

Small Residential Income Property Appraisal Report

2010082706

File #

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 12214 Troulon Dr **City** Houston **State** TX **Zip Code** 77072-4828
Borrower Jdmb Realty Lp **Owner of Public Record** Keniebi D Okoko **County** Harris

Legal Description TRS 4B & 5A BLK 4 CATALINA WEST
Assessor's Parcel # 101-370-000-0005-001 **Tax Year** 2009 **R.E. Taxes \$** \$2,257.56
Neighborhood Name Catalina West **Map Reference** 529N **Census Tract** 4536.00

Occupant Owner Tenant Vacant **Special Assessments \$** 0.00 PUD **HOA \$** 300 per year per month
Property Rights Appraised Fee Simple Leasehold Other (describe)
Assignment Type Purchase Transaction Refinance Transaction Other (describe) Donation
Lender/Client David Balat **Address**
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). See attached addenda.

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 \$ N/A **Date of Contract** N/A **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			2-4 Unit Housing Trends			2-4 Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	95 %		
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	17	Low 27	Multi-Family	%		
Neighborhood Boundaries			The subject's market area is located north of Bissonnet, south of Bellaire, east of Cook, and west of Wilcrest.			270	High 45	Commercial	5 %
						56	Pred. 35	Other	%
Neighborhood Description Several employers are within reasonable commuting distance. Schools, shopping, medical facilities, and places of worship, are all nearby. The amenities available in the area are typical and similar to others in the market.									
Market Conditions (including support for the above conclusions) Conventional financing is predominate in this area with some FHA, VA, and Cash transactions. Availability of financing is good. Rates are currently 4% to 8% for 30 year fixed.									

Dimensions 65 Ft X 110 Ft **Area** 7,150 Sq.Ft. **Shape** Rectangular **View** Residential
Specific Zoning Classification Deed Restricted SFR **Zoning Description** No Zoning
Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities **Public** **Other (describe)** **Public** **Other (describe)** **Off-site Improvements - Type** **Public** **Private**
 Electricity Water Street Concrete
 Gas Sanitary Sewer Alley None
FEMA Special Flood Hazard Area Yes No **FEMA Flood Zone** AE **FEMA Map #** 48201CO830L **FEMA Map Date** 6/18/2007
 Are the utilities and/or off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

General Description		Foundation		Exterior Description		Interior	
materials/condition		materials/condition		materials/condition		materials/condition	
Units	<input checked="" type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Avg	Floors	Crpt/Lin/Poor	
<input type="checkbox"/> Accessory Unit (describe below)	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Brick & Wood/Avg	Walls	Sheetrock/Fair		
# of Stories	1 # of bldgs. 1	Basement Area	None sq.ft.	Roof Surface	Composition/Avg	Trim/Finish	Softwood/Avg
Type	<input type="checkbox"/> Det. <input checked="" type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish	N/A %	Gutters & Downspouts	Aluminum/Avg	Bath Floor	Tile/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Aluminum/ Poor	Bath Wainscot	Tile/Avg		
Design (Style)	Duplex	Evidence of	<input type="checkbox"/> Infestation None	Storm Sash/Insulated	None	Car Storage	
Year Built	1972	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	None		
Effective Age (Yrs)	25 Years	Heating/Cooling		Amenities		<input checked="" type="checkbox"/> Driveway	# of Cars 4
Attic	<input type="checkbox"/> None <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	<input type="checkbox"/> Fireplaces #	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	Concrete		
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel	<input checked="" type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Fence	Garage	# of Cars		
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input checked="" type="checkbox"/> Porch	Carport	# of Cars		
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Other		Att.	Det.	<input type="checkbox"/> Built-in	
# of Appliances	Refrigerator	Range/Oven	1	Dishwasher	1	Disposal	2
				Microwave		Washer/Dryer	
Unit # 1 contains:	4 Rooms	2 Bedrooms	1 Bath(s)	1,015	Square Feet of Gross Living Area		
Unit # 2 contains:	4 Rooms	2 Bedrooms	1 Bath(s)	1,015	Square Feet of Gross Living Area		
Unit # 3 contains:	Rooms	Bedrooms	Bath(s)		Square Feet of Gross Living Area		
Unit # 4 contains:	Rooms	Bedrooms	Bath(s)		Square Feet of Gross Living Area		
Additional features (special energy efficient items, etc.) None Noted							

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) Nearly every window of the subject property was broken, each front door was warped, the gutters were missing or damaged, badly stained carpet, holes were noted in the sheetrock walls in both unit, the kitchen flooring was at the end of its economic life, and the subject's fencing was damaged.

Small Residential Income Property Appraisal Report

2010082706

File #

IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.															
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.															
	Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe															
COMPARABLE RENTAL DATA	The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.															
	FEATURE		SUBJECT		COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3					
	Address 12214 Troulon Dr Houston, TX 77072-4828		12212 Troulon Dr Houston, TX 77072-4828		12110 White Cap Ln Houston, TX 77072-4828			12204 White Cap Ln Houston, TX 77072-4828								
	Proximity to Subject		0.05 miles E		0.21 miles NE			0.17 miles N								
	Current Monthly Rent		\$ N/A		\$ 850			\$ 850			\$ 961					
	Rent/Gross Bldg. Area		\$ sq.ft.		\$ 0.84 sq.ft.			\$ 0.84 sq.ft.			\$ 0.95 sq.ft.					
	Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
	Data Source(s)		CAD/MLS/Inspct		CAD/MLS # 40637382/Inspct			CAD/MLS # 49154452/Inspct			CAD/MLS # 75596404 /Inspct					
	Date of Lease(s)		None		02/18/2010			07/18/2010			06/22/2010					
	Location		Catalina West		Catalina West			Catalina West			Catalina West					
	Actual Age		38 Years		38 Years			38 Years			37 Years					
	Condition		Fair		Average			Average			Average					
	Gross Building Area		2,030		1,015			1,015			1,015					
	Unit Breakdown		Rm Count Size Sq. Ft.		Rm Count Size Sq. Ft.		Monthly Rent		Rm Count Size Sq. Ft.		Monthly Rent		Rm Count Size Sq. Ft.		Monthly Rent	
			Tot Br Ba 2,030		Tot Br Ba 1,015		\$ 850		Tot Br Ba 1,015		\$ 850		Tot Br Ba 1,015		\$ 961	
Unit # 1		4 2 1 1,015		4 2 1 1,015		\$ 850		4 3 1 1,015		\$ 850		4 3 1 1,015		\$ 961		
Unit # 2		4 2 1 1,015				\$				\$				\$		
Unit # 3						\$				\$				\$		
Unit # 4						\$				\$				\$		
Utilities Included		None		None			None			None						
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) The subject was considered to be of similar quality of construction and market appeal compared to the comparables.																
Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.																
SUBJECT RENT SCHEDULE	Leases		Actual Rents				Opinion of Market Rent									
	Unit #	Lease Date		Per Unit		Total Rents	Per Unit		Total Rents							
		Begin Date	End Date	Unfurnished	Furnished		Unfurnished	Furnished								
	1	None	None	\$	\$	\$ 0	\$ 850	\$	\$ 850							
	2	None	None			0	850		850							
	3															
	4															
	Comment on lease data All units are leased.			Total Actual Monthly Rent		\$	Total Gross Monthly Rent		\$ 1,700							
				Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$							
				Total Actual Monthly Income		\$	Total Estimated Monthly Income		\$ 1,700							
Utilities included in estimated rents <input type="checkbox"/> Electric <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Trash collection <input type="checkbox"/> Cable <input type="checkbox"/> Other																
Comments on actual or estimated rents and other monthly income (including personal property) The subject is similar to the rentals in overall size, age, condition and amenities. The rentals are considered a good indicator of market rent for the subject property. For the purposes of this report, estimated market rents will be used in the Income Approach to value.																
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain																
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.																
Data Source(s) MLS, CAD																
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.																
Data Source(s) MLS, CAD																
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																
ITEM		SUBJECT		COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3								
Date of Prior Sale/Transfer		None		None		None		None								
Price of Prior Sale/Transfer		None		in the past 12 months		in the past 12 months		in the past 12 months								
Data Source(s)		See Below		MLS		MLS		MLS								
Effective Date of Data Source(s)		09/01/2010		09/01/2010		09/01/2010		09/01/2010								
Analysis of prior sale or transfer history of the subject property and comparable sales A search of MLS reveals no sales or listing history of the subject in the past 36 months. No prior sale of the comps occurred in the past 12 months. According to MLS # 9982034, the subject last sold on 06/03/2005 for \$102,000.																

