

Uniform Residential Appraisal Report

File # 18-000095-01

SUBJECT

CONTRACT

NEIGHBORHOOD

SITE

IMPROVEMENTS

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	1015 Nelson St	City	Richmond	State	VA	Zip Code	23231
Borrower	First Pavilion Partners, LLC	Owner of Public Record	First Pavilion Partners, LLC	County	Richmond		
Legal Description	Montebellow, Block C, Lot 3						
Assessor's Parcel #	E010-0072-003	Tax Year	2017	R.E. Taxes \$	972		
Neighborhood Name	Fulton	Map Reference	40060	Census Tract	0212.00		
Occupant	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0	<input type="checkbox"/> PUD	HOA \$	0	<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 checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	TowneBank	Address	6001 Harbour View Blvd, Suffolk, VA 23435				
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s).							

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)
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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.

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 checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %		
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	0 %		
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	50	Low 0	Multi-Family	5 %		
Neighborhood Boundaries	Bounded by City line south and east, James River west, and Rail tracks north.			225	High 110	Commercial	5 %		
				95	Pred. 80	Other	10 %		

Neighborhood Description Subject is located in a mature location. Dwellings are generally fair to good condition with similar quality of construction.

Access to government services, retail, and employment are adequate. In the subject's immediate area, there is new residential construction infill on similar size and located lots.

Market Conditions (including support for the above conclusions) Prices were dropping in 2011 before stabilization in late '11/early '12 as the national economy/unemployment began to improve. Prices increased in 2013 with stabilization to slow increases in '14. Prices have been increasing in 2015 thru 2017.

Dimensions	No plat provided	Area	.15 ac	Shape	Rectangular/Avg	View	Street/Typical
Specific Zoning Classification	R-5	Zoning Description	Single family residential				
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 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							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street Paved	<input checked="" type="checkbox"/> <input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Alley None	<input type="checkbox"/> <input type="checkbox"/>

FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 5101290044D FEMA Map Date 4/2/2009

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 easements or encroachments assumed to be present except typical public utility easement.

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Brick/Avg	Floors	Vinyl/Wd/Gd
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Brick/Avg	Walls	Sheetrock/Avg+
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area sq.ft.	Roof Surface	Comp Shngle/Avg	Trim/Finish	Wood/Avg+
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts	Yes/Avg	Bath Floor	Vinyl/Avg+
Design (Style) Cape	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Double Hung/Gd	Bath Wainscot	Cer Tile/Avg
Year Built 1944	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Insulated Pane/Gd	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 13	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Gd	<input checked="" type="checkbox"/> Driveway	# of Cars 2
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) #	Driveway Surface	Gravel
<input type="checkbox"/> Drop Stair <input checked="" type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Electric/Gas	<input type="checkbox"/> Fireplace(s) # 0	<input checked="" type="checkbox"/> Fence Metal/Fair	<input type="checkbox"/> Garage	# of Cars 0
<input checked="" type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck None	<input checked="" type="checkbox"/> Porch Cov	<input type="checkbox"/> Carport	# of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)					
Finished area above grade contains: 5 Rooms 2 Bedrooms 1.0 Bath(s) 870 Square Feet of Gross Living Area Above Grade					
Additional features (special energy efficient items, etc.). Ceiling fans					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Dwelling has good maintenance with newer flooring, windows, exterior wrap, heating and cooling system and updated kitchen and bath. Attic is walk up and has fair quality and fair condition finish. It is not heated or cooled.					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe					
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe					

