

APPRAISAL SUMMARY

Property Address: 475-477-479 Dilworth Rd. East Brandywine Township, Chester County, PA

Description: Property was a smaller 10.9 acre farmette with two SF detached dwellings, bank barn and pad site for existing double wide dwelling (excluded from value).

Tax Parcel Number: 30-02-0058

Owner: Maryland L. Dilworth

Deed Book/Page/Date/
Consideration: Deed Book 4206, Page 887 dated on 12/75 for \$1.00

Purpose of Appraisal: The purpose of this summary appraisal is to estimate the approximate current market value of the subject property.

Property Rights Appraised: Fee Simple Interest

Date of Inspection: November 3, 2011

Effective Date of Appraisal: November 3, 2011

Census Tract: 3043.003

Zoning: R-2 Residential

Flood Information: The subject is not located in a designated flood zone area; FEMA Zone X, Map #42029C0410F, dated on 9/29/2006.

Total Assessment/
Taxes/Annum: \$166,500/Under Act 319

Total Taxes/Annum \$5,568

Final Estimate of Value: \$526,000

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STREET IMPROVEMENTS & UTILITIES

Dilworth Road is a macadam paved north/south two way, two lane secondary street with neither sidewalks nor curbing.

Utilities available to the property include electricity and telephone. Water and sewage would be on site in lieu of development of the subject combined tract as of the current date.

SITE ANALYSIS

The subject is a 10.9 acre irregular shaped plot which consists of the existing subject building improvements, including two single family detached dwellings identified as 475 and 479 Dilworth Road. An additional double wide manufactured home was excluded from the appraised value and identified as 477 Dilworth Road. This dwelling was not set on a permanent foundation.

The overall site was partially shaded in some areas and primarily gently rolling in contour except for the rear eastern section which sloped downward. The building improvements were set well back from the road. Overall site appeal rated as good in the opinion of the appraiser.

NEIGHBORHOOD

The subject is located in developing East Brandywine Township, approximately 3 miles due north of Downingtown Borough. As per the year 2010 census, the population in East Brandywine Township was 6,742. The Township encompasses 11.4 square miles.

The immediate area is residential SF in usage, consisting of a variety of detached dwellings. There are several residential developments within a one mile radius of the subject in the very immediate area.

The East Brandywine Township Park is located directly across from the subject combined tract.

The subject is located in the Downingtown Area School District. A district elementary school is located along the subject street within the immediate neighborhood.

Auto is the sole mode of transit in the area. Nearby main arteries include Route 322 just west and Route 282 which is 2+ miles due east. The Route 30 bypass is less than 3 miles due south of the subject at the Route 322 interchange.

Commercial shopping centers are within convenient commuting proximity of the subject. Within East Brandywine Township, there is one neighborhood type shopping center which is located one mile due west of the subject along Route 322. This center is anchored by a supermarket and has some satellite stores as well as pad sites including a fast food restaurant and bank branch office.

The real estate value trend in general has been gradually downward for SF residential properties in the subject neighborhood/market area during the past 12 to 18 months.

IMPROVEMENT ANALYSIS

The subject improvements are identified as 475-477-479 Dilworth Road. The property is improved with two single family detached dwellings, a larger bank barn, some outbuildings and lastly a mobile home which was excluded from the appraised value since it was not on a permanent foundation. The mobile home address was 477 Dilworth Road.

The two subject residences included in the appraisal are described below:

475 DILWORTH ROAD: This was a 63 year old SF detached 1+ story dwelling of average quality. Exterior walls were stucco/masonry while the roof was asphalt shingle. Windows were old single hung, single glazed wood type. Downspouts were aluminum.

The first floor consisted of a living room, eat-in kitchen, 2 bedrooms and 1 bath. Ceiling height was approximately 8'. There were walk-up steps from the hallway to a finished attic which consisted of a third bedroom with central heating. The attic was a long narrow room with w/w carpeting and paneled sidewalls and ceiling. The ceiling height was approx. 6'6" in the center and 4' and 5'3" in the knee wall areas.

The dwelling had a 100% full unfinished basement with east side outside entrance (metal door with walk-up steps). The basement was classified as unfinished although the rear section did have a suspended insulated tile ceiling. Support was by 2" x 10", 16" o.c. wood joists with wood built-up beams and columns. There was a washer and dryer hookup as well as sump pump. Heat was by an old "octopus" forced warm air furnace. 50 gallon electric hot water heater. 100 amp updated electric service (C/B). There was a 275 gallon heating oil fuel storage tank.