Small Residential Income Property Appraisal Report

2010082706

File #

There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 25,900 to \$ 110,000							
There are 18 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 17,000 to \$ 270,000							
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	12214 Troulon Dr Houston, TX 77072-4828	8113 Beech Cove Ln Houston, TX 77072	12623 Ashford Meadow Dr Houston, TX 77082	12734 Shannon Hills Dr Houston, TX 77099			
Proximity to Subject		0.20 miles NE	3.23 miles N	0.79 miles SW			
Sale Price	\$ N/A	\$ 60,000	\$ 53,000	\$ 60,000			
Sale Price/Gross Bldg. Area	\$ sq.ft.	\$ 24.98 sq.ft.	\$ 28.99 sq.ft.	\$ 26.04 sq.ft.			
Gross Monthly Rent	\$ 1,700	\$ 1,700	\$ 1,300	\$ 1,500			
Gross Rent Multiplier		35.29	40.77	40.00			
Price per Unit	\$	\$ 30,000	\$ 26,500	\$ 30,000			
Price per Room	\$	\$ 6,000	\$ 6,625	\$ 7,500			
Price per Bedroom	\$	\$ 10,000	\$ 13,250	\$ 15,000			
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)		MLS#36194169/Tax Record	MLS#73039849/Tax Record	MLS#39026484/Tax Record			
Verification Source(s)		Inspection/DOM:7	Inspection/DOM:98	Inspection/DOM:25			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing		Cash-Foreclosure		Cash Sale		Cash Sale	
Concessions		None Noted		None Noted		None Noted	
Date of Sale/Time		03/10/2010		04/14/2010		02/25/2010	
Location	Catalina West	Catalina West		Meadows On The Mews		Brookfield	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	7,150 Sq.Ft.	6,380 Sq Ft		1,416 Sq Ft	+5,000	6,090 Sq Ft	
View	Residential	Residential		Residential		Residential	
Design (Style)	Duplex	Duplex		Duplex		Duplex	
Quality of Construction	Average	Average		Average		Average	
Actual Age	38 Years	38 Years		29 Years		35 Years	
Condition	Fair	Fair		Average	-10,000	Average	-10,000
Gross Building Area	2,030	2,402	-3,720	1,828	+2,020	2,304	-2,740
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Unit # 1	4 2 1	5 3 2	-1,000	4 2 1		4 2 1	
Unit # 2	4 2 1	5 3 2	-1,000	4 2 1		4 2 1	
Unit # 3							
Unit # 4							
Basement Description	None	N/A		N/A		N/A	
Basement Finished Rooms	None	None		None		None	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Central Air & Heat	Central Air & Heat		Central Air & Heat		Central Air & Heat	
Energy Efficient Items	Typical	Typical		Typical		Typical	
Parking On/Off Site	Uncovered	Uncovered		Uncovered		Uncovered	
Porch/Patio/Deck	Porch, Patio	Porch, Patio		Porch, Patio		Porch, Patio	
Fireplace	N/A	N/A		N/A		N/A	
Fence/Pool	Fence	Fence		Fence		Fence	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -5,720	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -2,980	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -12,740
Adjusted Sale Price of Comparables		Net Adj. 9.5 % Gross Adj. 9.5 %	\$ 54,280	Net Adj. 5.6 % Gross Adj. 32.1 %	\$ 50,020	Net Adj. 21.2 % Gross Adj. 21.2 %	\$ 47,260
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 27,140		\$ 25,010		\$ 23,630	
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 5,428		\$ 6,253		\$ 5,908	
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 9,047		\$ 12,505		\$ 11,815	
Value per Unit	\$ 25,000 X	2 Units = \$ 50,000		Value per GBA \$ 24.63 X	2,030 GBA = \$ 49,999		
Value per Rm.	\$ 6,250 X	8 Rooms = \$ 50,000		Value per Bdrms \$ 12,500 X	4 Bdrms. = \$ 50,000		
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. All comparables were of similar age and quality of construction. All sales received weight in the final reconciliation. See the attached addendum for a discussion of the adjustments made.							
Indicated Value by Sales Comparison Approach \$ 50,000							
Total gross monthly rent \$ 1,700 X gross rent multiplier (GRM) 35 = \$ 59,500 Indicated value by the Income Approach							
Comments on income approach including reconciliation of the GRM The GRM was obtained from comparables sales presented above. Were the actual rents weren't available, monthly incomes were estimated for each comparable sale above.							
Indicated Value by: Sales Comparison Approach \$ 50,000 Income Approach \$ 59,500 Cost Approach (if developed) \$							
I placed most weight on the sales comparison approach as it is the most commonly used method of comparison for investors in this market with additional weight being given to the income and cost approaches to value.							
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:							
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 \$ 50,000, as of 09/01/2010, which is the date of inspection and the effective date of this appraisal.							

Small Residential Income Property Appraisal Report

2010082706

File #

ADDITIONAL COMMENTS

COST APPROACH

PUD INFORMATION

Additional comments section with multiple blank lines for text entry.

