(s)

Was the project created by the conversion of existing building(s) into a PUD?  Yes  No If Yes, date of conversion.

Does the project contain any multi-dwelling units?  Yes  No Data Source

Are the units, common elements, and recreation facilities complete?  Yes  No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

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

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

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

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

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

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

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

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

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

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

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

# Uniform Residential Appraisal Report

13392292-It0003758255012

File # 1410061508

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

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

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

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

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

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

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

### APPRAISER

Signature [Signature]  
 Name Devin Chapman  
 Company Name Mountain Appraisal Service, LLC  
 Company Address 30 Westgate Parkway #153  
Asheville, NC 28806  
 Telephone Number 8287134494  
 Email Address mountainappraisal@gmail.com  
 Date of Signature and Report 10/13/2014  
 Effective Date of Appraisal 10/09/2014  
 State Certification # A6922  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State NC  
 Expiration Date of Certification or License 06/30/2015



### SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

### ADDRESS OF PROPERTY APPRAISED

131 Garren Creek Rd  
Fairview, NC 28730  
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 295,000

### SUBJECT PROPERTY

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

### LENDER/CLIENT

Name United Lender Services  
 Company Name USAA Federal Savings Bank  
 Company Address 10750 McDermott Freeway, San Antonio, TX  
78288  
 Email Address \_\_\_\_\_

### COMPARABLE SALES

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



### Uniform Residential Appraisal Report

13392292-It0003758255012  
File # 1410061508

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	131 Garren Creek Rd Fairview, NC 28730	1006 Reems Creek Rd Weaverville, NC 28787			10 Whiteash Farm Trl Fairview, NC 28730			1615 Charlotte Hwy Fairview, NC 28730		
Proximity to Subject		14.02 miles NW			1.61 miles SW			0.71 miles SW		
Sale Price	\$ 287,500	\$ 440,000			\$ 469,000			\$ 364,200		
Sale Price/Gross Liv. Area	\$ 100.74 sq.ft.	\$ 133.37 sq.ft.			\$ 187.75 sq.ft.			\$ 175.18 sq.ft.		
Data Source(s)		NCMMLS 538709;DOM 402			NCMMLS 551381;DOM 340			NCMMLS 563067;DOM 134		
Verification Source(s)		Buncombe County			Buncombe County			Buncombe County		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment
Sales or Financing		REO			Listing		-23,450	Listing		-18,210
Concessions		Conv;0								
Date of Sale/Time		s08/14;c06/14			Active			Active		
Location	N;Res;	N;Res;			N;Res;			N;Res;		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	3.26 ac	3.73 ac		-5,640	20.67 ac		-208,920	5.25 ac		-23,880
View	N;Woods;	B;Woods;Mtn		-25,000	N;Woods;			N;Creek;Mtn		0
Design (Style)	DT2;Trdtnl	DT2;Victorian		0	DT2;Victorian		0	DT1;Ranch		0
Quality of Construction	Q4	Q4			Q4			Q4		
Actual Age	218	169		0	124		0	47		-8,550
Condition	C4	C3		-50,000	C4			C4		
Above Grade	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Room Count	11 3 2.0	10 4 4.1		-20,000	9 4 2.0		0	8 3 2.1		-4,000
Gross Living Area	2,854 sq.ft.	3,299 sq.ft.		-8,900	2,498 sq.ft.		+7,120	2,079 sq.ft.		+15,500
Basement & Finished Rooms Below Grade	0sf	0sf			0sf			2079sf1579sfwo1rr2br1.0ba1o		-32,001
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	Fa/-	Hpump/Ca		-4,000	Mntr/-		+4,000	Rdtr/Ca		-2,000
Energy Efficient Items	None	None			None			None		
Garage/Carport	2gd4dw	4dw		+12,000	1gd4dw		+6,000	1gd2cp4dw		+2,000
Porcht/Patio/Deck	0,2,1	6,0,0		-6,000	4,0,1		-4,000	1,1,1		0
Extras	3 Fireplaces	8 Fireplaces		-10,000	2 Fireplaces		+2,000	2 Fireplaces		+2,000
Extras	Gst Hs-768 sf	Gst Hs-1,200 sf		-21,600	None		+38,400	Gst Hs-486 sf		+14,100
Extras	None	None			Barns, Sheds		-10,000	Workshop		-10,000
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -139,140	<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -188,850	<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -73,041
Adjusted Sale Price of Comparables		Net Adj. 31.6 % Gross Adj. 37.1 %		\$ 300,860	Net Adj. 40.3 % Gross Adj. 64.8 %		\$ 280,150	Net Adj. 20.1 % Gross Adj. 38.5 %		\$ 291,159
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).										
ITEM	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Date of Prior Sale/Transfer										
Price of Prior Sale/Transfer										
Data Source(s)	Buncombe County Records	Buncombe County Records			Buncombe County Records			Buncombe County Records		
Effective Date of Data Source(s)	10/09/2014	10/09/2014			10/09/2014			10/09/2014		
Analysis of prior sale or transfer history of the subject property and comparable sales										
Analysis/Comments										

