

Exterior-Only Inspection Residential Appraisal Report

File # 19-00290-03-1
19-018

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

Property Address 2208 Elmington Cir **City** Virginia Beach **State** VA **Zip Code** 23454-6111
Borrower N/A **Owner of Public Record** Thomas R. Gallagher **County** Virginia Beach City

Legal Description Red Mill, Section 6, Lot 370
Assessor's Parcel # 24143634270000 **Tax Year** 2018 **R.E. Taxes \$** 2,706
Neighborhood Name Red Mill **Map Reference** 47260 **Census Tract** 0454.25

Occupant Owner Tenant Vacant **Special Assessments \$** 0 PUD HOA \$ 0 per year per month

Property Rights Appraised Fee Simple Leasehold Other (describe)
Assignment Type Purchase Transaction Refinance Transaction Other (describe) **Determination of estimated fair market value**

Lender/Client Union Bank & Trust, Jamie Tyson **Address** 4355 Innslake Drive, Glen Allen, VA 23060
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). **The subject has not been listed in the REIN MLS in the last year.**

CONTRACT

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$ **Date of Contract** **Is the property seller the owner of public record?** Yes 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? Yes No
 If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

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

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing			Present Land Use %			
Location	<input type="checkbox"/> Urban	<input 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 type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	230	Low	14	Multi-Family	%
Neighborhood Boundaries			The neighborhood boundaries are Upton Drive to the east, Nimmo Parkway to the south, General Booth Blvd. to the west, and Culver Lane to the north.			500	High	39	Commercial			%
Neighborhood Description			The subject is located in a subdivision known as Red Mill, an established neighborhood consisting mainly of average quality single family homes built from the 1970's to 2000's. The market area has adequate access to the recreation centers, the interstate system, employment centers, shopping, and nearby schools. The subject conforms in style and size with other homes in the neighborhood.			335	Pred.	34	Other			%

Market Conditions (including support for the above conclusions) **General market conditions are average for the house being appraised. Marketing time has remained stable over the past year. All types of financing are available for this area.**

SITE

Dimensions 21' x 23' x 105' x 146' x 134' **Area** 9,882 sf **Shape** Pie Shaped/Culdesac **View** N;Res;
Specific Zoning Classification R75 **Zoning Description** Residential
Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities **Public** **Other (describe)** **Public** **Other (describe)** **Off-site Improvements - Type** **Public** **Private**
 Electricity Water Street **Macadam**
 Gas Sanitary Sewer Alley **None**
FEMA Special Flood Hazard Area Yes No **FEMA Flood Zone** X **FEMA Map #** 5155310119G **FEMA Map Date** 01/16/2015
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

No encroachments or adverse easements are apparent. Flood zone & lot dimension information was gathered with the best available data, but is not warranted. The subject's site is a typical residential site with typical utility & drainage easements.

SOURCE(S) USED FOR PHYSICAL CHARACTERISTICS OF PROPERTY Appraisal Files MLS Assessment and Tax Records Prior Inspection Property Owner
 Other (describe) **Data Source for Gross Living Area** **Previous appraisal**

General Description		General Description		Heating/Cooling		Amenities		Car Storage	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	<input type="checkbox"/> Full Basement <input type="checkbox"/> Finished	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB	<input type="checkbox"/> Radiant	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> None	<input type="checkbox"/> Driveway	# of Cars 1
# of Stories	2	<input type="checkbox"/> Partial Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Fuel Elec	<input type="checkbox"/> Other	<input type="checkbox"/> Woodstove(s) # 0	<input checked="" type="checkbox"/> Driveway Surface	<input type="checkbox"/> Concrete	
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Exterior Walls	Vinyl/Avg	<input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input checked="" type="checkbox"/> Patio/Deck	<input type="checkbox"/> Porch	<input checked="" type="checkbox"/> Garage	# of Cars 1
Design (Style)	Trad/Avg	Roof Surface	Compshngl/Avg	<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Fence	<input type="checkbox"/> Stoop	<input type="checkbox"/> Carport	<input type="checkbox"/> Attached	# of Cars 0
Year Built	1985	Gutters & Downspouts	Alum/Avg	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Wood	<input type="checkbox"/> Pool	<input checked="" type="checkbox"/> Attached	<input type="checkbox"/> Detached	
Effective Age (Yrs)	30	Window Type	Wood/Dbl/Avg	<input type="checkbox"/> Other	<input type="checkbox"/> None	<input type="checkbox"/> Other	<input type="checkbox"/> Built-in		
Appliances	<input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Washer/Dryer	<input type="checkbox"/> Other (describe)					
Finished area above grade contains:		8	Rooms	4	Bedrooms	2.1	Bath(s)	1,683	Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.)		None Noted							

