COMMERCIAL PROPERTY INSPECTION REPORT

Address: 16910 Dallas Parkway Suite 116  Address: 2001 Ross Ave Suite 3300
City/State/Zip: Dallas, TX 75248  City/State/Zip: Dallas, TX 75201
Telephone #: 214-738-8830  Telephone #: 678-525-5075
Inspector (Print): Andy Miguez  Contact Name: Buddy Weinblatt

Asset Number: 10162001458  Property Name: 2701 Howard Street
Inspection Date: 10/14/10  (mm/dd/yyyy)  Address: 2701 Howard Street
FDIC Contact:  2701 Howard Street  City/State/Zip: Port Huron, MI 48060
GEO Location  Latitude: N42.97  Longitude: W82.45

General Information

Property Type: COMMERCIAL PROPERTY INCLUDING HOTELS, OFFICE BUILDINGS, APARTMENTS, INDUSTRIAL WAREHOUSES AND MANUFACTURING FACILITIES.
Land Area: N/O
Structural Improvements: 16,275+/- sq ft of retail/warehouse space and maintenance bays
Building Area: 16,275+/- sq ft
Number of Units: 1
Known or Observed Code Violations: none observed
Known or Observed Environmental Conditions:
(Check for Spills, Contaminated Soil, Chemicals) none
(Check for Asbestos Tile, Insulation, etc.) none
(Check for Fuel Tanks Above or Below Ground) none
(Check for Landfills & Environmental Hazard Signs) none
Photos Taken and Submitted? yes (Y/N)
Name of on-site Property Manager: Andy Miguez, 214-738-8830

Comments:
Cleanup has been completed (photos provided)
List all parties with access to or possession of keys or lockbox combinations:
A.R.T. Asset Management  6753
Are all structures secured? yes (Y/N)
Is the property winterized? No (Y/N)
If not secured or winterized, list all security issues that need corrective action:
property has been recently vacated and will be winterized prior to winter if not sold.

Inspected By: Andy Miguez (Sign)
Inspection Date: 10/14/10
Occupancy

Is the Property occupied, vacant/open, vacant/locked, boarded?  vacant/locked

What is the property's condition? (Good, Fair, Poor):  fair

Occupant(s) - List tenants or other occupants by unit number (List all units and indicate if vacant):

<table>
<thead>
<tr>
<th>Name</th>
<th>Unit Number</th>
<th>Phone Number</th>
<th>Tenant/Previous Debtor</th>
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(If more occupants are present, attach additional Pages)

Comments:

Previous tenant/Matt Orlick phone number 586-747-3598

I. PROPERTY DESCRIPTION

Briefly Describe the Property:

Single level retail space and warehouse facility. Property contains an extended front parking area previously used for a commercial truck rental space. Signs in front indicate "P & M Trucking" truck rental. The most recent business was a recycling center. Property is located on the north side of Howard Street. There is also vacant land adjacent to the improved facility.

II. EXTERIOR OF THE STRUCTURE(S)

A. Structure(s)
   i. Type:  cinder  
   ii. Condition:  fair

B. Painted Surfaces:
   i. Type:  cinder and wood front panel  
   ii. Condition:  good

C. Foundation:
   i. Type:  concrete slab  
   ii. Condition:  fair

D. Exterior Glass Condition:  intact/good

E. Roofs:
   i. Type:  pitched tar roof with rubber modified over the offices  
   ii. Condition:  fair

F. Air Conditioning Units:
   i. Brands:  Rooftop Carrier  
   ii. Tonnage:  2 90 ton units  
   iii. Condition:  good
II. EXTERIOR OF THE STRUCTURE(S) CONT’D

G. Shipping or Loading Docks:
i. Type: garage bay doors
ii. Condition: good

iii. Are loading dock doors secure? yes
Comments: none

H. Type of Water System:
i. Type: city water
ii. Condition: n/o

I. Type of Sewer/Septic System:
i. Type: city
ii. Condition: n/o

J. Parking Lots:
i. Type: asphalt and concrete
ii. Condition: fair

iii. Any Chuck (Pot) Holes? no
iv. Are curbs broken? no
v. Do they need to be seal coated? yes
vi. Do they need to be re-striped? yes
vii. Are there any abandoned vehicles? no
viii. Is there any covered parking? Carports? yes
Comments: parking area in front is decent/rear area is loose gravel

K. Landscaping:
i. Overall condition: fair
ii. Is it neat and clean? yes
iii. Is it adequate? yes/or for an industrial area
iv. Are the beds turned? n/a
v. Are there flowering bed plants? no
vi. Is the property properly watered? n/a
Comments: mowing and trimming has been completed

L. Trash Removal System:
i. Frequency of collection: none discontinued by previous tenant/property is now vacant
ii. Size of containers: none
iii. Are they in good condition? na

M. Signage:
i. Type: CBRE For Sale Sign near the street
ii. Condition: fair/one side was broken and has been partially repaired
iii. Is it adequate for the circumstances? Currently has a CBRE For Sale sign

N. List Exterior Personal Property: none
List Debris Requiring Removal: none

If condition is less than acceptable, describe deficiencies:
n/a

III. INTERIOR OF THE STRUCTURE(S):

A. Vacant Units:
i. How many? 1

ii. Is it shell space or improved space? improved retail/warehouse

iii. Has it been trashed out? no
iv. Is it in showable condition? yes
III. INTERIOR OF THE STRUCTURE(S) CONT’D:

B. Entry Doors:
   i. Type: Glass with metal frame front doors with metal insulated perimeter doors
   ii. Condition: good

C. Interior Walls:
   i. Type: sheetrock false walls and cinder block outer walls
   ii. Condition: good

D. Mechanical System (If Common Utilities) or Systems:
   i. Describe: none
   ii. How many units? na
   iii. Cleanliness: na
   iv. Are there any fire extinguishers? yes
   v. Were any flammable materials stored nearby? none observed

E. Basement:
   i. Is there a Basement? no
   ii. Is it neat and clean? n/a
   iii. Are all items properly stored? n/a
   iv. Are any flammable materials stored there? n/a

F. List Interior Personal Property: none
   List Debris Requiring Removal: none

If condition is less than acceptable, describe deficiencies:

n/a

IV. ADDITIONAL PROPERTY INSPECTION COMMENTS

A. Maintenance Room:
   i. Is there a maintenance room? no
   ii. Is it neat and clean? na
   iii. Are all items properly stored? na
   iv. Are any flammable materials stored there? na
   v. Is there a fire extinguisher? Is it properly installed? na

B. Liability Issues:
   i. Fencing around loading, manufacturing areas, pools, etc.: incomplete fence around perimeter of the property
   ii. Balcony/Catwalk issues: none
   iii. Railing issues: none
   iv. Stair conditions: none
   v. Fire escape issues: none
   vi. Smoke detector issues: not operational

C. Other Notes:
the fencing that is present is in poor condition

D. Location: Located in an industrial area on a side street however, it is not far from I-94, I-69 and Canada
   How Does the Location affect the value? Accessible to major highway makes it good for large business

E. Marketing:
   i. How does the property present itself? Ready For sale
## V. OTHER COMMENTS: (Special Issues)

| Instructions: Fill in all items pertaining to the type of property. If the item does not apply, write N/A. If the information is not obtainable, write N/O. Be as complete as possible and do not abbreviate any response. Use attachments for responses requiring additional space. Use “Enter” key to move around on protected sheet! |

## VI. PICTURES TAKEN

[ Insert hard copies and add pages for file copy OR Attach electronically ]