

APPRAISAL OF



LOCATED AT:

148 Owens Street
Portsmouth, VA 23704

FOR:

Nations Lending Corporation
4 Summit Park Dr. Suite 200
Independence, OH 44131

BORROWER:

Nathan E Hall

AS OF:

January 8, 2016

BY:

James Michael Sexton

Nations Lending Corporation
4 Summit Park Dr. Suite 200
Independence, OH 44131

File Number: 21940

In accordance with your request, I have appraised the real property at:

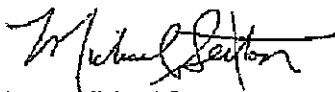
148 Owens Street
Portsmouth, VA 23704

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of January 8, 2016 is:

\$125,000
One Hundred Twenty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.



James Michael Sexton

Uniform Residential Appraisal Report

544-1272357-703
File No. 21940

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 148 Owens Street, City Portsmouth, State VA, Zip Code 23704
Borrower Nathan E Hall, Owner of Public Record Hall Nathan E & Associates LLC, County Portsmouth City
Legal Description 91 92 148 Owens St
Assessor's Parcel # 00520600, Tax Year 2015, R.E. Taxes \$ 1,779
Neighborhood Name PARK VIEW, Map Reference 0052, Census Tract 2132.00
Occupant [] Owner [] Tenant [X] Vacant, Special Assessments \$ 0, [] PUD, HOA \$ 0, [] per year [X] per month
Property Rights Appraised [X] Fee Simple [] Leasehold [] Other (describe)
Assignment Type [] Purchase Transaction [X] Refinance Transaction [] Other (describe)
Lender/Client Nations Lending Corporation, Address 4 Summit Park Dr. Suite 200, Independence, OH 44131
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 [X] No
Report data source(s) used, offering price(s), and date(s). Data sources include: REIN/MLS/Tax Records. Per MLS/Tax Records the subject property has not been sold or listed in the past year.

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.

Note: Race and the racial composition of the neighborhood are not appraisal factors.
Neighborhood Characteristics: Location [] Urban [X] Suburban [] Rural, Built-Up [X] Over 75% [] 25-75% [] Under 25%, Growth [] Rapid [X] Stable [] Slow
One-Unit Housing Trends: Property Values [] Increasing [X] Stable [] Declining, Demand/Supply [] Shortage [X] In Balance [] Over Supply, Marketing Time [] Under 3 mths [X] 3-6 mths [] Over 6 mths
One-Unit Housing: PRICE, AGE, One-Unit, Present Land Use %
Neighborhood Boundaries: The subject is bound by Elizabeth River to the North, Rt. 141 to the South, Elizabeth River to the East, and Rt. 58 to the West.
Neighborhood Description: The subject is located in an established residential area within close proximity to schools, shopping, and other expected suburban amenities. Major commuter routes nearby provide access to most points in the metropolitan area including employment centers. The neighborhood exhibits typical maintenance patterns and marketability.
Market Conditions (including support for the above conclusions) See Attached Addendum

Dimensions 48 x 94 x 49 x 99, Area 4792 sf, Shape Regular, View B;Wtr;
Specific Zoning Classification UR, Zoning Description Single Family Residence
Zoning Compliance [X] Legal [] Legal Nonconforming (Grandfathered Use) [] No Zoning [] Illegal (describe)
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [] No, If No, describe. See Attached Addendum
Utilities: Public [X] Other (describe) [], Water [X] Other (describe) [], Off-site Improvements—Type: Street [X] Alley []
FEMA Special Flood Hazard Area [X] Yes [] No, FEMA Flood Zone Ae, FEMA Map # 5155290079d, FEMA Map Date 08/03/2015
Are the utilities and off-site improvements typical for the market area? [X] Yes [] No, If No, describe.
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [] Yes [X] No, If Yes, describe. The appraiser did not check the land records for recorded easements, as these types of documents are not readily available. The appraiser has reported only apparent easements, encroachments, and other apparent adverse conditions during the observation for this appraisal. The appraiser also recommends a qualified professional (surveyor and/or EPA consultant) for a complete and accurate description of any factors that may have been unforeseen at the time of observation.

GENERAL DESCRIPTION: Units [X] One [] One with Accessory Unit, # of Stories 1, Type [X] Det. [] Att. [] S-Det./End Unit, Design (Style) Traditional, Year Built 1911, Effective Age (Yrs) 20
FOUNDATION: [] Concrete Slab [X] Crawl Space, [] Full Basement [] Partial Basement, Basement Area 0 sq. ft., Basement Finish 0 %, [] Outside Entry/Exit [] Sump Pump, Evidence of [] Infestation [] Dampness [] Settlement
EXTERIOR DESCRIPTION materials/condition: Foundation Walls Brick/Avg., Exterior Walls Vinyl/Avg., Roof Surface Asph.Shingle/Avg., Gutters & Downspouts Metal/Avg., Window Type Wood/Avg., Storm Sash/Insulated None, Screens Metal/Avg., Amenities [] WoodStove(s) #0, [X] Fireplace(s) # 1, [X] Pool None, [] Other None
INTERIOR materials/condition: Floors HW/Vin/Tile/Poor, Walls Drywall/Poor, Trim/Finish Wood/Avg., Bath Floor Tile/Avg., Bath Wainscot None, Car Storage [X] None, Driveway # of Cars 0, Driveway Surface None, Garage # of Cars 0, Carport # of Cars 0, Att. [] Det. [] Built-in
Appliances [X] Refrigerator [X] Range/Oven [X] Dishwasher [X] Disposal [X] Microwave [X] Washer/Dryer [] Other (describe)
Finished area above grade contains: 6 Rooms, 3 Bedrooms, 1.0 Bath(s), 1,303 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.) Typical features for the neighborhood and the area.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;No updates in the prior 15 years;All of the utilities were turned on, and in proper working condition at the time of the observation (including the testing for hot water). The subject meets HUD's minimum property requirements as outlined in HUD handbook 4000.1, as well as all applicable mortgagee letters. There was a visible over-look performed of the attic and crawl space at the time of observation. The attic and crawl space do conform to FHA minimum guidelines. <Continued in addendum>
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [] Yes [X] No, If Yes, describe.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] 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 \$ **40,000** to \$ **164,900**.
There are **13** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **11,000** to \$ **140,000**.

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
148 Owens Street Address Portsmouth, VA 23704		1029 Ann Street Portsmouth, VA 23704		21 Linden Avenue Portsmouth, VA 23704		77 Linden Avenue Portsmouth, VA 23704	
Proximity to Subject		0.29 miles SE		0.29 miles NE		0.24 miles NE	
Sale Price	\$	\$ 115,000		\$ 125,000		\$ 140,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 79.20 sq. ft.		\$ 100.40 sq. ft.		\$ 95.04 sq. ft.	
Data Source(s)		MLSREIN Doc#1451557;DOM 133		MLSREIN Doc#1518685;DOM 66		MLSREIN Doc#1521150;DOM 20	
Verification Source(s)		Tax ID#00341260		Tax ID#00300890		Tax ID#00300740	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		ArmLth FHA;0		ArmLth VA;0		ArmLth VHDA;0	
Date of Sale/Time		s06/15;c04/15		s06/15;c06/15		s07/15;c05/15	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	4792 sf	3267 sf	0	6098 sf	0	3180 sf	0
View	B;Wtr;	N;Res;	4,000	B;Wtr;		N;Res;	4,000
Design (Style)	DT1;Ranch	DT2;Traditional	0	DT2;Traditional	0	DT2;Traditional	0
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	105	111	0	101	0	116	0
Condition	C4	C3	-6,700	C4		C3	-6,700
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 3 1.0	5 3 2.0	-4,000	6 3 1.0		6 2 2.0	-4,000
Gross Living Area	1,303 sq. ft.	1,452 sq. ft.	-3,725	1,245 sq. ft.	1,450	1,473 sq. ft.	-4,250
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Elec/HP/C/Air	Elec/HP/C/Air		Elec/HP/C/Air		Elec/HP/C/Air	
Energy Efficient Items	None	None		None		None	
Garage/Carport	None	None		None		None	
Porch/Patio/Deck	Porch/Deck	Porch	2,000	Porch	2,000	Porch/Deck	
Fireplaces	1 F/P	1 F/P		1 F/P		None	1,000
Fence/Shed/Pool	Fence	Fence		Fence/Shed	0	Fence/Shed	0
Misc. Upgrades	Typical	Updated	-2,500	Typical		Updated	-2,500
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 10,925	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 3,450	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 12,450
Adjusted Sale Price of Comparables		Net Adj. -9.5%		Net Adj. 2.8%		Net Adj. -8.9%	
		Gross Adj. 19.9%	\$ 104,075	Gross Adj. 2.8%	\$ 128,450	Gross Adj. 16.0%	\$ 127,550

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) **REIN/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) **REIN/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 NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Date of Prior Sale/Transfer							
Price of Prior Sale/Transfer							
Data Source(s)	Tax Records/REIN	Tax Records/REIN		Tax Records/REIN		PUBLIC RECORDS	
Effective Date of Data Source(s)	01/08/2016	01/08/2016		01/08/2016		01/08/2016	

Analysis of prior sale or transfer history of the subject property and comparable sales Per public record no sale or transfer of subject within the last 3 years, per MLS no listing of subject within the last 3 years. Comparables have not been sold or listed in the last year.

Summary of Sales Comparison Approach. Sales recited are from subject's area and are in acceptable proximity to the subject. They are the most recent and most comparable found. No adjustment was warranted for sales/financing as all types of financing are readily available. Age adjustments are not warranted as all comparables and the subject have been built around the same time frame or have recently been renovated. GLA has been adjusted for based on extracted market data. Variances in amenities have been adjusted for based on the opinion of the appraiser due to lack of comparable sales information for paired sales analysis. All value affecting dissimilarities were adjusted according to market reaction. Secondary market standards for net and gross adjustment percentages were met. The indicated range of values brackets the value of the subject. 0=No adjustment could be supported.

Indicated Value by Sales Comparison Approach \$ **125,000**

Indicated Value by: **Sales Comparison Approach \$ 125,000** **Cost Approach (if developed) \$ 128,600** **Income Approach (if developed) \$ 0**

Market actions of buyers and sellers are best analyzed by the Sales Comparison Approach. That approach is given greatest weight in the reconciliation.

RECONCILIATION

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: None. Some photographs may be reproduced on MLS listings.

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 \$ **125,000 as of **01/08/2016**, which is the date of inspection and the effective date of this appraisal.**

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ADDITIONAL COMMENTS

Cost and value are separate concepts, and may or may not be related to one another. Cost is a function of production while value is a function of exchange. As a result, cost can be equal to, greater than, or even less than market value. Other than overall condition and market reaction, the appraiser was unable to verify the differences between the Sales Comparison Approach and the Cost Approach. Without a complete list and cost breakdown (provided by a licensed contractor) of all repairs that are required by the lender/client, and/or potential buyers, the appraiser has considered the Cost Approach to be an unreliable approach to value. The estimate of replacement cost is based on information from local builders, including, but not limited to other sources for cost data such as builder's-cost.net.

Gregory Steele provided professional assistance in the development of this report including, but not limited to, property inspection, market area analysis, highest and best use analysis, comparable research and analysis, analysis of value approaches, and final reconciliation development.

COST APPROACH

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 sales were used to estimate the subjects' site value when available. The estimated land value of the subject property exceeds 30% of the appraised value. The land to value is typical of the neighborhood and is inline with comparable land sales and/or assessments data. The higher than typical land to value ratio is due to positive locational factors and does not have an adverse impact on value or marketability.**

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 46,000		
Source of cost data REIN/MLS/Builders	Dwelling	1,303 Sq. Ft. @ \$ 122	= \$ 158,966
Quality rating from cost service Average Effective date of cost data Current		Sq. Ft. @ \$ 0	= \$ 0
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Porch/Deck 9,000		
See sketch for gross living area calculations. This estimate of replacement cost is based on information from local builders. No one including the intended user or 3rd party may rely on these figures for insurance purposes.	Garage/Carport	0 Sq. Ft. @ \$ 0	= \$ 0
	Total Estimate of Cost-New = \$ 167,966		
	Less 50 Physical	Functional	External
	Depreciation \$100,328		= \$ (100,328)
	Depreciated Cost of Improvements		= \$ 67,638
	"As-is" Value of Site Improvements		= \$ 15,000
Estimated Remaining Economic Life (HUD and VA only) 30 Years	INDICATED VALUE BY COST APPROACH = \$ 128,600		

INCOME

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) _____

PUD INFORMATION

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 an 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 complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

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

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

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

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

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

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

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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.
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).

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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.

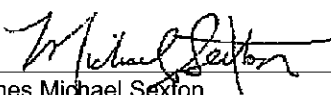
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation 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 
Name James Michael Sexton
Company Name First Choice Appraisal Company
Company Address 1009 Gamston Lane
Virginia Beach, VA 23455
Telephone Number (757)816-3043
Email Address firstchoiceapp@hotmail.com
Date of Signature and Report 01/11/2016
Effective Date of Appraisal 01/08/2016
State Certification # 4001011953
or State License # _____
or Other (describe) _____ State # _____
State VA
Expiration Date of Certification or License 12/31/2016

ADDRESS OF PROPERTY APPRAISED

148 Owens Street
Portsmouth, VA 23704

APPRAISED VALUE OF SUBJECT PROPERTY \$ 125,000

LENDER/CLIENT

Name 1st National Appraisal Source
Company Name Nations Lending Corporation
Company Address 4 Summit Park Dr. Suite 200
Independence, OH 44131
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 _____

Condition Ratings and Definitions

C1 The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

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

C2 The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

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

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

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

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

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

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

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

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

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

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified 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 residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3 Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4 Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5 Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6 Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard 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

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

ADDENDUM

Borrower: Nathan E Hall

File No.: 21940

Property Address: 148 Owens Street

Case No.: 544-1272357-703

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Lender: Nations Lending Corporation

Uniform Residential Appraisal Report Addendum Page

**The following narrative has been noted in descending order to follow in accordance with the URAR.*

Subject Section

The property address reported in this appraisal report was verified through USPS.com.