IMPROVEMENTS

Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). **C4;No updates in the prior 15 years;The subject is in average condition. No external inadequacies are apparent. No personal property was included in the value estimate.**

Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No
 If Yes, describe.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe.

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There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 312,000 to \$ 482,500 .					
There are 66 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 230,000 to \$ 499,900 .					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	2208 Elmington Cir Virginia Beach, VA 23454-6111	1300 Warner Hall Dr Virginia Beach, VA 23454-6101	2020 Westham Woods Ct Virginia Beach, VA 23454-6342	1097 Red Mill Blvd Virginia Beach, VA 23454-5845	
Proximity to Subject		0.23 miles NW	0.69 miles S	0.23 miles NE	
Sale Price	\$	\$ 293,000	\$ 255,000	\$ 287,000	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 198.64 sq.ft.	\$ 166.45 sq.ft.	\$ 167.84 sq.ft.	
Data Source(s)		MLS#10188325,CtyRecs;DOM 62	MLS#10205991,CtyRecs;DOM 19	MLS#10196499,CtyRecs;DOM 47	
Verification Source(s)		Exterior Inspection	Exterior Inspection	Exterior Inspection	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		ArmLth VA;0		ArmLth Conv;0	
Date of Sale/Time		s07/18;c06/18		s08/18;c07/18	
Location	N;Res;BsyRd	N;Res;BsyRd		N;Res;Comm	-2,500
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	9,882 sf	9531 sf	0	9357 sf	0
View	N;Res;	N;Res;		N;Res;	
Design (Style)	DT2;Trad/Avg	DT1;Ranch/Avg	0	DT1;Ranch/Avg	0
Quality of Construction	Q4	Q4		Q4	
Actual Age	34	35	0	31	0
Condition	C4	C3	-25,000	C4	-25,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	8 4 2.1	6 3 2.0	+2,500	8 3 2.0	+2,500
Gross Living Area	1,683 sq.ft.	1,475 sq.ft.	+8,300	1,532 sq.ft.	+6,000
Basement & Finished Rooms Below Grade	0sf	0sf		0sf	
Functional Utility	Average	Average		Average	
Heating/Cooling	FHA/CAC	FHA/CAC		FHA/CAC	
Energy Efficient Items	Insul Win & Drs	Insul Win & Drs		Insul Win & Drs	
Garage/Carport	1ga1dw	2ga2dw	-5,000	2ga2dw	-5,000
Porch/Patio/Deck	Stoop,Pat	Stoop,Pat		Stoop,Pat	
Fireplace(s)	1 Fireplace	1 Fireplace		1 Fireplace	
Pool, etc.	None	None		None	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -19,200	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 1,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -35,000	
Adjusted Sale Price of Comparables		Net Adj. 6.6% Gross Adj. 13.9% \$ 273,800	Net Adj. 0.4% Gross Adj. 6.3% \$ 256,000	Net Adj. 12.2% Gross Adj. 12.2% \$ 252,000	

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) City Records/MLS

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

Data Source(s) City Records/MLS

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

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	City Records,MLS	City Records,MLS	City Records,MLS	City Records,MLS
Effective Date of Data Source(s)	02/01/2019	02/01/2019	02/01/2019	02/01/2019

Analysis of prior sale or transfer history of the subject property and comparable sales

The appraiser has researched all transfers for the subject for a period of 36 months and for all comparables for a period of 12 months. To the appraiser's knowledge, the subject has not transferred within the last 3 years. Comparable #4 last transferred as noted. This was the foreclosure of the property prior to the property's recent renovation and current foreclosure sale.