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) Site value was determined by county assessed land value.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	24,000
Source of cost data	DWELLING	Sq.Ft. @ \$	= \$
Quality rating from cost service	Effective date of cost data	Sq.Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			= \$
The cost approach is not required and has not been deemed necessary to the development of value in this report by the appraiser.	Garage/Carport	Sq.Ft. @ \$	= \$
	Total Estimate of Cost-New		= \$
	Less Physical	Functional	External
	Depreciation		= \$()
	Depreciated Cost of Improvements		= \$
	As-is Value of Site Improvements		= \$
Estimated Remaining Economic Life (HUD and VA only)	Years	INDICATED VALUE BY COST APPROACH	= \$ 24,000

PROJECT INFORMATION FOR PUDs (if applicable)

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

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

Legal Name of Project

Total number of phases	Total number of units	Total number of units sold
Total number of units rented	Total number of units for sale	Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data Source

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.

Small Residential Income Property Appraisal Report

2010082706

File #

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

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, including each of the units. 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.

Small Residential Income Property Appraisal Report

2010082706

File #

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, including all units. 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 and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, 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.

Small Residential Income Property Appraisal Report

2010082706

File #

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

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

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

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

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

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

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

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

APPRAISER Mark Verrett

Signature 
 Name Mark E. Verrett
 Company Name Acorn Appraisals Associates
 Company Address 11500 Northwest Freeway Ste 500, Houston,
TX 77092
 Telephone Number (713) 681-8878
 Email Address mverrett@oak-acorn.com
 Date of Signature and Report September 02, 2010
 Effective Date of Appraisal 09/01/2010
 State Certification # 1337270-G
 or State License # _____
 or Other (describe) _____ State # _____
 State TX
 Expiration Date of Certification or License 1/31/2011

ADDRESS OF PROPERTY APPRAISED

12214 Troulon Dr
Houston, TX 77072-4828

APPRAISED VALUE OF SUBJECT PROPERTY \$ 50,000

LENDER/CLIENT

Name _____
 Company Name David Bejat
 Company Address _____

 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 _____

Small Residential Income Property Appraisal Report

2010082706

File #

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	12214 Troulon Dr Houston, TX 77072-4828	12218 Troulon Houston, TX 77072			12715 - 17 Bexley Dr Houston, TX 77099			12668 Ashford Meadow Dr Houston, TX 77082		
Proximity to Subject		0.01 miles			0.77 miles SW			3.26 miles N		
Sale Price	\$ N/A	\$ 55,000			\$ 57,000			\$ 55,000		
Sale Price/Gross Bldg. Area	\$ sq.ft.	\$ 22.90 sq.ft.			\$ 24.74 sq.ft.			\$ 30.09 sq.ft.		
Gross Monthly Rent	\$ 1,700	\$ 1,600			\$ 1,500			\$ 1,300		
Gross Rent Multiplier		34.38			38.00			42.31		
Price per Unit	\$	\$ 27,500			\$ 28,500			\$ 27,500		
Price per Room	\$	\$ 5,500			\$ 7,125			\$ 6,875		
Price per Bedroom	\$	\$ 9,167			\$ 14,250			\$ 13,750		
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Data Source(s)		MLS#88769262/Tax Record			MLS#82014744/Tax Record			MLS#46386574/Tax Record		
Verification Source(s)		DOM:149			DOM:9			Inspection/DOM:18		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment			
Sale or Financing Concessions		Cash Sale None Noted		Conv-Foreclosr None Noted		Listing Listing				
Date of Sale/Time		12/15/2009		09/25/2009		Listing	-1,600			
Location	Catalina West	Catalina		Brookfield		Meadows On The Mews				
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple				
Site	7,150 Sq.Ft.	6,820 Sq Ft		6,003 Sq Ft		1,420 Sq Ft	+5,000			
View	Residential	Residential		Residential		Residential				
Design (Style)	Duplex	Duplex		Duplex		Duplex				
Quality of Construction	Average	Average		Average		Average				
Actual Age	38 Years	38 Years		35 Years		29 Years				
Condition	Fair	Fair		Fair		Average	-10,000			
Gross Building Area	2,030	2,402	-3,720	2,304	-2,740	1,828	+2,020			
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths				
Unit # 1	4 2 1	5 3 2	-1,000	4 2 1		4 2 1				
Unit # 2	4 2 1	5 3 2	-1,000	4 2 1		4 2 1				
Unit # 3										
Unit # 4										
Basement Description	None	None		None		N/A				
Basement Finished Rooms	None	None		None		None				
Functional Utility	Average	Average		Average		Average				
Heating/Cooling	Central Air & Heat	Central Air & Heat		Central Air & Heat		Central Air & Heat				
Energy Efficient Items	Typical	Typical		Typical		Typical				
Parking On/Off Site	Uncovered	Uncovered		Uncovered		Uncovered				
Porch/Patio/Deck	Porch, Patio	Porch, Patio		Porch, Patio		Porch, Patio				
Fireplace	N/A	N/A		N/A		N/A				
Fence/Pool	Fence	Fence		Fence		Fence				
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -5,720	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -2,740	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -4,580			
Adjusted Sale Price of Comparables		Net Adj. 10.4 % Gross Adj. 10.4 %	\$ 49,280	Net Adj. 4.8 % Gross Adj. 4.8 %	\$ 54,260	Net Adj. 8.3 % Gross Adj. 33.9 %	\$ 50,420			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 24,640		\$ 27,130		\$ 25,210				
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 4,928		\$ 6,783		\$ 6,303				
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 8,213		\$ 13,565		\$ 12,605				
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 # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6						
Date of Prior Sale/Transfer	None	None	None	None						
Price of Prior Sale/Transfer	None	in the past 12 months	in the past 12 months	in the past 12 months						
Data Source(s)	See Below	MLS	MLS	MLS						
Effective Date of Data Source(s)	09/01/2010	09/01/2010	09/01/2010	09/01/2010						
Analysis of prior sale or transfer history of the subject property and comparable sales										
Analysis/Comments										