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There are 0 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 0 to \$ 0 .															
There are 22 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 35,000 to \$ 136,000 .															
FEATURE				SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address 1015 Nelson St Richmond, VA 23231				2005 Carlisle Ave Richmond, VA 23231			1428 National St Richmond, VA 23231			1018 Jamestown Ave Richmond, VA 23231					
Proximity to Subject				0.82 miles NE			0.35 miles NE			0.03 miles SE					
Sale Price				\$ 87,500			\$ 103,000			\$ 80,000					
Sale Price/Gross Liv. Area				\$ 121.53 sq.ft.			\$ 102.18 sq.ft.			\$ 88.40 sq.ft.					
Data Source(s)				CVRMLS#1712377;DOM 3			CVRMLS#1723889;DOM 11			CVRMLS#1737798;DOM 4					
Verification Source(s)				Listing Agent/Tax Recds			Listing Agent/Tax Recds			Tax Records/Agent					
VALUE ADJUSTMENTS				DESCRIPTION			DESCRIPTION			DESCRIPTION			+ (-) \$ Adjustment		
Sales or Financing				Cash			Conventional			Cash					
Concessions				\$0 cc			\$800 cc			\$3,000 cc			0		
Date of Sale/Time				05/12/2017			08/04/2017			11/17/2017					
Location				Suburban/Avg			Suburban/Avg			Suburban/Avg					
Leasehold/Fee Simple				Fee Simple			Fee Simple			Fee Simple					
Site				.15 ac			.16 ac			.16 ac			0		
View				Street/Typical			Street/Typical			Street/Typical					
Design (Style)				Cape			Bungalow			Ranch			Cape		
Quality of Construction				Average			Average-			Average-			Average		
Actual Age				74			65			48			74		
Condition				Average+			Average+			Average+			Average		
Above Grade				Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count				5 2 1.0			5 2 1.0			5 3 2.0			5 2 1.0		
Gross Living Area				870 sq.ft.			720 sq.ft.			1,008 sq.ft.			905 sq.ft.		
Basement & Finished				0 sf			0 sf			0 sf					
Rooms Below Grade															
Functional Utility				Average			Average			Average/Supr			Average		
Heating/Cooling				FA/CAC			FA/CAC			FA/CAC			FAC/NoCAC		
Energy Efficient Items				Insulated Pane			Insulated Pane			Insulated Pane			Insulated Pane		
Garage/Carport				None			2 car garage			None			None		
Porch/Patio/Deck				Cov Por			None			Sml Dck			Cov Por		
Walk up attic				Yes			No			No			Yes		
Net Adjustment (Total)							\$ 6,375			\$ -5,830			\$ 10,275		
Adjusted Sale Price							Net Adj. 7.3 %			Net Adj. 5.7 %			Net Adj. 12.8 %		
of Comparables							Gross Adj. 18.7 % \$ 93,875			Gross Adj. 17.5 % \$ 97,170			Gross Adj. 15.9 % \$ 90,275		
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain															
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) Public Records															
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) Public 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				02/03/2017			06/02/2006			05/11/2012			05/12/1958		
Price of Prior Sale/Transfer				\$75,000			\$82,500			\$74,000			\$10,300		
Data Source(s)				Public Records			Public Records			Public Records			Public Records		
Effective Date of Data Source(s)				01/24/2018			01/24/2018			01/24/2018			01/24/2018		
Analysis of prior sale or transfer history of the subject property and comparable sales Subject's prior sale is within 3 years and is considered market oriented sale. Sales' prior sale is over 1 year old.															
Summary of Sales Comparison Approach See attached addenda.															
Indicated Value by Sales Comparison Approach \$ 94,000															
Indicated Value by: Sales Comparison Approach \$ 94,000 Cost Approach (if developed) \$ 94,201 Income Approach (if developed) \$ 93,500															
The Direct Sales Comparison Approach is given most consideration since it is the best method of observing buyer/seller attitudes. The cost approach is supportive. Income approach is supportive, but given less weight.															
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: Appraisal is based on MLS listed sales in the subject's neighborhood.															
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 \$ 94,000 , as of 01/24/2018 , which is the date of inspection and the effective date of this appraisal.															