General features on the first floor included plastered sidewalls and ceilings, pine trim and wood doors. Floors were hardwood except in the kitchen and bathroom. The kitchen was equipped with older wood cabinets, sink and range/oven. The bath was equipped with toilet, wall mounted sink and built-in cast iron tub with shower.

Site improvements included a front small covered concrete base porch with adjacent deck area, and small east side covered built-up concrete base porch off the kitchen exit entrance.

The observed condition of the subject dwelling was rated as fair/average at the time of inspection. From a functional standpoint, the layout was adequate in lieu of the age and vintage of the dwelling.

479 DILWORTH ROAD: This was the primary subject residence which was a 2 story plus attic SF detached colonial farmhouse later 1.5+ story wing. Exterior walls were stucco over stone, while the roof was older asphalt shingle. Windows were old single hung, single glazed wood. Downspouts were aluminum.

The first floor consisted of a large living room with fireplace, family room with fireplace, eat-in kitchen, powder room and laundry/mud room. Ceiling height was 8' in most areas. The second floor had 3 bedrooms and 1 bath. Ceiling height was approx. 7'10". There were walk-up steps to a floored unfinished attic. In addition, there was unfinished second floor area in the west side wing in the later addition which could be finished into additional living area.

The dwelling had a 70% full unfinished basement with concrete floor and stone foundation walls. Support was by log beams with wood supporting posts. There was an east side outside entrance with walk-up steps and wood door. Heat was by a relatively newer oil fired FWA furnace. 40 gallon newer electric hot water heater. 200 amp C/B electric service. There was a 275 gallon heating oil fuel storage tank in the basement.

General features on the first and second floors included plastered sidewalls and ceiling, wood trim and wood doors. Floors were primarily hardwood with some sheet good flooring (kitchen and baths). The kitchen was equipped with old wood cabinets, porcelain bowl sink and electric range/oven. The powder room was equipped with toilet and wall mounted sink, while the second floor bath was equipped with toilet, sink and built-in cast iron tub with shower and marlite wainscoting.

Site improvements included a front large concrete base covered porch which extended the full length of the dwelling and a rear concrete pad. There was also some limited older fencing.

The observed condition of the subject dwelling was rated as fair at the time of inspection. From a functional standpoint, the layout was adequate in lieu of the age and vintage of the dwelling. It is noted that the second floor west side unfinished area had potential for additional living space and possibly a master bedroom suite in lieu of any future renovations made.

The subject bank barn had stucco/frame exterior walls and an asphalt shingle roof. Its observed condition was rated as average.

The subject driveway was single wide blacktopped with some stone paved areas.

BUILDING DIMENSIONS (APPROXIMATE)

475 DILWORTH ROAD RESIDENCE

1 st Floor	
32.667' x 25'	816.7 s.f.
14' x 5.33'	<u>74.6 s.f.</u>
Total 1 st Floor GLA	891 s.f. (rounded)
2 nd Floor	
32.667' x 8'	<u>261 s.f. (rounded)</u>
Total GLA including 2 nd floor finished attic	1,152 s.f. (rounded)
Basement (100%) full	891 s.f.
Small Porch	49 s.f.
Front Deck	169 s.f.
East Side Stoop	16 s.f.

479 DILWORTH ROAD RESIDENCE

1 st Floor	
47.5' x 28'	1,330 s.f.
2 nd Floor	
28' x 28'	<u>784 s.f.</u>
Total GLA	2,114 s.f.
Basement	784 s.f.
Front Porch	354 s.f.

ZONING

The subject is zoned R-2 Residential. Permitted uses include SF detached dwellings. Area regulations for SF detached dwellings served by on site water and sewage are as follows:

Minimum Lot Area	1.5 acres
Minimum Lot Width	175'
Minimum Side Yard	40'
Minimum Rear Yard	40'
Maximum Impervious Surface	15%
Maximum Height	3 stories or 35'

Based on the subject's existing usage which includes a SF main residence, second residence and a double wide ranch dwelling/third residence, the property is classified as an assumed legal non-conforming use.

HIGHEST AND BEST USE

Highest and Best Use is the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. To estimate the Highest and Best Use of a property, four fundamental criteria must be considered. The Highest and Best Use must be legally permissible, physically possible, financially feasible and maximally productive.