Small Residential Income Property Appraisal Report

2010082706

File #

FEATURE	SUBJECT	COMPARABLE SALE # 7	COMPARABLE SALE # 8	COMPARABLE SALE # 9			
Address	12214 Troulon Dr Houston, TX 77072-4828	12215 Troulon Dr Houston, TX 77072					
Proximity to Subject		0.03 miles S					
Sale Price	\$ N/A	\$ 60,000	\$	\$			
Sale Price/Gross Bldg. Area	\$ sq.ft.	\$ 27.50 sq.ft.	\$ sq.ft.	\$ sq.ft.			
Gross Monthly Rent	\$ 1,700	\$ 1,275	\$	\$			
Gross Rent Multiplier		47.06					
Price per Unit	\$	\$ 30,000	\$	\$			
Price per Room	\$	\$ 7,500	\$	\$			
Price per Bedroom	\$	\$ 15,000	\$	\$			
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)		MLS#27593086/Tax Record					
Verification Source(s)		Inspection/DOM:19					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing		Listing					
Concessions		Listing					
Date of Sale/Time		Listing	-1,800				
Location	Catalina West	Catalina West					
Leasehold/Fee Simple	Fee Simple	Fee Simple					
Site	7,150 Sq.Ft.	6,380 Sq Ft					
View	Residential	Residential					
Design (Style)	Duplex	Duplex					
Quality of Construction	Average	Average					
Actual Age	38 Years	38 Years					
Condition	Fair	Average	-10,000				
Gross Building Area	2,030	2,182	-1,520				
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Unit # 1	4 2 1	4 2 1					
Unit # 2	4 2 1	4 2 1					
Unit # 3							
Unit # 4							
Basement Description	None	N/A					
Basement Finished Rooms	None	None					
Functional Utility	Average	Average					
Heating/Cooling	Central Air & Heat	Central Air & Heat					
Energy Efficient Items	Typical	Typical					
Parking On/Off Site	Uncovered	Uncovered					
Porch/Patio/Deck	Porch, Patio	Porch, Patio					
Fireplace	N/A	N/A					
Fence/Pool	Fence	Fence					
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -13,320	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$
Adjusted Sale Price of Comparables		Net Adj. 22.2 % Gross Adj. 22.2 %	\$ 46,680	Net Adj. % Gross Adj. %	\$	Net Adj. % Gross Adj. %	\$
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 23,340	\$	\$	\$	\$	\$
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 5,835	\$	\$	\$	\$	\$
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 11,670	\$	\$	\$	\$	\$
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 # 7	COMPARABLE SALE # 8	COMPARABLE SALE # 9			
Date of Prior Sale/Transfer	None	None					
Price of Prior Sale/Transfer	None	in the past 12 months					
Data Source(s)	See Below	MLS					
Effective Date of Data Source(s)	09/01/2010	09/01/2010					
Analysis of prior sale or transfer history of the subject property and comparable sales							
Analysis/Comments							

Supplemental Addendum

File No.

Borrower/Client	Jdmb Realty Lp			
Property Address	12214 Troulon Dr			
City	Houston	County	Harris	State TX Zip Code 77072-4828
Lender	David Balat			

FEMA FLOOD ZONE DETERMINATION

The location of the subject relative to 100 year flood plain has been estimated using the data available. This can be considered only an estimate and it is the clients responsibility to make the 100 year flood zone determination using the survey that is performed by a qualified and licensed survey engineer.

LEAD BASED PAINT

The subject was built prior to 1978 and may contain lead based paint. The appraiser is not qualified to determine the presence or absence of lead based paint and the client should employ a qualified lead based paint inspector to determine the presence of this hazardous substance.

DEED RESTRICTIONS

The subject is in an area where property use and building specifications are controlled by deed restrictions established by the developer at the time the subdivision was originally developed. No zoning is very common in Harris and surrounding counties, and subdivisions commonly define and maintain conformity of use via deed restrictions which are specified and filed with each sale and resale. Deed restrictions are enforced by the developer while they are in control of the subdivision, and then enforced by the home owners association when the development matures. Deed restrictions are the most common method of controlling development and property use in the Greater Houston SMSA and are recognized and accepted by the market as a proven method of promoting and supporting property use and values.

ADJUSTMENTS DISCUSSION

Concessions - Several of the comparables were sold with the seller agreeing to make minor repairs and/or pay a portion of the buyers closing costs as a condition of sale. I estimated a cash equivalency adjustment to allow for this difference which was applied to all sales.

Listing - Comps 7 and 8 were listings. Houses in this neighborhood typically sell for 97% of their list price so we made a 3% adjustment to account for this.

Date of Sale - Some of the comps sold more than six months from the time of inspection but were included due to the lack of comparable sales in this market. Market data suggests that a time adjustment is not warranted for homes which have sold less than a year ago. Therefore, no time adjustment has been applied. The comps selected are the most similar and recent sales available in this market.

Site - Several of the sales had a different lot size compared to the subject. I estimated an adjustment based on lot sales in the area and the theory of diminishing marginal utility to allow for this difference.

Age - Some of the comps had a different actual age than the subject. All comps were perceived to have the same effective age so no adjustment was made.

Condition - The subject was considered to be in fair condition while several of the sales were considered to be in average condition. I estimated an adjustment to allow for this difference.

Room Count - It was not possible from the sales researched for this study to determine a market value for either a full or half bath using paired data analysis. We selected a value of \$500 for a half bath and \$1,000 for a full bath to adjust for these features. These values are within the range of values we observe in single family residences of similar quality of construction.

Gross Livable Area - It was not possible to determine a reasonable adjustment for size differences from the data collected for this study. Studies of similar quality of construction and similar age homes which we have recently completed indicate an adjustment range between \$10 and \$25 per square foot. We selected \$10 per square foot as our size adjustment.

Garage - It was not possible to extract an adjustment for this feature using paired data analysis. I estimated a contributory value for this feature based my experience with homes in this market with similar features to arrive at this adjustment.

ADDITIONAL COMMENTS

No sold within the past 90 days. Multifamily sales in the Houston market area have been limited in the past 6 months. No sales were available in the past 90 days.

Unless otherwise noted, at least 2 of the comparables were verifiable through MLS as arm's length transactions.

County records show the subject has having a GLA of 2,002 square feet while our measurements indicate a GLA of 2,030 square feet. This variance is considered both minor and typical in this market area. I consider our measurements to be most accurate.

The final value estimate for the subject property does not represent the predominant value for residential properties in this market area, as shown on page 1 of the report. The subject's value is 11% below the predominant value because of condition. The subject property is within the stated price range for homes in this area; and the fact that the subject property does not represent the predominant value has no adverse effect on the subject's value or marketability. The subject is considered to be neither an over improvement of an under improvement.

Comps 2, 3, 6, and 7 exceeded line adjustments. The line adjustments exceeded the 10% guideline due to line item adjustments for condition. Comparable sales with similar features were limited. These sales were considered to be the best available as of the effective date of this report.

Comps 3 and 7 exceeded net adjustments. The net adjustments exceeded the 15% guideline due to line item adjustments for condition. Comparable sales with similar features were limited. These sales were considered to be the best available as of the effective date of this report.

Comps 2 and 6 exceeded gross adjustments. The gross adjustments exceeded the 25% guideline due to line item adjustments

Supplemental Addendum

File No.

Borrower/Client	Jdmb Realty Lp			
Property Address	12214 Troulon Dr			
City	Houston	County	Harris	State TX Zip Code 77072-4828
Lender	David Balat			

for condition. Comparable sales with similar features were limited. These sales were considered to be the best available as of the effective date of this report.

Comps 2 and 6 exceed the one mile proximity guideline. It was necessary to use sales outside of this range because of limited sales in the subject's immediate market area.

The subject property was vacant at the time of our walkthrough. The utilities were off at the time of our walkthrough.

The subject property can be rebuilt if destroyed.

The subject property is served by police and paid or volunteer fire protection.

The subject tract has no agricultural exemptions or agricultural activity on the property. The property is not a working farm or income producing property through these means.

Nearly every window of the subject property was broken, each front door was warped, the gutters were missing or damaged, badly stained carpet, holes were noted in the sheetrock walls in both unit, the kitchen flooring was at the end of its economic life, and the subject's fencing was damaged. I estimated a conservative cost to cure these deferred maintenance items to be \$7,900.