Summary of Sales Comparison Approach

Sales used were considered the best available when considering age, gross living area, quality and design & appeal. All comparables are located within a mile of the subject. The subject backs to Nimmo Parkway a busy 4 lane thoroughfare. Comparable #1 sold over 6 months ago and is a ranch style home but is included as it also backs to Nimmo Parkway. Comparable #2 backs to commerical property and a parking lot. While it does not have the same traffic, its location is still considered inferior as compared to a typical residential site. Comparable #2 is also a ranch style home but included to demonstrate a sale in similar condition as compared to the subject. Comparables #1, #3, and #5 have superior updates as compared to the subject (updated kitchens in comparable #1 and #5, and updated flooring, hvac, paint etc for comparable #3). Continued below comparables #4 and #5.

Indicated Value by Sales Comparison Approach \$ 257,000

Indicated Value by: Sales Comparison Approach \$ 257,000 Cost Approach (if developed) \$ 251,049 Income Approach (if developed) \$

The Sales Comparison Analysis is considered the best indication of value. It is loosely supported by the Cost Approach. The Income Approach is not considered due to lack of sufficient data. The value estimate is based on a 90 day exposure time. As per U.S.P.A.P. guidelines, this is a "Summary Report." See "Comments Addendum" attached herewith.

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. The appraiser assumes that all systems (heating/cooling, plumbing, electrical) are in good working order.

Based on a visual inspection of the exterior areas of the subject property from at least the street, 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 \$ 257,000, as of 01/31/2019, which is the date of inspection and the effective date of this appraisal.

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Although the report may cite a general rating of the adequacy and/or condition (based on observation only) it should be clearly understood that these statements are a general guide for comparison purposes (as part of the valuation process) and are not a detailed report on the physical and/or operational condition of these items. The appraiser(s) is not an expert in these matters and any opinion stated is advisory based only upon observation. This report is not a home inspection. While others may choose to rely on the report, they should not rely on it to disclose condition and defects. Such knowledge goes beyond the scope of this appraisal and as such, comments on observed conditions given in this report should not be taken as a guarantee that a problem does not exist.

An exterior inspection from the street only was conducted on the subject property. The subject's condition is based on the assumption of no significant changes to the subject property since a previous interior/exterior appraisal of the home was made on 02/05/2018.

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 site value was determined using land sales if available as well as reliance on the City Assessment land values.**

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	125,000
Source of cost data	Mrkt, Mrshl & Swft		DWELLING	1,683 Sq.Ft. @ \$ 100.00	= \$ 168,300
Quality rating from cost service	Avg	Effective date of cost data	0	Sq.Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Current		Apps, FP, Pat, Fnc	= \$	15,000
SEE SKETCH ADDENDUM FOR MEASUREMENTS, CALCULATIONS AND ROOM LAYOUT. Cost data was obtained from Marshall & Swift Valuation Service and cost data gathered from local builders. The subject's land to value ratio exceeds 30%. This is typical of the subject's market area.	Garage/Carport		289 Sq.Ft. @ \$ 35.00	= \$	10,115
	Total Estimate of Cost-New			= \$	193,415
	Less	Physical	Functional	External	
	Depreciation	77,366			= \$(77,366)
	Depreciated Cost of Improvements			= \$	116,049
	"As-is" Value of Site Improvements			= \$	10,000
Estimated Remaining Economic Life (HUD and VA only)	45	Years	INDICATED VALUE BY COST APPROACH		= \$ 251,049

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) **The Income Approach is not considered due to lack of sufficient data to develop a gross rent multiplier.**

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.

