

**APPRAISAL REPORT**

OF THE REAL PROPERTY LOCATED AT

2208 ELMINGTON CIR  
Virginia Beach, VA 23454

for

HAMPTON ROADS BANKSHARES  
P.O. BOX 1908  
ELIZABETH CITY, NC  
27906

as of

03/17/2016

by

SUSAN A BARCO-LASSITER  
313 Office Square Lane, #101  
Virginia Beach, VA 23462

# Uniform Residential Appraisal Report

File # 65587B

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.

SUBJECT	Property Address <b>2208 ELMINGTON CIR</b> City <b>Virginia Beach</b> State <b>VA</b> Zip Code <b>23454</b>
	Borrower <b>THOMAS GALLAGHER</b> Owner of Public Record <b>THOMAS GALLAGHER</b> County <b>VIRGINIA BEACH CITY</b>
	Legal Description <b>RED MILL FARM SEC 6 LOT 370</b>
	Assessor's Parcel # <b>24143634270000</b> Tax Year <b>2015</b> R.E. Taxes \$ <b>2,450</b>
	Neighborhood Name <b>RED MILL FARM</b> Map Reference <b>ADC MAP 9482J8</b> Census Tract <b>454.25</b>
	Occupant <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Special Assessments \$ <b>0</b> <input type="checkbox"/> PUD HOA \$ <b>0</b> <input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>VALUE</b>
	Lender/Client <b>HAMPTON ROADS BANKSHARES</b> Address <b>P.O. BOX 1908, ELIZABETH CITY, NC 27906</b>
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of the appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> 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.
	Contract Price \$ _____ Date of Contract _____ Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) _____
	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? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid: _____

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

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing			Percent Land Use %	
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	100 %	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	218	Low	10	Multi-Family %	
Neighborhood Boundaries <b>DAM NECK ROAD NORTH, GENERAL BOOTH BLVD WEST, SANDBRIDGE ROAD SOUTH, &amp; THE ATLANTIC OCEAN EAST.</b>								530	High	35	Commercial %	
Neighborhood Description <b>RED MILL FARM CONSISTS OF TRADITIONAL AND TRANSITIONAL STYLE HOMES LOCATED ON WELL MAINTAINED SITES. PUBLIC SCHOOLS, SHOPPING CENTERS, AND MAJOR TRAFFIC ARTERIES ARE WITHIN A 1-3 MILE RADIUS.</b>								287	Pred.	30	Other %	

\*\*\* See Additional Comments \*\*\*

Market Conditions (including support for the above conclusions) **FIXED INTEREST RATES ARE NEAR 4% AND ATYPICAL CONCESSIONS ARE NOT PREVALENT AT THE CURRENT TIME. SELLERS TYPICALLY PAY A SMALL PORTION OF THE BUYERS CLOSING COSTS WITH NO VALUE IMPACT. \*\*\* See Additional Comments \*\*\***

SITE	Dimensions <b>21+23X105X146X134</b> Area <b>9882 sf</b> Shape <b>RECTANGULAR</b> View <b>A;CtyStr;</b>																								
	Specific Zoning Classification <b>R10</b> Zoning Description <b>SINGLE FAMILY RESIDENTIAL</b>																								
	Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)																								
	Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe																								
	<b>SUBJECT IS A SINGLE FAMILY HOUSE IN THE MIDDLE OF A SINGLE FAMILY NEIGHBORHOOD.</b>																								
	<table border="0" style="width: 100%;"> <tr> <th>Utilities</th> <th>Public</th> <th>Other (describe)</th> <th>Public</th> <th>Other (describe)</th> <th>Off-site Improvements--Type</th> <th>Public</th> <th>Private</th> </tr> <tr> <td>Electricity</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Water</td> <td><input checked="" type="checkbox"/></td> <td>Street</td> <td><input checked="" type="checkbox"/> MACADAM</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Gas</td> <td><input type="checkbox"/></td> <td>NONE</td> <td>Sanitary Sewer</td> <td><input checked="" type="checkbox"/></td> <td>Alley</td> <td><input type="checkbox"/> NONE</td> <td><input type="checkbox"/></td> </tr> </table>	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private	Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	<input checked="" type="checkbox"/> MACADAM	<input type="checkbox"/>	Gas	<input type="checkbox"/>	NONE	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/> NONE	<input type="checkbox"/>
	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private																	
	Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	<input checked="" type="checkbox"/> MACADAM	<input type="checkbox"/>																	
	Gas	<input type="checkbox"/>	NONE	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/> NONE	<input type="checkbox"/>																	
	FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone <b>X</b> FEMA Map No. <b>5155310119F</b> FEMA Map Date <b>05/04/2009</b>																								
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe																									
<b>REAR OF THE SUBJECT SITE BACKS TO A THOROUGHFARE WITH A 6' PRIVACY FENCE BUFFER. THIS WAS CONSIDERED IN THE ESTIMATE OF VALUE.</b>																									