**Supplemental Addendum**

File No. 1410061508

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						

**SCOPE OF WORK STATEMENT**

At the request of the client, this appraisal report has been prepared in compliance with the Uniform Appraisal Dataset (UAD) from Fannie Mae and Freddie Mac. The UAD requires the appraiser to use standardized responses that include specific formats, definitions, abbreviations, and acronyms. The appraiser attempted to obtain an adequate amount of information in the normal course of business regarding the subject and comparable properties. Some of the standardized responses required by the UAD, especially those in which the appraiser has NOT had the opportunity to verify personally or measure, could mistakenly imply greater precision and reliability in the data than is factually correct or typical in the normal course of business. Examples include condition and quality ratings as well as comparable sales and listing data. The appraiser makes no representations, guarantees or warranties, express or implied, regarding building materials, their fitness, quality, condition or remaining economic life. Not every element of the subject property was viewable. The appraiser did not move any personal property, due to liability concerns for potential damage to the property, to disclose or reveal any unapparent or hidden defects to the structure, nor did the appraiser dismantle or probe the structure to observe enclosed, encased, or otherwise concealed areas. Comparable data was generally obtained from third-party sources including but not limited to the local MLS, County Assessor, Township Assessor, online resources and additional public data sources. Consequently, this information should be considered an "estimate" unless otherwise noted by the appraiser.

**• URAR : Neighborhood - Market Conditions**

All neighborhood related data is based on information gathered from local markets, realtors and lenders. The subject area appears to be stable with supply and demand in relative balance. Current marketing time in the subject area appears to fluctuate between 3 and 12 months. Sales in the subject market area appear to be primarily conventional with some cash, va, fha and land contracts. Homes in the area vary in style, size, age and value.

**• URAR : Sales Comparison Analysis - Summary of Sales Comparison Approach**

A comprehensive search for comparables was conducted in the immediate subject area.

Due to a lack of similar comparable sales the search area was expanded to included similar market areas further away from the subject.

The comparables used appear to be the best available at the time of the appraisal.

Comparable #4 was added for support of the estimated market value.

Comparables #1 and #2 are not as recent as desired.

Comparables #2 and #4 are more distant than desired.

It was necessary to exceed the time and/or distance guidelines because of the volume of sales in the area. A limited number of properties were transferred within the subject area and therefore the 6 month and/or 1 mile guideline had to be expanded.

The sales adjustments were derived from observing how certain amenities affect similar sales in the area. A method using a combination of matched pairs and an understanding of what factors drive market values in the area was also used to determine the value of the adjustments.

A weighted, gross adjustment percentage method, was used in determining the final value.

The site area was adjusted on a per acre basis and then rounded.

The subject age was adjusted on a per year basis and then rounded.

No adjustment is necessary for design/style due to the fact that the market does not recognize the differences in design/style.

Comparables #1, #3, #4 and #5 exceed the standard line item, net and gross adjustment percentages due to the necessary adjustments.

Comparables #2 and #6 exceed the standard line item and gross adjustment percentage due to the necessary adjustments.

Exposure Time: estimated length of time that 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. Exposure time of the subject property at the appraised value is estimated to be 180-365 days.

The subject property varies from the predominant neighborhood value by more than 25%. The market value of the subject property is well within the neighborhood price range and is not considered an over or under improvement. The subject variance from the predominant value does not have a negative impact on its marketability. The subject does not suffer functional obsolescence. The subject is sufficiently appealing to the typical buyer in this market and price range.

The subject was not appraised at the predominant price for homes in this area. It is not uncommon for this type of home to be in the lower or upper range of market value and should not be considered an under or over-improvement. This had no adverse effect on the subject's value or marketability.

**No comparables were available to bracket the subject's age. The best, oldest, sales in the county were used as comparables. This is the oldest house that I have ever appraised. It is unknown how the subject's age could effect it's marketability. Because the subject has been updated over the years, similarly to the other older comparables that have also been updated that were used as comparables, there is no market indication that the subject's age would adversely effect it's marketability in relation of other similar comparable sales and listings.**

**All of the comparables are from similar rural areas. No location adjustments are necessary.**

**Age adjustments were based on the effective age of the subject and the comparables. These adjustments were determined by analyzing market data.**

**The sun room is heated (see the heating vents on the floor) and finished to a similar quality as the rest of the house. Therefore, it was included in the GLA.**

**Supplemental Addendum**

File No. 1410061508

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						

**• URAR : Reconciliation - Reconciliation and Final Value Conclusion**

The cost approach was considered only for support of the estimated value.

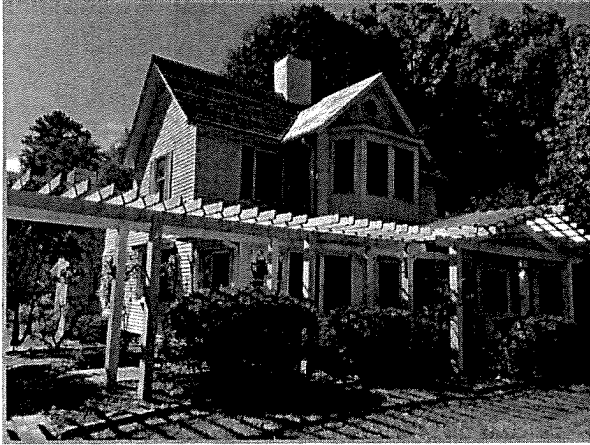
The income approach was considered but not developed due to the fact that a majority of the homes in the market area are owner occupied.

The sales comparison approach is considered the most reliable indicator of market value.

The intended user of this appraisal report is the lender/client. The intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated scope of work, purpose of the appraisal, reporting requirements of this appraisal report form, and definitions of market value. No additional intended users are identified by the appraiser.