The Borrower's Name, Owner of Public Record, Legal Description, Assessor's Parcel Number, Tax Year, R.E. Taxes, and Neighborhood Name has been verified by the appraiser through data provided by REIN/MLS.

Contract Section

This is not a purchase appraisal, therefore, this section of the report did not warrant additional commentary.

Neighborhood Section

Neighborhood Characteristics and One-Unit Housing Trends Data/Commentary

The subject is located in an established residential area within close proximity to schools, shopping, and other expected suburban amenities. Major commuter routes nearby provide access to most points in the metropolitan area including employment centers. The neighborhood exhibits typical maintenance patterns and marketability.

Markets & neighborhoods consist of a variety of compatible residential uses & are not limited to a specific property. Statistical analysis requires a sample size large enough to be considered reliable. All ranges selected have encompassed the indicated subject value. REIN/MLS has been relied on for the purposes of providing data for this appraisal. REIN/MLS appears to have the largest database in the subject's area but is not all inclusive. Private sales including builder sales & direct owner sales are not included in the available data. Note that REIN/MLS users sometimes misstate data data input, therefore, some information within this form, while having the appearance of being useful, may not be completely reliable.

In some cases, a foreclosed resale or actively listed REO's have few differences in physical condition when compared to a non-REO resale and therefore compete for the same buyers. This has an impact on the values of non REO housing due to the principal of substitution.

Neighborhood Boundaries Data/Commentary

The appraiser used the boundaries listed in the "Neighborhood Section" of this appraisal report because they were considered by the appraiser to be the most appropriate and defining identifiers available based on their geographic locations. (Also See Location Map)

Neighborhood Market Conditions

Property values are stable. Supply and demand are in balance. Subject is typical of homes in this neighborhood and as such is marketable. All types of financing are readily available. Typical seller concessions range from 0 to 3 points and are generally applied to closing costs. Please be advised that in the market approach, when there is a variance, bathrooms are adjusted for on the first line and the square footage on the second line. The floorplan variation is adjusted for under functional utility, when relevant. Although, as a general rule the appraiser will adjust for one or the other, but not both. Gross

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living areas shown for comparable sales are estimated based on actual field measurements. When taking measurements is not feasible, the information is gathered from various sources including: the Multiple Listing Service, county tax records, Realtors, Builders, buyers and/or sellers, and when available, our files. Slight variations in size will not typically have an effect on the estimate of value. The appraiser notes, that in the comparison of properties to the subject, no attempt was made to isolate or reconcile every amenity, but rather adjustments were made for major differences based on similar units of comparison and/or the overall market's reaction. All comparables were similar in size and utility and were taken from similar market area(s) as the subject.

One Unit Housing Data/Commentary - Predominant Price Versus Opinion Of Market Value

The predominant price on page one is the MEDIAN of the value range for ALL residential properties within the subject neighborhood. By definition 50% of all homes in the subject neighborhood will be priced below the indicated predominant price and 50% of all homes will be priced above the indicated predominant price. The appraiser's opinion of market value is between the high and the low end of the price spectrum for homes in the subject neighborhood. The relationship between the indicated predominant price and the opinion of market value is not a recognized method of determining whether a property is an over improvement for the area. The predominant price is not related in any manner to the MEDIAN sale price for COMPARABLE properties.

Furthermore, the 1004mc is based on sales of homes similar to the subject based on size, age, and location. These sales have not been verified or adjusted for any amenities, sales concessions, or any other significant value related differences. Therefore, the MEDIAN sale prices of homes COMPARABLE to the subject is often not indicative of the appraiser's opinion of market value for the subject. Thus, these three numbers are not directly related to the appraiser's opinion of market value. Since the relationship of the neighborhood's predominant price to the appraiser's opinion of market value is not an indication of whether the subject is an over/under improvement, then if the appraiser deems the subject to actually be an over/under improvement adequate discussion will be made under such heading. Absent such a narrative, the reader should understand that the subject is not significantly larger/smaller than the surrounding homes to be considered an over/under improvement.

The predominant value represents the market as a whole, and basically tells you the "mode" of the market values. The predominate value of the subject's neighborhood is based on a search of all sales within it's defined neighborhood, and the subject's value is a determined by a more specific search of properties that are narrowed based on size and features that are the most similar to the subject.

Present Land Use Data/Commentary

Present land use indicated 10% other, this reflects vacant land in the area.

Site Section

* THE FOLLOWING SITE COMMENTARY IS IN REFERENCE TO THE "SITE" SECTION ON THE 1ST PAGE OF THIS APPRAISAL

Highest and Best Use

The highest and best use is the current use. Because of the existing use and zoning, no alternate use is likely. [USPAP 2014-15, Standards Rule 2-2(a)(x)].

Site Comments

Plat maps are not readily available on-line. There were not any plat maps provided at the time of observation. If the appraiser is required to obtain a plat map from the courthouse, an additional fee and due date will be applied.

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The comparable properties that were used for the purpose of this appraisal were considered by the appraiser to be the most supportive and reliable comparables available at the time of observation. The comparable properties were also considered by the appraiser to be similar in style, function, and utility. They are also in a similar social and economic demographic. This did not affect the value or marketability of the subject property.

The appraiser notes, the subject property and/or comparable properties did not appear to suffer from any external obsolescence due to the locational factors caused by the four lane major thoroughfare (Rt. 64). The subject property and/or comparable properties were not considered by the appraiser to suffer any greater amount of traffic and/or overall noise variances due to their external factors. This did not affect the value or marketability of the subject property.

Flood Zone Data/Commentary

Federal policy recognizes that floodplains have unique and significant public values and calls for protection of floodplains, and reduction of loss of life and property by not supporting projects located in floodplains. There is a process to consider unusual circumstances when it can be demonstrated that there are no practicable alternatives, such as no sites outside the floodplain.

Two laws apply to floodplains: (1) Executive Order 11988 Floodplain Management and (2) the Flood Disaster Protection Act of 1973 (see the narrative in this section on the Act).

Executive 11988 on floodplain management requires a special review process for projects located in a floodplain. HUD has promulgated regulations for this Executive Order at 24 CFR Part 55 that covers all projects that are located in a 100-year floodplain and critical actions located in the 500-year floodplain. Critical action means any activity for which even a slight chance of flooding would be too great. Examples include hospitals, day care and nursing homes where people may be injured or killed because they might not be mobile enough to get out in the event of a flood, or police and fire stations that may be inoperative during a flood or storm event. The review process includes two periods for public notification and comment, an evaluation of alternatives to locating the project in the floodplain, an evaluation of the impact of the project, and an identification of measures that can be taken to mitigate the negative effects of the project. In order to locate any project in a 100-year floodplain or a 500-year floodplain for a critical action, a determination must be made that no practicable alternatives exist to the proposed project.

Although the subject property is located in a flood zone, the comparable properties used for the purpose of this appraisal were also located on the water, therefore, have similar zoning classifications. They are also impacted and influenced by similar locational factors, therefore, the appraiser did not warrant an adjustment, because if the subject is impacted in a positive or negative manner due to these factors, the comparable properties would also be affected in the same manner.

Improvements Section

Effective Age Data/Commentary

There were not any apparent external influences that were considered to affect the value or marketability of the subject property, and/or comparable properties used for the purpose of this appraisal.

Physical Deterioration is loss of value from all causes of age and action of the elements. Sources of physical depreciation include breakage, deferred maintenance, effects of age on construction material, and normal Wear and Tear. Depreciation expense for tax purposes is generally based on lives set by law for the given type of property and is not necessarily related to the useful life of the property. Physical Deterioration is not a form of obsolescence.

By definition, effective age is an estimate of the age of the structure based on it's utility, and physical wear and tear. This is an "estimated" figure because in most cases the borrower has not resided in the subject property long enough to know if any updates were performed, in which case, they also would not be able to advise the appraiser with the specific time period any of the updates would have been completed. Physical depreciation is calculated utilizing the economic age-life method. In

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most cases, the difference between the subject's actual age and the remaining economic life is sufficiently reduced by updating and/or maintenance to the improvements, and thereby lowering the effective age. The appraiser notes the subject was well maintained, and while it did not appear to have been updated within 15 years prior to the effective date of this appraisal, the condition of the subject property did appear to have some of the construction materials replaced. In this case, the appraiser is saying that because of updating and good maintenance, the property appears to be younger than it actually is. The appraiser also notes, in cases when there is more than a 20% difference between the effective age and the actual age, the appraiser must assume the previous home owner, over time replaced certain materials based on their overall appearance caused by physical wear and tear. Without the ability to verify a specific time period the previous home owner replaced certain items throughout their ownership, the subject's effective age must be based on the appraiser's professional and unbiased opinion determined by the visual observation at the time of observation.

When qualitative analysis is used, differences between sale properties and the subject property are accounted for in the reconciliation process, without adjustments. Consider a subject property that is 12 years old and two comparable sales that are 15 and 17 years old. All aspects of comparability except age have been addressed with quantitative adjustment. There is no market support for a condition adjustment to reflect the age differences. Using qualitative analysis, however, the appraiser concludes that the condition of the subject property is superior to that of the two sales and logically derives a final value indication for the subject property that is higher than the adjusted sale prices of the two comparable properties. **In qualitative analysis, differences are accounted for in the reconciliation of the adjusted values, not with mathematical calculations.** This procedure is useful and proper in the valuation of many complex residential properties where support for adjustments are not available. This did affect the value or marketability of the subject property.

Cost to Cure Comments

<Continued from "Unit Description"> The subject property was not considered by the appraiser to be atypical for the subject's market area, however, the appraiser has considered the subject to require a cost to cure. The definition of a Cost to cure is if a home is in the process of renovation, remodeling, or having an addition constructed; or if there is deferred maintenance and/or repair issues, the appraisal will include a cost to cure. Cost to cure is an estimate of what it will cost to repair or complete the property.

The cost to cure the items listed in this Appraisal report, and those noted within the photographs provided throughout are estimated to be \$6,700. There also may have been damage that was unforeseen by the appraiser at the time of observation. A home observation of the subject property is recommended by the appraiser.

These costs were derived from a national construction publication taken from "ACI's Appraiser Base". Appraiser Base provides a current national and regional cost averaging price list for all types of home repair and/or replacement. The findings relate to all materials, labor, and inspections that may be required to single family residential dwellings.

The appraiser has also included an itemized list of all of the recommended repairs. There also may have been damage that was unforeseen by the appraiser at the time of observation. A home observation of the subject property is recommended by the appraiser. (Also see photos for further descriptions of repairs noted at the time of observation.)

"Cost to Cure" items include:

- Damaged Flooring - \$800**
- Damaged Drywall - \$1500**
- Paint Required - \$1200**
- Wood Trim - \$1000**
- Cabinetry - \$2000**
- Damage to the Deck - \$200**
- (Possible Water Damage – Unknown)**

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Total - \$6,700.00

Sales Comparison Approach

Comments on Sales Comparison

Sales recited are from the subject's market area, and are considered to be within an acceptable proximity to the subject. They are the most recent and most comparable found. No adjustments are warranted for sales/financing as all types of financing are readily available. Site adjustments have been based on an overall value, not a dollar per square foot amount. Age has been considered in the overall condition of the properties. Condition adjustments have been based on market reaction data. GLA has been adjusted for based on extracted market data. All value affecting dissimilarities were adjusted according to market reaction. Secondary market standards for net and gross adjustment percentages were not met due to necessary adjustments for variances in properties. The indicated range of values brackets the value of the subject. 0=No adjustment could be supported.

Prior Sale Data/Commentary

Per public record no sale or transfer of subject within the last 3 years, per MLS no listing of subject within the last 3 years. Comparables have not been sold or listed in the last year.

Adjustment Data/Commentary

Some of the features and/or amenities in the Sales Comparison Approach have not been considered by the appraiser to warrant an adjustment value. Due to the limited data available as of the effective date of this appraisal, "0's" have been placed into the adjustment fields to reflect when the appraiser is aware of the difference in a particular feature and/or amenity, however does not consider to warrant an adjustment value based on the lack of data that would be considered supportive or reliable. The appraiser would also like to clarify, "0's" placed into an adjustment column is not meant to imply an equality for that particular feature. The "0's" are meant to address any differences, and simply state an adjustment has not been warranted due to the lack of supportive or reliable data.

If sheds aren't built on a fixed foundation they are considered to be personal property, therefore, will not be adjusted for within the line item of the Sales Comparison Approach. Differences in design did not affect the value or marketability of the subject property.

****In accordance with new Fannie Mae guidelines dated December 16, 2014, net and gross adjustment parameters in this report have been eliminated. The new Fannie Mae guidelines state: "As a result of an analysis of Uniform Appraisal Dataset data specific to comparable adjustments, Fannie Mae has eliminated the 15% net and 25% gross adjustment guidelines and has provided clarification with respect to Fannie Mae's expectations for the appraiser to analyze the market for competitive properties and provide appropriate market based adjustments without regard to limits on the size of the adjustments."***

Search Parameter Data/Commentary

It is noted, the appraiser has expanded his search criteria to be over a 1 mile radius of the subject property. The appraiser also notes his search parameters include a bracketed range of within 500+/- square foot variance of the subject's overall GLA, and a bracketed range of within 10 years of the subject's year built. The appraiser also notes his search criteria only included homes that were sold within 365 days prior to the date the subject property was inspected. There were not any other comparables that appeared to be more similar in function and design than the comparables that were chosen for the purpose of this appraisal. This did not affect the value or marketability of the subject property.