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

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)					Land extraction method.				
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW					OPINION OF SITE VALUE _____ =\$ 30,000				
Source of cost data Marshall and Swift					DWELLING 870 Sq.Ft. @ \$ 82.47 _____ =\$ 71,749				
Quality rating from cost service Avg Effective date of cost data 11/01/2017					Sq.Ft. @ \$ _____ =\$				
Comments on Cost Approach (gross living area calculations, depreciation, etc.)					_____ =\$				
Depreciation based on straight line of 60 years,					Garage/Carport Sq.Ft. @ \$ _____ =\$				
Depreciation estimate accounts for normal use of dwelling.					Total Estimate of Cost-New _____ =\$ 71,749				
					Less Physical Functional External				
Subject is considered well maintained.					Depreciation 15,548 _____ =\$(15,548)				
NO ONE, INCLUDING THE INTENDED USER OR THIRD PARTY,					Depreciated Cost of Improvements _____ =\$ 56,201				
SHOULD RELY ON THESE FIGURES FOR INSURANCE PURPOSES.					"As-is" Value of Site Improvements _____ =\$ 8,000				
Estimated Remaining Economic Life (HUD and VA only) 47 Years					INDICATED VALUE BY COST APPROACH _____ =\$ 94,201				
INCOME APPROACH TO VALUE (not required by Fannie Mae)									
Estimated Monthly Market Rent \$ 850 X Gross Rent Multiplier 110 = \$ 93,500 Indicated Value by Income Approach									
Summary of Income Approach (including support for market rent and GRM) Three sales in the past year had GRMs of 105, 112 and 140. The 140 is located in a superior									
location and is suppotive of the upper range. The 105 GRM is for a much larger building. The subject would be between 105 and 112, estimated at 110.									
PROJECT INFORMATION FOR PUDs (if applicable)									
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion.									
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source									
Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.									
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.									
Describe common elements and recreational facilities.									

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

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

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

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

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

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

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

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

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

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

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

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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 William F. Lane
Name William F Lane
Company Name Lane Real Estate Appraisals, Inc
Company Address 1516 Chauncey Ln, Richmond, VA 23238

Telephone Number 804-690-3019
Email Address fletchlane@hotmail.com
Date of Signature and Report 01/26/2018
Effective Date of Appraisal 01/24/2018
State Certification # 4001009929
or State License # _____
or Other (describe) _____ State # _____
State VA
Expiration Date of Certification or License 07/31/2019

ADDRESS OF PROPERTY APPRAISED
1015 Nelson St
Richmond, VA 23231
APPRAISED VALUE OF SUBJECT PROPERTY \$ 94,000

LENDER/CLIENT
Name Joel Taylor
Company Name TowneBank
Company Address 6001 Harbour View Blvd, Suffolk, VA 23435

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 _____

Supplemental Addendum

File No. 18-000095-01

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					

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

Very limited similar 2 bedroom sales required going beyond 6 months and not bracketing for lot size. Sales are very similar in lot size, not significant.

Seller concessions are typical, no adjustment for the first \$3K.

Sales 1 & 2 have alum or vinyl siding, which is inferior to brick, +3%.

Sale 3 is listed as needing some TLC. It has good maintenance, but few updates, +10%.

Size adj. \$35/SF

2 bedrooms is functionally inferior to 3 bedrooms, -3% to sale 2.

Sales form a very narrow range within which the subject would fall. Subject is most similar to sales 1-2 in condition. Sale 3 is is very supportive, but given slightly less weight due to condition.

The Appraisal Institute defines highest and best use as follows: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Subject conforms to other improvements in the immediate neighborhood.

Subject Photo Page

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					



Subject Front

1015 Nelson St
Sales Price
Gross Living Area 870
Total Rooms 5
Total Bedrooms 2
Total Bathrooms 1.0
Location Suburban/Avg
View Street/Typical
Site .15 ac
Quality Average
Age 74