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

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

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (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.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

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 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.
3. 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.
4. 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.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the exterior areas of the subject property from at least the street. 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.

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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.

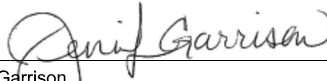
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation 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:

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

APPRAISER

Signature 
 Name Jennifer Garrison
 Company Name BluValue, LLC
 Company Address 536 Fishermans Bend
Virginia Beach, VA 23451
 Telephone Number 757-319-1498
 Email Address jennifer@bluvalue.net
 Date of Signature and Report 02/04/2019
 Effective Date of Appraisal 01/31/2019
 State Certification # 4001 006717
 or State License # _____
 or Other (describe) _____ State # _____
 State VA
 Expiration Date of Certification or License 10/31/2019

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

ADDRESS OF PROPERTY APPRAISED

2208 Elmington Cir
Virginia Beach, VA 23454-6111
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 257,000

LENDER/CLIENT

Name No AMC
 Company Name Union Bank & Trust, Jamie Tyson
 Company Address 4355 Innslake Drive, Glen Allen, VA 23060
 Email Address _____

SUBJECT PROPERTY

Did not inspect exterior of subject property
 Did inspect exterior of subject property from street
 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 _____



Client File #:		Appraisal File #:	19-018
<h1>Liquidation Value Addendum</h1>			
Client:	Union Bank & Trust, Jamie Tyson		
Subject Property:	2208 Elmington Cir		
City:	Virginia Beach	State:	VA
		Zip:	23454-6111

SUBJECT PROPERTY IDENTIFICATION

The term liquidation value is defined in The Dictionary of Real Estate Appraisal, Fifth Edition as follows:
 The most probable price that a specified interest in real estate property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing concessions granted by anyone associated with the sale.

The following data and analysis is offered as an addendum to the appraisal report, and cannot be relied upon without the complete appraisal report, with specific attention to the discussion of market conditions and normal market exposure. As specified by the client, the liquidation value is based upon the following market exposure: Less Than 30 days 60 days 90 days Other

DEVELOPMENT OF LIQUIDATION VALUE

The appraiser has relied upon the following method(s) to develop an opinion of liquidation value:

- Market value as reported within this appraisal report correlates with liquidation value (see comments below).
- Market Analysis (See Comparable Grid on following page).
- Statistical Analysis (See comments below).
- Secondary Analysis – e.g. Interviews with market participants, peers, news media research, etc (See comments below).
- Alternative Analysis – (See comments below).

Comments Regarding the Methods Used: 2 of the sales of the comparables were listed longer than 60 days prior to going under contract. Comparable #1 was on the market for 62 days and comparable #4 was on the market for 70 days. Looking at the subject's neighborhood of Red Mill Farm there have been 66 sales over the last year. 55 of these sales occurred with 60 days or less of exposure time. The other 11 occurred with a median marketing time of 92 days. This data indicates that approximately 83% of homes in the subject's neighborhood are priced competitively and require under 60 days of exposure time.

The median sales price of the 55 sales that were exposed to 90 days or less was \$340,000 with a median gross living area of 1965 square feet. The median sales price of the 11 sales that were exposed for more than 60 days on the market was \$325,000 with a median gross living area of 2,177 square feet. This indicates that there is no improvement in value with a longer exposure time.

Given the above data, the estimated market value provided within this appraisal report correlates with the liquidation value.

60 Day Liquidation Value

The appraisal is made as is; subject to the following hypothetical condition(s); or subject to the following extraordinary assumption(s):

Based on the scope of work for this assignment, the statement of assumptions and limiting conditions included in this report, and appraiser(s) certification, the opinion of liquidation value of the real property that is the subject of this report is:
 \$ 257,000 as of 01/31/2019 which is the effective date of this appraisal.