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	<b>MAS.BLOCK/A</b>	Floors	<b>CPT.VIN/A</b>						
# of Stories <b>2</b>	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	<b>VINYL SID/A</b>	Walls	<b>PLASTER/A</b>						
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area <b>0 sq. ft.</b>	Roof Surface	<b>ARCH SHINGLE/A-G</b>	Trim/Finish	<b>WOOD/A</b>						
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>0 %</b>	Gutters & Downspouts	<b>ALUMINUM/A</b>	Bath Floor	<b>VINYL/A</b>						
Design (Style) <b>Traditional</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	<b>INS WOOD/A</b>	Bath Wainscot	<b>Fib/AVG</b>						
Year Built <b>1985</b>	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	<b>NO/YES/A</b>	Car Storage	<input type="checkbox"/> None						
Effective Age (Yrs) <b>15</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	<b>YES/A</b>	<input checked="" type="checkbox"/> Driveway	# of Cars <b>2</b>						
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s)# <b>0</b>	Driveway Surface	<b>CONC</b>						
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel <b>ELEC</b>	<input checked="" type="checkbox"/> Fireplace(s) # <b>1</b>	<input checked="" type="checkbox"/> Fence <b>WD</b>	<input checked="" type="checkbox"/> Garage	# of Cars <b>1</b>						
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck <b>Conc</b>	<input checked="" type="checkbox"/> Porch <b>ENTRY</b>	<input type="checkbox"/> Carport	# of Cars <b>0</b>						
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <b>NONE</b>	<input type="checkbox"/> Other <b>NONE</b>	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in						

IMPROVEMENTS	Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)
	Finished area <b>above</b> grade contains: <b>7 Rooms 4 Bedrooms 2.1 Bath(s) 1,728 Square Feet of Gross Living Area Above Grade</b>
	Additional features (special energy efficient items, etc.) <b>FRONT ENTRY, CONCRETE PATIO, FENCE</b>
	Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). <b>C4;No updates in the prior 15 years;NO FUNCTIONAL OR EXTERNAL OBSOLESCENCE WAS OBSERVED. UTILITIES WERE ON AT TIME OF INSPECTION AND SYSTEMS ARE IN PROPER WORKING ORDER. SEPARATED SIDING @ LEFT SIDE &amp; BROKEN SIDING @ RIGHT SIDE (\$200).</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

Stephen D. Donahoe & Assoc., Inc.

# Uniform Residential Appraisal Report

File # 65587B

There are **15** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **218,000** to \$ **440,000**  
 There are **67** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **220,000** to \$ **390,000**