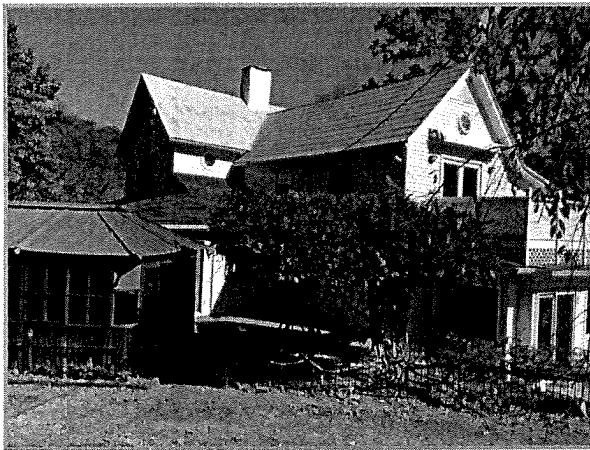
### Subject Photo Page

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						

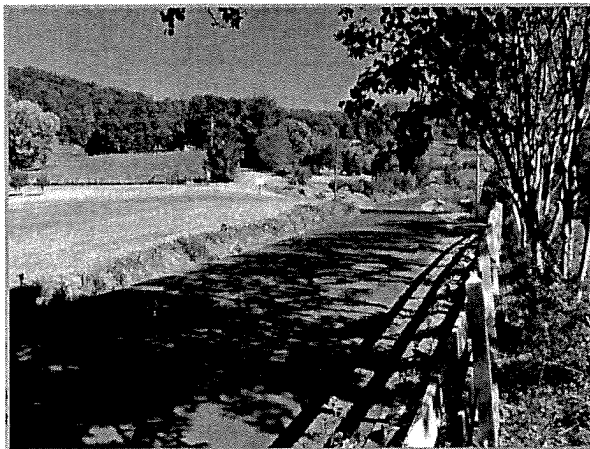


#### Subject Front

131 Garren Creek Rd  
Sales Price 287,500  
Gross Living Area 2,854  
Total Rooms 11  
Total Bedrooms 3  
Total Bathrooms 2.0  
Location N;Res;  
View N;Woods;  
Site 3.26 ac  
Quality Q4  
Age 218



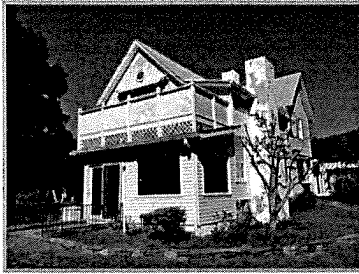
#### Subject Rear



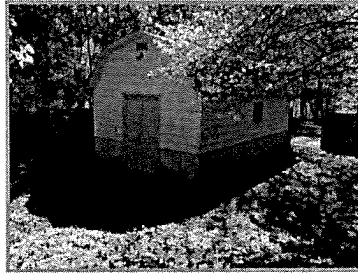
#### Subject Street

### Photograph Addendum

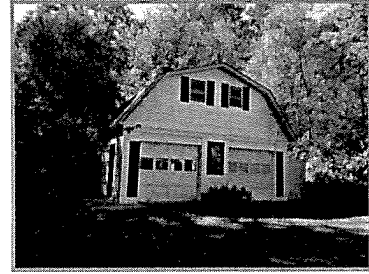
Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						



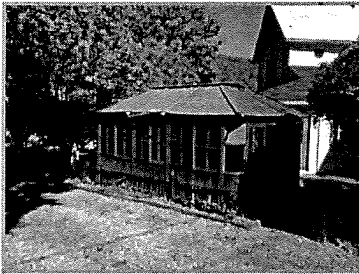
**Rear**



**Shed**



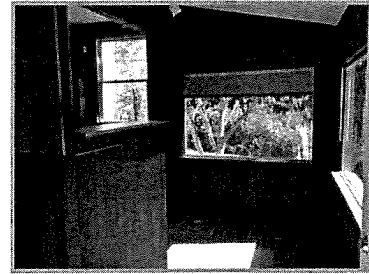
**Detached Garage**



**Hot Tub House**



**Garage Interior**



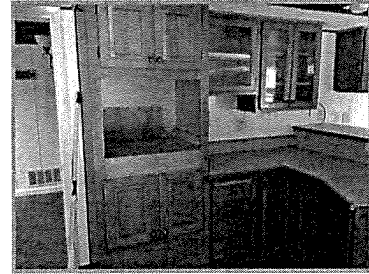
**Mud Room**



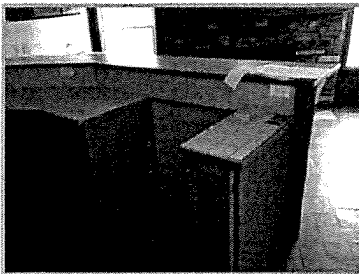
**Kitchen**



**Missing Fixtures**



**Missing Appliances**



**Missing Appliances**



**Dining Area**



**Dining Room**



**Living Room**



**Bathroom**



**Sun Room**

### Photograph Addendum

Borrower/Client	Sarah G Z Pearshall				
Property Address	131 Garren Creek Rd				
City	Fairview	County	Buncombe	State	NC
				Zip Code	28730
Lender	USAA Federal Savings Bank				