• **Small Income : Subject - Data Source(s), Offering Price(s), Date(s)**

According to MLS # 922386, the subject was listed on 05/16/2008 for \$127,500, lowered to \$126,900 on 05/19/2008, lowered to \$119,900 on 06/17/2008, lowered to \$110,000 on 08/11/2008, lowered to \$99,999 on 08/16/2008, lowered to \$88,900 on 09/09/2008, raised to \$95,000 on 01/12/2009 before expiring on 10/01/2009.

Market Conditions Addendum to the Appraisal Report

File No.

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 12214 Troulon Dr City Houston State TX ZIP Code 77072-4828

Borrower Jdmb Realty Lp

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)	10	6	2	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.67	2.00	0.67	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	None	None	12	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	None	None	17.9	<input type="checkbox"/> Declining	<input checked="" 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	56,075	56,500	82,500	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	22.5	19.5	100	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	None	None	80,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	None	None	85	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100	97	97	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" 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.). Several of the comparables were sold with the seller agreeing to make minor repairs and/or pay a portion of the buyers closing costs as a condition of sale. Such concessions are common in this market. The amount of seller contributions appear to be stable.

Our MLS does not provide the capability of producing historical active listing data therefore we have put None for months 7-12 and 4-6.

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).

Cite data sources for above information. har.com

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 subject's market is stable. According to the data above, the median days on market ranged from 19.5 - 100 which would indicate a marketing time of (under 3 months, between 3-6 months, greater than 6 months). A total of 18 comparable sales occurred in the past year and 12 are currently listed for sale. These stats would indicate an absorption rate of 1.6 (total sales/12 months) and a existing inventory of 7.5 months (# of listings/ absorption rate). Typical inventory in the Houston MSA is 3-12 months which would indicate that the subject's market is in balance.

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.

Signature *Mark E. Verrett*
 Appraiser Name Mark E. Verrett
 Company Name Acorn Appraisals Associates
 Company Address 11500 Northwest Freeway Ste 500, Houston, TX 77
 State License/Certification # 1337270-G State TX
 Email Address mverrett@oak-acorn.com

Signature
 Supervisory Appraiser Name
 Company Name
 Company Address
 State License/Certification # State
 Email Address

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year-such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 200 ea. /	15 Yrs. x	2 Units = \$ 26.67	\$
Refrigerators	@ \$ 300 ea. /	15 Yrs. x	2 Units = \$ 40.00	\$
Dishwashers	@ \$ 400 ea. /	15 Yrs. x	2 Units = \$ 53.33	\$
A/C Units	@ \$ 2,000 ea. /	15 Yrs. x	2 Units = \$ 266.67	\$
C. Washer/Dryers	@ \$ ea. /	Yrs. x	Units = \$	\$
HW Heaters	@ \$ 500 ea. /	15 Yrs. x	2 Units = \$ 66.67	\$
Furnace(s)	@ \$ 350 ea. /	15 Yrs. x	2 Units = \$ 46.67	\$
(Other)	@ \$ ea. /	Yrs. x	Units = \$	\$
Roof	@ \$ /	Yrs. x One Bldg. =	\$	\$
Carpeting (Wall to Wall)				
(Units)	300 Total Sq. Yds. @ \$ 1.63 Per Sq. Yd. /	10 Yrs.	= \$ 49	\$
(Public Areas)	Total Sq. Yds. @ \$ Per Sq. Yd. /	Yrs.	= \$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 549.01	\$

Operating Income Reconciliation

\$ 40,800	-	\$ 3,407	=	\$ 37,393	/ 12 =	\$ 3,116
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ 3,116	-	Monthly Housing Expense	=	Net Cash Flow		
Monthly Operating Income						

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the subject property to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's primary residence to the borrower's stable monthly income.

Appraiser's Comments (Including sources for data and rationale for the projections)

The owner provided certain skeleton information on the income and expenses of the property. We augmented those data with market rents, vacancy, taxes and maintenance expense, reserves for replacement based our previous experience with similar properties.

Mark E Verrett
Appraiser Name

Mark E Verrett
Appraiser Signature

September 02, 2010
Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name

Underwriter Signature

Date

Subject Photo Page

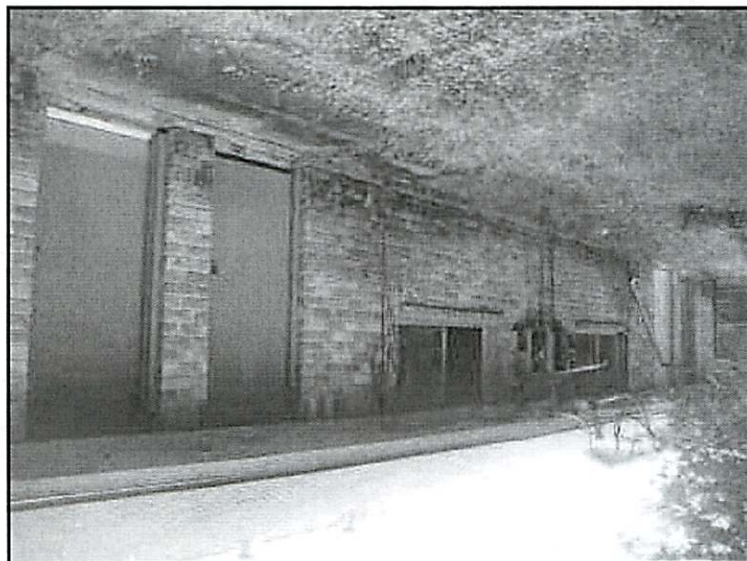
Borrower/Client	Jdmb Realty Lp
Property Address	12214 Troulon Dr
City	Houston
Lender	David Balat
State	TX
County	Harris
Zip Code	77072-4828

Subject Front

12214 Troulon Dr
 Sales Price N/A
 G.B.A. 2,030
 Age 38 Years



Subject Rear



Subject Street

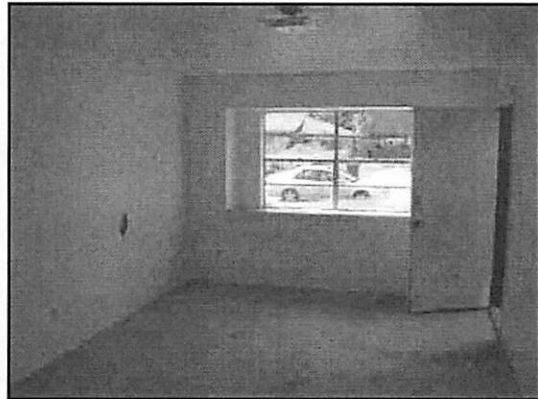


Subject Photograph Addendum

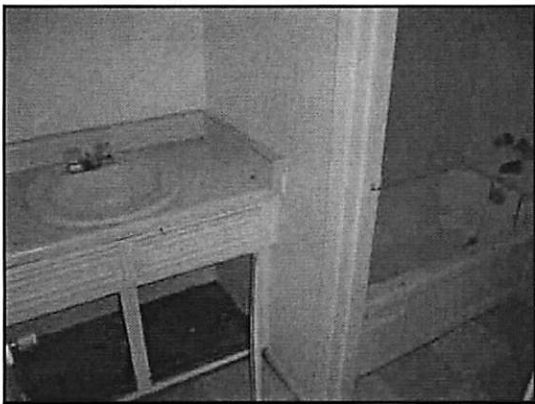
Borrower/Client	Jdmb Realty Lp						
Property Address	12214 Troulon Dr						
City	Houston	County	Harris	State	TX	Zip Code	77072-4828
Lender	David Balat						