APPRAISERS SIGNATURES

<p>APPRAISER:</p> <p>Signature: </p> <p>Name: Jennifer Garrison</p> <p>Report Date: 02/04/2019</p> <p>Trainee <input type="checkbox"/> Licensed <input type="checkbox"/> Certified Residential <input checked="" type="checkbox"/> Certified General <input type="checkbox"/></p> <p>License #: 4001 006717 State VA</p> <p>Expiration Date: 10/31/2019</p>	<p>CO-APPRAISER:</p> <p>Signature: _____</p> <p>Name: _____</p> <p>Report Date: _____</p> <p>Trainee <input type="checkbox"/> Licensed <input type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input type="checkbox"/></p> <p>License #: _____ State _____</p> <p>Expiration Date: _____</p>
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* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Borrower	N/A						
Property Address	2208 Elmington Cir						
City	Virginia Beach	County	Virginia Beach City	State	VA	Zip Code	23454-6111
Lender/Client	Union Bank & Trust, Jamie Tyson						

No consideration has been given to personal property in the final value estimate. Any personal property items listed in the contract have no significant effect on the appraisal report.

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report, as such it represents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value.

The purpose of this appraisal is to determine market value and the use of the real estate appraised is as a residence.

Data was gathered through the city records as well as the MLS listing service. Real estate listings were also consulted to verify condition, extent of renovation, etc. The appraiser did not have the benefit of an inspection into the comparables. Therefore, in cases of conflicting data between these sources, the appraiser used her best judgment as to the comparables' marketing characteristics and amenities.

This appraisal report is in compliance with the USPAP statement #8 regarding electronic transmission of appraisal reports and signature security. I have sole control over the affixing of my signature on this report.

The appraiser is not a home inspector. Only a visual inspection of accessible areas was completed. This appraisal report cannot be relied upon to disclose defects in the property.

A borrower or third party may receive a copy of the appraisal report, however, this does not mean the borrower or third party are the intended user.

It is noted that the DOM (days on market) in the Sales Comparison grid is indicative of the most recent listing for that comparable. It is not uncommon for properties to have been listed or changed a few times before it is priced correctly and sells.

Of note, information regarding sales concessions for transactions/comparables is not disclosed in the MLS listings by agents and is not typically available for sales that are not new construction. As such, no adjustments were made for sales concessions.

This appraisal assignment was completed in compliance with the Dodd-Frank act.

I, Jennifer Garrison, previously appraised this property on 02/05/2018.

The subject's estimated market value is based on a 90 day exposure time.

It is noted that Austin Boyles significantly assisted in developing this appraisal report to include subject and comparable inspections, data entry, comparable research, and analysis. The appraiser, Jennifer Garrison, completed the inspection of both the subject and comparables, completed the final comparable selection, reviewed all analysis, and determined final value estimate.

Subject Photo Page

Borrower	N/A				
Property Address	2208 Elmington Cir				
City	Virginia Beach	County	Virginia Beach City	State	VA
				Zip Code	23454-6111
Lender/Client	Union Bank & Trust, Jamie Tyson				

**Subject Front**

2208 Elmington Cir

Sales Price

Gross Living Area 1,683

Total Rooms 8

Total Bedrooms 4

Total Bathrooms 2.1

Location N;Res;BsyRd

View N;Res;

Site 9,882 sf

Quality Q4

Age 34

**Subject Street/Cul De Sac****Subject Street**

Comparable Photo Page

Borrower	N/A				
Property Address	2208 Elmington Cir				
City	Virginia Beach	County	Virginia Beach City	State	VA Zip Code 23454-6111
Lender/Client	Union Bank & Trust, Jamie Tyson				

**Comparable 1**

1300 Warner Hall Dr
 Prox. to Subject 0.23 miles NW
 Sales Price 293,000
 Gross Living Area 1,475
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location N;Res;BsyRd
 View N;Res;
 Site 9531 sf
 Quality Q4
 Age 35

