

Applied Valuations, Inc.
P.O. Box 830861
Richardson, TX 75083-0861

Invoice

Date	Invoice #
8/29/2012	11659

Bill To
Pavillion Bank 1200 W. Campbell Road Richardson, Texas 75080

		Terms	File No.
		Due on receipt	37581206280
Item	Description	Client Contact	Amount
1004 Interim	Megatel Homes, Inc. 2101 Hartley Drive Forney, Texas 75126	Judy Pressel	375.00
Tax ID No. 20-2697110		Payments/Credits	\$0.00
		Balance Due	\$375.00

APPRAISAL OF REAL PROPERTY

LOCATED AT:

2101 Hartley Dr
Lot 18, Block T, Travis Ranch, Phase 3B
Forney, TX 75126

FOR:

Pavillion Bank
1200 West Campbell Road
Richardson, TX 75080

AS OF:

08/30/2012

BY:

Applied Valuations, Inc.
P.O. Box 830861
Richardson, Texas 75083
www.appliedvaluations.com
214-526-1600

Uniform Residential Appraisal Report

File # 37581206280

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.

SUBJECT

Property Address 2101 Hartley Dr City Forney State TX Zip Code 75126
 Borrower Megatel Homes, Inc. Owner of Public Record Ctrngt Travis Ranch II, LLC County Kaufman
 Legal Description Lot 18, Block T, Travis Ranch, Phase 3B
 Assessor's Parcel # 80856 Tax Year 2011 R.E. Taxes \$ 95
 Neighborhood Name Travis Ranch, Phase 3B Map Reference DA 40C.X Census Tract 0502.01
 Occupant Owner Tenant Vacant Special Assessments \$ 0 PUD HOA \$ 495 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) Interim Construction
 Lender/Client Pavillion Bank Address 1200 West Campbell Road, Richardson, TX 75080
 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). MetroTex Multiple Listing Service

CONTRACT

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The proposed subject property is under contract to Angelia Dodd for \$255,000. Only the first two pages of the contract were provided, so it is not known if there are any seller concessions. This appraisal is based on the assumption that there are no seller concessions.
 Contract Price \$ 255,000 Date of Contract 08/01/2012 Is the property seller the owner of public record? Yes No Data Source(s) Kaufman Co. Tax Roll
 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. \$0;; Only the first 2 pages of the contract were provided to the appraiser. It is assumed that there are no seller concessions.

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	50 %		
Built-Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	0 %		
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	75	Low	0	Multi-Family	0 %	
Neighborhood Boundaries SEE ADDITIONAL COMMENTS: NEIGHBORHOOD		275	High	7	Commercial	0 %	
		140	Pred.	4	Other	50 %	

Neighborhood Description SEE ADDITIONAL COMMENTS: NEIGHBORHOOD
 The estimated value of the subject does exceed the predominant value for the neighborhood but is not considered overbuilt as there are larger, more expensive homes nearby. Approximately 50% of the neighborhood is located in parks, schools, and vacant land.
 Market Conditions (including support for the above conclusions) Market conditions are considered to be typical of the Metroplex area, with there being neither an over nor under supply of homes on the market for sale. Based on prior sales in the immediate area, a three to six month marketing period is anticipated. Seller concessions from 1-6% are typical in the subject market and will not be adjusted in the Sales Comparison Approach.

SITE

Dimensions Not Given - Rely on Survey Area 7449 sf Shape Rectangular View N;Res;
 Specific Zoning Classification Single-Family Residential Zoning Description Single-Family Residential
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

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

 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 48257C0040D FEMA Map Date 07/03/2012
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
 Drainage appears adequate. Overall, the site conforms to other properties in the area. A survey and title policy are recommended for final determination of hazards, easements and encroachments.

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Conc. Slab/ New	Floors	CT/Cpt/HW / New
# of Stories 2	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	WF/BV/Stone/New	Walls	Drywall / New
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface	Comp / New	Trim/Finish	Wood / New
<input type="checkbox"/> Existing <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Alum. / New	Bath Floor	Tile / New
Design (Style) Trad./Good	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Dbl. Pane / New	Bath Wainscot	Tile / New
Year Built 2012	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 0	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes / New	<input checked="" type="checkbox"/> Driveway	# of Cars 0
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # 0	Driveway Surface	Concrete
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" type="checkbox"/> Fence Wood	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Cov.	<input checked="" type="checkbox"/> Porch Cov.	<input type="checkbox"/> Carport	# of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input type="checkbox"/> Att.	<input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: 9 Rooms 4 Bedrooms 4.0 Bath(s) 3,178 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). The subject property will have typical energy efficient items for a home built in 2012.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C1;No updates in the prior 15 years;The subject property is proposed construction that will be built in 2012 and is considered to be in new overall condition.