Subject Rear



Subject Street

Photograph Addendum

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					



Additional front and side



Dining



Living

Photograph Addendum

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					



Kitchen



Bedroom



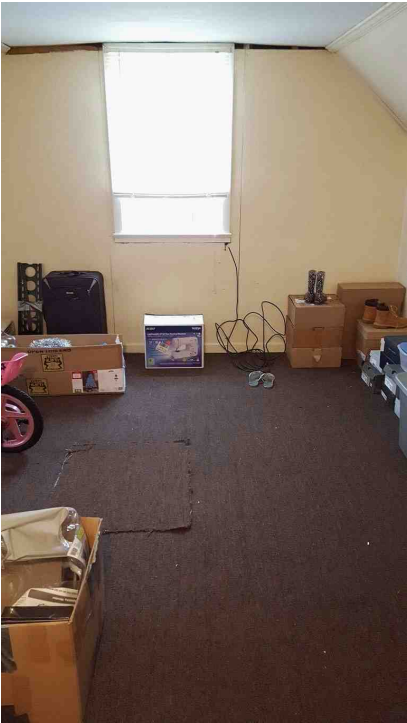
Bedroom

Photograph Addendum

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					



Bathroom



Attic

Comparable Photo Page

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					



Comparable 1

2005 Carlisle Ave	
Prox. to Subject	0.82 miles NE
Sale Price	87,500
Gross Living Area	720
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	1.0
Location	Suburban/Avg
View	Street/Typical
Site	.18 ac
Quality	Average-
Age	65



Comparable 2

1428 National St	
Prox. to Subject	0.35 miles NE
Sale Price	103,000
Gross Living Area	1,008
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	2.0
Location	Suburban/Avg
View	Street/Typical
Site	.16 ac
Quality	Average-
Age	48