Proximity to Subject Data/Commentary

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The appraiser was unable to find any sales closer in proximity to the subject property that were considered to be more similar to the subject property than the comparables chosen for the purpose of this appraisal.

Sale Price Data/Commentary

The appraiser is aware of the variance in unadjusted and/or adjusted sales price. While most real estate markets do consist of buyer's that are well informed, and buyer's that are not well informed, they are also comprised of seller's that are highly motivated, and seller's that aren't entirely motivated, and as such, are willing to wait for the highest price an open market will support. In most cases these scenarios are difficult to determine why significant price differences occur, therefore, the appraiser is only able to derive an opinion of value based principles of substitution, and the data that is available at the time of observation.

Data Source(s) Data/Commentary

The appraiser notes, the data sources used for the purpose of this appraisal include, but are not limited to, REIN/MLS, public records, and an interior and exterior observation performed as of the effective date of this appraisal report.

Although comparable #5 exceeds the marketing time trend in the neighborhood section of this appraisal report, it was considered to be one of the most reliable indicators of value available at the time of observation. It is assumed by the appraiser that comparable #5 had a slightly high listing price. It was also used to because it has a similar style, function, and utility to the subject property. It was also located in a similar social and economic demographic. This did not affect the marketability of the subject property.

Sales or Financing Concessions Data/Commentary

There were not any adjustments warranted for sale concessions or sale to list price ratio's due to the lack of limited information in the Multiple Listing System.

Standards Rule 1 – 4(a) requires:

When a sales comparison approach is necessary for credible results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

There are many appraisal assignments where, in order to achieve credible results, it is necessary to use "distressed" (e.g., REO or Short Sales) properties as comparable sales. However, foreclosure sales, defined by Black's Law Dictionary as "the sale of mortgaged property, authorized by a court decree or a power-of-sale clause, to satisfy the debt" are seldom based on market expectations. When there is a glut of distressed sales in the marketplace, and those properties are truly comparable to the subject, it would be misleading not to use them as part (or in some cases all) of the basis for a value conclusion. A client-imposed requirement to disregard data that may be relevant and necessary for credible assignment results would be an unacceptable assignment condition.

A client-imposed requirement to disregard data that may be relevant and necessary for credible assignment results would be an unacceptable assignment condition.

Date of Sale/Time Data/Commentary

All of the comparable properties sold within the past 12 months from the effective date of this appraisal.

Although comparables #1, #2, and #3 are outside of the recommended 90 day prior sale date, they were considered by the appraiser to be some of the most reliable indicators of value available at the time of observation. They were also used due to their proximity and similar design to the subject property. This did not affect the value or marketability of the subject property.

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Location Data/Commentary

Whether a property is considered urban, suburban, or rural is ultimately the appraiser's determination and can be supported with analyses of the built up percentage, growth, and supply and demand. Rural properties are generally far from urban areas and less than 50% built up; the surrounding area usually consists of agricultural areas, forest, or other undeveloped tracts.

Suburban properties are generally described as those that lie outside a larger urban area where the main employment centers are located. Urban areas are typically more dense than rural areas, and urban properties are often more homogeneous. Urban areas are typically the core of larger cities, but small towns can also be considered urban in comparison to nearby communities.

Site Data/Commentary

**THE FOLLOWING SITE COMMENTARY IS IN REFERENCE TO THE LINE ITEM LABELED "SITE" WITHIN THE SALES COMPARISON PAGE OF THIS APPRAISAL*

Site Size

The appraiser did not notate any positive or negative site factors (ie...drainage, flood conditions, adverse easements or detrimental factors), which were considered likely to affect the value or marketability of the subject property. The site improvements and services to the site were considered to be adequate and acceptable in the subject's marketplace.

View Data/Commentary

The view from a property can substantially affect its value. Sites with views of water, mountains, valleys, or man-made features such as golf courses may be more marketable and command higher prices than sites lacking similar views. A commanding view of the surrounding landscape can sometimes compensate for adverse, topographical, or climatic characteristics. Similarly, a poor view can create a value penalty. The appraiser also considers the likelihood of the property's view being obstructed in the near future.

While view orientation can influence value, it is said that the view from the "back" of a residence (where family rooms and patios are often located) is significant, while the view from the front door is less significant. In most cases, we address the view attribute in terms of the view outside or beyond the subject property, as observed from the subject property.

The subject and comparable # is located within proximity to the water, and does have water views of Scott Creek. The appraiser has attributed these locational and view factors to have a neutral rating, as the appraiser did not consider these factors to be adverse, nor were they given a beneficial rating due to their proximity to the water. The appraiser has relied upon the methodology of Componentizing to support certain adjustment values within the Sales Comparison Approach when supportive and/or reliable data is not available. In the development of the reconciliation this method of applying adjustment values for certain line items within the Sales Comparison Approach assists the appraiser in calculating a value for a particular feature. When componentizing, it may appear to be a rehash of the Cost Approach, it is not. In the Cost Approach, the cost new of the improvements is estimated, depreciation is estimated and deducted from cost new, and land value is added as the final step. When the componentizing technique is applied, land value is estimated as it would be in the cost approach, but cost new and depreciation are not considered. Instead, the contributory value of the improvements is estimated by extracting a unit of comparison from existing market data and applying it to the subject property.

Design Data/Commentary

Architectural style or design is the character of a building's form and ornamentation. A wide variety of styles may be identified—e.g., ranch, traditional, colonial, contemporary, log home, doublewide. The descriptive term used should be the

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term that is common of the market where the dwelling is located. The appraiser was unable to find any comparables that were more similar in design to the subject property than the comparables chosen for the purpose of this appraisal are based on function, utility, overall GLA, proximity to the subject, actual age, and other similar amenities that were considered by the appraiser to consist of the most supportive and reliable factors available for the purpose of comparison.

Quality of Construction Data/Commentary

For the differences in Quality of Construction and Condition, the adjustments, **if made**, are based on market reaction data. In some cases a regression analysis may be performed. These differences did not affect the value or marketability of the subject property.

Actual Age Data/Commentary

Age has been considered in the overall condition of the properties. In most cases, the difference between the subject's actual age and the remaining economic life is sufficiently reduced by updating and/or maintenance to the improvements, and thereby lowering the effective age. In cases when there is more than a 20% difference between the effective age and the actual age, the appraiser has to assume the previous home owner, over time replaced certain materials based on their overall appearance caused by physical wear and tear. Without the ability to verify a specific time period the previous home owner replaced certain items throughout their ownership, the subject's effective age must be based on the appraiser's professional and unbiased opinion determined by the visual observation at the time of observation.

All aspects of comparability except age have been addressed with quantitative adjustment. There is no market support for a condition adjustment to reflect the age differences. Using qualitative analysis, however, the appraiser concludes that the condition of the subject property is superior to that of the two sales and logically derives a final value indication for the subject property that is higher than the adjusted sale prices of the two comparable properties. **In qualitative analysis, differences are accounted for in the reconciliation of the adjusted values, not with mathematical calculations.** This procedure is useful and proper in the valuation of many complex residential properties where support for adjustments are not available. This did affect the value or marketability of the subject property.

Condition Data/Commentary

For the differences in Condition and Quality of Construction, the adjustments, **if made**, are based on market reaction data. In some cases a regression analysis may be performed. These differences did not affect the value or marketability of the subject property at the time of observation.

Although comparables #1, #3, #4 and #5 were updated, and the appraiser has considered them to be the most reliable and supportive comparables available for the purpose of this appraisal. While the appraiser notes these comparables were updated, the construction (based on photos provided by REIN/MLS) appeared to be typical for the subject's market area and did not affect the value or marketability of the subject property.

Above Grade Room Count & Gross Living Area Data/Commentary

The gross living area of the subject property was derived from actual measurements taken by the appraiser as of the effective date of the appraisal and may not be similar to the gross living area reported on tax records. The gross living area reported on the tax record may be derived from plans or a field estimate taken from exterior-only measurements and may include basement or unheated areas such as a garage.

The appraiser notes, room count adjustments will usually be reflected within the gross living area (GLA). Example: In some cases, a 4 bedroom home will usually be larger than a 3 bedroom home. The appraiser also notes, 2 bedroom townhomes often sell better than 3 bedroom plans in areas comprised of single family residential dwellings. Typically in such cases a negative adjustment if the bedroom count is insufficient will be applied accordingly. On the other hand, many times, in the case of a \$500,000+- home, in an open market, will not reflect a marketable difference between a 4 and 5 bedroom home.

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Square footage adjustments for above grade living area (excluding basement) are approximate 30-40% of the total price/gross living area (figured by dividing the sales price of comparables by above grade living area).

GLA adjustments, if made, are based on the market's reaction to the data provided by REIN/MLS, and city records.

Basements & Finished Rooms Below Grade Data/Commentary

Basements are not typical for the subject's market area, due to the topography of the land.

Functional Utility Commentary

The overall effect of functional utility on property value varies. When appraisers compare one property to several others, functional utility is just one of the many categories used for comparison. If each residential property has generally acceptable and relatively similar functional utility, its impact on value is minimal. In instances where functional utility is deemed as limited or impractical relative to comparable properties, a significant drop in property value is possible.

Heating/Cooling Data/Commentary

The heating and cooling units were typical of the subject's market area. The appraiser was unable to find any comparables with a more similar heating and cooling system as the subject property, other than the comparables chosen for the purpose of this appraisal.

Energy Efficient Items Data/Commentary

None Known.

Garage/Carport Data/Commentary

The appraiser was unable to find any other comparables at the time of inspection that had a more similar garage count than the comparables chosen for the purpose of this appraisal. Differences in design did not affect the value or marketability of the subject property.

Porch/Patio/Deck Data/Commentary

The appraiser was also unable to find any other comparables at the time of observation that had a more similar porch, patio, deck, etc. count than the comparables chosen for the purpose of this appraisal. The adjustments, if made, are based on market reaction data. In some cases a regression analysis may be performed. Differences in design did not affect the value or marketability of the subject property.

Fireplace Data/Commentary

The appraiser was also unable to find any other comparables at the time of inspection that had a more similar fireplace count than the comparables chosen for the purpose of this appraisal. The appraiser also notes, the structure must be "built in", and permanently attached to the subject property. Differences in design did not affect the value or marketability of the subject property.

Fence/Shed/Pool Data/Commentary

The appraiser was also unable to find any other comparables at the time of observation that had a more similar fence, shed, pool, etc. count than the comparables chosen for the purpose of this appraisal. The appraiser also notes, if sheds aren't built on a fixed foundation they are considered to be personal property, therefore, will not be adjusted for within the line item of

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the Sales Comparison Approach. Differences in design did not affect the value or marketability of the subject property.

Comments on Land Use

Present land use indicated 10% other, this reflects vacant land in the area. This does not have any impact on the subject's value and/or marketability.

Misc. Upgrades Data/Commentary

The miscellaneous upgrades for the Subject property appeared to be typical for the subject's market area.

Final Reconciliation Data/Commentary

In determining the final reconciliation of value the appraiser has considered the factors that include, but are not limited to: condition; quality of improvements; both the effective and actual age; seller concessions; location; lot size; lot utility; unique amenities including water features; accessory dwellings; etc. All these factors need to be individually weighted and adjusted in the sales comparison approach and reconciled to the subject.

The adjustments are determined by various techniques including: trend analysis, market reaction, componentizing, or simple surveys of the market. The appraiser always tries to find the most similar and recent sales, although, it is not always possible. The most similar sale may be at the lower end of the market or the higher end and therefore the appraiser will give most consideration to those comparables. General price trends, including analysis of listings and current pending sales, are also analyzed and reconciled. Each sale is looked at individually, analyzed based on research and market data, adjusted for differences and then reconciled as to how it compares to the subject property.

For purposes of this report, the most weight has been given to the market approach to value to develop a final opinion of value. The cost approach when completed is used to substantiate the estimated market value, but is not utilized to develop the final opinion of value. Due to the lack of sufficient rental data, the income approach was not considered applicable.

The comparable properties listed within this appraisal report were considered by the appraiser to be the most reliable indicators of value that were available at the time of inspection. The line items within the Sales Comparison Approach often contain different factors that encompass a wide range of variances that may exceed recommended guidelines. The appraiser also notes, while considering all of the sales listed in this report, comparable #1 had the least amount of weight applied in the final reconciliation of value. Comparable #1 was not given as much weight in the final reconciliation because it was also one of the comparable properties that had the greatest amount of net and gross adjustments within the sales comparison approach, and while it was considered to be one of the most reliable comparables available for the purpose of this appraisal, it resulted in being one of the least supportive indicators within the sales comparison approach. The appraiser has applied the most weight to comparables #2 and #3 because of their similar line items as the subject's line items within the sales comparison grid that include, but are not limited to: date of sale, proximity to the subject, acreage, GLA, amenities (porches, decks, etc.).

Active listings have been provided to further support the final reconciliation of value.

Comments on Intended User Data/Commentary

The subject's estimated exposure time, at its appraised value is approximately 3 to 6 months. This is typical for the subject's neighborhood and competing market area. Exposure time is directly associated with the appraised value and is considered to be prior to the effective date of the appraisal. The exposure time estimate is based on the comparable sales' performance as well as the typical exposure time evidenced by the interviews of market participants and analysis of listing to closing dates indicated in the MLS for the area. This is contingent on the listing price being reasonable and consistent with the market.

Comments on Prior Appraisal Data/Commentary

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*I (James Sexton) certify that, to the best of my knowledge and belief...
I have not performed any 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.*

Comments on Comparable Photographs Data/Commentary

The appraiser reserves the right to substitute or replace subject and comparable photographs due to ambient light, poor visibility from public right of way, or in cases that the homeowner will not allow their home to be photographed.