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

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

Uniform Residential Appraisal Report

File # 37581206280

There are 17 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 239,712 to \$ 400,000 .

There are 13 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 222,000 to \$ 274,775 .

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	2101 Hartley Dr Forney, TX 75126	1009 Morris Ranch Ct Forney, TX 75126			1115 Somerset Cir Forney, TX 75126			1121 Somerset Cir Forney, TX 75126		
Proximity to Subject		0.66 miles S			3.74 miles SE			3.66 miles SE		
Sale Price	\$ 255,000	\$ 222,000			\$ 249,000			\$ 275,000		
Sale Price/Gross Liv. Area	\$ 80.24 sq.ft.	\$ 72.72 sq.ft.			\$ 88.11 sq.ft.			\$ 74.53 sq.ft.		
Data Source(s)		MLS/Tax Rolls;DOM 34			MLS/Tax Rolls;DOM 0			MLS/Tax Rolls;DOM 19		
Verification Source(s)		MLS #11717189			MLS #11782715			MLS #11704014		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sales or Financing Concessions		ArmLth FHA;4000		ArmLth Conv;0		ArmLth FHA;8000		ArmLth FHA;8000		
Date of Sale/Time		s04/12;c03/12		s07/12;c06/12		s03/12;c01/12		s03/12;c01/12		
Location	N;Res;	N;Res;		B;Res;	-10,000	B;Res;		B;Res;	-10,000	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple		
Site	7449 sf	5724 sf	+3,500	7841 sf	0	7841 sf	0	7841 sf	0	
View	N;Res;	N;Res;		N;Res;		N;Res;		N;Res;		
Design (Style)	Trad./Good	Trad./Good		Trad./Good		Trad./Good		Trad./Good		
Quality of Construction	Q2	Q3	+15,000	Q2		Q2		Q2		
Actual Age	0	0		0		4	+8,000	4	+8,000	
Condition	C1	C1		C1		C2	+5,000	C2	+5,000	
Above Grade Room Count	Total Bdrms. Baths 9 4 4.0	Total Bdrms. Baths 7 3 2.1	+9,000	Total Bdrms. Baths 8 4 3.0	+6,000	Total Bdrms. Baths 9 4 4.0		Total Bdrms. Baths 9 4 4.0		
Gross Living Area	3,178 sq.ft.	3,053 sq.ft.	+5,000	2,826 sq.ft.	+14,100	3,690 sq.ft.	-20,500	3,690 sq.ft.	-20,500	
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf		0sf		
Functional Utility	Average	Average		Average		Average		Average		
Heating/Cooling	Central	Central		Central		Central		Central		
Energy Efficient Items	Average	Average		Average		Average		Average		
Garage/Carport	2-Car Garage	2-Car Garage		2-Car Garage		3-Car Garage	-5,000	3-Car Garage	-5,000	
Porch/Patio/Deck	Cov.Porch/Cov.Patio	Cov.Porch/Cov.Patio		Cov.Porch/Cov.Patio		Cov.Porch/Cov.Patio		Cov.Porch/Cov.Patio		
Fireplace	1 Fireplace	1 Fireplace		1 Fireplace		1 Fireplace		1 Fireplace		
Swimming Pool / Fence	Fence/Sprinkler	Fence/Sprinkler		Fence/Sprinkler		Fence/Sprinkler		Fence/Sprinkler		
Other Improvements/Upgrades	Granite/Stnls/HW	Granite/Stnls/HW		Granite/Stnls/HW		Granite/Stnls/HW		Granite/Stnls/HW		
Net Adjustment (Total)		⊗ + □ -	\$ 32,500	⊗ + □ -	\$ 10,100	□ + ⊗ -	\$ -22,500	□ + ⊗ -	\$ -22,500	
Adjusted Sale Price of Comparables		Net Adj. 14.6 % Gross Adj. 14.6 %	\$ 254,500	Net Adj. 4.1 % Gross Adj. 12.1 %	\$ 259,100	Net Adj. 8.2 % Gross Adj. 17.6 %	\$ 252,500	Net Adj. 8.2 % Gross Adj. 17.6 %	\$ 252,500	

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) **MLS / County Tax Rolls / Deed Records**

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) **MLS / County Tax Rolls**

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

ITEM	SUBJECT	COMPARABLE SALE #1			COMPARABLE SALE #2			COMPARABLE SALE #3		
Date of Prior Sale/Transfer										
Price of Prior Sale/Transfer										
Data Source(s)	MLS & Tax Rolls	MLS & Tax Rolls			MLS & Tax Rolls			MLS & Tax Rolls		
Effective Date of Data Source(s)	08/30/2012	08/30/2012			08/30/2012			08/30/2012		