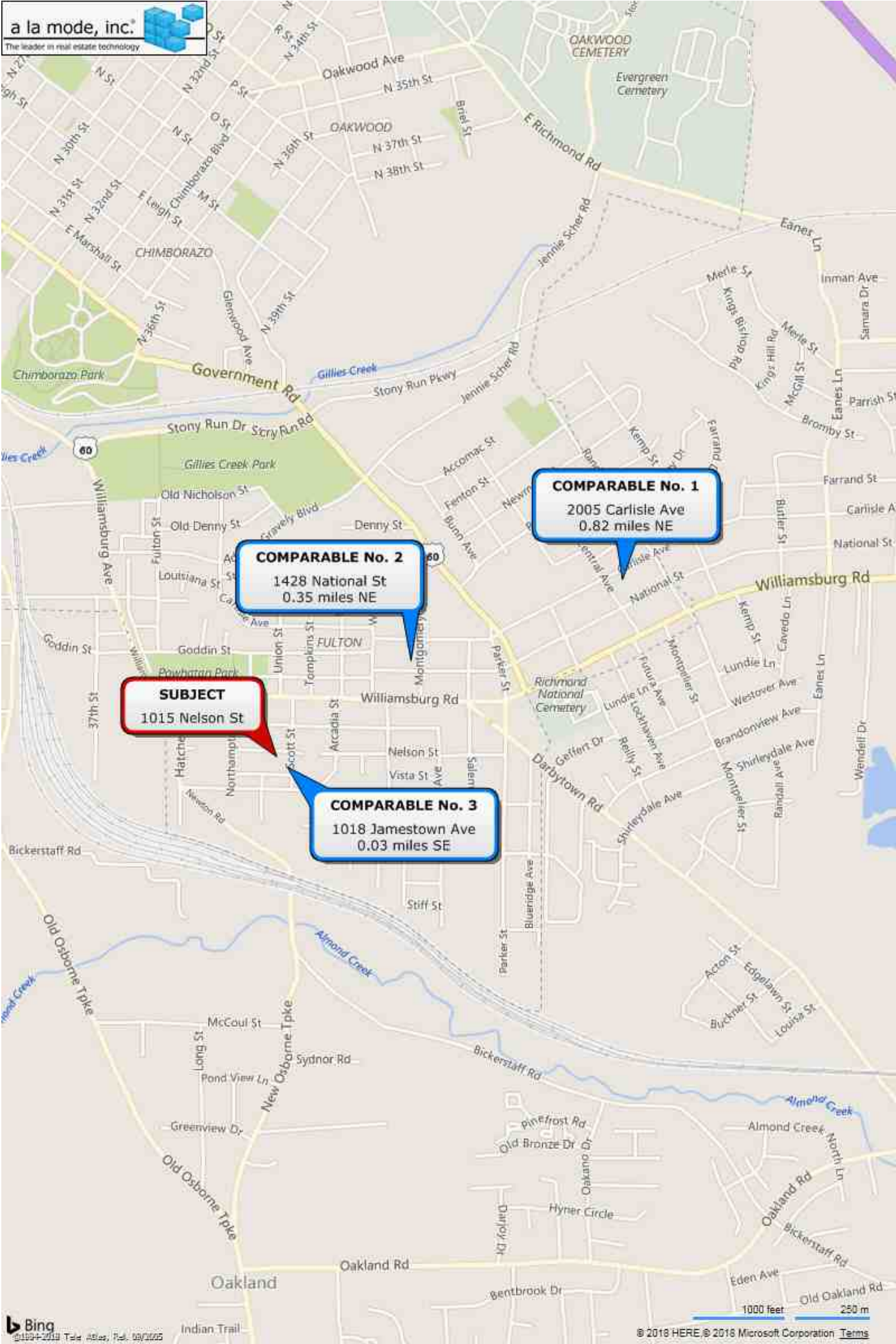


Comparable 3

1018 Jamestown Ave	
Prox. to Subject	0.03 miles SE
Sale Price	80,000
Gross Living Area	905
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	1.0
Location	Suburban/Avg
View	Street/Typical
Site	.16 ac
Quality	Average
Age	74

Location Map

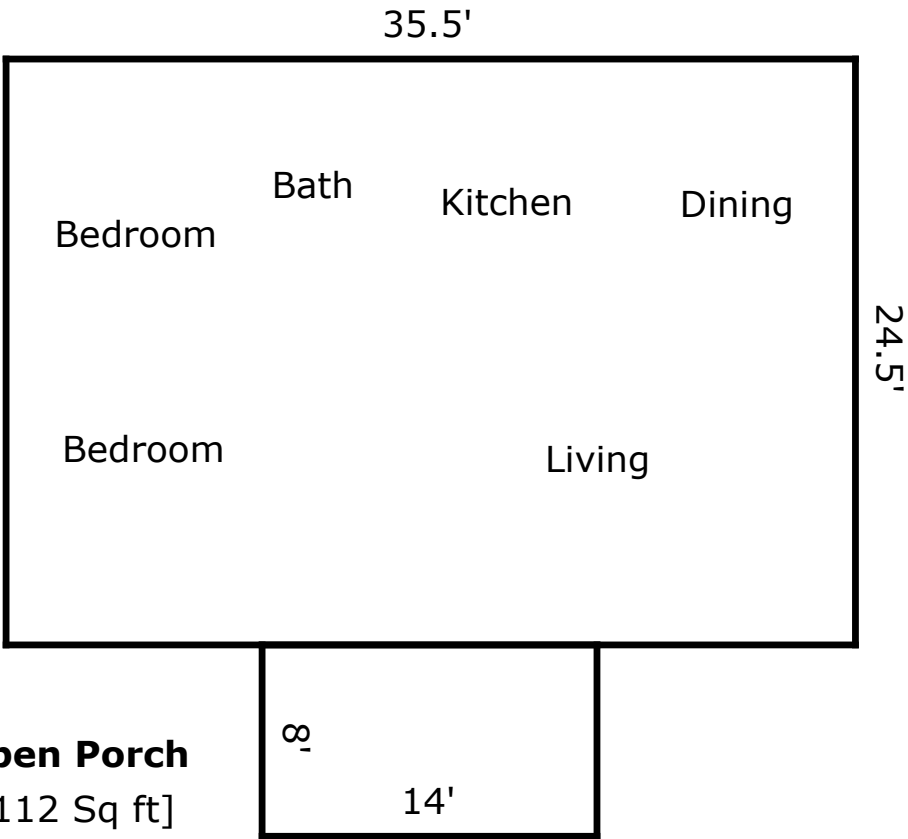
Borrower	First Pavilion Partners, LLC				
Property Address	1015 Nelson St				
City	Richmond	County	Richmond	State	VA
Lender/Client	TowneBank	Zip Code	23231		