**Sun Room Alt**



**Sitting Area**



**Family Room**



**Bedroom 1**



**Bedroom 2**



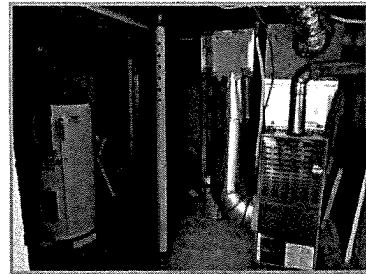
**Den**



**Bathroom 2**



**Bedroom 3**



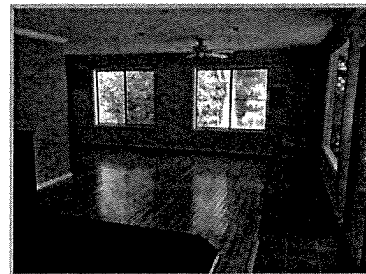
**Cellar**



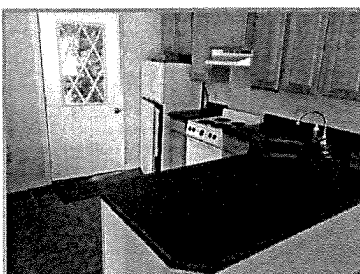
**Guest House**



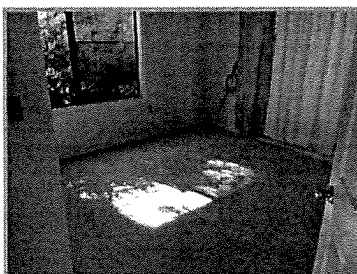
**Guest House Rear**



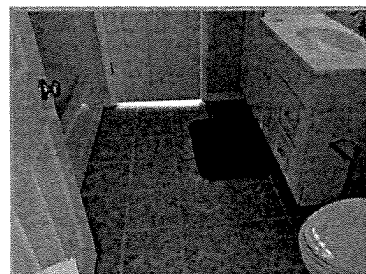
**Guest House Living Room**



**Guest House Kitchen**



**Guest House Bedroom**



**Guest House Bathroom**

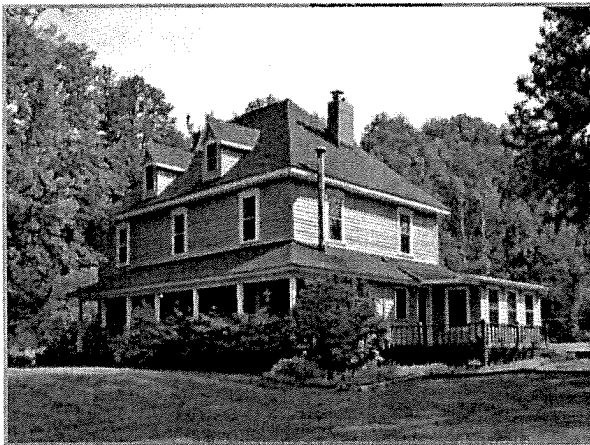
**Comparable Photo Page**

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						



**Comparable 1**

178 Sunset Dr  
 Prox. to Subject 7.75 miles NE  
 Sales Price 248,000  
 Gross Living Area 2,830  
 Total Rooms 10  
 Total Bedrooms 4  
 Total Bathrooms 2.0  
 Location N;Res;  
 View N;Woods;  
 Site 2.00 ac  
 Quality Q4  
 Age 119



**Comparable 2**

1125 Reems Creek Rd  
 Prox. to Subject 14.04 miles NW  
 Sales Price 358,000  
 Gross Living Area 2,858  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 2.1  
 Location N;Res;  
 View B;Mtn;Creek  
 Site 5.85 ac  
 Quality Q4  
 Age 122



**Comparable 3**

1935 Charlotte Hwy  
 Prox. to Subject 1.42 miles SE  
 Sales Price 365,000  
 Gross Living Area 2,038  
 Total Rooms 7  
 Total Bedrooms 3  
 Total Bathrooms 3.0  
 Location N;Res;  
 View B;Woods;Mtn  
 Site 1.90 ac  
 Quality Q4  
 Age 18



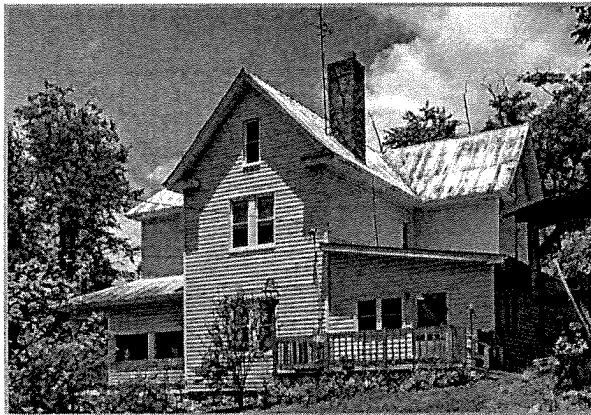
**Comparable Photo Page**

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						



**Comparable 4**

1006 Reems Creek Rd  
 Prox. to Subject 14.02 miles NW  
 Sale Price 440,000  
 Gross Living Area 3,299  
 Total Rooms 10  
 Total Bedrooms 4  
 Total Bathrooms 4.1  
 Location N;Res;  
 View B;Woods;Mtn  
 Site 3.73 ac  
 Quality Q4  
 Age 169



**Comparable 5**

10 Whiteash Farm Trl  
 Prox. to Subject 1.61 miles SW  
 Sale Price 469,000  
 Gross Living Area 2,498  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 2.0  
 Location N;Res;  
 View N;Woods;  
 Site 20.67 ac  
 Quality Q4  
 Age 124