Analysis of prior sale or transfer history of the subject property and comparable sales **Sales history for the subject property and comparable sales has been reported for the past three years. There has not been a transfer of ownership associated with the subject property or any of the comparable sales within the past three years.**

Summary of Sales Comparison Approach All comparables are located within close proximity of the subject and are considered to be good indicators of value. Adjustments for variances in gross living area were calculated at \$40/SF. Additional adjustments were made for location (\$10,000 for Travis Ranch vs. Devonshire), for lot size (\$2.00/SF), for quality of construction (\$15,000), for age (\$2,000 per year), for condition (\$5,000 for good vs. new), for garage parking (\$5,000 per space), and for hardwood flooring throughout the main living areas (\$5,000). All of the adjustments fall within normal underwriting guidelines and all of the comparable sales occurred within the past 12 months. Four comparable sales were utilized to provide additional support. Bracketing of the comparable sales was also provided.

Indicated Value by Sales Comparison Approach \$ 255,000

Indicated Value by: Sales Comparison Approach \$ 255,000 Cost Approach (if developed) \$ 257,980 Income Approach (if developed) \$

The Sales Comparison Approach best reflects actions of buyers and sellers in the subject's area. It was given the most weight. The Cost Approach is supportive and provides a good indication of market value for the subject property. The Income Approach was not utilized due to a lack of current rental data in the subject market area.

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: Please see Assumptions and Limiting Conditions. As defined by USPAP, this is a summary appraisal report. The value estimate contained herein is subject to completion per plans and specifications.

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 \$ 255,000 , as of 08/30/2012 , which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File # 37581206280

NEIGHBORHOOD:

The subject is located in a new subdivision known as Travis Ranch in Forney, Texas, approximately 23 miles east of the Downtown Dallas Central Business District. Neighborhood boundaries include FM 548 on the northwest, Windmill Farms Road on the east, and US Highway 80 on the south. This area mainly consists of newer single-family residences that were built by volume home builders within the past five years. This development is in a growing area of northeast Forney that lies north of US Highway 80. The relatively close proximity of Dallas allows Forney to be a bedroom community for the Dallas/Fort Worth Metroplex, with many residents of Forney making daily commutes to work in the Dallas area. The majority of the commercial properties located in the neighborhood are retail, office, and commercial service in nature, providing a buffer between the major thoroughfares and the residential properties. This area participates in the Forney Independent School District.

IMPROVEMENTS:

The subject property is a proposed home that will be built in 2012 by Megatel Homes, Inc. Amenities will include carpet, ceramic tile, hardwood flooring in the main living areas, granite counters, stainless appliances, and a two-car garage. The subject will have a covered porch, a covered patio, wood fence, landscaping, and a sprinkler system. Exterior amenities also include a brick veneer and stone exterior with a composition roof resting on a concrete slab foundation.

ADDITIONAL COMMENTS

It is assumed that there are no additional structural defects hidden by floor or wall coverings or any other hidden or unapparent condition of the subject, that all mechanical equipment and appliances are in good working condition, and that all electrical components and the roof are in good condition. If the client has any questions regarding these items, it is the clients responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no liability for these items.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The estimated land value was obtained by analyzing actual comparable land sales in the subject market area as well as utilizing both the allocation method and the extraction method.

COST APPROACH

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 35,000
Source of cost data Cost Handbook & Local Builders	DWELLING 3,178 Sq.Ft. @ \$ 62.00 = \$ 197,036
Quality rating from cost service Good Effective date of cost data 05/2012	0 Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.) = \$
The subject is proposed construction and is effectively in new condition with no physical depreciation, functional obsolescence, or external obsolescence.	Garage/Carport 456 Sq.Ft. @ \$ 24.00 = \$ 10,944
	Total Estimate of Cost-New = \$ 207,980
	Less Physical Functional External
	Depreciation = \$()
	Depreciated Cost of Improvements = \$ 207,980
	"As-is" Value of Site Improvements = \$ 15,000
Estimated Remaining Economic Life (HUD and VA only) 60 Years	INDICATED VALUE BY COST APPROACH = \$ 257,980

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) The Income Approach was not utilized due to the lack of current rental data in the subject market area.

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 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.