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
2208 ELMINGTON CIR	1916 FALLING SUN CIR	1112 EPPINGTON CT			1105 EPPINGTON CT					
Address	Virginia Beach, VA 23454	Virginia Beach, VA 23454			Virginia Beach, VA 23454			Virginia Beach, VA 23454		
Proximity to Subject		0.47 miles SE			0.33 miles N			0.30 miles N		
Sale Price	\$	\$ 220,000			\$ 265,000			\$ 265,000		
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ 168.45 sq. ft.			\$ 163.38 sq. ft.			\$ 163.38 sq. ft.		
Data Source(s)		MLS-Rein#1506482;DOM 5			MLS-Rein#1502189;DOM 362			MLS-Rein#1534210;DOM 35		
Verification Source(s)		CITY RECORDS, EXT.INSPEC			CITY RECORDS, EXT.INSPEC			CITY RECORDS, EXT.INSPEC		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	
Sale or Financing		ArmLth		ArmLth		ArmLth		ArmLth		
Concessions		Cash;0		VA;0		FHA;0		FHA;0		
Date of Sale/Time		s05/15;c05/15		s02/16;c01/16		s09/15;c08/15		s09/15;c08/15		
Location	N;Res;	N;Res;		N;Res;		N;Res;		N;Res;		
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE		FEE SIMPLE		
Site	9882 sf	9940 sf		012611 sf		016242 sf		016242 sf	-3,500	
View	A;CtyStr;	A;CtyStr;		N;Res;	-5,000	N;Res;		N;Res;	-5,000	
Design (Style)	DT2;Traditional	DT1;RANCH		0DT2;Traditional		DT2;Traditional		DT2;Traditional		
Quality of Construction	Q3	Q3		Q3		Q3		Q3		
Actual Age	31	27		034		034		034	0	
Condition	C4	C4	+7,500	C3	-4,000	C3		C3	-4,000	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		
Room Count	7 4 2.1	5 3 2.0	+2,000	7 3 2.1	0	6 3 2.1		6 3 2.1	0	
Gross Living Area	1,728 sq. ft.	1,306 sq. ft.	+10,600	1,622 sq. ft.	+2,600	1,622 sq. ft.		1,622 sq. ft.	+2,600	
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf		0sf		
Functional Utility	GOOD	GOOD		GOOD		GOOD		GOOD		
Heating/Cooling	DUCT/CENT	DUCT/CENT		DUCT/CENT		DUCT/CENT		DUCT/CENT		
Energy Efficient Items	INS.WINDOWS	INS.WINDOWS		INS.WINDOWS		INS.WINDOWS		INS.WINDOWS		
Garage/Carport	1ga2dw	1ga2dw		2ga2dw	-3,000	2ga2dw		2ga2dw	-3,000	
Porch/Patio/Deck	ENTRY,PATIO	ENTRY,DECK	-1,000	ENTRY,DECK	-1,000	ENTRY,PATIO		ENTRY,PATIO		
FIREPLACE	1 FIREPLACE	1 FIREPLACE		1 FIREPLACE		1 FIREPLACE		1 FIREPLACE		
FENCE	YES	YES		YES		YES		YES		
	Vinyl/Slab	Vinyl/Slab		Brick/Vin/Slab	-3,000	Brick/Vin/Slab		Brick/Vin/Slab	-3,000	
Net Adjustment (Total)		X + -	\$ 19,100	X + -	\$ -13,400	X + -		X + -	\$ -15,900	
Adjusted Sale Price of Comparables		Net Adj. 8.68 %		Net Adj. 5.06 %		Net Adj. 6.00 %		Net Adj. 6.00 %		
		Gross Adj. 9.59 %	\$ 239,100	Gross Adj. 7.02 %	\$ 251,600	Gross Adj. 7.96 %		Gross Adj. 7.96 %	\$ 249,100	

SALES COMPARISON APPROACH

I  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) **MLS AND CITY RECORDS**

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

Data Source(s) **MLS AND CITY RECORDS**

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)	CITY RECORDS	CITY RECORDS			CITY RECORDS			CITY RECORDS		
Effective Date of Data Source(s)	03/17/2016	03/17/2016			03/17/2016			03/17/2016		

Analysis of prior sale or transfer history of the subject property and comparable sales **PRIOR MLS LISTING & SALE OF THE SUBJECT OCCURRED MORE THAN THREE YEARS AGO. PRIOR MLS LISTINGS AND SALES OF THE COMPARABLES OCCURED MORE THAN A YEAR AGO. 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.**

Summary of Sales Comparison Approach **THE AREA WAS THOROUGHLY RESEARCHED FOR RECENT SALES OF SIMILAR PROPERTIES AND FEW WERE FOUND. THE SALES USED ARE THE MOST RECENT AND SIMILAR AVAILABLE. SALE #1 SOLD AS IS WITH INFERIOR INTERIOR CONDITION, PER LISTING AGENT. THIS WAS A SMALLER UNI, HOWEVER WAS INCLUDED DUE TO ITS SIMILAR TRAFFIC INFLUENCES. SALES #2 & 3 HAD SUPERIOR INTERIOR UPGRADES TO FLOORING, WINDOWS, ETC. THIS WAS CONSIDERED IN THE CONDITION ADJUSTMENT. SALE #3 WAS SITUATED ON A LARGER SITE & SALES #2 & 3 HAD SUPERIOR SITE/TRAFFIC INFLUENCES. THERE WERE NO SIMILAR SALES FOUND AT THIS TIME THAT BRACKET THE SUBJECTS LIVING AREA, HOWEVER SALES #2 & 3 WERE VERY SIMILAR. THE 90 DAY LIQUIDATION VALUE IS \$248,000, WHICH IS THE SAME AS THE MARKET VALUE DUE TO THE HIGH DEMAND IN THE AREA.**

Indicated Value by Sales Comparison Approach \$ 248,000

Indicated Value by: Sales Comparison Approach \$ 248,000 Cost Approach (if developed) \$ 250,828 Income Approach (if developed) \$ 0  
 THE SALES COMPARISON APPROACH WAS GIVEN THE MOST WEIGHT IN THE OPINION OF VALUE. DUE TO INSUFFICIENT RENTAL DATA THE INCOME APPROACH COULD NOT BE APPLIED. NO PERSONAL PROPERTY WAS INCLUDED. \*\*\* See Additional Comments \*\*\*

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: **THIS APPRAISAL REPORT IS INTENDED FOR USE IN A MORTGAGE FINANCE TRANSACTION ONLY. \*\*\* See Additional Comments \*\*\***  
 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 **\$ 248,000**, as of **03/17/2016**, which is the date of inspection and the effective date of this appraisal.