**Comparable 6**

1615 Charlotte Hwy  
 Prox. to Subject 0.71 miles SW  
 Sale Price 364,200  
 Gross Living Area 2,079  
 Total Rooms 8  
 Total Bedrooms 3  
 Total Bathrooms 2.1  
 Location N;Res;  
 View N;Creek;Mtn  
 Site 5.25 ac  
 Quality Q4  
 Age 47



Market Conditions Addendum to the Appraisal Report

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

Property Address **131 Garren Creek Rd** City **Fairview** State **NC** ZIP Code **28730**  
 Borrower **Sarah G Z Pearshall**

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

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	3	1	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.50	0.33	0.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	Unavailable	Unavailable	3	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	Unavailable	Unavailable	9.1	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	265,000	418,500	440,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	101	86	402	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	248,000	450,000	449,900	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	Unavailable	Unavailable	343	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	106.85	93.00	97.80	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining

Seller (developer, builder, etc.) paid financial assistance prevalent?  Yes  No  
 Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **Seller paid closing costs and bonuses to agents have become more common in the last 12 months.**

Are foreclosure sales (REO sales) a factor in the market?  Yes  No If yes, explain (including the trends in listings and sales of foreclosed properties).  
**Foreclosure sales have become more prevalent in the subject's greater market area in the last 12 months. For competing properties in the subject's general price range, buyers have had more options and the sales to list price ratio for non foreclosures has dropped.**

Cite data sources for above information. **MLS, County Auditor**


Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.  
**The local market area is strongly influenced by seasonal trends. Historically, fewer properties transfer in the winter months and the majority of the sales take place in the warmer months. The total number of active listings for the required time frames was provided but is not considered relevant due to the ambiguous nature of the criteria and the limitations of the MLS data search. The median days on market is not available for current listings so the average days on market was used. Only current listings can be searched, so in the time frames provided, only listings that are still currently active can be quantified.**

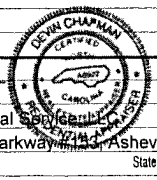
If the subject is a unit in a condominium or cooperative project, complete the following: Project Name: **N/A**

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

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

Summarize the above trends and address the impact on the subject unit and project. **N/A**

Signature   
 Appraiser Name **Devin Chapman**  
 Company Name **Mountain Appraisal Services, Inc.**  
 Company Address **30 Westgate Parkway, Asheville, NC 28806**  
 State License/Certification # **A6922** State **NC**  
 Email Address **mountainappraisal@gmail.com**



Signature  
 Supervisory Appraiser Name  
 Company Name  
 Company Address  
 State License/Certification #  
 Email Address

APPRAISER

Borrower/Client Sarah G Z Pearshall File No. 1410061508
Property Address 131 Garren Creek Rd
City Fairview County Buncombe State NC Zip Code 28730
Lender USAA Federal Savings Bank

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:
[X] Appraisal Report (A written report prepared under Standards Rule 2-2(a) . pursuant to the Scope of Work, as disclosed elsewhere in this report.)
[ ] Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b) . pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:
- The 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 are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time

(USPAP defines Exposure Time as the estimated length of time that 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.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is:

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

Lined area for handwritten notes and comments.

APPRAISER:

Signature: Devin Chapman
Name: Devin Chapman
State Certification #: A6922
or State License #:
State: NC Expiration Date of Certification or License: 06/30/2015
Date of Signature and Report: 10/13/2014
Effective Date of Appraisal: 10/09/2014
Inspection of Subject: [X] Interior and Exterior
Date of Inspection (if applicable): 10/09/2014



SUPERVISORY or CO-APPRAISER (if applicable):

Signature:
Name:
State Certification #:
or State License #:
State:
Expiration Date of Certification or License:
Date of Signature:
Inspection of Subject: [ ] None [ ] Interior and Exterior [ ] Exterior-Only
Date of Inspection (if applicable):

## UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

## Condition Ratings and Definitions

## C1

The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation. \*

\*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

## C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

## C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

## C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

## C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

## C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

## Quality Ratings and Definitions

## Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

## Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

## Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

## Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

## UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

### Quality Ratings and Definitions (continued)

#### Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

#### Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

### Definitions of Not Updated, Updated, and Remodeled

#### Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

#### Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

#### Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

### Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

#### Example:

3.2 indicates three full baths and two half baths.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Abbreviations Used in Data Standardization Text