The appraiser confirms he has driven by the comparables, and has provided original photographs in preparing the report.

Comments on Exposure Time Data/Commentary

Due to the limited information provided by REIN/MLS, the subjects exposure time has been estimated be 3-6 months.

FIRREA Certification Statement Data/Commentary

The appraiser certifies and agrees that this appraisal report was prepared in accordance with the requirements of Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended (12 U.S.C. 3331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification.

Disaster Data/Commentary

The subject property is free from damage, and the recent disasters have had no adverse effect on the value or marketability of the subject property or neighborhood.

Comments on Appraisal Fee

The appraisal fee to the appraiser is \$350.00

FHA Commentary

- The name of the water company in the subject's market area is Tidewater Water Company.*
- The crawl space was free of debris and trash at the time of observation.*
- The appraiser has only checked the appliances on the first page that are considered to be real property, and would convey with the property in the event of a sale. The appliances considered to be real property were operated and were functional at the time of observation. The appraiser is also aware of FHA guidelines regarding notification to the Mortgagee of the deficiency of MPR or MPS if any conveyed appliances are inoperable.*
- The appraiser was unable to contact any person(s) with first-hand knowledge of the comparable sales transactions, therefore, has relied upon REIN MLS for the verification of each sale for the purpose of this appraisal.*
- The appraiser notes, he has analyzed each of the comparable sales and listings, and reported each of their prior sales that occurred within the past 3 years. Their prior sales have been reported accordingly in the Sales Comparison Approach of this appraisal.*
- The appraiser checked the operational performance of the plumbing, heating, and electrical systems, and has tested their operational performance at the time of observation. All of the systems were operational and good working order as of the effective date of this appraisal.*
- The appraiser checked the water heater, and found that it has a temperature and pressure-relief valve with piping to safely*

ADDENDUM

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divert escaping steam or hot water.

-The appraiser observed, analyzed the readily observable soil conditions, the grade of the site, and the site's conditions for, but not limited to: drainage. The appraiser reports the findings to be adequate and/or typical for the subject's market area.

-At the time of observation, utilities were on and a representative sample of plumbing, electrical, and heating systems were tested and appeared to be working properly. The subject meets HUD's minimum property requirements as outlined in HUD handbook 4000.1, as well as all applicable mortgagee letters. There was a visible observation of the attic and crawl space. The attic and crawl space do conform to FHA minimum guidelines.

Market Conditions Addendum to the Appraisal Report

544-1272357-703
File No. 21940

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **148 Owens Street** City **Portsmouth** State **VA** Zip Code **23704**

Borrower **Nathan E Hall**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	6	1	6	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.00	0.30	2.00	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	N/A	N/A	12	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	N/A	N/A	6.00	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	120,500	27,000	57,250	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	84	186	80	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	94,500	62,900	68,700	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	N/A	N/A	N/A	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	97%	77%	82%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Traditionally sellers have paid up to [3%] in closing costs. Recently, the amount of seller concessions has remained stable. Some buyers lack the necessary down payment to qualify for a mortgage, motivating sellers to pay more concessions to assist buyers to qualify.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties). In some cases, a foreclosed resale or actively listed REO has few differences in physical condition when compared to a non-REO resale and therefore compete for the same buyers. This has an impact on the values of non REO housing due to the principal of substitution.

Cite data sources for above information. REIN/MLS has been relied on for the purposes of providing data for this form as well as for training in the methodology to obtain the information. REIN/MLS appears to have the largest database in the subjects area but is not all inclusive. Private sales including builder sales & direct owner sales are not included in the available data.

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

The information contained in this form is property specific & may not correlate with the neighborhood section of the URAR report. This form specifically states "Comparable" sales & listings. The term "Comparable" denotes significant similarities to the subject property. As a result the data developed in this form is not a representative of the entire market and/or all competitive neighborhoods for the subject property. Markets & neighborhoods consist of a variety of compatible residential uses & are not limited to a specific property. Statistical analysis requires a sample size large enough to be considered reliable. Generally a sample size of at least 30 is considered the smallest reliable sample. All ranges selected have encompassed the indicated subject value. Note that REIN/MLS users sometimes misstate data data input & therefore some information in this form, while having the appearance of being useful, may not be completely reliable.

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

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

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

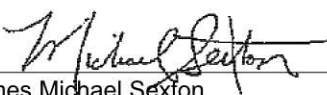
Summarize the above trends and address the impact on the subject unit and project. Due to the lack of comparable sales the market conditions form has been completed, however it is not believed by the appraiser to be reliable.

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

APPRAISER

Signature 
 Name James Michael Sexton
 Company Name First Choice Appraisal Company
 Company Address 1009 Gamston Lane
Virginia Beach, VA 23455
 State License/Certification # 4001011953 State VA
 Email Address firstchoiceapp@hotmail.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

DIMENSION LIST ADDENDUM

Borrower: Nathan E Hall
 Property Address: 148 Owens Street
 City: Portsmouth
 Lender: Nations Lending Corporation

File No.: 21940
 Case No.: 544-1272357-703
 State: VA
 Zip: 23704

GROSS BUILDING AREA (GBA)		1,303
GROSS LIVING AREA (GLA)		1,303
Area(s)	Area	% of GLA
Living	1,303	100.00
Level 1	1,303	100.00
Level 2	0	0.00
Level 3	0	0.00
Other	775	59.48
Basement	0	
Garage	0	

Area Measurements				Area Type					
Measurements	Factor	Total		Level 1	Level 2	Level 3	Other	Bsmt.	Garage
22.20 x 47.50 x 1.00 =		1,054.50		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.00 x 13.10 x 1.00 =		248.90		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Nathan E Hall	File No.: 21940
Property Address: 148 Owens Street	Case No.: 544-1272357-703
City: Portsmouth	State: VA
Lender: Nations Lending Corporation	Zip: 23704



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: January 8, 2016
Appraised Value: \$ 125,000



**REAR VIEW OF
SUBJECT PROPERTY**

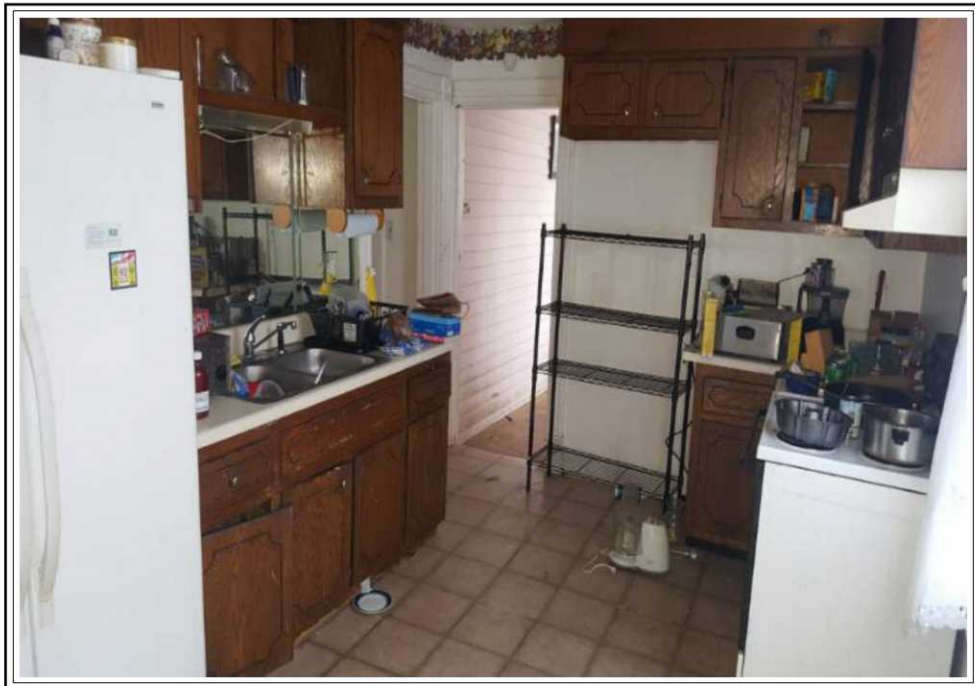


STREET SCENE

INTERIOR PHOTOS

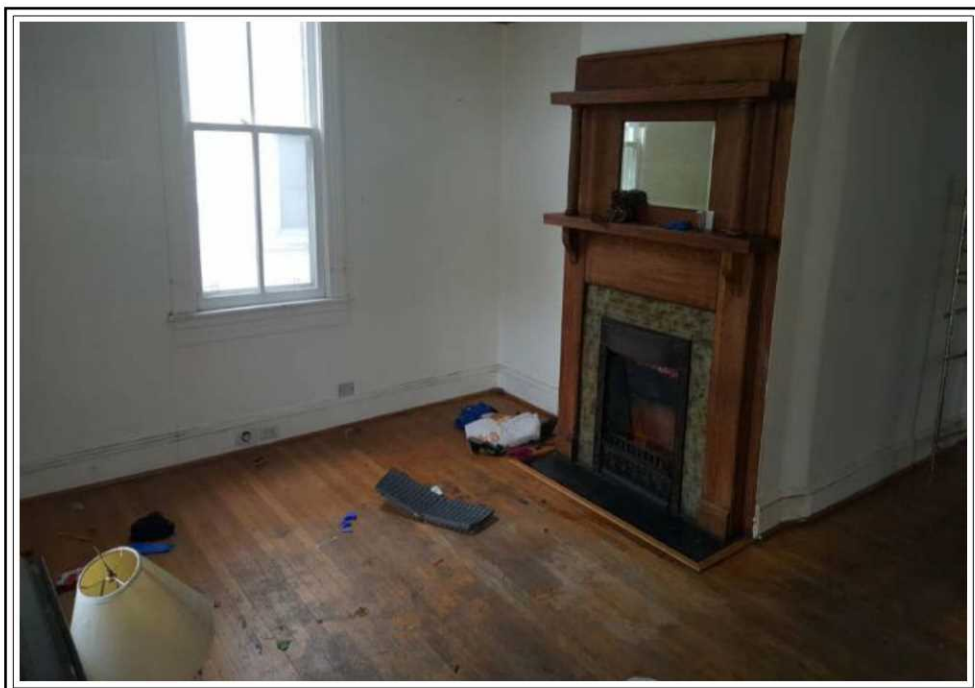
Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Kitchen

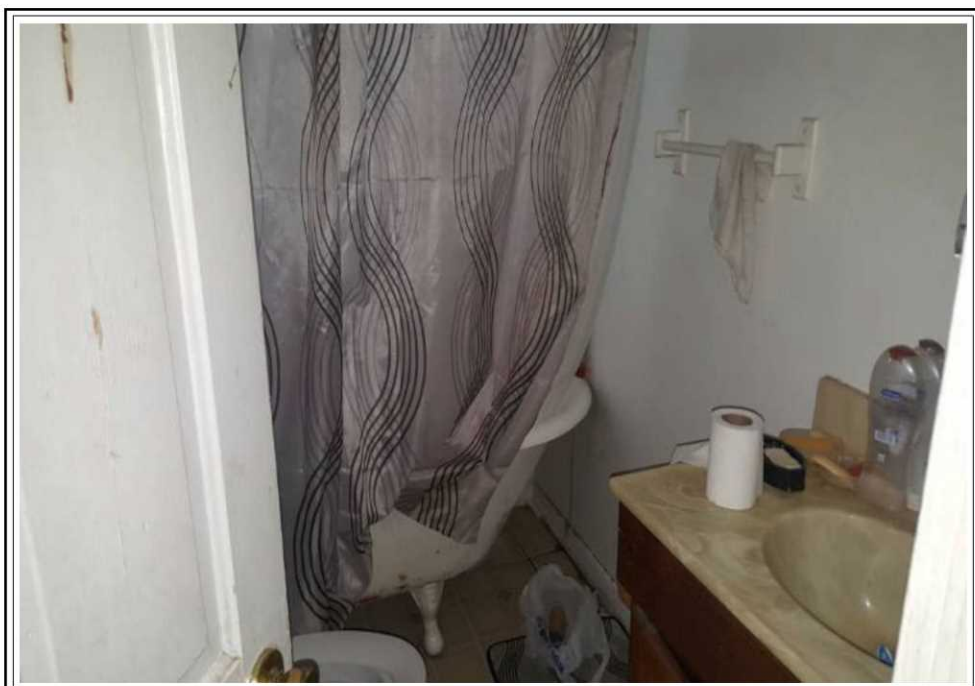
Comment:
The wood trim and cabinetry appeared worn, and in poor condition.



Living Area

Description:
Living Room

Comment:
Flooring appeared worn and in poor condition.



Bathroom

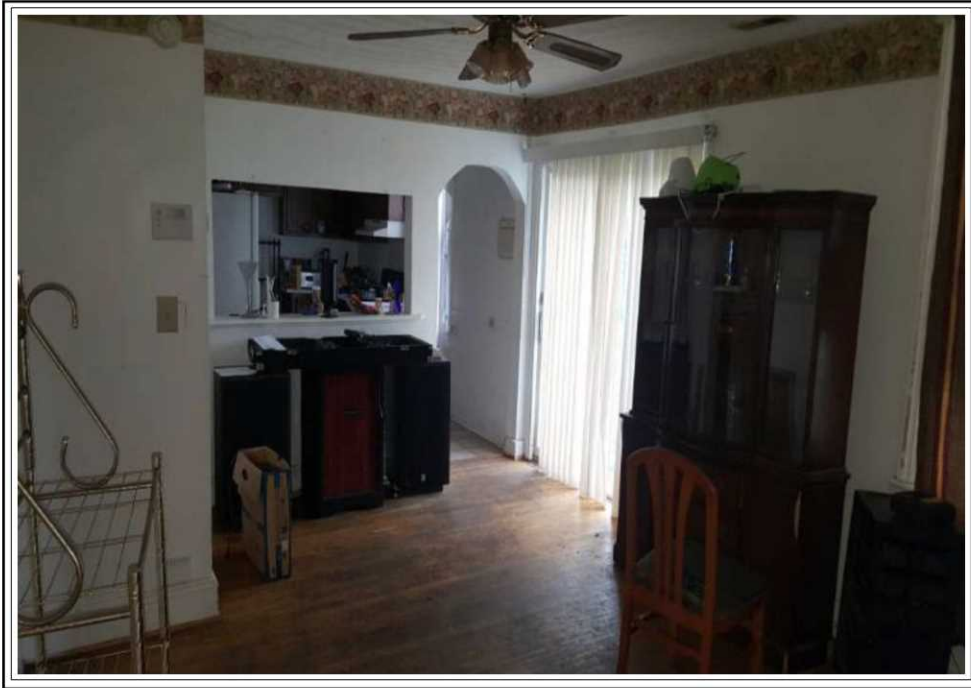
Description:
Full Bath

Comment:
The wood trim and cabinetry appeared worn, and in poor condition.