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

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

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

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

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

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

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

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

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

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

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

Uniform Residential Appraisal Report

File # 37581206280

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

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

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

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

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

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

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

APPRAISER

Signature 
 Name Charles L. Ligon
 Company Name Applied Valuations, Inc.
 Company Address P.O. Box 830861
Richardson, TX 75083-0861
 Telephone Number (214) 526-1600
 Email Address cligon@appliedvaluations.com
 Date of Signature and Report 09/04/2012
 Effective Date of Appraisal 08/30/2012
 State Certification # TX-1320548-G
 or State License # _____
 or Other (describe) _____ State # _____
 State TX
 Expiration Date of Certification or License 03/31/2014

ADDRESS OF PROPERTY APPRAISED

2101 Hartley Dr
Forney, TX 75126

APPRAISED VALUE OF SUBJECT PROPERTY \$ 255,000

LENDER/CLIENT

Name No AMC
 Company Name Pavillion Bank
 Company Address 1200 West Campbell Road, Richardson, TX
75080
 Email Address jpressel@pavillionbank.com

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 _____

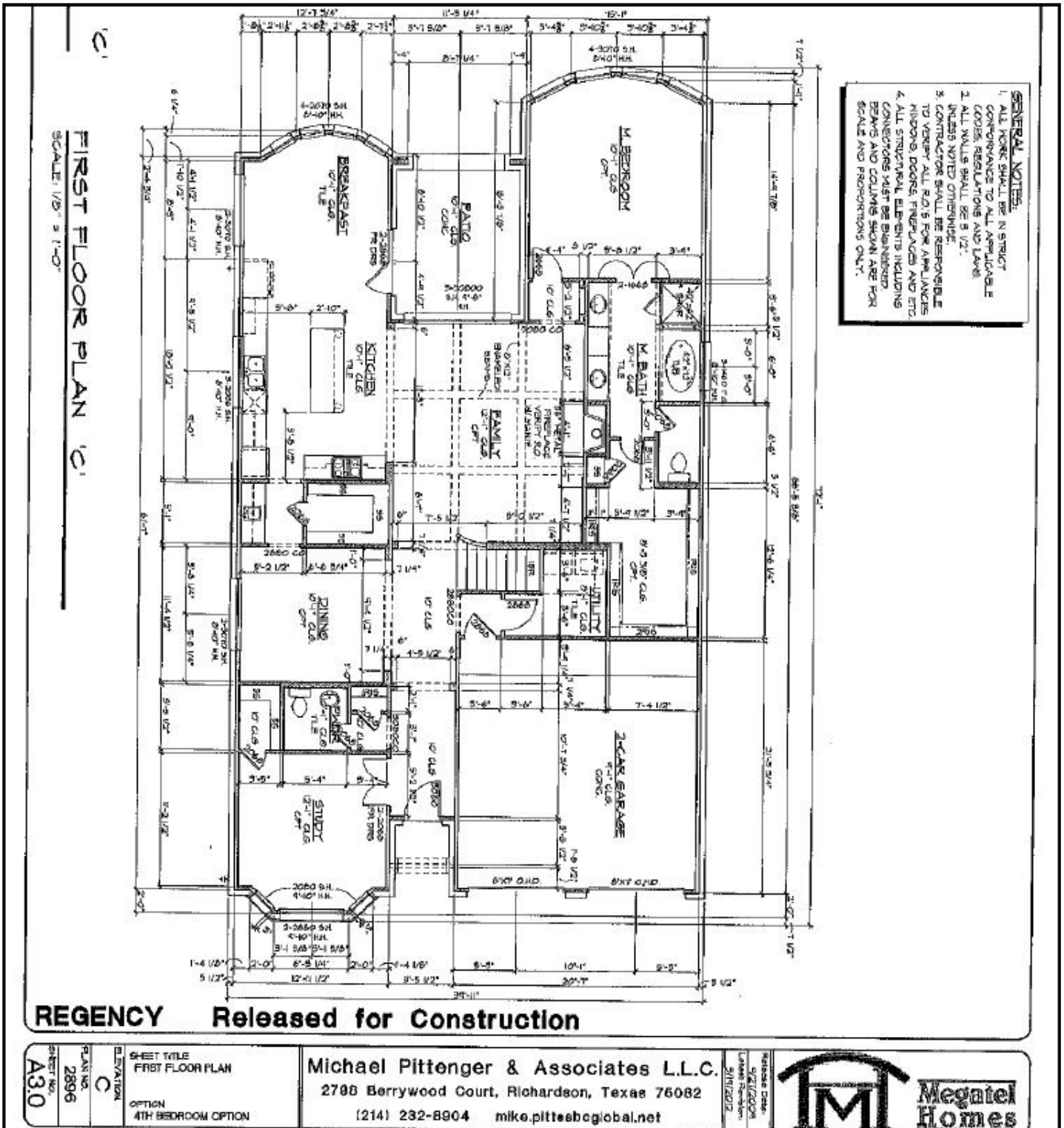
Location Map

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County Kaufman	State TX	Zip Code 75126
Borrower	Megatel Homes, Inc.			



First Floor Plan

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County Kaufman	State TX	Zip Code 75126
Borrower	Megatel Homes, Inc.			