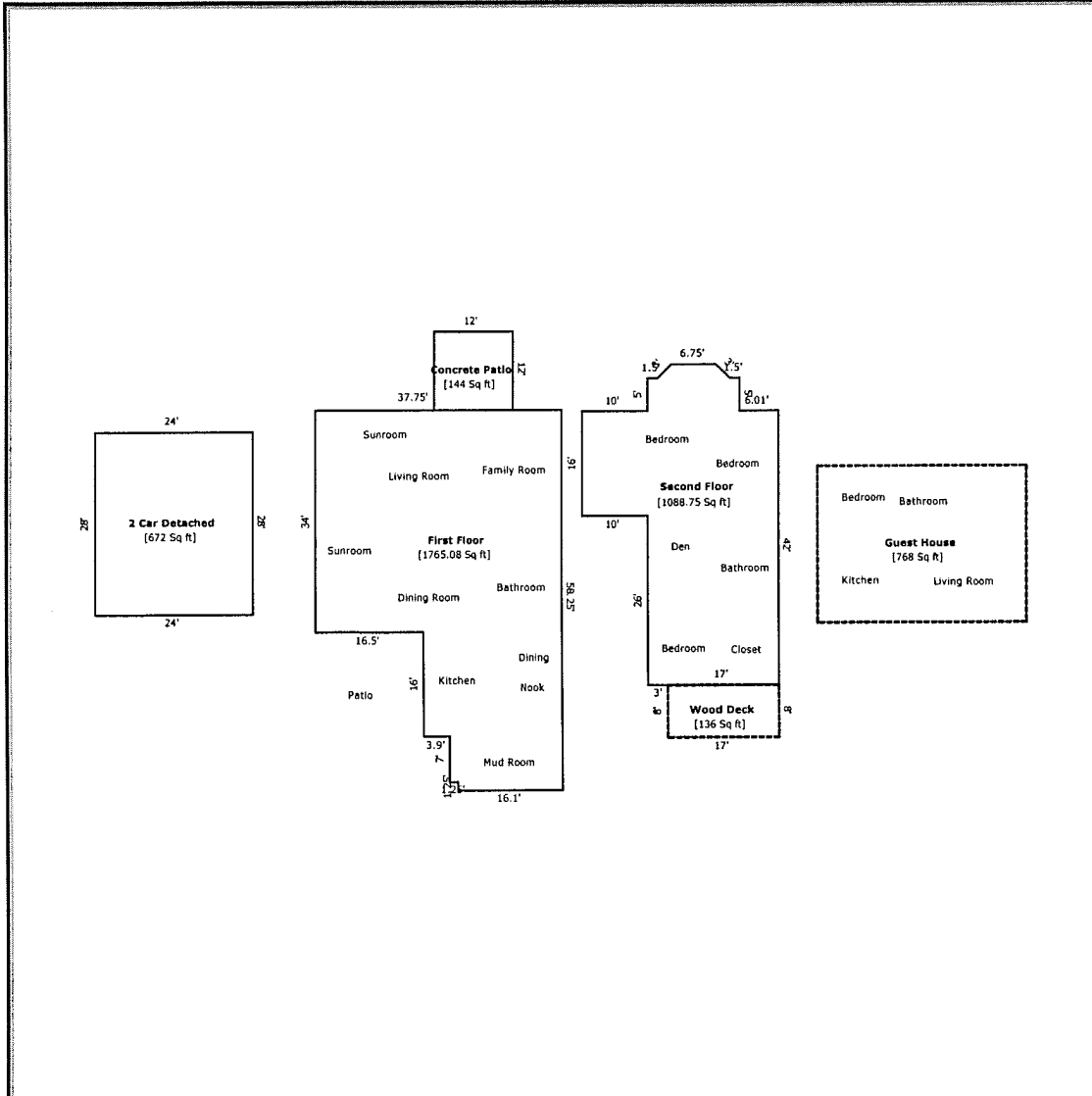
Table with 3 columns: Abbreviation, Full Name, Fields Where This Abbreviation May Appear. Contains rows for various abbreviations like ac, AdjPrk, AdjPwr, A, Armlth, ba, br, B, Cash, CtySky, CtyStr, Comm, c, Conv, CrdOrd, DOM, e, Estate, FHA, Glfcse, Glfvw, Ind, In, Lndfil, LndSght, Listing, Mtn, N, NonArm, BsyRd, o, Prk, Pstri, PwrLn, PubTrn, rr, Relo, REO, Res, RH, s, Short, sf, sqm, Unk, VA, w, wo, wu, WtrFr, Wtr, Woods.

Other Appraiser-Defined Abbreviations

Table with 3 columns: Abbreviation, Full Name, Fields Where This Abbreviation May Appear. This table is currently empty.

### Building Sketch

Borrower/Client	Sarah G Z Pearshall				
Property Address	131 Garren Creek Rd				
City	Fairview	County	Buncombe	State	NC
				Zip Code	28730
Lender	USAA Federal Savings Bank				



TOTAL Sketch by a la mode, inc.

Area Calculations Summary			
Living Area		Calculation Details	
First Floor	1765.07 Sq ft	$37.75 \times 34$	= 1283.5
		$21.25 \times 16$	= 340
		$8.25 \times 16.1$	= 132.82
		$1.25 \times 7$	= 8.75
Second Floor	1088.76 Sq ft	$16 \times 10$	= 160
		$0.5 \times 2.12 \times 2.12$	= 2.25
		$0.5 \times 2.12 \times 2.12$	= 2.25
		$6.75 \times 2.12$	= 14.31
		$20 \times 42$	= 840
		$13.99 \times 5$	= 69.95
<b>Total Living Area (Rounded):</b>	<b>2854 Sq ft</b>		
<b>Non-living Area</b>			
Concrete Patio	144 Sq ft	$12 \times 12$	= 144
Wood Deck	136 Sq ft	$17 \times 8$	= 136
2 Car Detached	672 Sq ft	$28 \times 24$	= 672