# Uniform Residential Appraisal Report

File # 65587B

THE REPORTED ANALYSES, OPINIONS AND CONCLUSIONS WERE DEVELOPED, AND THIS REPORT HAS BEEN PREPARED, IN CONFORMITY WITH THE REQUIREMENTS OF THE CODE OF PROFESSIONAL ETHICS AND STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE OF THE APPRAISAL INSTITUTE. THE USE OF THIS REPORT IS SUBJECT TO THE REQUIREMENTS OF THE APPRAISAL INSTITUTE RELATING TO REVIEW BY ITS DULY AUTHORIZED REPRESENTATIVES. AS OF THE DATE OF THIS REPORT, I HAVE COMPLETED THE CONTINUING EDUCATION PROGRAM FOR DESIGNATED MEMBERS OF THE APPRAISAL INSTITUTE.

ADDITIONAL COMMENTS

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

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

THE SUBJECT IS LOCATED IN AN ESTABLISHED NEIGHBORHOOD. VACANT LAND SALES ARE SCARCE FOR COMPARISON. SITE VALUE IS ESTIMATED USING ALLOCATION AND EXTRACTION.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE.....=\$ 115,000
Source of cost data MARSHALL & SWIFT COST BOOK, LOCAL	Dwelling 1,728 Sq. Ft. @ \$ 90.00 ..... = \$ 155,520
Quality rating from cost service AVG Effective date of cost data CURRENT	Sq. Ft. @ \$ ..... = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Fp.App.Fen 7,500
MARSHALL & SWIFT COST HANDBOOK WAS USED FOR COST DATA. NO FUNCTIONAL OBSOLESCENCE WAS NOTED.	Garage/Carport 288 Sq. Ft. @ \$ 30.00 ..... = \$ 8,640
DEPRECIATION IS CALCULATED USING THE AGE/LIFE METHOD. LAND TO VALUE RATIO IS TYPICAL FOR THE AREA AND IS ACCEPTED IN THE MARKET.	Total Estimate of Cost-New ..... = \$ 171,660
	Less Physical Functional External
	Depreciation 34,332 0 5,000 ..... = \$ ( 39,332)
	Depreciated Cost of Improvements.....=\$ 132,328
	'As-is' Value of Site Improvements.....=\$ 3,500
Estimated Remaining Economic Life (HUD and VA only) 60 Years	Indicated Value By Cost Approach.....=\$ 250,828

COST APPROACH

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

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach

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

INCOME

### PROJECT INFORMATION FOR PUDs (if applicable)

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

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

Legal name of project

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(s)

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

PUD INFORMATION

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

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

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

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

**APPRAISER**

Signature *Susan Barco-Lassiter, SRA*  
 Name SUSAN A BARCO-LASSITER  
 Company Name Stephen D. Donahoe & Assoc., Inc.  
 Company Address 313 Office Square Lane, #101  
Virginia Beach, VA 23462  
 Telephone Number 757-456-2701  
 Email Address SAB@DONAHOE-APPRAISAL.COM  
 Date of Signature and Report 03/21/2016  
 Effective Date of Appraisal 03/17/2016  
 State Certification # 4001000393  
 or State License # \_\_\_\_\_  
 or Other \_\_\_\_\_ State # \_\_\_\_\_  
 State VA  
 Expiration Date of Certification or License 11/30/2017

ADDRESS OF PROPERTY APPRAISED  
2208 ELMINGTON CIR  
Virginia Beach, VA 23454  
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 248,000  
 LENDER/CLIENT  
 Name No AMC  
 Company Name HAMPTON ROADS BANKSHARES  
 Company Address P.O. BOX 1908  
ELIZABETH CITY, NC 27906  
 Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

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

**SUBJECT PROPERTY**

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

**COMPARABLE SALES**

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

**ADDITIONAL COMMENTS**

Borrower or Owner THOMAS GALLAGHER

Property Address 2208 ELMINGTON CIR

City Virginia Beach County VIRGINIA BEACH CITY State VA Zip Code 23454

Lender or Client HAMPTON ROADS BANKSHARES

**NEIGHBORHOOD DESCRIPTION**

I HAVE CONSIDERED RELEVANT COMPETITIVE LISTINGS AND/OR CONTRACT OFFERINGS IN THE PERFORMANCE OF THIS APPRAISAL. ANY TREND INDICATED BY THAT DATA IS SUPPORTED BY THE LISTING/OFFERING INFORMATION INCLUDED IN THIS REPORT.