GENERAL NOTES:

1. ALL WORK SHALL BE IN STRICT CONFORMANCE TO ALL APPLICABLE CODES, REGULATIONS AND LAWS.
2. ALL WALLS SHALL BE 5/8" THICK UNLESS NOTED OTHERWISE.
3. CONTRACTOR SHALL BE RESPONSIBLE TO VERIFY ALL R.O.'S FOR APPLICABLE RISERS, DOORS, FINISHES AND ETC.
4. ALL STRUCTURAL ELEMENTS INCLUDING CONNECTIONS MUST BE SHOWN. BEAMS AND COLUMNS SHOWN ARE FOR SCALE AND PROPORTIONS ONLY.

SHEET TITLE
FIRST FLOOR PLAN
OPTION
4TH BEDROOM OPTION

PLAN NO.
28906

ELEVATION
C

SHEET NO.
A30

Michael Pittenger & Associates L.L.C.
2788 Berrywood Court, Richardson, Texas 76082
(214) 232-8904 mike.pittesb@global.net


Megatel Homes

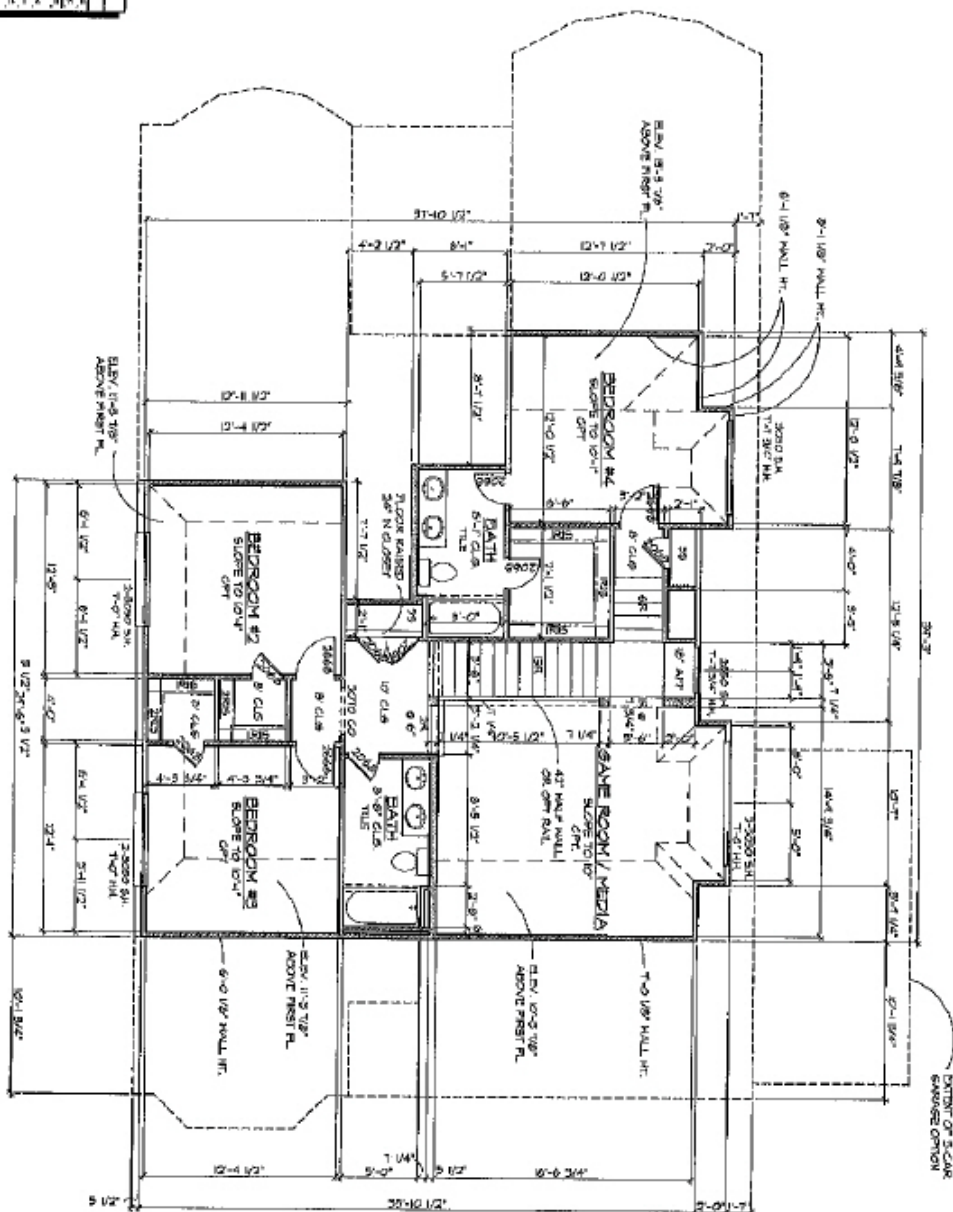
PREPARED BY: MICHAEL PITTEMBERGER
 DATE: 5/19/2012

Second Floor Plan

Client	Pavillion Bank		
Property Address	2101 Hartley Dr		
City	Forney	County Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.		