**Legal Description and Lot Dimensions**

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						

3

**EXHIBIT A**

BEGINNING at an iron pin set in the center of the sixty (60) foot right of way of Garren Creek Road (NCSR 2806) and from the point and place thus established; runs with the right of way of Garren Creek Road, North 52 deg. 10' 53" East 194.22 feet to an iron pin set, thence North 49 deg. 39'02" East 62.33 feet to an iron pin set; thence leaving the center line of Garren Creek Road and runs North 71 deg. 27'40" East 52.91 feet to and iron pin set in the right of way of a gravel drive, as more particularly described in Deed Book 2018 at Page 367 of the Buncombe County, North Carolina Register's Office; thence continuing within said right of way of a gravel drive North 54 deg. 11' 40" East 26.53 feet to an iron pin, thence North 42 deg. 07' 20" East 41.12 feet to a rebar set in the center of that twenty (20) foot existing gravel right of way as described in Deed Book 1325 at Page 165 of the Buncombe County, North Carolina Register's Office; thence continuing within that said twenty (20) foot right of way the following three (3) calls and distances: South 74 deg. 14' 10" East 111.11 feet to an iron pin; thence South 47 deg. 54' 10" East 74.41 feet to an iron pin set; thence South 27 deg. 34' 10" East 91.13 feet to an iron pin set in the common line of the Patricia R. Myers property as described in Deed Book 1325 at Page 0165 of the Buncombe County, North Carolina Register's Office; thence continuing with the commonline of the said Myers property, North 53 deg. 54'30" West 55.41 feet to an iron pin set; thence continuing along the commonline of the said Myers property, North 53 deg. 54' 30" West 194.09 feet to a 14" chestnut oak snag, said point being the southernmost corner of the said Myers property; thence leaving said Myers property and running along the commonline of the Ted E. Linn property as described in Deed Book 1088 at Page 0133 of the Buncombe County, North Carolina Register's Office, South 18 deg. 22' 50" West 39.26 feet to an iron pin set; thence continuing along the said Linn line, South 24 deg. 31' 06" West 103.10 feet to an iron pin set; thence leaving the said Linn line and runs along the commonline of the Alan McNab property as described in Deed Book 2018 at Page 0367 of the Buncombe County, North Carolina Register's Office, North 52 deg. 01' 25" West 365.42 feet to a pin set in the eastern margin of that 30 foot gravel right of way as described in Deed Book 2018 at Page 0367; thence crossing said 30 foot gravel right of way, North 52 deg. 01' 25" West 40.05 feet to a pin set in the western margin of said 30 foot gravel right of way; thence running with the western margin of said 30 foot gravel right of way the following four (4) calls and distances: South 2 deg. 30' 02" East 93.22 feet; thence South 0.0 deg. 24' 41" West 55.07 feet; thence South 3 deg. 48' 07" West 68.57 feet; thence South 3 deg. 23'38" East 48.36 feet to an iron pin set in the line of the above described McNab property; thence leaving said gravel right of way; runs North 51 deg. 16' 10" West 111.63 feet to an iron pin set in the northeasternmost corner of the Margaret K. Roberts property, as described in Deed Book 1533 at Page 295 of the Buncombe County, North Carolina Register's Office and runs with the commonline of the said Roberts property North 56 deg. 38' 05" West through an iron pin set a total of 294.84 feet to the point and place of the BEGINNING; containing 3.26 acres, more or less, as shown on an unrecorded survey performed by Wallace S. McAbee, PLS, of McAbee and Associates, PA, entitled Survey for William P. Ayers and wife, Judith K. Ayers, dated May 21, 2002.

Together With and Subject To a perpetual and nonexclusive easement and right of way for ingress, egress, and regress and installation of utilities, as shown on the above referenced survey, and described in Deed Book 2018 at page 368 of the Buncombe County, North Carolina Register's Office, 30 feet in width for the existing private road as it leads from the above described property to and across lands of Alan L. McNab, and others to Garren Creek Road (NCSR 2806); together with the right to maintain and improve said private road.