The Highest and Best Use is considered to be its present program of utilization as a smaller residential farmette property with a second residence for supplemental income or as a possible in-law suite residence. While the double wide manufactured dwelling identified as 477 Dilworth Road is excluded from the appraised value, there is considered to be some value for this residence from a pad rental standpoint.

APPROACHES TO VALUE

In estimating the approximate current market value for the subject, each of the three recognized approaches to value were considered, namely the Cost, Income and Sales Comparison Approaches.

The Cost Approach was not developed due to the older age of the building improvements on this plot.

The Income Approach was developed solely for the add on value for the subject second residence and for the pad rental income for the existing double wide dwelling which was excluded from the value as previously noted.

Lastly, the Sales Comparison Approach was developed since this approach directly weighs the actions of buyers and sellers in the marketplace and is the most germane indicator of value. This approach appears on the following pages.

SALES COMPARISON APPROACH

In developing this approach, the first step is to estimate the value for the subject main residence and barn on the overall plot. This is the Phase I Valuation. A separate value follows by the Income Approach for the additional subject dwelling (475 Dilworth Road) and for its pad site for 477 Dilworth Road.

The appraiser has considered those most comparable sales of smaller farmette properties in the Downingtown Area School District as well as some nearby older farmhouse residences on smaller plots by comparison.

PHASE I VALUATION

SALE 1	570 Dilworth Road (156 days) East Brandywine Township	\$535,000 01/05/10
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191 year old two-story plus attic stucco/stone colonial dwelling in reportedly above average. Interior had 4 bedrooms, 3 baths and an approx. GLA of 3,532 s.f. Full unfinished basement with dirt floor and outside entrance. Oil hot water heat. 3 fireplaces. Second older single family detached small dwelling with a bedroom and a bath. Lot area of 8 acres. Tax Plot 30-02-0054. Note: Property was initially listed for sale at asking price of \$689,000 on 04/14/09.

SALE 2	360 Little Conestoga Road (365 days) Upper Uwchlan Township	\$448,000 06/07/10
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161 year old detached three-story plus basement grade level stone bank house dwelling in reportedly above average condition. Interior had 3 bedrooms, 2.1 baths and approx. GLA of 2,700 s.f. Full primarily finished basement. Heat pump. 3 fireplaces. Patio and spring house. Lot area of 3.2 acres. Tax Plot 32-03-0022.

SALE 3	1928 Art School Road (1181 days) West Pikeland Township	\$400,000 08/11/10
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269 year old single family detached stucco/stone three-story dwelling in reportedly average condition. Interior had 4 bedrooms, 1.1 baths and approx. GLA of 1,656 s.f. No basement. 2 fireplaces. Oil hot water heat. Porch. Lot area of 8.62 acres. Tax Plot 34-01-0028. Note: Property was initially listed for sale at asking price of \$700,000 on 04/19/07.

SALES COMPARISON APPROACH

PHASE I VALUATION

SALE 4	553 Worthington Road (261 days) West Pikeland Township	\$605,000 05/14/10
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89 year old single family detached stone and frame colonial in reportedly good condition. Interior had 5 bedrooms, 3.1 baths and approx. GLA of 3,830 s.f. Full partially finished basement. Oil hot water heat with central air. 3 fireplaces. Large deck. In ground pool. Front porch and spring house. Lot area of 7.3 acres. Tax plots 34-06-0008.03 and 0009.01.

SALE 5	2731 West Chester Road (265 days) West Bradford Township	\$448,000 08/18/11
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211 year old single family detached two-story plus attic frame colonial in reportedly fair condition. Interior had 4 bedrooms, 2 bath and approx. GLA of 2,962 s.f. Full unfinished basement. Oil hot water heat. Front porch. Fireplace. Old barn in fair condition. Lot area of 20.19 acres. Tax Plot 50-01-0027. Note: Lot was not able to be subdivided and was farmette tract.

SALE 6	2602 Conestoga Road (Rt. 401) (232 days) Upper Uwchlan Township	\$412,500 09/06/11
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270 year old single family detached stone and log two-story plus attic colonial in reportedly fair/average condition. Interior had 3 bedrooms, 2 baths and approx. GLA of 2,877 s.f. Full unfinished basement with outside entrance. Fireplace. Central air. Side porch. Stone/frame bank barn. Lot area of 5 acres. Tax Plot 32-02-0001.01A. Seller concessions paid of \$18,000 resulting in adjusted sale price of \$394,500. Property was previously purchased by seller from lender in REO transaction for \$349,000 on 07/02/10.