Building Sketch

Borrower	First Pavilion Partners, LLC					
Property Address	1015 Nelson St					
City	Richmond	County	Richmond	State	VA	Zip Code 23231
Lender/Client	TowneBank					

First Floor
[869.75 Sq ft]



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details	
First Floor	869.75 Sq ft	35.5 × 24.5 = 869.75	
Total Living Area (Rounded):		870 Sq ft	
Non-living Area			
Open Porch	112 Sq ft	14 × 8	= 112

Borrower	First Pavilion Partners, LLC			File No.	18-000095-01
Property Address	1015 Nelson St				
City	Richmond	County	Richmond	State	VA
				Zip Code	23231
Lender/Client	TowneBank				

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- ☒ Appraisal Report
- (A written report prepared under Standards Rule 2-2(a) , pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ Restricted Appraisal Report
- (A written report prepared under Standards Rule 2-2(b) , pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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

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

Reasonable Exposure Time (USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)
My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: under 3 months.

Comments on Appraisal and Report Identification

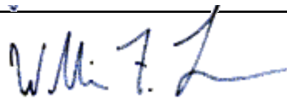
Note any USPAP-related issues requiring disclosure and any state mandated requirements:

This report is FIRREA and USPAP compliant.

The Appraisal Institute defines highest and best use as follows: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Subject conforms to other improvements in the immediate neighborhood.

APPRAISER:



Signature: _____

Name: William F Lane

State Certification #: 4001009929

or State License #: _____

State: VA Expiration Date of Certification or License: 07/31/2019

Date of Signature and Report: 01/26/2018

Effective Date of Appraisal: 01/24/2018

Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): 01/24/2018

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____

Name: _____

State Certification #: _____

or State License #: _____



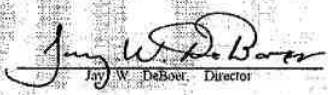
State: _____ Expiration Date of Certification or License: _____

Date of Signature: _____

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): _____

License

COMMONWEALTH of VIRGINIA		
Department of Professional and Occupational Regulation		
9960 Mayland Drive, Suite 400, Richmond, VA 23233		
Telephone: (804) 367-8500		
EXPIRES ON 07-31-2019		NUMBER 4001009929
REAL ESTATE APPRAISER BOARD		
CERTIFIED GENERAL REAL ESTATE APPRAISER		
	WILLIAM FLETCHER LANE 10515 FALCONBRIDGE DR HENRICO, VA 23238-0000	
Status can be verified at http://www.dpor.virginia.gov		 Jay W. DeBoer, Director
(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)		
DPOR-LIC (02/201		

Certificate Of Completion

Envelope Id: C3EDEA6257694F51BD74E30B934CB344

Status: Completed

Subject: appraisal: 1015 Nelson Street 18-000095.pdf

Loan Number: 18-000095

Source Envelope:

Document Pages: 16

Signatures: 0

Envelope Originator:

Certificate Pages: 4

Initials: 0

Appraisal Group

AutoNav: Enabled

6005 Harbour View Blvd

Envelopeld Stamping: Enabled

Suffolk, VA 23435

Time Zone: (UTC-05:00) Eastern Time (US & Canada)

appraisaldocs@townebank.net

IP Address: 216.54.86.51

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Status: Original

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Eric Burcham

eric.burcham@bmo.com

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

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Holly Odum

holly.odum@townebank.net

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

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Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent

Hashed/Encrypted

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Certified Delivered

Security Checked

1/31/2018 4:13:40 PM

Signing Complete

Security Checked

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Completed

Security Checked

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Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

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If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: LoanProcessing&Support@townebank.net

To contact us by paper mail, please send correspondence to:

TowneBank

6005 Harbour View Blvd

Suffolk, VA 23435

To advise TowneBank of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at

LoanProcessing&Support@townebank.net and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

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To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

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- ii. send us an e-mail to LoanProcessing&Support@townebank.net and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent..

The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum

Enabled Security Settings:	<ul style="list-style-type: none"> •Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection
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** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

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- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify TowneBank as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by TowneBank during the course of my relationship with you.