**Comparable 2**

2020 Westham Woods Ct
 Prox. to Subject 0.69 miles S
 Sales Price 255,000
 Gross Living Area 1,532
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location N;Res;Comm
 View N;Res;
 Site 9357 sf
 Quality Q4
 Age 31

**Comparable 3**

1097 Red Mill Blvd
 Prox. to Subject 0.23 miles NE
 Sales Price 287,000
 Gross Living Area 1,710
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.1
 Location N;Res;
 View N;Res;
 Site 10000 sf
 Quality Q4
 Age 36

Comparable Photo Page

Borrower	N/A						
Property Address	2208 Elmington Cir						
City	Virginia Beach	County	Virginia Beach City	State	VA	Zip Code	23454-6111
Lender/Client	Union Bank & Trust, Jamie Tyson						

**Comparable 4**

1952 Morgan Mill Way
 Prox. to Subject 0.37 miles SE
 Sales Price 325,000
 Gross Living Area 2,177
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 2.1
 Location N;Res;
 View N;Res;
 Site 7819 sf
 Quality Q4
 Age 30

**Comparable 5**

1201 Brookhill Ct
 Prox. to Subject 0.28 miles NW
 Sales Price 325,000
 Gross Living Area 2,242
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 2.1
 Location N;Res;
 View N;Res;
 Site 8776 sf
 Quality Q4
 AgeSite 33

**Comparable 6**

1088 Warner Hall Dr
 Prox. to Subject 0.20 miles NE
 Sale Price 312,000
 Gross Living Area 2,280
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 2.1
 Location N;Res;
 View N;Res;
 Site 8741 sf
 Quality Q4
 Age 34

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

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

Condition Ratings and Definitions**C1**

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

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

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either 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 user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

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

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

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

Quality Ratings and Definitions (continued)

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 or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

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

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

Updated

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

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

Remodeled

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

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

Explanation of Bathroom Count

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

Example:

3.2 indicates three full baths and two half baths.

Location Map

Borrower	N/A				
Property Address	2208 Elmington Cir				
City	Virginia Beach	County	Virginia Beach City	State	VA
Lender/Client	Union Bank & Trust, Jamie Tyson				
				Zip Code	23454-6111



COMMONWEALTH of VIRGINIA

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

EXPIRES ON
10-31-2019

NUMBER
4001006717

REAL ESTATE APPRAISER BOARD

CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER



JENNIFER BRUNK GARRISON
536 FISHERMANS BEND
VIRGINIA BEACH, VA 23451-0000



Jan W. DeBoer
Jan W. DeBoer, Director

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

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

Real Estate Valuation Department**LETTER OF ENGAGEMENT TO PROVIDE REAL ESTATE APPRAISAL SERVICES**

This letter will confirm your engagement to prepare a real estate appraisal of the property referenced below on behalf of Union Bank & Trust (the Bank).

Date: 1/25/2019
RIMS No.: 19-000290-03-01

Project Name: Thomas Gallagher rentals

Borrower Name: Thomas Gallagher
Property Address: 2208 Elmington Cir
Virginia Beach, VA23454

Property Description: SFR rental property, Tax Map 47260

Appraiser Name: Jennifer Garrison

Appraiser Contact Information: BluValue, LLC, 536 Fishermans Bend, VA. Beach, VA23451

<u>Premise</u>	<u>Qualifier</u>	<u>Interest</u>	<u>Comment</u>
Market Value	As-Is	Fee Simple	
Liquidation Value-60 Days	Orderly Liquidation Value	Fee Simple	Need AS IS and 60 DAY LIQUIDATION VALUE

Report Type: Appraisal Report

Report Format: Form

Appraisal Type: 2055

RFP Comments (if any): EXTERIOR ONLY 2055
INCLUDE THE USPAP ADDENDUM IN THE APPRAISAL
INCLUDE THE ENGAGEMENT LETTER IN THE ADDENDUM OF THE APPRAISAL.
Per new USPAP guidelines please include a comment describing the Highest and Best Use of the Subject Property.