**MARKET CONDITIONS**

MLS DATA INDICATES PROPERTIES TYPICALLY SELL AT 99-100% OF LIST PRICE. EXPOSURE TIME: AN ESTIMATE OF 4 MONTHS IS REASONABLE.

**RECONCILIATION**

THE SOURCE OF THE MARKET VALUE DEFINITION IS SPECIFIED IN REGULATIONS PUBLISHED PURSUANT TO TITLE XI OF FIRREA (Financial Institutions Reform Recovery & Enforcement Act of 1989).

**CONDITIONS OF APPRAISAL**

THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.



**Market Conditions Addendum to the Appraisal Report** File No. 65587B

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 **2208 ELMINGTON CIR** City **Virginia Beach** State **VA** ZIP Code **23454**

Borrower **THOMAS GALLAGHER**

**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		
				Increasing	Stable	Declining
Total # of Comparable Sales (Settled)	37	16	14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Absorption Rate (Total Sales/Months)	6.17	5.33	4.67	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total # of Comparable Active Listings	not avail in mls	not avail	15	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Months of Housing Supply (Total Listings/Ab.Rate)	0.00	0.00	3.21	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	298,000	278,500	300,700	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Median Comparable Sales Days on Market	24	52	67	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Median Comparable List Price	not avail in mls	not avail	330,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Median Comparable Listings Days on Market	not avail in mls	not avail	not avail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Median Sale Price as % of List Price	99.00	99.00	99.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seller-(developer, builder, etc.) paid financial assistance prevalent?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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.). **TYPICAL SELLER CONCESSIONS IS 2-6% OF THE SALES PRICE AND REMAIN STABLE AT THE CURRENT TIME.**

**TOTAL # OF COMPARABLE ACTIVE LISTINGS FOR THE PRIOR 7-12 MONTHS & PRIOR 4-6 MONTHS & MEDIAN COMPARABLE LISTING DAYS ON THE MARKET WERE NOT AVAILABLE.**

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 ARE NOT PREVALENT IN THE SUBJECTS MARKET AREA, HOWEVER THERE ARE A FEW FOUND IN THE SUBJECTS MARKET AREA.**

Cite data sources for above information. **REAL ESTATE INFORMATION NETWORK (REIN)**

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

**THE SALES PRICES & MARKETING TIME HAVE REMAINED STABLE FOR THE SUBJECTS MARKET AREA.**

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

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

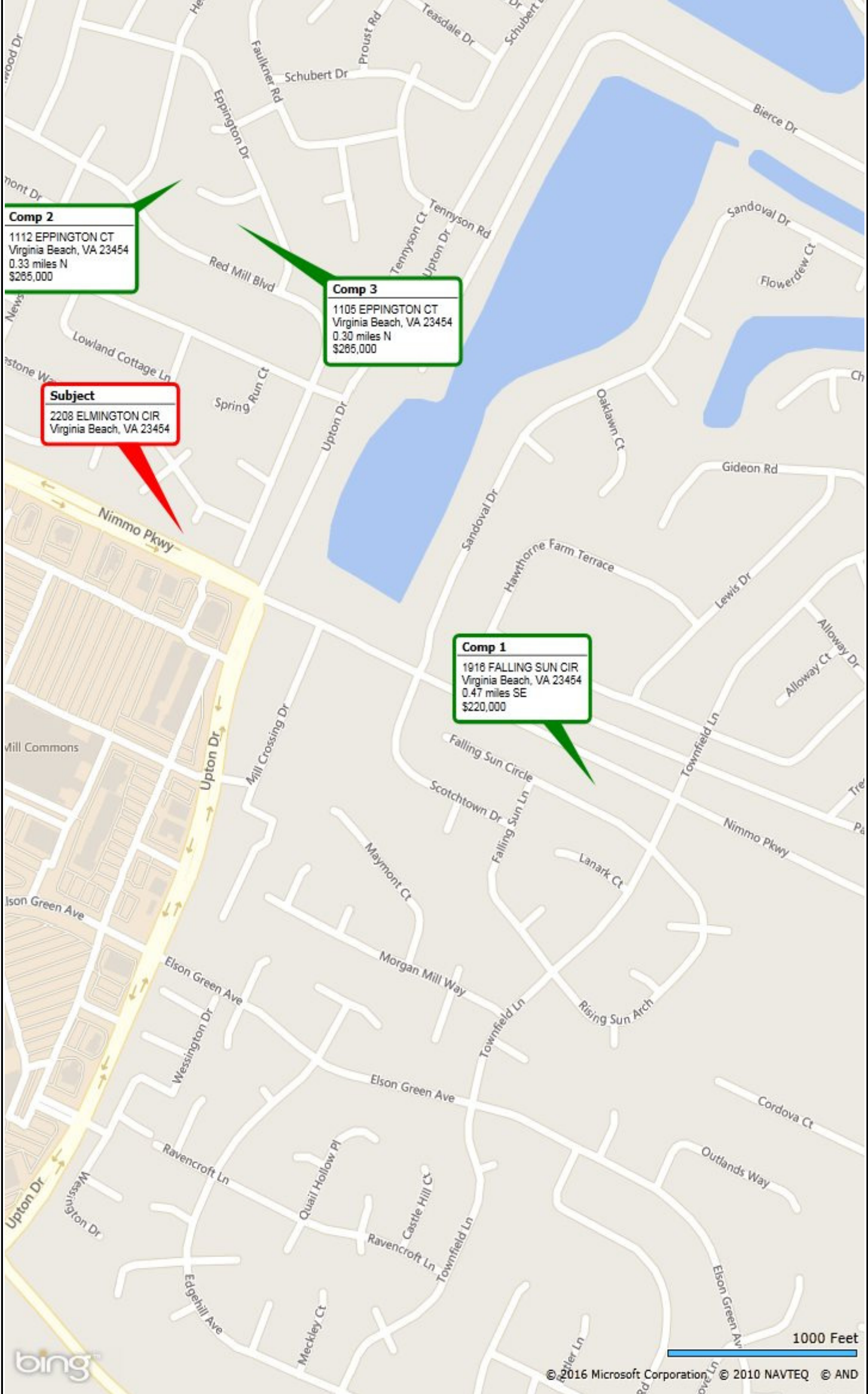
Are foreclosure sales (REO sales) a factor in the project?  Yes  No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

