

Heirs of Keith G.  
M. Schmitt

Robert E. Rich  
Rich Law Firm, PLLC  
11 Jefferson Street  
P. O. Box 186  
Lewis, West Virginia 24900

April 28, 2014

*RE: Estate of Keith G., and plans for sale of real estate in Greenbrier County, West Virginia*

Dear Mr. Rich,

Thank you for your March 31, 2014 letter concerning the estate of our grandfather Keith G. We appreciate your efforts to ensure a smooth and appropriate transfer of estate assets in accord with our grandfather's wishes.

As beneficiaries we have reviewed your correspondence and considered our interests and related issues and options. While we may generate additional statements of position and preferences regarding the matters addressed in your letter in coming weeks, or questions about estate assets, their appropriate disposition and value, and ensuring that the estate is administered in a manner that serves the beneficiaries' best interests and our grandfather's intentions, below are our thoughts regarding estate-related issues.

First, we visited Greenbrier County recently primarily to gain an understanding of estate circumstances and to see our mother Donna Martin, who unfortunately was rushed to the hospital shortly before we arrived. Because of her condition most of our time was spent with her and doctors; also, because of that emergency and Donna's prospective incapacity, her role in concluding estate affairs may be complicated. Her status and condition going forward is uncertain. (This unfortunate circumstance has also delayed our response.)

Second, during our visit we learned from one of the rental property tenants and our uncle that the tenant now "owns" one of the Tenth Street properties. The impression we received is that transfer of title is complete, even though we did not consent to, and are not aware of the court's approval of, such a transfer. We think this is inappropriate, and could have been done with better communication. In particular, we are very unhappy that counsel for the estate did not require that the tenant/buyer first apply for a bank loan to finance acquisition of the property before offering seller financing. We'd like an explanation of why the buyer's weren't asked to apply for financing, and think that they should have been required to at least attempt to secure their own

financing as a precondition to the estate's consent to any installment sale. That said, in the end, we concur that the installment sales are OK, subject to the following comments.

We have two primary concerns regarding the sale of the two rental properties on an installment basis to the tenants. One, we want to ensure that the transactions properly protect and ensure the future flow of payments to the beneficiaries and that appropriate accounting mechanisms are established so we can fully understand and verify the flow of funds in connection with these two property sales. We believe the installment sales expose us to some long-term risk of nonpayment and related costs, and want to minimize that risk. Two, we want to be protected from any future liability associated with these properties. Under any installment sale agreement, we would expect that title (quit-claim or executor's deed, not a warranty deed) will transfer to the tenants along with all liability (including for current and back taxes) associated with the properties, and that the tenants as buyers will provide the estate (or the beneficiaries individually) with a promissory note secured by a mortgage stating clear remedies in foreclosure in the event of a default. We also presume that the installment sale contracts will require the buyers to fully insure the premises for any loss and name the estate or its beneficiaries as additional insureds. As estate beneficiaries, we don't want any lingering prospect of liability for any aspect of the properties, but do want full rights to force a foreclosure sale in the event of tenant/buyer default.

Provided these concerns are appropriately addressed, and we are promptly provided copies of all associated transaction documents, including any documents pertaining to the collection and distribution of payments in connection with these transfers, we expect to consent to the sale of the properties to the tenants. We are disappointed that one sale was apparently concluded without our knowledge or consent, but we anticipate consenting once we've verified the documents governing those transactions.

We do support and prefer the sale of our grandparent's residence at 808 Hughart Street, Rainelle, West Virginia by listing it for sale with realtors, rather than selling the home through an auction. We want the main house to be sold through a realtor, and don't believe an installment sale would be appropriate in this case. Of course, we want to ensure that estate fiduciaries sell the property in the manner most likely to maximize its net sale proceeds. We think our grandfather would want to see his properties and assets fetch as much as possible in the circumstances.

Based on our recent conversations with the executor, this will confirm that the executor has agreed to allow the beneficiaries to remove the classic 1972 Toronado automobile, and that the executor has confirmed that he will cancel any prospective or pending sale of that vehicle to the tenant. We also acknowledge and confirm that we have until June 1, 2014 to remove personal property from our grandparent's main residence, and that anything we leave there after June 1 will be offered for sale at an estate sale, which is expected after June 1.

Given these circumstances and the status of other estate assets, we expect that going forward you will ensure that no transfers of any asset or property will occur without our consent or the

probate court's order. While we don't want to unduly delay probate proceedings or encumber the process, we do want to ensure that estate asset disposition and transfers occur in an appropriate and feasible manner.

Thank you for your efforts regarding the disposition of this estate.

Best regards,