1. 2055 appraisal must have a clear and descriptive photograph that shows the front of the subject property.
2. Photos must be provided for any exterior amenities that are given value.
3. All comparable must be inspected from the street and current original photos included, no MLS or Google Map Photos, unless notified by the appraiser first.
4. Appraisers who are assigned an appraisal must inspect and sign appraisal.
5. If currently listed or under contract, must be analyzed, not just cited.
6. If land value is given, as stated in the appraisal, need actual support for the land value.
7. Market Conditions Addendum and UAD not required.
8. All appraisal reports shall be written, providing adequate data analysis to support the appraiser's opinion of market value.
9. The development of the appraisal and the reporting of the value estimates must be objective, impartial and unbiased.
10. The appraiser is expected to make appropriate adjustments based on factual data supported by market evidence for all factors that influence value.

11. DO NOT CONTACT THE BORROWER/PROPERTY OWNER
 12. Please provide a copy of the Engagement Letter in the addendum of the appraisal.

Liquidation Sale Value

We are defining a Liquidation Sale as one that would occur in a less than normal marketing period. The marketing period is defined as the period of time from the current date to the date a bona fide contract is signed.

If Liquidation Sale Value estimated is requested, we require the appraiser to support the Liquidation Sale Value with some market evidence. This could consist of comparable sales, or other relevant evidence.

The term liquidation value is defined in The Dictionary of Real Estate Appraisal, Fifth Edition as follows:

The most probable price that a specified interest in real estate property is likely to bring under all of the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and the seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing concessions granted by anyone associated with the sale.
10. Please provide a copy of the Engagement Letter in the addendum of the appraisal.

NEED AS IS AND A 60 DAY LIQUIDATION VALUE. MUST PROVIDE ACTUAL SUPPORT FOR THE LIQUIDATION VALUE. DO NOT CONTACT THE BORROWER/OWNER.

Award Comments:

EXTERIOR ONLY 2055

INCLUDE THE USPAP ADDENDUM IN THE APPRAISAL
 INCLUDE THE ENGAGEMENT LETTER IN THE ADDENDUM OF THE APPRAISAL.

Per new USPAP guidelines please include a comment describing the Highest and Best Use of the Subject Property.

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NEED AS IS AND A 60 DAY LIQUIDATION VALUE. MUST PROVIDE ACTUAL SUPPORT FOR THE LIQUIDATION VALUE. DO NOT CONTACT THE BORROWER/OWNER.

Fee:	\$350.00
Delivery Date:	2/8/2019
Address Report To:	Jamie Tyson Union Bank & Trust 4355 Innslake Drive Glen Allen, VA 23060
Deliver Hard Copies To (if applicable):	
Property Contact(s):	David Clark, Account Officer Phone: 757-995-0430 david.clark@bankatunion.com
Bank Contact:	Jamie R Tyson SRA jamie.tyson@bankatunion.com 804-774-2083
Intended Use:	The intended use of the appraisal is to establish a value of the real estate for loan underwriting or classification decisions.
Intended Users:	Union Bank & Trust and/or its affiliates.

Delivery Instructions - Report and Invoice: Upload an electronic PDF copy of the completed final appraisal report and invoice (separate files) to RIMSCentral at www.rimscentral.com Include the RIMS No. on the appraisal and the invoice.

The Bank Job Manager may request that you mail hard copies of the appraisal after it has been reviewed and approved.

Contact the Property Contact within 3 days: Please make your initial contact with the Property Contact no more than 3 days from the date of this Letter of Engagement.

Minimum Appraisal Requirements. At a minimum the appraisal must meet the requirements of USPAP, FIRREA, the Interagency Appraisal and Evaluation Guidelines, and the requirements of Union Bank & Trust. Further, a statement to this effect must appear prominently in the appraisal report. Appraisals will be reviewed by or on behalf of the Bank for compliance with these requirements. You agree to make any revisions or corrections requested by the Bank, within the original scope of the assignment, without additional charge.