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

Signature 	Signature
Appraiser Name <b>SUSAN A BARCO-LASSITER</b>	Appraiser Name
Company Name <b>Stephen D. Donahoe &amp; Assoc., Inc.</b>	Company Name
Company Address <b>313 Office Square Lane, #101, Virginia Beach, VA 23462</b>	Company Address
State License/Certification # <b>4001000393</b> State <b>VA</b>	State License/Certification # State
Email Address <b>SAB@DONAHOE-APPRAISAL.COM</b>	Email Address

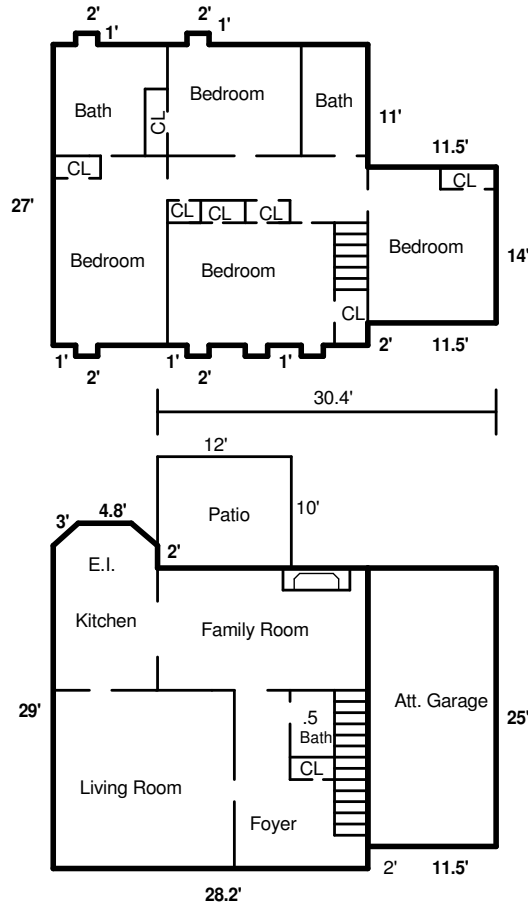
### Location Map

Borrower or Owner	THOMAS GALLAGHER		
Property Address	2208 ELMINGTON CIR		
City	Virginia Beach	County	VIRGINIA BEACH CITY State VA Zip Code 23454
Client	HAMPTON ROADS BANKSHARES		



## SKETCH ADDENDUM

Borrower or Owner **THOMAS GALLAGHER**  
 Property Address **2208 ELMINGTON CIR**  
 City **Virginia Beach** County **VIRGINIA BEACH CITY** State **VA** Zip Code **23454**  
 Client **HAMPTON ROADS BANKSHARES**