INTERIOR PHOTOS

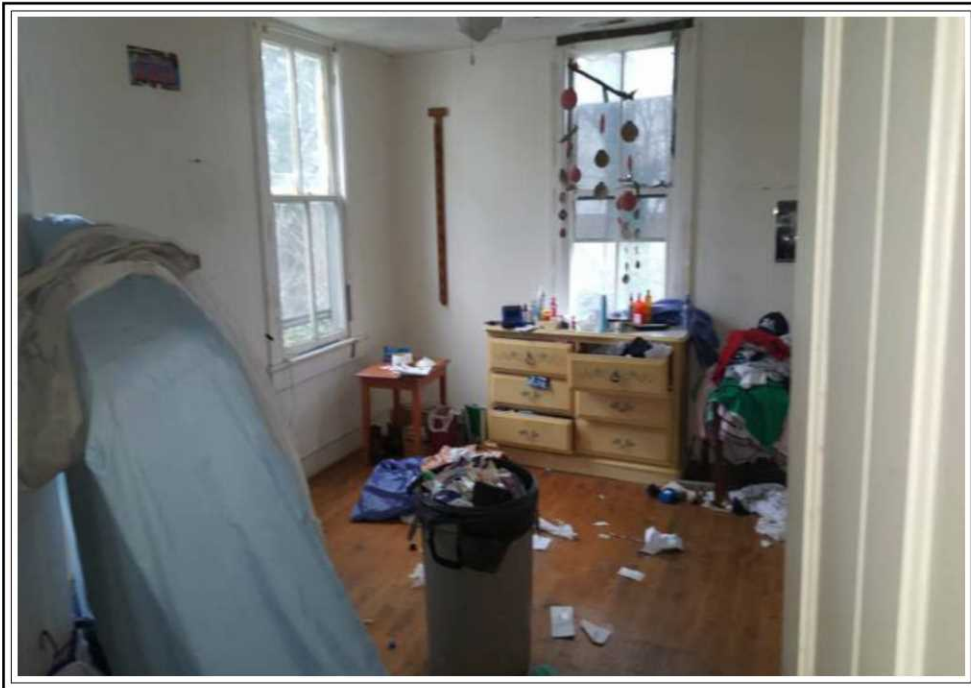
Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



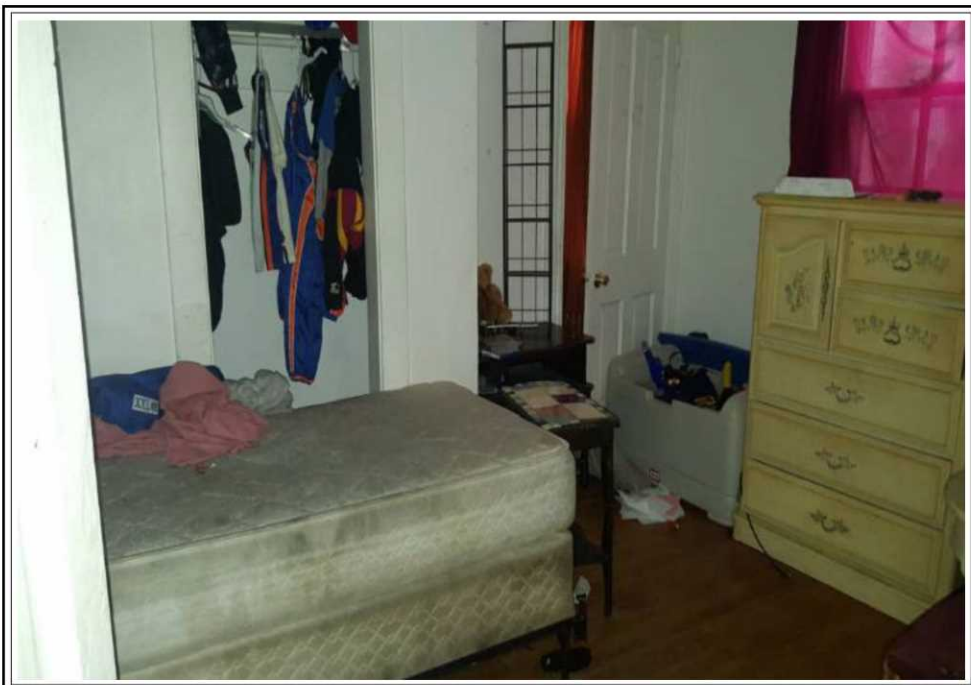
Dining Room

Comment:



Bedroom

Comment:



Bedroom

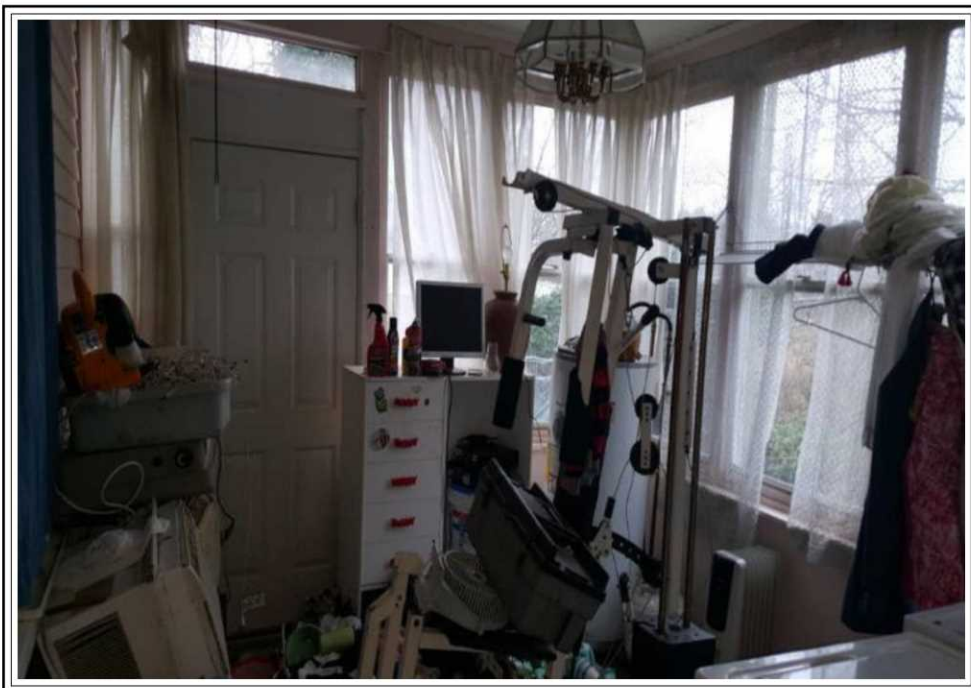
Comment:

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

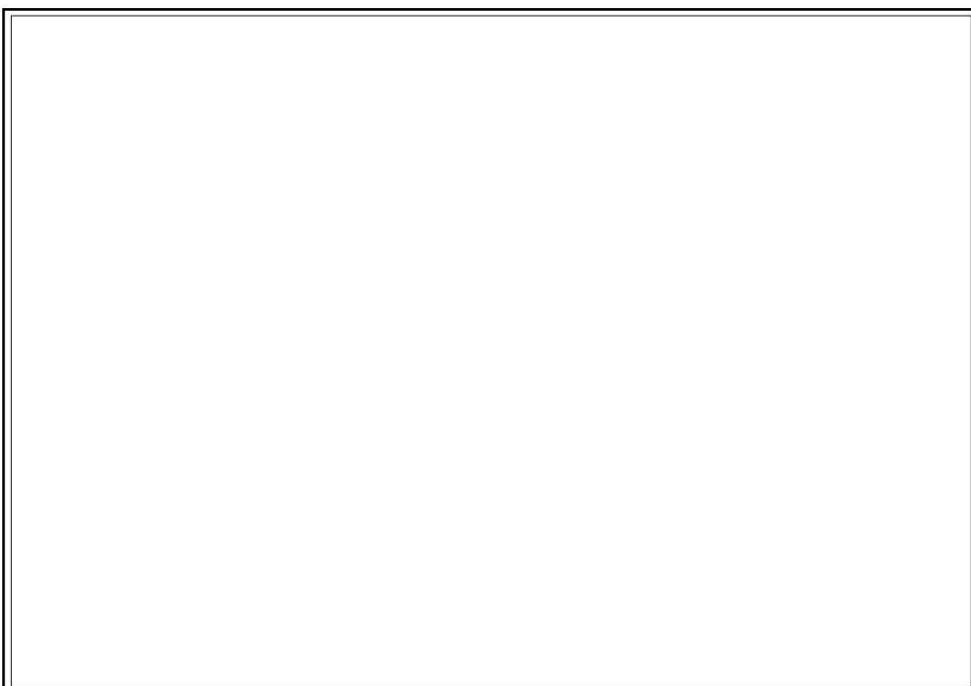
File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Bedroom



Recreational Room



Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

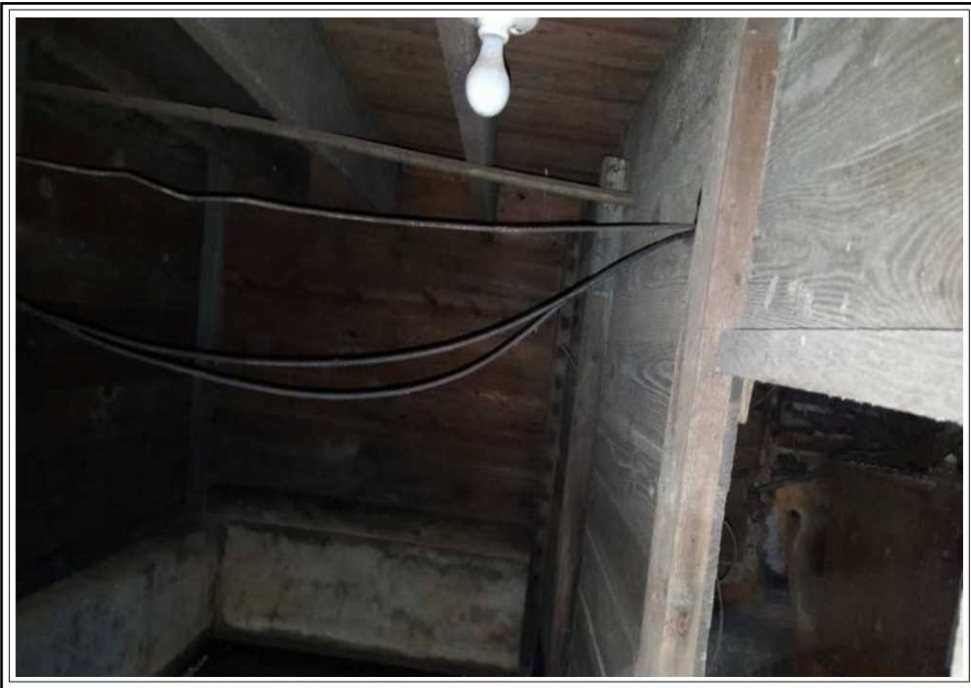
File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Hot Water Heater



Attic



Crawl Space

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Left side of the subject property