Kitchen 12214



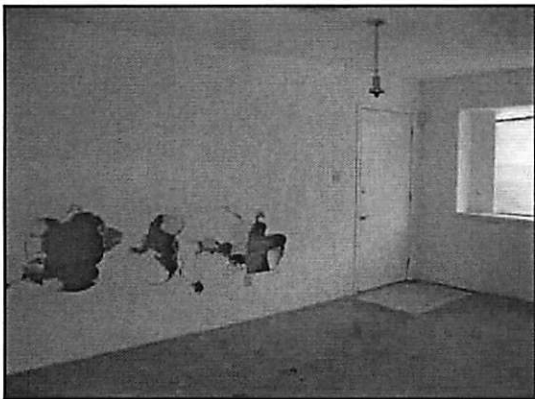
Family Room 12214



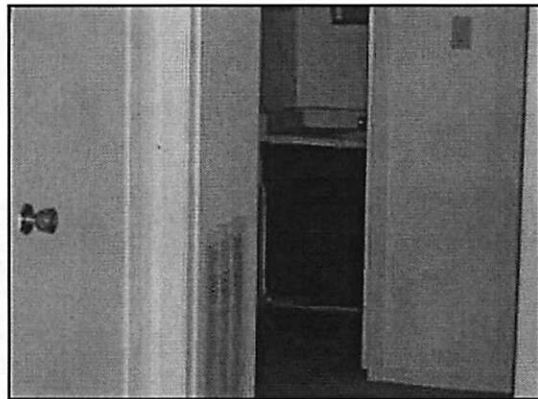
Bath 12214



Kitchen 12216



Family Room 12216



Bath 12216

Photograph Addendum

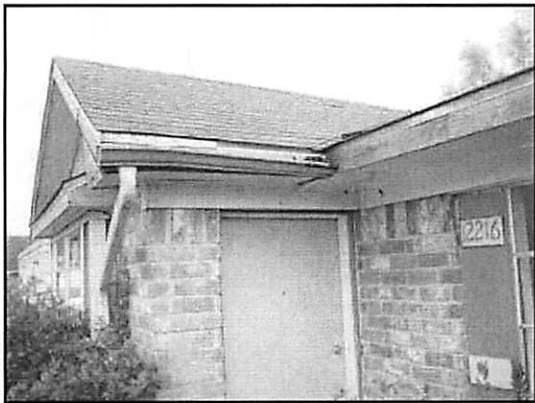
Borrower/Cient	Jdmb Realty Lp				
Property Address	12214 Troulon Dr				
City	Houston	County Harris	State TX	Zip Code	77072-4828
Lender	David Balat				



Broken Windows



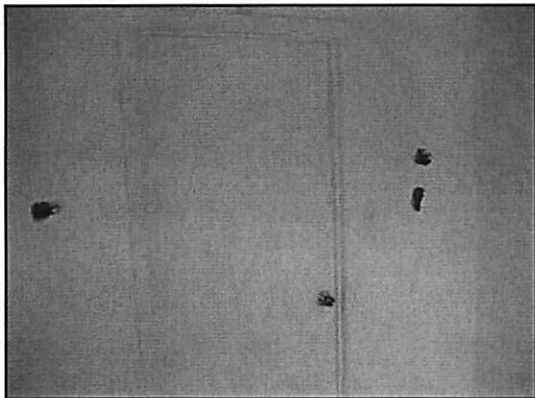
Warped Doors



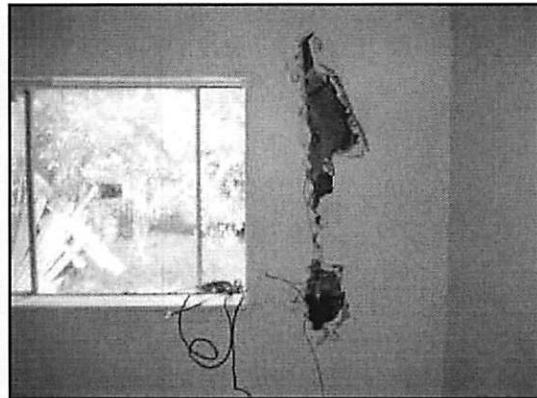
Missing and Damaged Gutters



Stained Carpet



Sheetrock Holes



Sheetrock Holes

Photograph Addendum

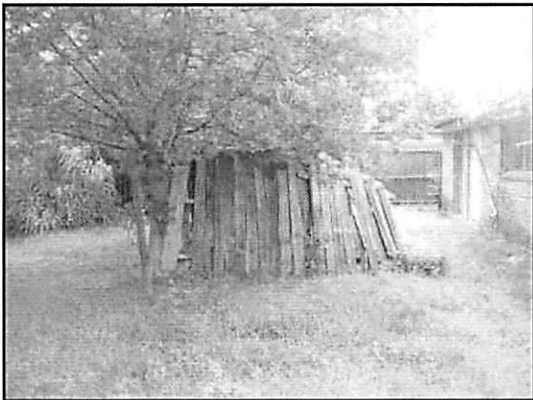
Borrower/Client	Jdmb Realty Lp				
Property Address	12214 Troulon Dr				
City	Houston	County	Harris	State	TX
				Zip Code	77072-4828
Lender	David Balat				