SUMMARY	SQ FT AREA	PERIMETER	AREA CALCULATION DETAILS
Living Area			First Floor
First Floor	794	116	7.0 X 2.0 = 14.0
Second Floor	934	145	9.3 X 2.0 = 18.6
Total	1728	261	28.2 X 27.0 = 761.4
			Total
			794.0
Garage/Carport			Second Floor
Attached Garage	288	73	2.0 X 29.0 = 58.0
			2.0 X 29.0 = 58.0
			2.0 X 27.0 = 54.0
			8.0 X 27.0 = 216.0
			14.2 X 27.0 = 383.4
			11.5 X 14.0 = 161.0
			2.0 X 1.0 = 2.0
			2.0 X 1.0 = 2.0
			Total
			934.4
			Attached Garage
			11.5 X 25.0 = 287.5



**PHOTOGRAPH ADDENDUM**

Borrower or Owner **THOMAS GALLAGHER**

Property Address **2208 ELMINGTON CIR**

City **Virginia Beach** County **VIRGINIA BEACH CITY** State **VA** Zip Code **23454**

Client **HAMPTON ROADS BANKSHARES**



**FRONT VIEW OF SUBJECT PROPERTY**



**REAR VIEW OF SUBJECT PROPERTY**



**STREET SCENE OF SUBJECT PROPERTY**



# PHOTOGRAPH ADDENDUM

Borrower or Owner THOMAS GALLAGHER

Property Address 2208 ELMINGTON CIR

City Virginia Beach County VIRGINIA BEACH CITY State VA

Zip Code 23454

Client HAMPTON ROADS BANKSHARES



Main Living area



Kitchen



Half Bath



# PHOTOGRAPH ADDENDUM

Borrower or Owner THOMAS GALLAGHER

Property Address 2208 ELMINGTON CIR

City Virginia Beach County VIRGINIA BEACH CITY State VA

Zip Code 23454

Lender or Client HAMPTON ROADS BANKSHARES



Bedroom 1



Bedroom 2



bath



# PHOTOGRAPH ADDENDUM

Borrower or Owner THOMAS GALLAGHER

Property Address 2208 ELMINGTON CIR

City Virginia Beach County VIRGINIA BEACH CITY State VA

Zip Code 23454

Client HAMPTON ROADS BANKSHARES



LEFT SIDE



REAR STREET VIEW



Separated siding



### PHOTOGRAPH ADDENDUM

Borrower or Owner THOMAS GALLAGHER

Property Address 2208 ELMINGTON CIR

City Virginia Beach County VIRGINIA BEACH CITY State VA

Zip Code 23454

Client HAMPTON ROADS BANKSHARES



Broken siding right side



# PHOTOGRAPH ADDENDUM

Borrower or Owner THOMAS GALLAGHER

Property Address 2208 ELMINGTON CIR

City Virginia Beach County VIRGINIA BEACH CITY State VA Zip Code 23454

Client HAMPTON ROADS BANKSHARES



Master BR



BATH1



Living Room



## PHOTOGRAPH ADDENDUM

Borrower or Owner **THOMAS GALLAGHER**Property Address **2208 ELMINGTON CIR**City **Virginia Beach** County **VIRGINIA BEACH CITY** State **VA** Zip Code **23454**Client **HAMPTON ROADS BANKSHARES**

### COMPARABLE #1

1916 FALLING SUN CIR  
Virginia Beach, VA 23454

Price	\$220,000
Price/SF	168.45
Date	s05/15;c05/15
Age	27
Room Count	5-3-2.0
Living Area	1,306

<b>Value Indication</b>	<b>\$239,100</b>
-------------------------	------------------



### COMPARABLE #2

1112 EPPINGTON CT  
Virginia Beach, VA 23454

Price	\$265,000
Price/SF	163.38
Date	s02/16;c01/16
Age	34
Room Count	7-3-2.1
Living Area	1,622

<b>Value Indication</b>	<b>\$251,600</b>
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### COMPARABLE #3

1105 EPPINGTON CT  
Virginia Beach, VA 23454

Price	\$265,000
Price/SF	163.38
Date	s09/15;c08/15
Age	34
Room Count	6-3-2.1
Living Area	1,622

<b>Value Indication</b>	<b>\$249,100</b>
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COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation  
9960 Mayland Drive, Suite 400, Richmond, VA 23233  
Telephone: (804) 367-8500

EXPIRES ON  
11-30-2017

NUMBER  
4001000393

REAL ESTATE APPRAISER BOARD

CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER



SUSAN A BARCO-LASSITER  
532 BEAUREGARD DRIVE  
CHESAPEAKE, VA 23322



*Jay W. DeBoe*  
Jay W. DeBoe, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (05/2015)  
(DETACH HERE)



COMMONWEALTH of VIRGINIA  
Department of Professional and Occupational Regulation

REAL ESTATE APPRAISER BOARD  
CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER  
NUMBER: 4001000393 EXPIRES: 11-30-2017

SUSAN A BARCO-LASSITER  
532 BEAUREGARD DRIVE  
CHESAPEAKE, VA 23322



(F.O.D.)