Market Value Definition. The following definition of Market Value should to be used. It is based on Federal Register, 12 CFR Part 34, Subpart C, 34.42(g), dated August 24, 1990, used by the Federal Regulatory Agencies, as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Appraiser License or Certification. The appraiser must hold the requisite state license or certification to perform the appraisal. A copy of the license or certification must be in the Addendum of the appraisal.

No Limited Liability Clause. We cannot accept a condition of the appraisal that the appraiser's liability is limited to the amount of the appraisal fee.

Engaged Appraiser Must Sign and Be Responsible for Work. Our agreement is with the engaged appraiser. This person must either do the work completely, or if he enlists the assistance of others, he must supervise the work, sign the report, and be fully responsible for the content of the appraisal.

Environmental Problems. In the course of the appraisal process, the appraiser should take reasonable steps to detect obvious evidence that the property may have been contaminated by hazardous substances, is located in a flood hazard or wetlands area, Chesapeake Bay Preservation Area (if located in Virginia) or Chesapeake Bay Critical Area (if located in Maryland), or includes improvements in which asbestos containing materials may be present. All such evidence discovered by the appraiser shall be immediately disclosed to the Bank; and the appraisal shall consider such evidence, as well as any evidence of same provided to the appraiser by the Bank or other parties, when estimating the market value of the property.

Prior Sales and Current Contracts or Listings. The appraiser must analyze and consider all prior sales or transfers of ownership in the last 3 years, or longer if necessary, and current listings for sale or contracts as they relate to the current value estimate. Merely stating the sales is not acceptable.

Cite Sources and Definitions of Building and Land Areas. The appraiser must cite the sources of the building and land areas used in the appraisal - i.e. field measurements, architectural plans, assessment records, survey, etc. Further, the appraiser must specifically define what the building areas represent - i.e. gross building area, net rentable area, net usable area, as defined by BOMA, etc. Actual field measurements are expected unless impractical.

Deferred Maintenance, Structural and Functional Deficiencies. These should be adequately described in the appraisal, and their effect on value should be considered. Include photos when possible.

Furniture, Fixtures, and Equipment (FF&E). As required by the Regulations, the contributing value of these must be reported separately from the real estate value.

Tax Assessment Analysis. If it is determined that the subject is significantly over or under assessed, an analysis with comparable assessments must be included. If it is likely that the assessment will significantly increase, this should be factored into the analysis.

Comparable Photos and Location Maps. The appraisal must include photos of all comparable improved sales and rentals, and location maps of all sales and rentals.

Adjustment grids. The appraisal must include adjustment grids for all comparable sales and rentals.

Confidential. This assignment is for the exclusive use of Union Bank & Trust. The Bank is your client. The appraiser must make all effort to ensure that no information is divulged concerning the subject of this assignment, the appraisal report, the analysis or conclusions to anyone other than the authorized representative of the Bank. All information not in the public domain regarding the subject property shall be treated as confidential.

Late Delivery of Appraisal. If the appraiser is running late on meeting the delivery date, for any reason, he must notify the Bank Contact in writing at least 5 days prior to the original delivery date.

Late Delivery Penalty. The Bank reserves the right to impose a financial penalty on the appraiser for late delivery of an appraisal in the amount of \$100 or 5% of the appraisal fee per day.

Unacceptability of Appraisal. If upon review, the appraisal report is considered unacceptable by the Bank for non-compliance issues, and requested changes and/or additions are not properly considered, the Bank may elect to refuse payment of the appraiser's invoice.

Copy of Letter of Engagement in the Addendum. Please include a copy of the Letter of Engagement in the Addendum of the appraisal.

Acceptance of this Engagement. Please indicate your acceptance of this engagement by responding appropriately in RIMS as soon as possible.

Jamie Tyson