Right side of the subject property

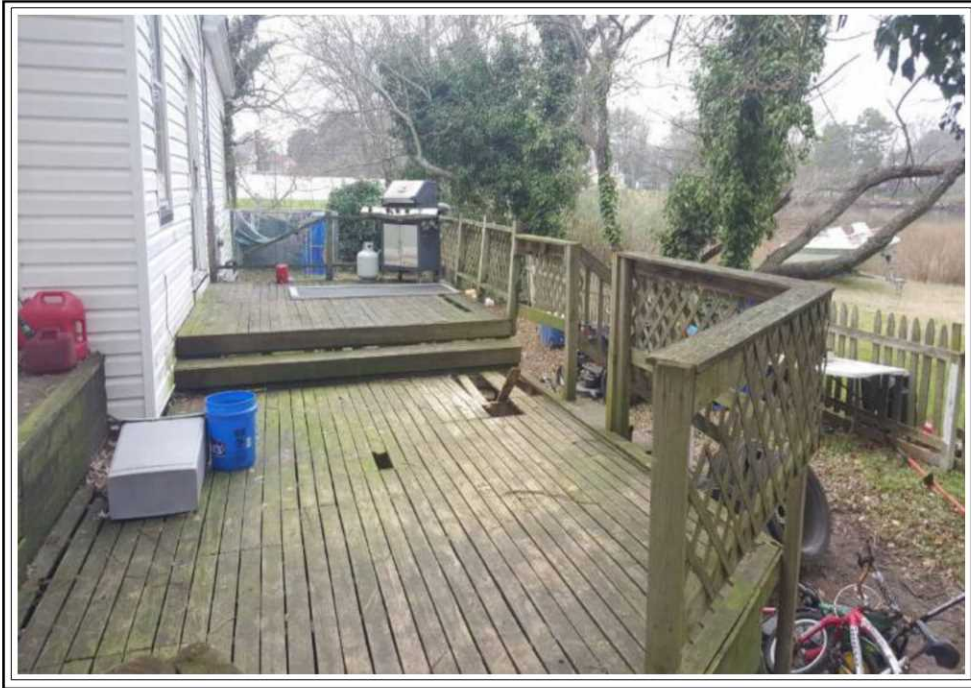


Porch

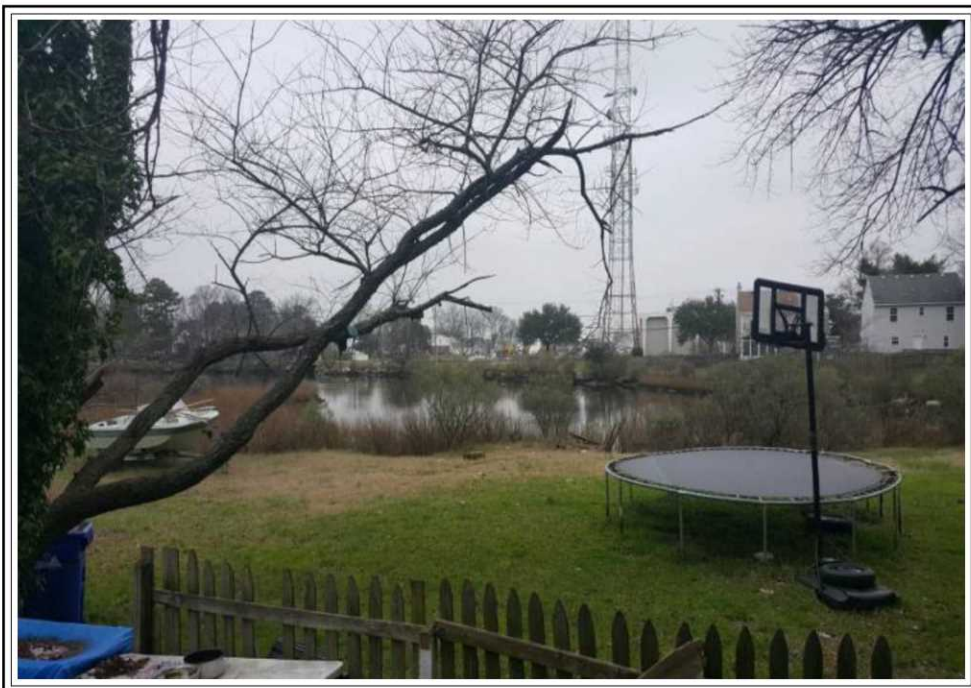
This view also reflects the paint repair required.

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Deck



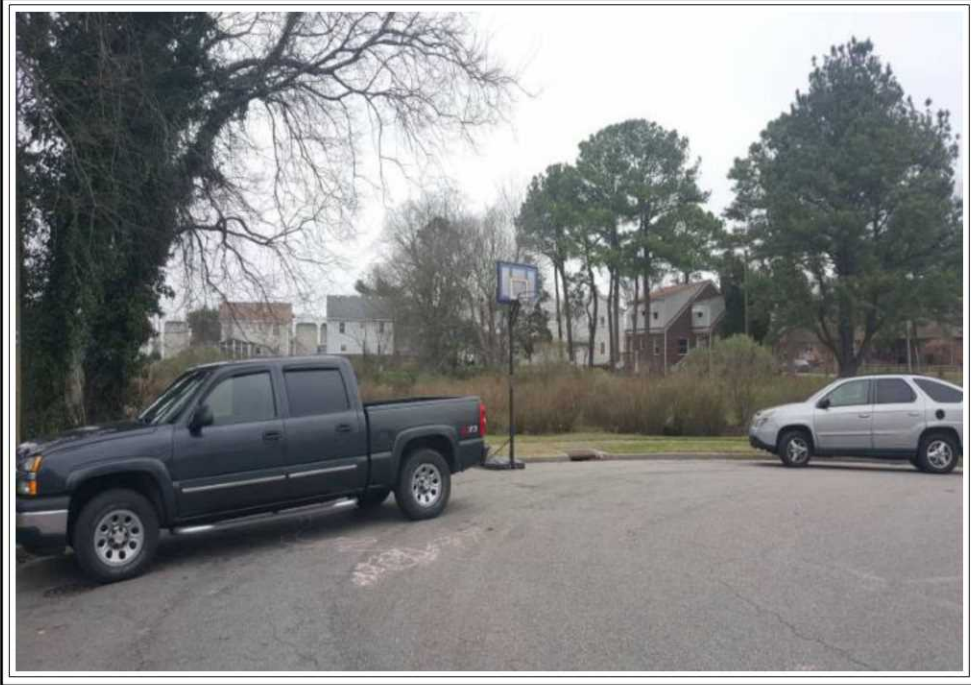
Waterview



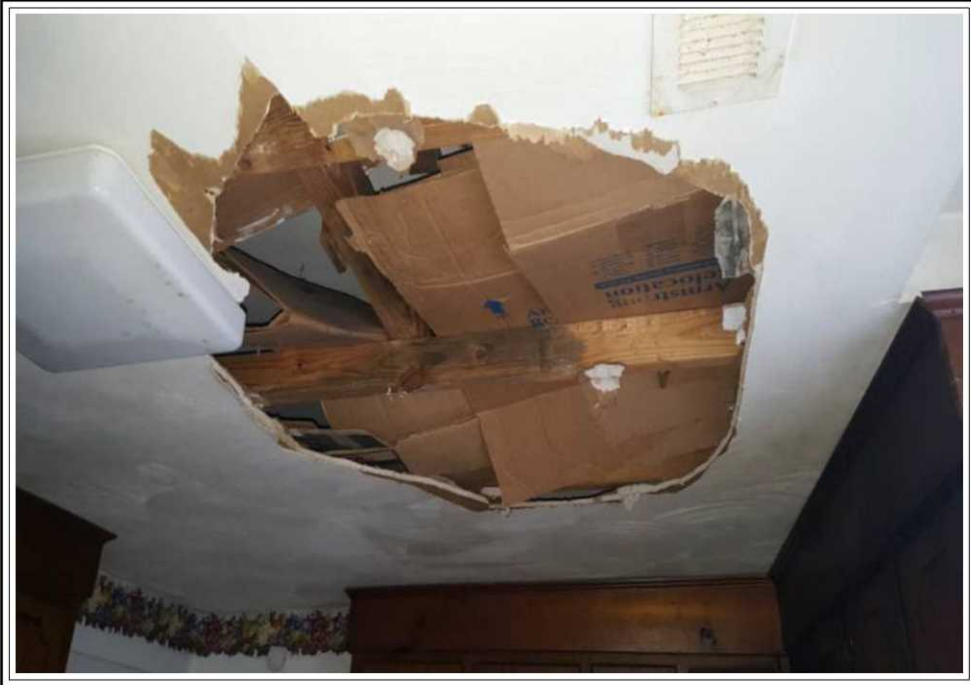
Address Verification Photo

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Alternate Street Scene



Drywall Damage



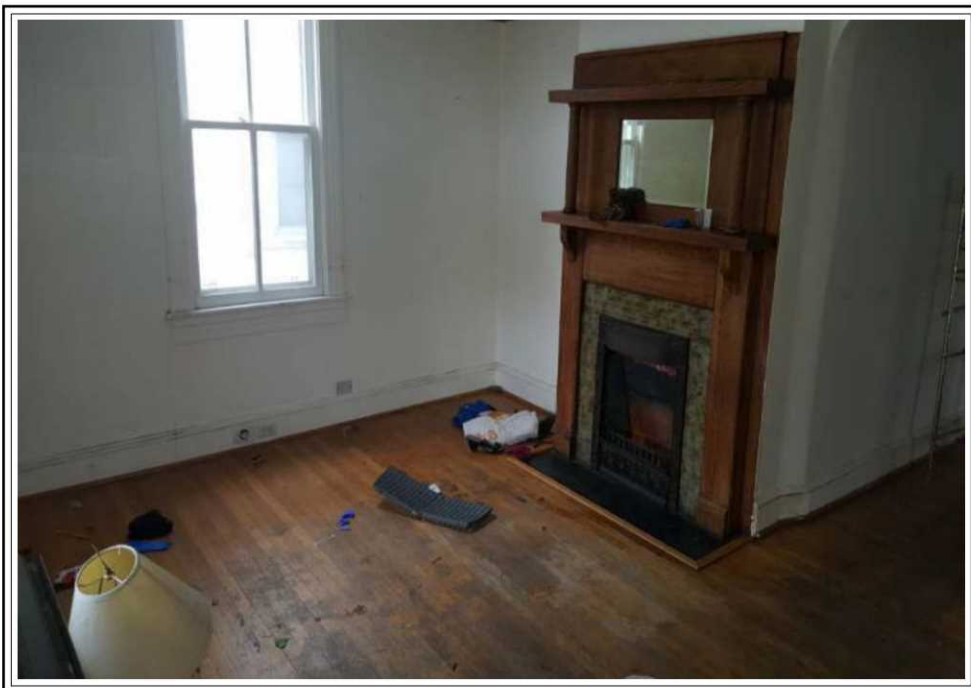
Drywall Damage

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Drywall Damage



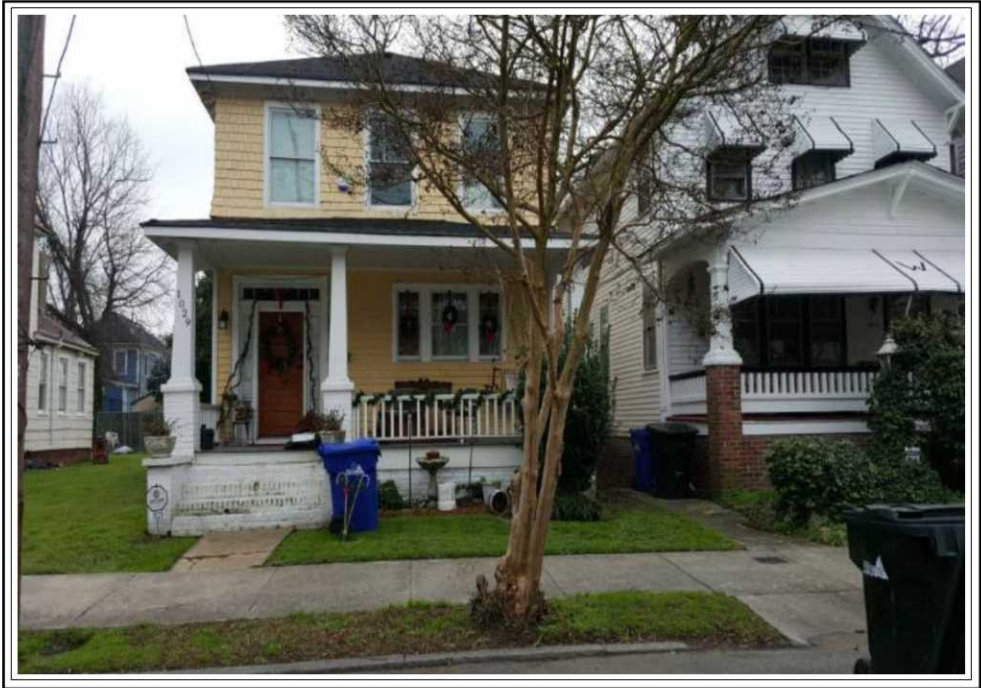
Damaged Floor



Damaged Deck

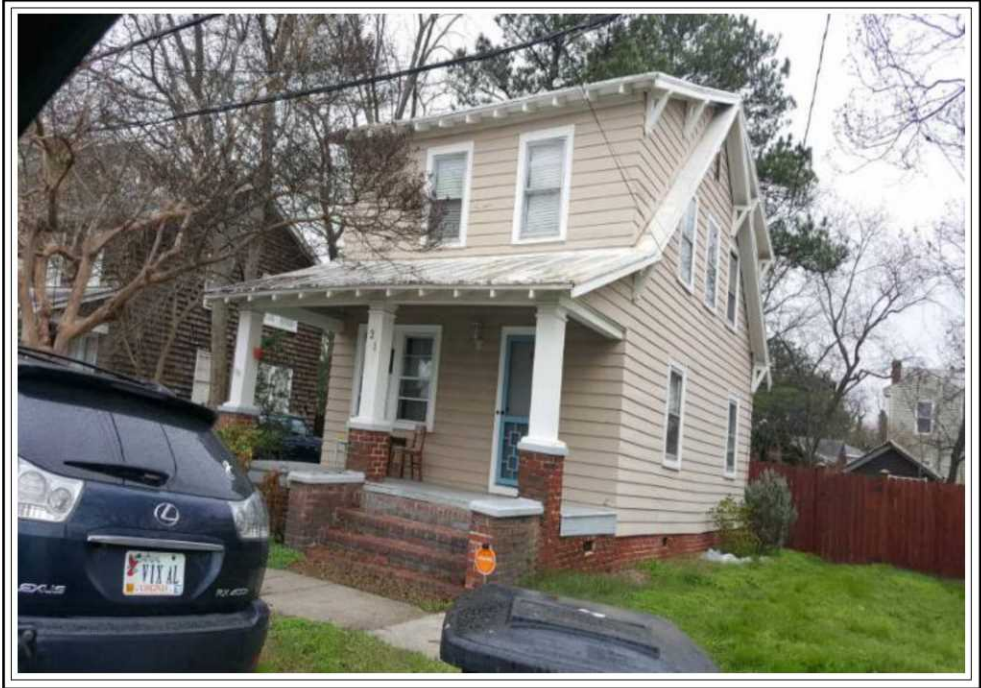
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Nathan E Hall	File No.: 21940
Property Address: 148 Owens Street	Case No.: 544-1272357-703
City: Portsmouth	State: VA
Lender: Nations Lending Corporation	Zip: 23704