SALE 7	458 Dilworth Road (634 days) East Brandywine Township	\$775,000 05/25/11
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198 year old single family detached two-story plus attic stone and frame colonial in reportedly above average condition. Dwelling had 4 bedrooms, 3 baths and approx. GLA of 4,400 s.f. There was also an apartment wing over a three car detached garage which had two bedrooms and one bath. Oil hot water heat. Porch, patio, balcony and breezeway. 3 fireplaces. Contract rent for apartment rent is reportedly \$700/month plus utilities. Bank barn. Lot area of 19.4 acres. Tax Plot 30-02-0056. Property was initially listed for sale on 10/14/09 at asking price of \$998,900.

SALES COMPARISON APPROACH
PHASE I VALUATION

SALE SUMMARY AND CONCLUSION

The sales are shown in comparative grid form below:

SALE NO.	SALE PRICE	DATE	LOT AREA	GLA	CONDITION
Sale 1	\$535,000	1/5/10	8 acres	3,532 s.f.	Ab. Average
Sale 2	\$448,000	6/7/10	3.2 acres	2,700 s.f.	Ab. Average
Sale 3	\$400,000	8/11/10	8.62 acres	1,656 s.f.	Average
Sale 4	\$605,000	5/14/10	7.3 acres	3,830 s.f.	Good
Sale 5	\$448,000	8/18/11	20.19 acres	2,962 s.f.	Fair
Sale 6	\$394,500*	9/6/11	5 acres	2,877 s.f.	Fair/average
Sale 7	\$775,000	5/25/11	19.4 acres	4,400 s.f.	Ab. Average
Subject	----	----	10.9 acres	2,114 s.f.	Fair

*NOTE: Sale price reflects deduction for seller concessions paid from its recorded consideration of \$412,500.

The sales cited were located in the Downingtown Area School District like the subject. They ranged from \$400,000 to \$775,000 before adjustments. Greatest credence was placed upon those sales most similar to the subject from a condition standpoint which included Sales 3, 5, 6 and 7. These sales were directly compared to the subject for items of dissimilarity in the following categories: Time, locale, lot area/appeal and for physical characteristics (namely, the age, quality, size condition and functional utility) of the sale property improvements in comparison to the subject. It is noted that the sales were directly compared to the subject main residence and its related farmette type improvements including its two barns. The subject second residence is classified as a tenant house and is separately valued from an Income Approach standpoint.

Sale 3 (\$400,000) required a downward adjustment for time, upward adjustment for lot area, and lastly an upward in the physical category which was minimized by the sale dwelling being superior to the subject in condition. The net adjustment was upward.

Sale 5 (\$448,000) required a very small downward adjustment for time, small upward adjustment for locale, large downward adjustment for lot area and lastly a small downward adjustment in the physical category mainly since the sale dwelling was larger in size in comparison to the subject main residence. The net adjustment was slightly downward.

SALES COMPARISON APPROACH

PHASE I VALUATION

Sale 6 (\$394,500) required a very small downward adjustment for time, upward adjustment for lot area and lastly a downward adjustment in the physical category. The net adjustment was slightly upward.

Sale 7 (\$775,000) required a small downward adjustment for time, downward adjustment for lot area and lastly a larger downward adjustment in the physical category. The net adjustment was substantially downward.

Specific adjustment for those sales directly compared to the subject are shown below:

Sale 3 - \$400,000 (8/11/10)

Time	-5%
Lot	+8%
Physical	+10%
Net Adjustment	+13%

Adjusted Value by Comparison - \$452,000

Sale 5 - \$448,000 (8/18/11)

Time	-1.25%
Lot	-25%
Locale	+5%
Physical	-5% ⁰⁰
Net Adjustment	-26.25%

Adjusted Value by Comparison - \$330,400

Sale 6 - \$394,500 (9/6/11)

Time	-1%
Lot	+24%
Physical	-15%
Net Adjustment	+8%

Adjusted Value by Comparison - \$426,060

Sale 7 - \$775,000 (5/25/11)

Time	-2.25%
Lot	-16%
Physical	-30%
Net Adjustment	-48.25%

Adjusted Value by Comparison - \$401,063

SALES COMPARISON APPROACH
PHASE I VALUATION

EXPLANATION OF ADJUSTMENTS

Downward adjustments made for time on the basis of approximately -4%/annum as interpolated.