Status can be verified at <http://www.dpor.virginia.gov>

DPOR-PC (05/2015)

# USPAP Compliance Addendum

File No. 65587B

Borrower/Client <b>THOMAS GALLAGHER</b>			
Property Address <b>2208 ELMINGTON CIR</b>			
City <b>Virginia Beach</b>	County <b>VIRGINIA BEACH CITY</b>	State <b>VA</b>	Zip Code <b>23454</b>
Lender/Client <b>HAMPTON ROADS BANKSHARES</b>			

## APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Appraisal Report** This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).
- Restricted Appraisal Report** This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

## ADDITIONAL CERTIFICATIONS

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

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.
- 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.
- This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

## PRIOR SERVICES

- I have **NOT** performed services, as an appraiser or in any other capacity, regarding the property that is the subject of the report within the three-year period immediately preceding acceptance of this assignment.
- I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

## PROPERTY INSPECTION

- I have **NOT** made a personal inspection of the property that is the subject of this report.
- I **HAVE** made a personal inspection of the property that is the subject of this report.

## APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

## ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: \_\_\_\_\_

## MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- A reasonable marketing time for the subject property is 120 day(s) utilizing market conditions pertinent to the appraisal assignment.
- A reasonable exposure time for the subject property is 120 day(s).

APPRAISER	SUPERVISORY APPRAISER (ONLY IF REQUIRED)
-----------	--

Signature *Susan Barco-Lassiter, SRA*  
 Name SUSAN A BARCO-LASSITER  
 Date of Signature 03/21/2016  
 State Certification # 4001000393  
 or State License # \_\_\_\_\_  
 State VA  
 Expiration Date of Certification or License 11/30/2017

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

Effective Date of Appraisal 03/17/2016

Supervisory Appraiser Inspection of Subject Property:  
 Did Not     Exterior-only from Street     Interior and Exterior

Borrower **THOMAS GALLAGHER**Property Address **2208 ELMINGTON CIR**City **Virginia Beach** County **VIRGINIA BEACH CITY** State **VA** Zip Code **23454**Lender/Client **HAMPTON ROADS BANKSHARES** Address **P.O. BOX 1908, ELIZABETH CITY, NC 27906****Requirements - Condition and Quality Ratings Usage**

Appraisers must utilize the following standardized conditions and quality ratings within the appraisal report.

**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 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 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 finished 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.

*\*Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.*

**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.

*\*Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.*

**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.

*\*Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property*

**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.

*\*Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.*

**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.

*\*Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.*

**Quality Ratings and Definitions**

**Q1** - Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified use. 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 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 residences 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 of exceptionally 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.

**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 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.

Requirements - Abbreviations Used in  
Data Standardization Text

File No. 65587B

Case No.

Abbreviation	Full Name	Appropriate Fields
A	Adverse	Location & View
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
ArmLth	Arms Length Sale	Sale or Financing Concessions
AT	Attached Structure	Design (Style)
B	Beneficial	Location & View
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
BsyRd	Busy Road	Location
c	Contracted Date	Date of Sale/Time
Cash	Cash	Sale or Financing Concessions
Comm	Commercial Influence	Location
Conv	Conventional	Sale or Financing Concessions
cp	Carport	Garage/Carport
CrtOrd	Court Ordered Sale	Sale or Financing Concession
CtySky	City View Skyline View	View
CtyStr	City Street View	View
cv	Covered	Garage/Carport
DOM	Days On Market	Data Sources
DT	Detached Structure	Design (style)
dw	Driveway	Garage/Carport
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Administration	Sale or Financing Concessions
G	Garage	Garage/Carport
ga	Attached Garage	Garage/Carport
gbi	Built-in Garage	Garage/Carport
gd	Detached Garage	Garage/Carport
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
GR	Garden	Design (Style)
HR	High Rise	Design (Style)
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Ind	Industrial	Location & View
Listing	Listing	Sale or Financing Concessions
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
MR	Mid Rise	Design (Style)
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
o	Other	Basement & Finished Rooms Below Grade
O	Other	Design (Style)
op	Open	Garage/Carport
Prk	Park View	View
Pstrl	Pastoral View	View
PubTm	Public Transportation	Location
PwrLn	Power Lines	View
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA - Rural Housing	Sale or Financing Concessions
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
s	Settlement Date	Date of Sale/Time
sf	Square Feet	Area, Site, Basement
Short	Short Sale	Sale or Financing Concessions
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdraw Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
Woods	Woods View	View
Wtr	Water View	View
WtrFr	Water Frontage	Location
wu	Walk Up Basement	Basement & Finished Rooms Below Grade