COMPARABLE SALE #1

1029 Ann Street
Portsmouth, VA 23704
Sale Date: s06/15;c04/15
Sale Price: \$ 115,000



COMPARABLE SALE #2

21 Linden Avenue
Portsmouth, VA 23704
Sale Date: s06/15;c06/15
Sale Price: \$ 125,000



COMPARABLE SALE #3

77 Linden Avenue
Portsmouth, VA 23704
Sale Date: s07/15;c05/15
Sale Price: \$ 140,000

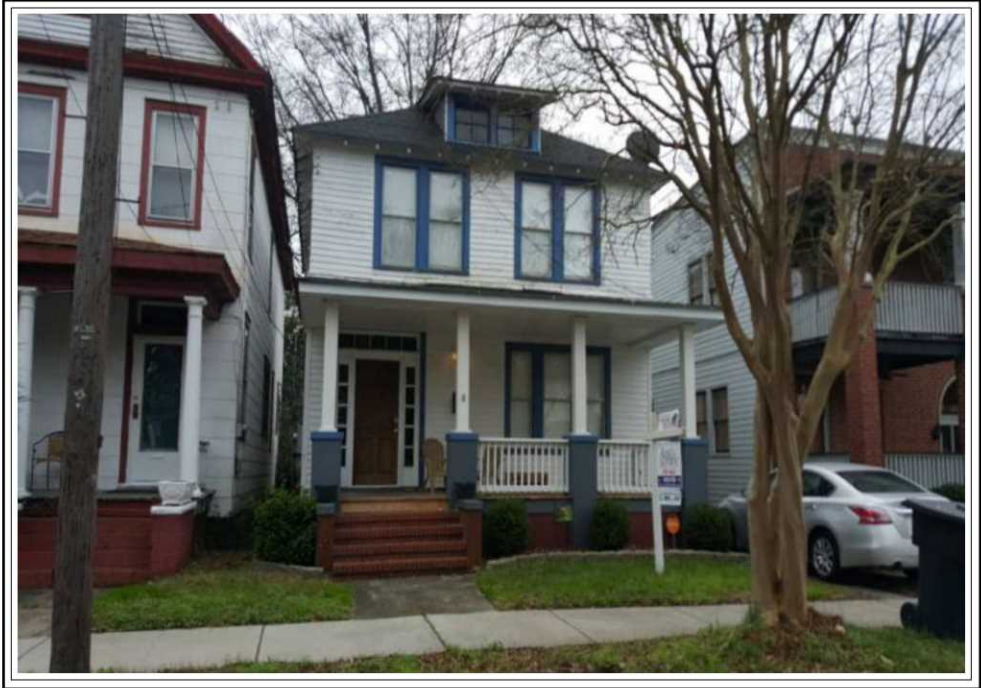
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Nathan E Hall	File No.: 21940
Property Address: 148 Owens Street	Case No.: 544-1272357-703
City: Portsmouth	State: VA
Lender: Nations Lending Corporation	Zip: 23704



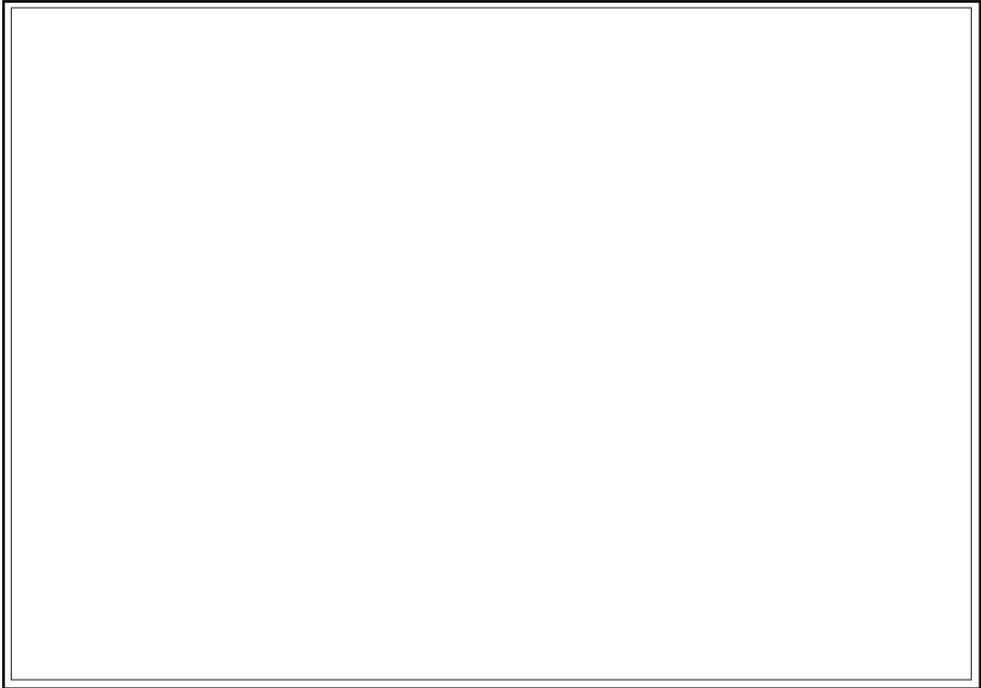
COMPARABLE SALE #4

205 Armstrong Street
Portsmouth, VA 23704
Sale Date: Active
Sale Price: \$ 147,500



COMPARABLE SALE #5

1037 Leckie Street
Portsmouth, VA 23704
Sale Date: Active
Sale Price: \$ 159,883



COMPARABLE SALE #6

Sale Date:
Sale Price: \$

FLOORPLAN SKETCH

Borrower: Nathan E Hall	File No.: 21940
Property Address: 148 Owens Street	Case No.: 544-1272357-703
City: Portsmouth	State: VA
Lender: Nations Lending Corporation	Zip: 23704



Sketch by Apex Sketch v5 Standard™

Comments:

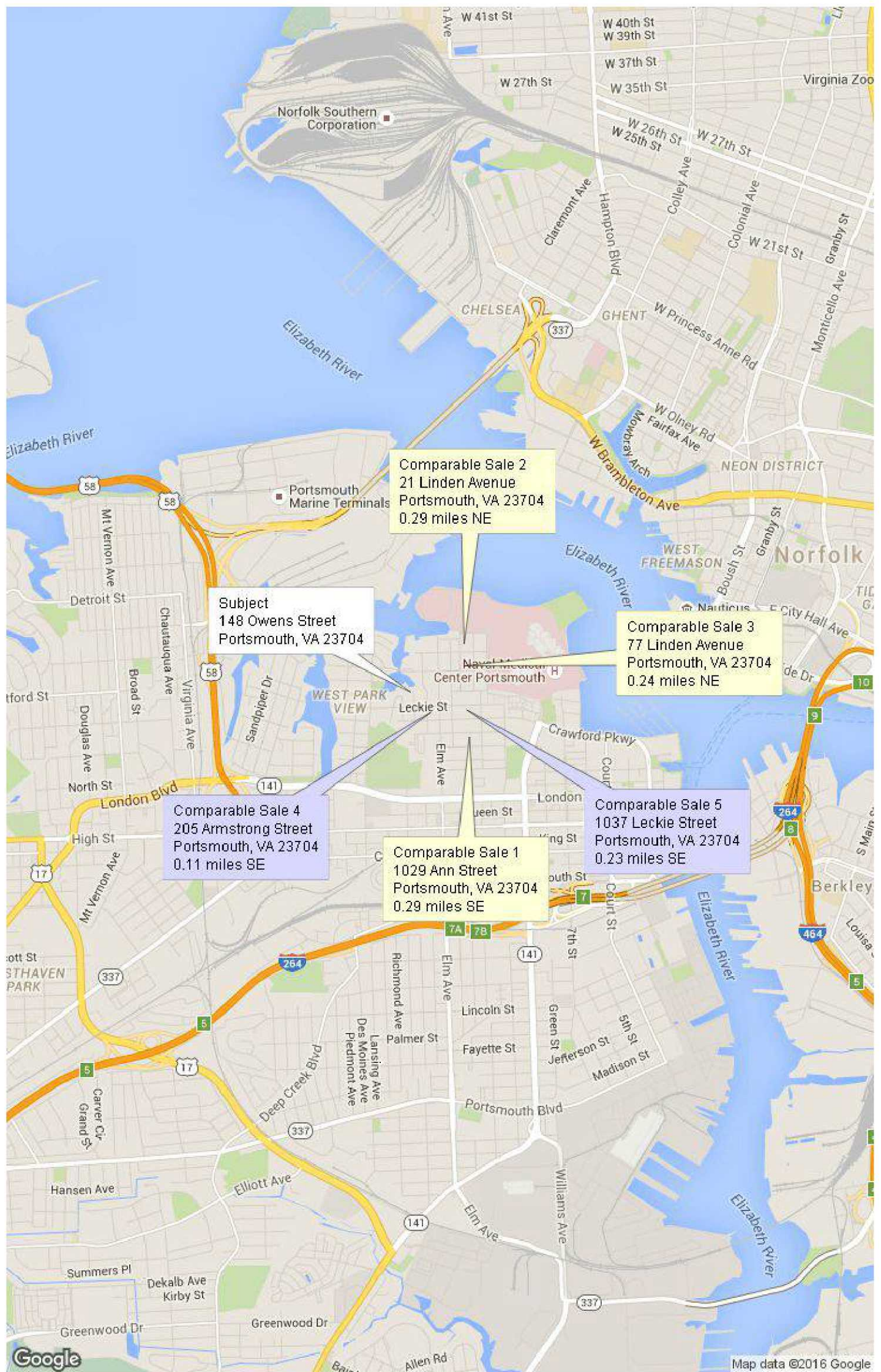
AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1303.40	1303.40
P/P	Wood Deck	623.00	
	Porch	152.00	775.00
Net LIVABLE Area		(rounded)	1303

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
47.5	x	22.2	1054.50
13.1	x	19.0	248.90
2 Items			(rounded) 1303

LOCATION MAP

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



Borrower: Nathan E Hall

File No.: 21940

Property Address: 148 Owens Street

Case No.: 544-1272357-703

City: Portsmouth

State: VA

Zip: 23704

Lender: Nations Lending Corporation

LLOYD'SDeclarations Page
Real Estate Appraisers E&O Program

CERTIFICATE NO. 14REALPC-0267

BINDING AUTHORITY: B0702BB013810d

Item 1a. **Insured Member:** James M. Sexton dba First Choice Appraisal Company
Mailing Address: 1009 Gamston Lane, Virginia Beach, VA 23455

Item 2. **PERIOD OF INSURANCE:** **FROM:** 01/21/2015 **TO:** 01/21/2016
12:01AM STANDARD TIME AT THE ADDRESS SHOWN IN NUMBER 1 ABOVE.

Item 3. **LIMIT OF LIABILITY:** a) \$ 1,000,000 **Each Claim, Includes Claims Expenses**
b) \$ 1,000,000 **Annual Aggregate, Includes Claims Expenses**

Item 4. **DEDUCTIBLE:** \$ 500 **Each Claim deductible - Includes Claims Expenses**

Item 5. **PREMIUM U. S.:** \$ 390.00 **Gross Premium**
\$ 9.90 **VA Surplus Lines Tax**
\$.11 **VA Stamp Tax**
\$ 50.00 **Processing Fee**
\$ 450.01 **Total Premium**

Item 6. **RETROACTIVE DATE:** 01/21/2015

Item 7. **NOTICE OF CLAIM TO:** Premier Claims Management, LLC
2020B North Tustin Avenue
Santa Anna, CA 92705
888-683-2266 (p)
866-885-4047 (f)
www.premierclaimsllc.com

In the event of a claim under the Master Policy or any circumstances likely to give rise to a claim, the Insured shall have the duty to immediately give notice to the entity specified above.