AREA CALCULATIONS	
FINISH FLOOR	2011 S.F.
SECOND FLOOR	2170 S.F.
TOTAL AREA	4181 S.F.
GARAGE	484 S.F.
COVERED PORCH	271 S.F.
COVERED PATIO	140 S.F.
TOTAL UNDER ROOF	5102 S.F.
OVERALL HEIGHT	7'-11"
3-CAR OPTION ADDS 172 SQ. FT. AND INCREASES HEIGHT TO 8'-0"	

SECOND FLOOR PLAN 'C'
WITH 4TH BEDROOM OPTION
 SCALE: 1/8" = 1'-0"



REGENCY Released for Construction

SHEET NO. **A32**

PLAN NO. **2896**
 SHEET TITLE
SECOND FLOOR PLAN
 OPTION
4TH BEDROOM OPTION

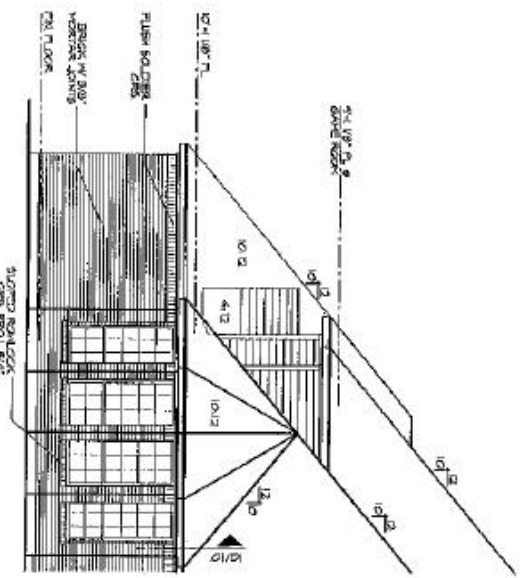
Michael Pittenger & Associates L.L.C.
 2798 Berrywood Court, Richardson, Texas 76082
 (214) 232-6804 mike.pitt@bcglobal.net

DATE: 08/11/11
 DRAWN BY: JMM
 CHECKED BY: JMM
 APPROVED BY: JMM



Front & Rear Elevation

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County Kaufman	State TX	Zip Code 75126
Borrower	Megatel Homes, Inc.			



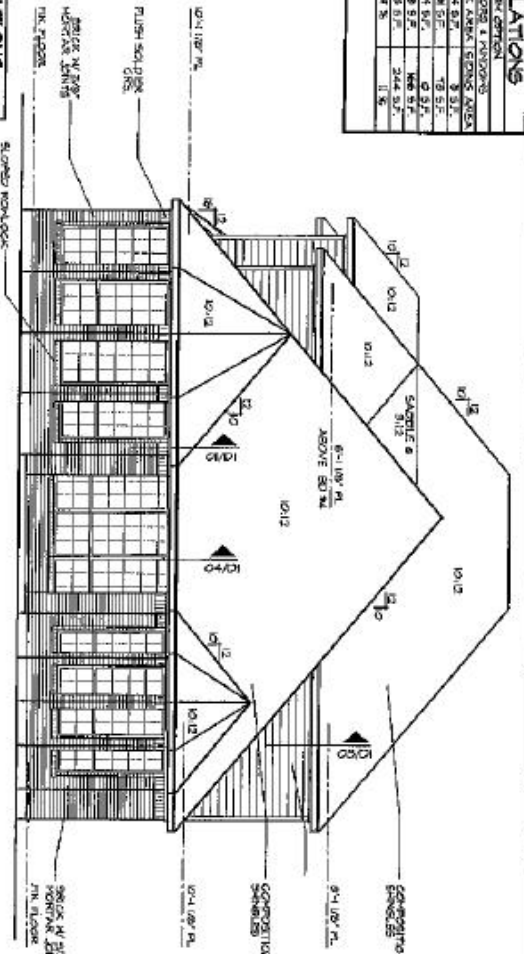
PARTIAL REAR ELEVATION 'C'
SCALE: 1/8" = 1'-0"