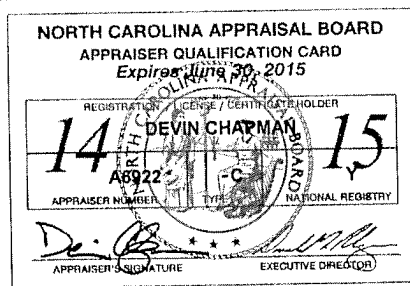
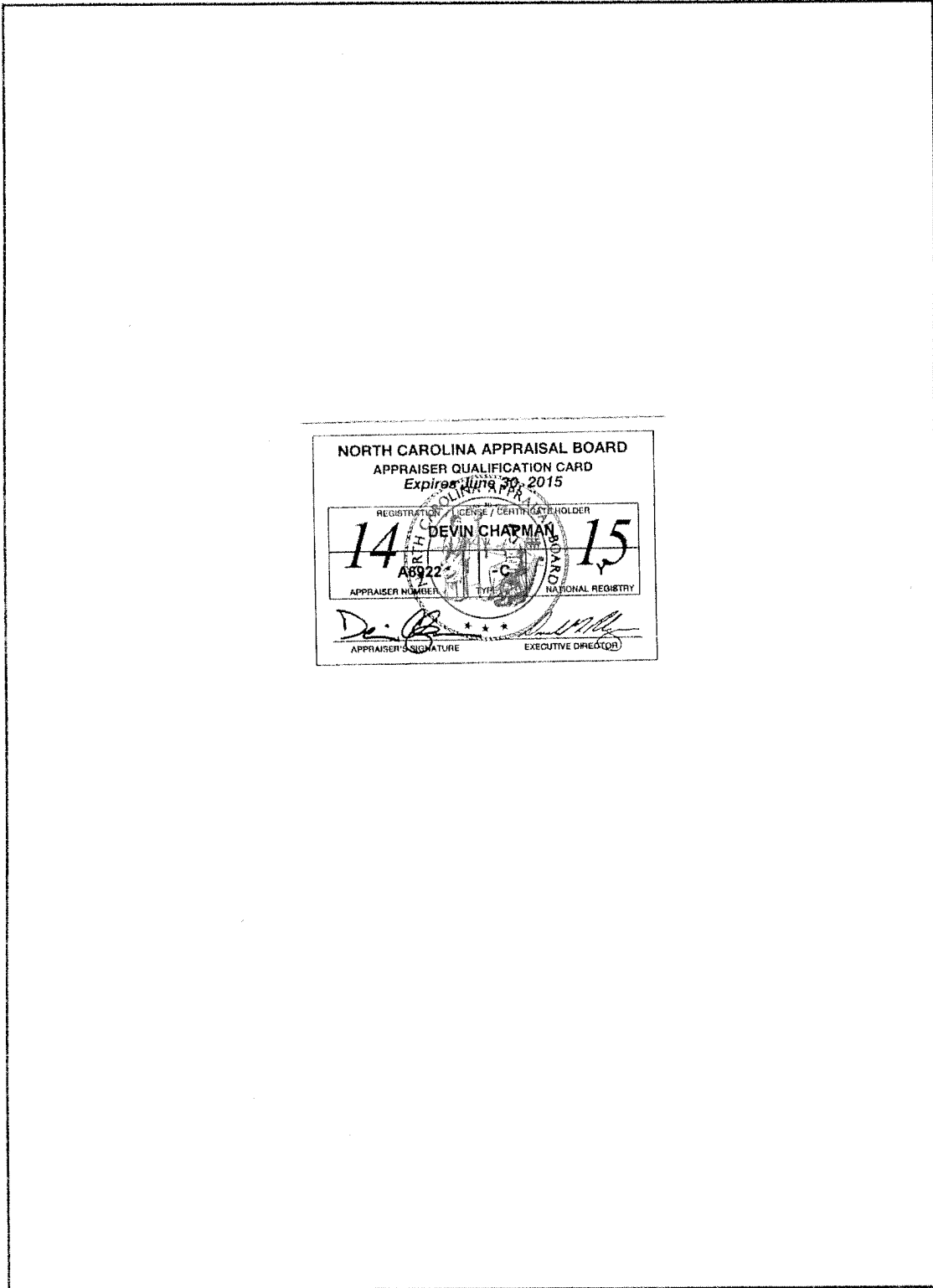
Together With and Subject To is a perpetual and nonexclusive easement and right of way for ingress, egress, and regress and installation of utilities, as shown on the above referenced survey, and described in Deed Book 1325 at Page 165 of the Buncombe County, North Carolina Register's Office, 20 feet in width for the existing private road as it leads from the above described property to and across lands of Patricia R. Myers, and others to Garren Creek Road (NCSR 2806); together with the right to maintain and improve said private road.

Together With and Subject To any and all existing rights of way and easements of record or as shown on the aforesaid unrecorded survey, including those restrictive covenants recorded in Deed Book 2018 at Page 367 of the Buncombe County, North Carolina Register's Office.

And being all of that property described in Deed Book 2811 at Page 220 of the Buncombe County, North Carolina Register's Office; reference to which is hereby made and incorporated for a more particular description of said property.

### License

Borrower/Client	Sarah G Z Pearshall						
Property Address	131 Garren Creek Rd						
City	Fairview	County	Buncombe	State	NC	Zip Code	28730
Lender	USAA Federal Savings Bank						





**E&O Insurance**

Borrower/Client	Sarah G Z Pearshall					
Property Address	131 Garren Creek Rd					
City	Fairview	County	Buncombe	State	NC	Zip Code 28730
Lender	USAA Federal Savings Bank					

**LEXINGTON INSURANCE COMPANY**

**WILMINGTON, DELAWARE**

Administrative Offices - 100 Summer Street, Boston, Massachusetts 02110

Certificate Number: 018390083-01  
 This Certificate forms a part of Master Policy Number: 018389876-01  
 Renewal of Master Policy Number : 018389876

YOUR RISK PURCHASING GROUP MASTER POLICY IS A CLAIMS MADE POLICY.  
 READ THE ATTACHED MASTER POLICY CAREFULLY

THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS

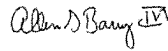
CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder: Mountain Appraisal Service, LLC  
 30 Westgate Plaza #153  
 Asheville NC 28806
2. Certificate Period: Effective Date: 10/11/13 to Expiration Date: 10/11/14  
 12:01 a.m. Local Time at the Address of the Insured.
- 2a. Retroactive Date: 10/11/10  
 12:01 a.m. Local Time at the Address of the Insured.
3. Limit of Liability: \$ 1,000,000 each claim  
 \$ 1,000,000 aggregate limit
4. Deductible: \$ 1,000 each claim
5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES
6. Advance Certificate Holder Premium: \$ 2,018
7. Minimum Earned Premium: 25% or \$ 505

Forms and Endorsements:  
 PRG 3150 (10/05) Real Estate Appraisers Professional Liability Declarations, PRG 3512 (07/12) Real Estate Appraisers Professional Liability Coverage Form, 78713 (07/12) Addendum to the Declarations  
 Additional Endorsements applicable to this Certificate only:  
 None

Agency Name and Address: INTERCORP, INC.  
 1438-F West Main Street  
 Ephrata, PA 17522-1345

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.  
 THIS POLICY IS ISSUED BY YOUR RISK PURCHASING GROUP. YOUR RISK PURCHASING GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK PURCHASING GROUP.



Authorized Representative OR  
 Countersignature (in states where applicable) Date: August 1, 2013

PRG 3152 (10/05)

### Location Map

Borrower/Client	Sarah G Z Pearshall				
Property Address	131 Garren Creek Rd				
City	Fairview	County	Buncombe	State	NC Zip Code 28730
Lender	USAA Federal Savings Bank				