Sale 5 required a small upward adjustment for locale, while the remaining sales were similar to the subject in locale.

Lot Area/utility adjustments made on the basis of a unit rate difference \$15,000/acre in addition to a view factor differential for several sales.

Physical adjustments made primarily due to differences in the GLA, condition and impact of additional building improvements on the respective properties versus the subject excluding its tenant house/second residence.

The four sales cited ranged from \$330,400 to \$452,000 after adjustments. The average was \$401,381 while the median figures were \$401,063 and \$426,060. After weighing the data, it is my opinion that the approximate current market value for the subject property excluding the second residence/tenant house is at \$405,000.

SALES COMPARISON APPROACH

In estimating the add-on value for the tenant house, an Income Approach was directly considered. The first step is to estimate the economic gross rental income for the subject second residence/tenant house identified as 475 Dilworth Road. This property is presently owner occupied. Comparable single family rentals of similar age SF detached dwellings were thus considered within East Brandywine Township and some additional areas also in the Downingtown Area School District.

After weighing the data, it is my opinion that the economic gross rent for the subject residence is at \$1,000/month. This directly assumes that the tenant would pay for all utilities. Therefore, the economic gross rental income is computed as follows:

GROSS RENTAL INCOME - \$1,000/MONTH X 12 MONTHS	\$12,000/ANNUM
LESS VACANCY AND CREDIT LOSS, ESTIMATED AT 5%	(\$600)
EFFECTIVE GROSS INCOME/ANNUM (EGI)	\$11,400

The next step is to deduct for estimated pro-rated expenses for the subject residence which would include pro-rated real estate taxes, insurance, management and general maintenance and repairs including replacement reserves. Based upon the condition of the subject residence, the estimated expenses are at 30% of the EGI which results in a total expense figure of \$3,420/annum. Therefore, the Net Income is estimated at \$7,980/annum.

The final step in this approach is to estimate the overall capitalization rate. A CAP rate was estimated at 10% which directly weighs the fact that the subject is a SF farmette type property and the second residence while an affirmative feature does result in some minor loss/privacy to the main residence. Therefore,

$$\text{NET INCOME} - \$7,980 \text{ DIVIDED BY } .10 = \$79,800$$

$$\text{ESTIMATED VALUE FOR SUBJECT SECOND RESIDENCE BY INCOME APPROACH} = \$80,000 \text{ (ROUNDED)}$$

An additional value is added for the pad site rental for the 477 Dilworth Road dwelling. Based on comparable rentals considered in mostly nearby mobile home parks in the area, the pad rental is estimated at \$450/month, or \$5,400/annum. When deducting for a vacancy and credit loss factor at 4% and pro-rated expenses at 20%, the estimated add on net income computes to be at \$4,147/annum. This figure is also divided by a CAP rate of 10%, which results in an approximate add on value of **\$41,000**.

The total add on value for the subject second residence and pad site by the Income Approach is estimated at \$121,000.

SALES COMPARISON APPROACH SUMMARY

ESTIMATED VALUE FOR SUBJECT MAIN RESIDENCE AND BARN ON 10.9 ACRES/PHASE I VALUATION	\$405,000
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ESTIMATED VALUE FOR 475 DILWORTH ROAD DWELLING BY INCOME APPROACH	\$80,000
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ESTIMATED VALUE FOR 477 DILWORTH ROAD PAD SITE	<u>\$41,000</u>
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TOTAL	\$526,000
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ESTIMATED VALUE FOR SUBJECT IN ITS ENTIRETY	-	\$526,000
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ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal completed is subject to the following assumptions and limiting conditions, which are listed below:

1. The appraiser assumed no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser can be assumed by the appraiser.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefor.
4. Any distribution of the valuation in the 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.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property.

SUBJECT PHOTOGRAPHS



Main Residence/Front



Main Residence/Rear



Main Residence/Front



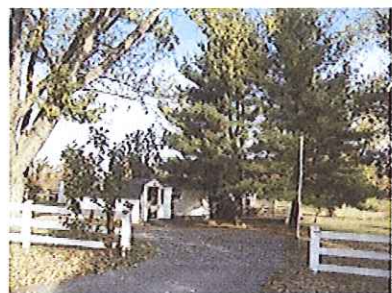
Second Residence/Front



Second Residence/Rear



Barn



Mobile Home/Excluded



Driveway



Street View