Item 8. **NOTICE OF ELECTION:** 5 Star Professional Programs
1230 East Diehl Road, Suite 350 Naperville, IL 60563
Tel: 866-879-6565 Fax: 866-720-5003

SPECIAL CONDITIONS: as per attached form list

Borrower: Nathan E Hall

File No.: 21940

Property Address: 148 Owens Street

Case No.: 544-1272357-703

City: Portsmouth

State: VA

Zip: 23704

Lender: Nations Lending Corporation

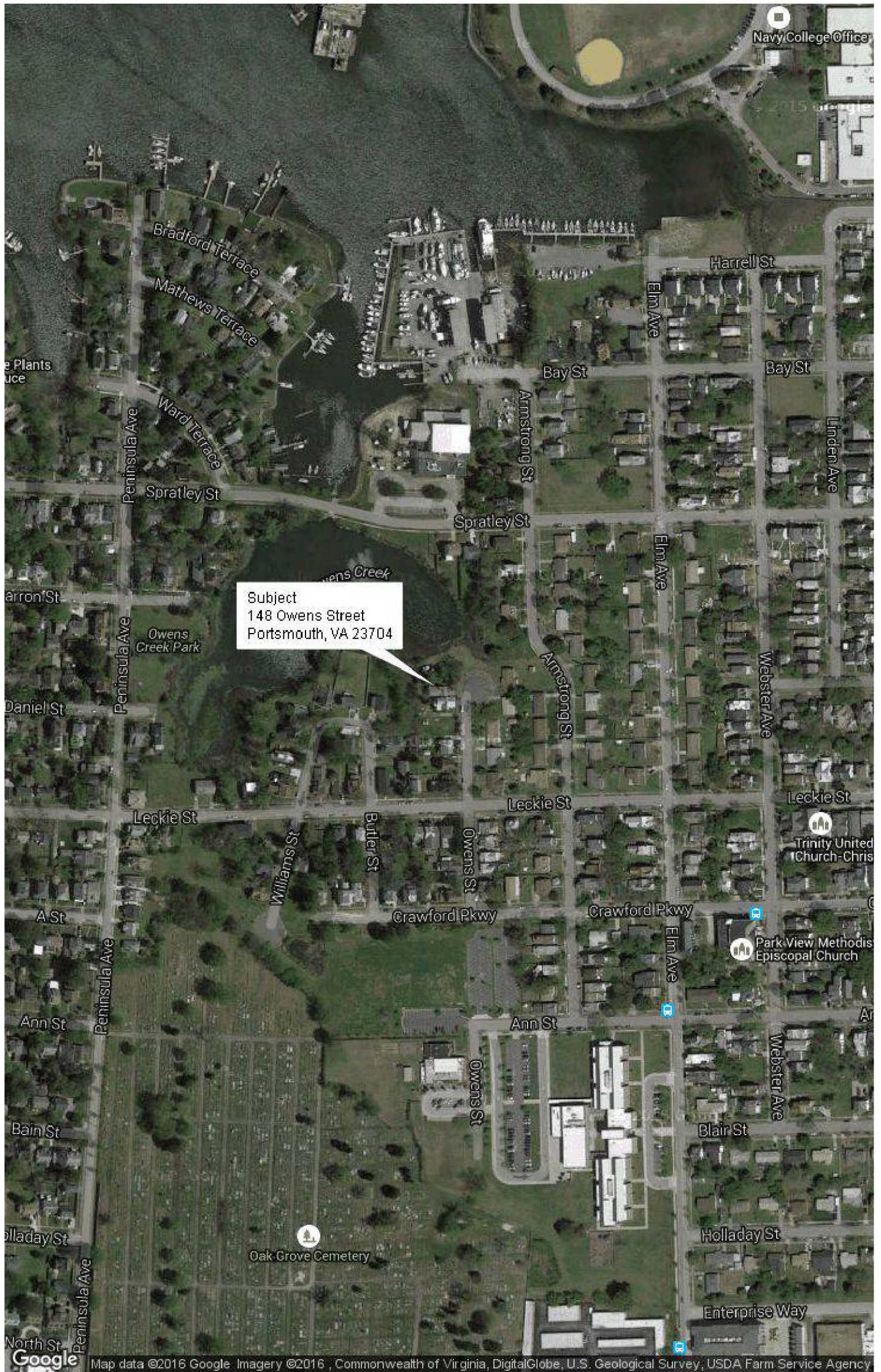


(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)

AERIAL MAP

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

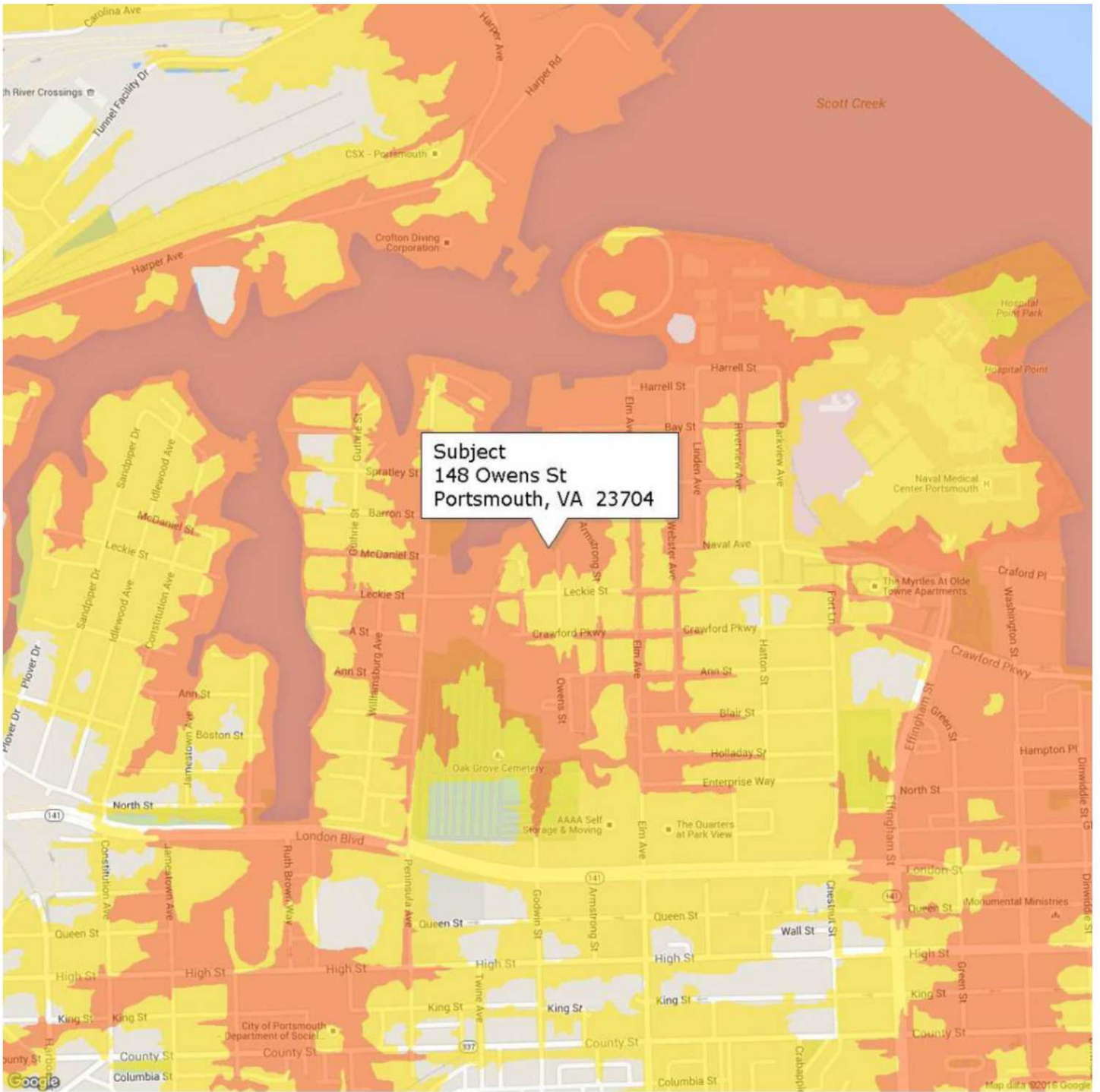
File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



FLOOD MAP

Borrower: Nathan E Hall
Property Address: 148 Owens Street
City: Portsmouth
Lender: Nations Lending Corporation

File No.: 21940
Case No.: 544-1272357-703
State: VA
Zip: 23704



FLOOD INFORMATION

Community: City of Portsmouth
Property is in a FEMA Special Flood Hazard Area - High Risk
Map Number: 5155290079D
Panel: 0079D
Zone: AE
Map Date: 08-03-2015
FIPS: 51740
Source: FEMA DFIRM

LEGEND

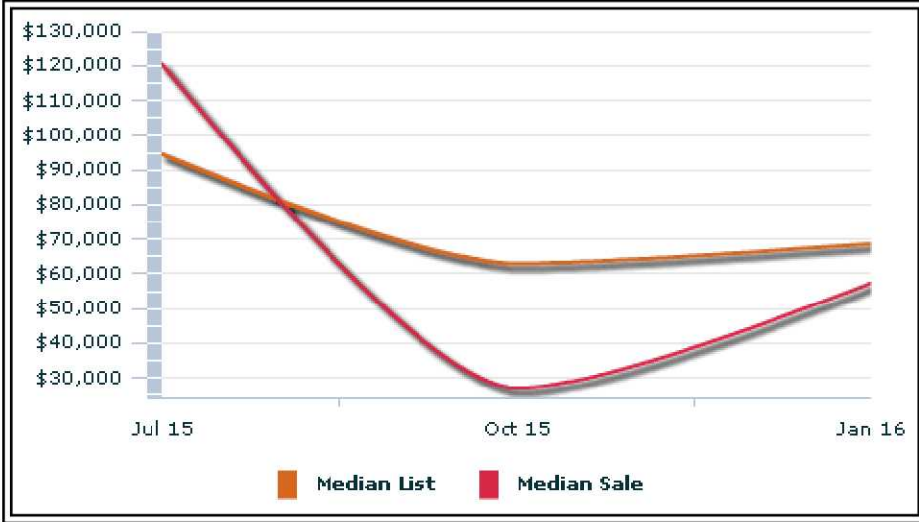
-  = FEMA Special Flood Hazard Area – High Risk
-  = Moderate and Minimal Risk Areas
- Road View:**
-  = Forest
-  = Water

Sky Flood™

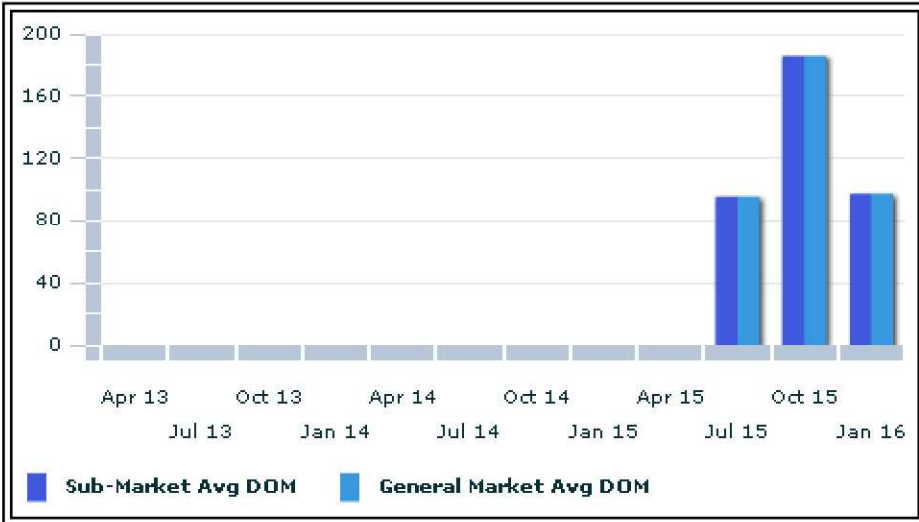
No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

Borrower: Nathan E Hall
 Property Address: 148 Owens Street
 City: Portsmouth
 Lender: Nations Lending Corporation

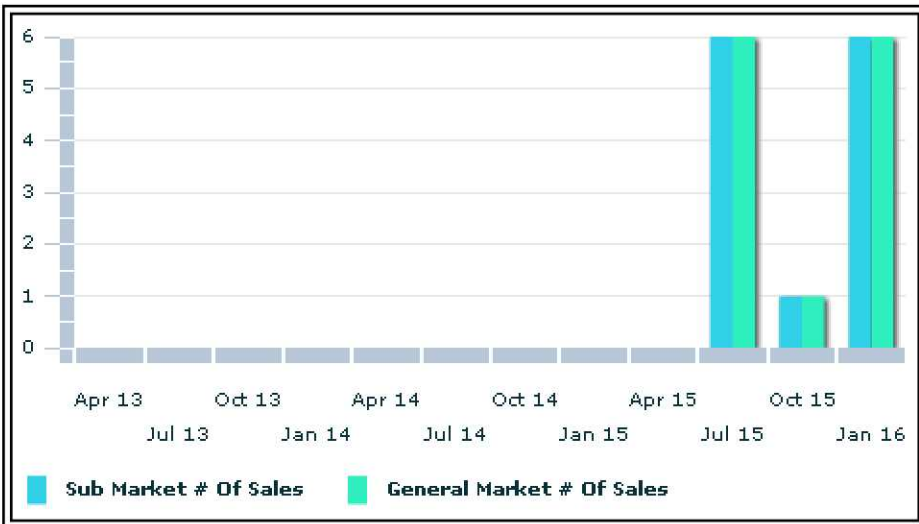
File No.: 21940
 Case No.: 544-1272357-703
 State: VA
 Zip: 23704



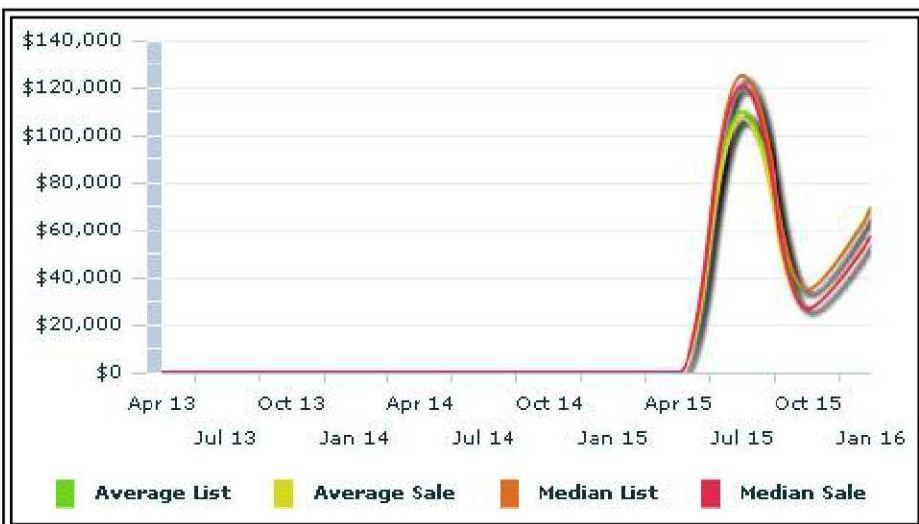
1004mc Chart (red=sales, orange=list)



Average Days on Market



Sales Volume



Sub-market Analysis