BRICK CALCULATIONS
OPTION 4TH BEDROOM OPTION

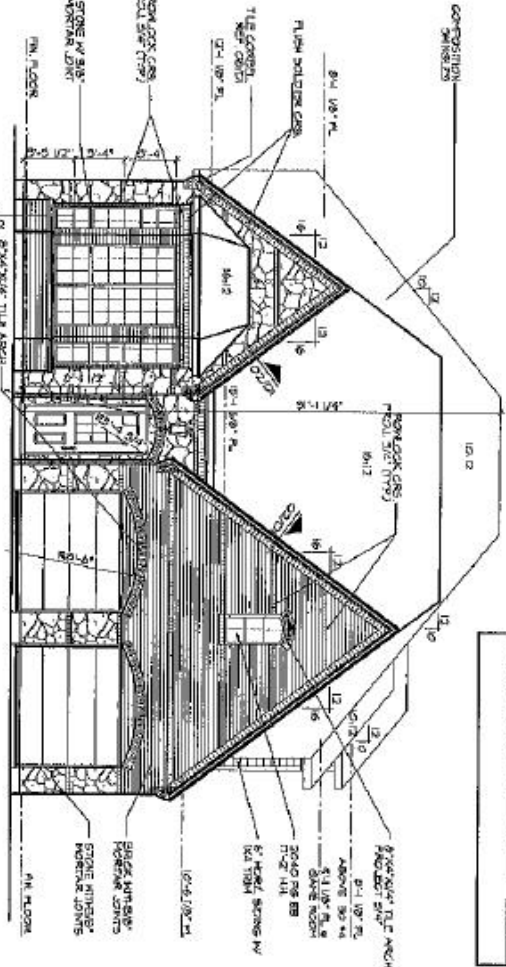
ITEM	QUANTITY	UNIT	PRICE	TOTAL
BRICK	440	SQ. YD.	4.50	1,980.00
MORTAR	100	SQ. YD.	1.50	1,500.00
LABOR	100	SQ. YD.	1.50	1,500.00
TOTAL AREA	200	SQ. YD.		3,980.00
PERCENTAGE OF TOTAL	40%			1,990.00

BRICK CALCULATIONS
OPTION 4TH BEDROOM & 3-CAR GARAGE OPTION

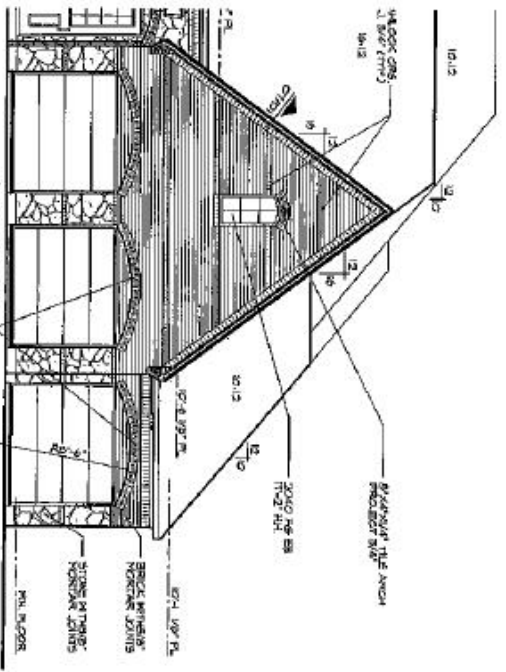
ITEM	QUANTITY	UNIT	PRICE	TOTAL
BRICK	440	SQ. YD.	4.50	1,980.00
MORTAR	100	SQ. YD.	1.50	1,500.00
LABOR	100	SQ. YD.	1.50	1,500.00
TOTAL AREA	200	SQ. YD.		3,980.00
PERCENTAGE OF TOTAL	40%			1,990.00



REAR ELEVATION 'C'
SCALE: 1/8" = 1'-0"



FRONT ELEVATION 'C'
SCALE: 1/8" = 1'-0"



PARTIAL FRONT ELEVATION 'C'
SCALE: 1/8" = 1'-0"

REGENCY Released for Construction

SHEET TITLE	FRONT AND REAR ELEVATIONS
OPTION	4TH BEDROOM OPTION
ELEVATION	C
PROJECT NO.	2806
SHEET NO.	A10

Michael Pittenger & Associates L.L.C.
2798 Barrywood Court, Richardson, Texas 75082
(214) 232-5904 mike.pitt@eglobal.net



Side Elevations

Client	Pavillion Bank		
Property Address	2101 Hartley Dr		
City	Forney	County Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.		

PARTIAL RIGHT GARAGE ELEVATION C
SCALE: 1/8" = 1'-0"

LEFT ELEVATION C
SCALE: 1/8" = 1'-0"

RIGHT ELEVATION C
SCALE: 1/8" = 1'-0"

REGENCY Released for Construction

SHEET TITLE RIGHT AND LEFT ELEVATIONS ELEVATION OPTION 4TH BEDROOM OPTION SHEET NO. A11	Michael Pittenger & Associates L.L.C. 2798 Berrywood Court, Richardson, Texas 75082 (214) 232-8904 mike.pitte@global.net	Project Name 42132008 Office Number 50152012	
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Construction Budget

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County	Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.			