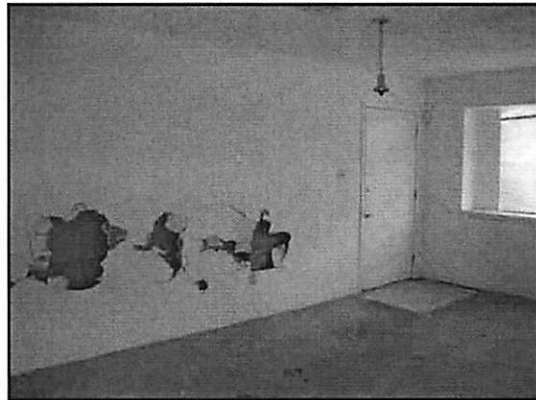
Kitchen Flooring



Sheetrock Holes



Fence



Sheetrock Holes

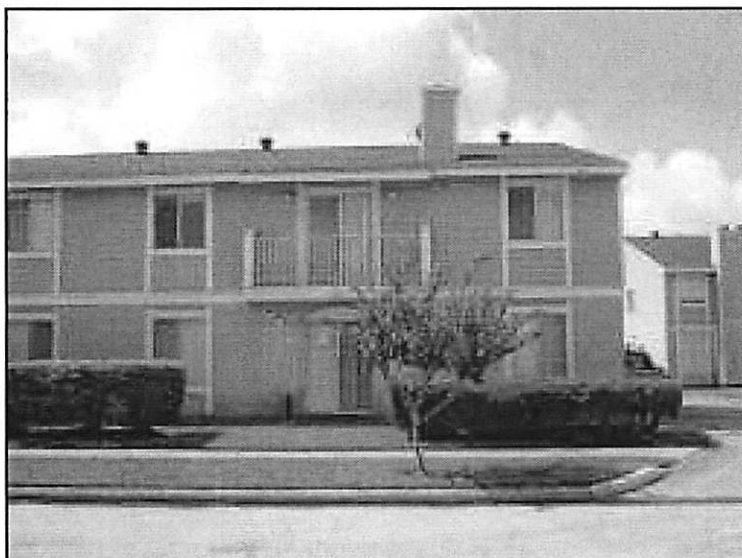
Comparable Photo Page

Borrower/Client	Jdmb Realty Lp						
Property Address	12214 Troulon Dr						
City	Houston	County	Harris	State	TX	Zip Code	77072-4828
Lender	David Balat						



Comparable 1

8113 Beech Cove Ln
 Sales Price 60,000
 G.B.A. 2,402
 Age/Yr.Blt. 38 Years



Comparable 2

12623 Ashford Meadow Dr
 Sales Price 53,000
 G.B.A. 1,828
 Age/Yr.Blt. 29 Years



Comparable 3

12734 Shannon Hills Dr
 Sales Price 60,000
 G.B.A. 2,304
 Age/Yr.Blt. 35 Years

Comparable Photo Page

Borrower/Client	Jdmb Realty Lp		
Property Address	12214 Troulon Dr		
City	Houston	County	Harris
		State	TX
		Zip Code	77072-4828
Lender	David Balat		

**Comparable 4**

12218 Troulon
 Sales Price 55,000
 G.B.A. 2,402
 Age/Yr.Blt. 38 Years

**Comparable 5**

12715 - 17 Bexley Dr
 Sales Price 57,000
 G.B.A. 2,304
 Age/Yr.Blt. 35 Years

**Comparable 6**

12668 Ashford Meadow Dr
 Sales Price 55,000
 G.B.A. 1,828
 Age/Yr.Blt. 29 Years

Comparable Photo Page

Borrower/Client	Jdmb Realty Lp			
Property Address	12214 Troulon Dr			
City	Houston	County Harris	State TX	Zip Code 77072-4828
Lender	David Balat			

**Comparable 7**

12215 Troulon Dr
Sales Price 60,000
G.B.A. 2,182
Age 38 Years

Comparable 8

Sales Price
G.B.A.
Age

Comparable 9

Sales Price
G.B.A.
Age

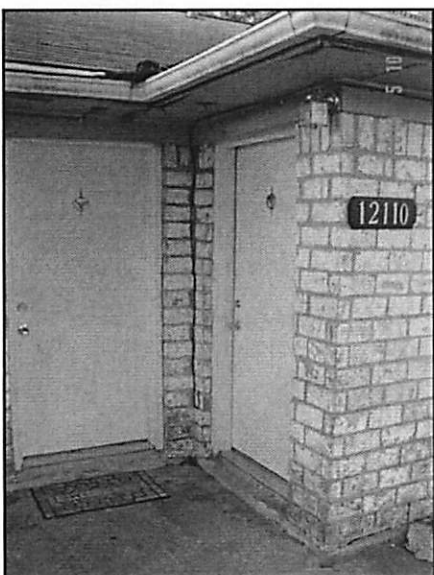
Rental Photo Page

Borrower/Client	Jdmb Realty Lp			
Property Address	12214 Troulon Dr			
City	Houston	County	Harris	State TX
Lender	David Balat	Zip Code	77072-4828	



Rental 1

12212 Troulon Dr
 Prox. to Subj. 0.05 miles E
 G.B.A. 1,015
 Age 38 Years



Rental 2

12110 White Cap Ln
 Prox. to Subj. 0.21 miles NE
 G.B.A. 1,015
 Age 38 Years

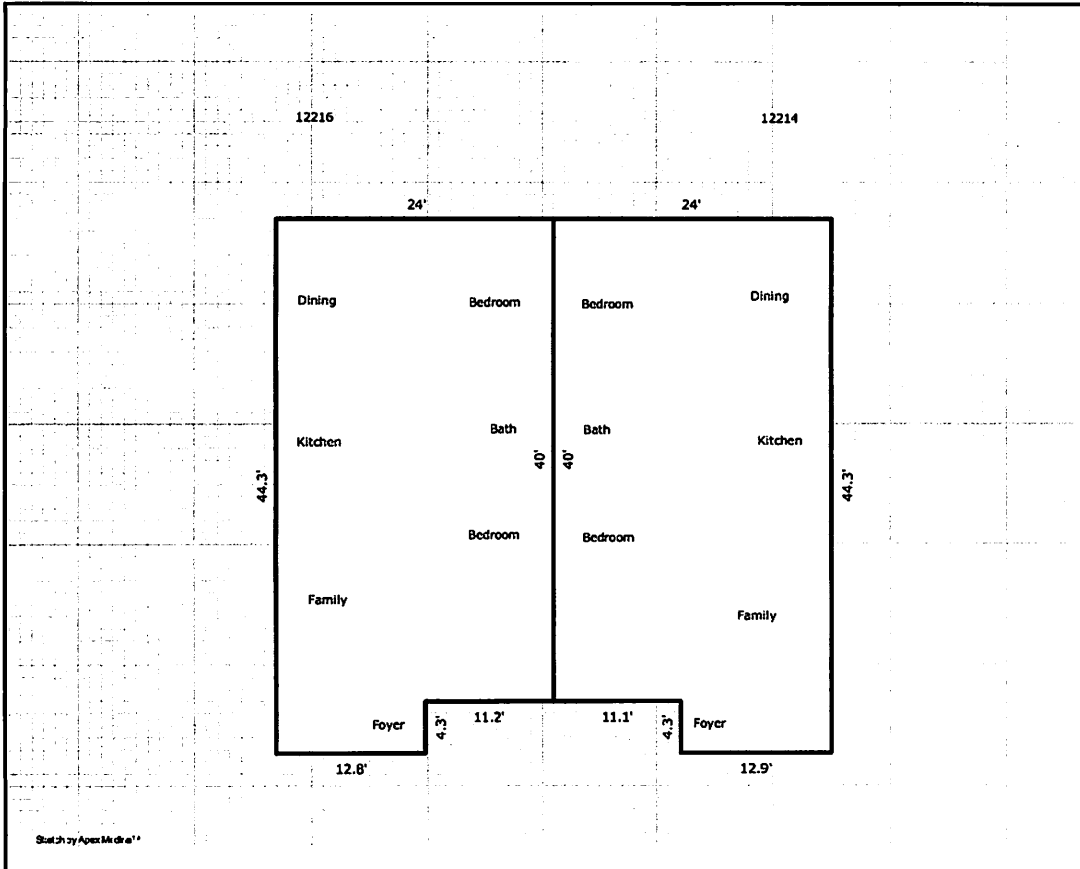


Rental 3

12204 White Cap Ln
 Prox. to Subj. 0.17 miles N
 G.B.A. 1,015
 Age 37 Years

Building Sketch

Borrower/Client	Jdmb Realty Lp			
Property Address	12214 Troulon Dr			
City	Houston	County Harris	State TX	Zip Code 77072-4828
Lender	David Balat			



Comments:

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN		
Code	Description	Net Size	Net Totals	Breakdown		Subtotals
GA1	Unit B	1015.0	2030.5	Unit B	24.0 x 40.0	960.0
	Unit A	1015.5		Unit A	4.3 x 12.8	55.0
				Unit A	24.0 x 40.0	960.0
					4.3 x 12.9	55.5
Net LIVABLE Area		(rounded)	2031	4 Items	(rounded)	2031

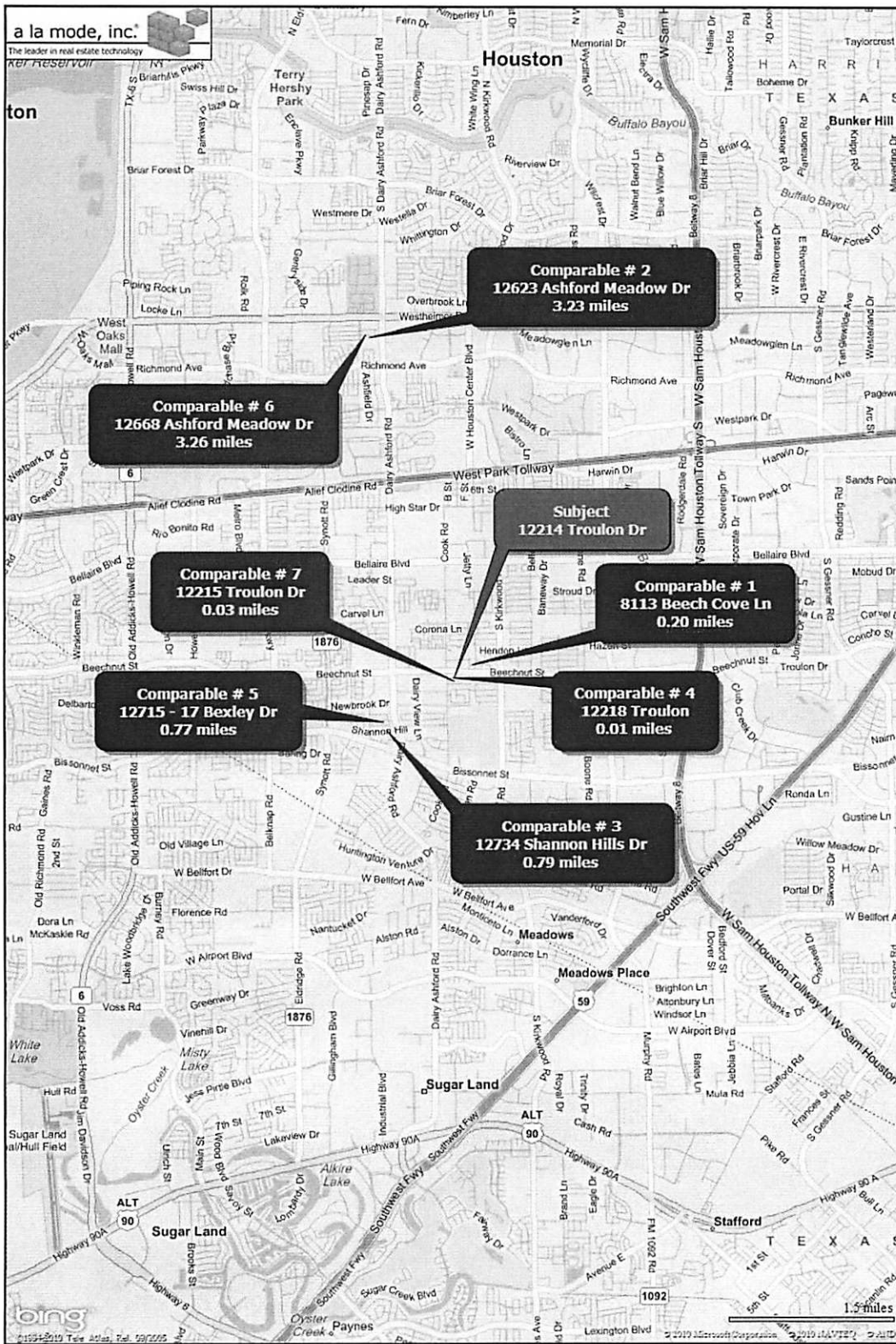
Location Map

Borrower/Client	Jdmb Realty Lp			
Property Address	12214 Troulon Dr			
City	Houston	County Harris	State TX	Zip Code 77072-4828
Lender	David Balat			



Comparable Sales Map

Borrower/Client	Jdmb Realty Lp		
Property Address	12214 Troulon Dr		
City	Houston	County Harris	State TX Zip Code 77072-4828
Lender	David Balat		



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 considers his 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 judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following 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. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report 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 the appraisal report whether 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.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. 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 completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to 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 the estimate of market value in the appraisal report on the race, color, religion, sex, 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.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity 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 as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of 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 the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 12214 Troulon Dr, Houston, TX 77072-4828

APPRAISER:

Signature: *Mark E. Verfett*
 Name: Mark E. Verfett
 Date Signed: September 02, 2010
 State Certification #: 1337270-G
 or State License #: _____
 State: TX
 Expiration Date of Certification or License: 1/31/2011

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Appraiser License

Borrower/Client	Jdmb Realty Lp		
Property Address	12214 Toulon Dr		
City	Houston	County	Harris
Lender	David Balat	State	TX
		Zip Code	77072-4828



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

MARK EDWARD VERRETT

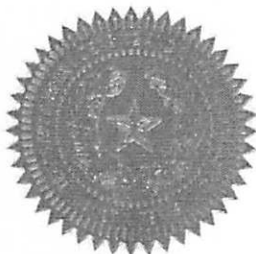
HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED
BY THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
TEXAS OCCUPATIONS CODE, CHAPTER 1103,
IS AUTHORIZED TO USE THE TITLE

**STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER**

Number: TX-1337270-G


Date of Issue: January 8, 2009

Date of Expiration: January 31, 2011


In Witness Whereof

Clinton P. Sayers, Chair
Malcolm J. Deason
Dona S. Scurry

James B. Ratliff, Vice-Chair
William A. Faulk, Jr.
Shirley J. Ward



Clinton P. Sayers, Chair



Timothy K. Irvine, Commissioner

Mark A. McAnally, Secretary
Larry D. Kokel