Construction Budget

Address:	2101 Hartley Drive	Community:	Travis Ranch
Plan#:	2896		
Options:	Extended Patio, 4th bedroom and full bath up-		
Total AC SF:	3159		
Sales price	\$255,000.00		
Total Cost:	\$210,000.00		

CONSTRUCTION PROGRESS		Item as a % of Total Cost	Item Amount
1	Cost of lot		\$35,000
2	SLAB/PIER & BEAM	15.00%	\$26,250
3	WALL FRAMING & PARTITIONS	9.00%	\$15,750
3	GYPLAP	1.50%	\$2,625
4	ROOF RAISED	3.00%	\$5,250
5	CORNICE	1.00%	\$1,750
6	ROOF DECKED	3.00%	\$5,250
7	SHINGLES	4.00%	\$7,000
8	WINDOWS/PATIO DOORS	2.00%	\$3,500
9	PLUMBING - SECOND	2.00%	\$3,500
10	DUCT WORK	1.00%	\$1,750
11	ELECTRICAL ROUGH-IN	3.00%	\$5,250
12	WALL INSULATION	1.00%	\$1,750
13	SHEETROCK	3.00%	\$5,250
14	TAPE & BEDDING	1.75%	\$3,063
15	ACOUSTIC & TEXTURE	0.75%	\$1,313
16	EXTERIOR PAINTING	1.00%	\$1,750
17	BRICK, SIDING & FIREPLACE	8.00%	\$14,000
18	CABINETS & VANITIES	5.00%	\$8,750
19	TRIM, DOORS & PANELING	5.00%	\$8,750
20	INTERIOR PAINT	3.50%	\$6,125
21	HEATING & A/C UNIT SET	3.00%	\$5,250
22	BATH & ENTRY TILE	2.00%	\$3,500
23	COUNTER TOPS	2.00%	\$3,500
25	KITCHEN APPLIANCES	2.00%	\$3,500
26	PLUMBING FIXTURES & FINAL	2.50%	\$4,375
27	ELECTRICAL FIXTURES & FINAL	1.50%	\$2,625
28	CONCRETE FLATWORK	3.00%	\$5,250
29	FINISH FLOORING	5.00%	\$8,750
30	HARDWARE & MIRRORS	1.00%	\$1,750
31	CEILING INSULATION	1.00%	\$1,750
32	CLEAN-UP & LANDSCAPING	2.00%	\$3,500
33	A/C COMPRESSOR	1.50%	\$2,625
34	POOL		\$0
35			\$0
36			\$0
37			\$0
39			\$0
40			\$0
TOTAL CONSTRUCTION:		100.00%	\$210,000.00

Subject Photos

Client	Pavillion Bank				
Property Address	2101 Hartley Dr				
City	Forney	County	Kaufman	State	TX Zip Code 75126
Borrower	Megatel Homes, Inc.				

**Subject Front**

2101 Hartley Dr
Sales Price 255,000
Gross Living Area 3,178
Total Rooms 9
Total Bedrooms 4
Total Bathrooms 4.0
Location N;Res;
View N;Res;
Site 7449 sf
Quality Q2
Age 0

**Subject Rear****Subject Street**

Comparable Photo Page

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County	Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.			

**Comparable 1**

1009 Morris Ranch Ct
 Prox. to Subject 0.66 miles S
 Sale Price 222,000
 Gross Living Area 3,053
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.1
 Location N;Res;
 View N;Res;
 Site 5724 sf
 Quality Q3
 Age 0

**Comparable 2**

1115 Somerset Cir
 Prox. to Subject 3.74 miles SE
 Sale Price 249,000
 Gross Living Area 2,826
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location B;Res;
 View N;Res;
 Site 7841 sf
 Quality Q2
 Age 0

**Comparable 3**

1121 Somerset Cir
 Prox. to Subject 3.66 miles SE
 Sale Price 275,000
 Gross Living Area 3,690
 Total Rooms 9
 Total Bedrooms 4
 Total Bathrooms 4.0
 Location B;Res;
 View N;Res;
 Site 7841 sf
 Quality Q2
 Age 4

Comparable Photo Page

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County	Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.			

**Comparable 4**

1012 Newington Cir
Prox. to Subject 3.43 miles SE
Sale Price 229,900
Gross Living Area 2,760
Total Rooms 7
Total Bedrooms 4
Total Bathrooms 3.0
Location B;Res;
View N;Res;
Site 11326 sf
Quality Q3
Age 0

Comparable 5

Prox. to Subject
Sale Price
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age

Comparable 6

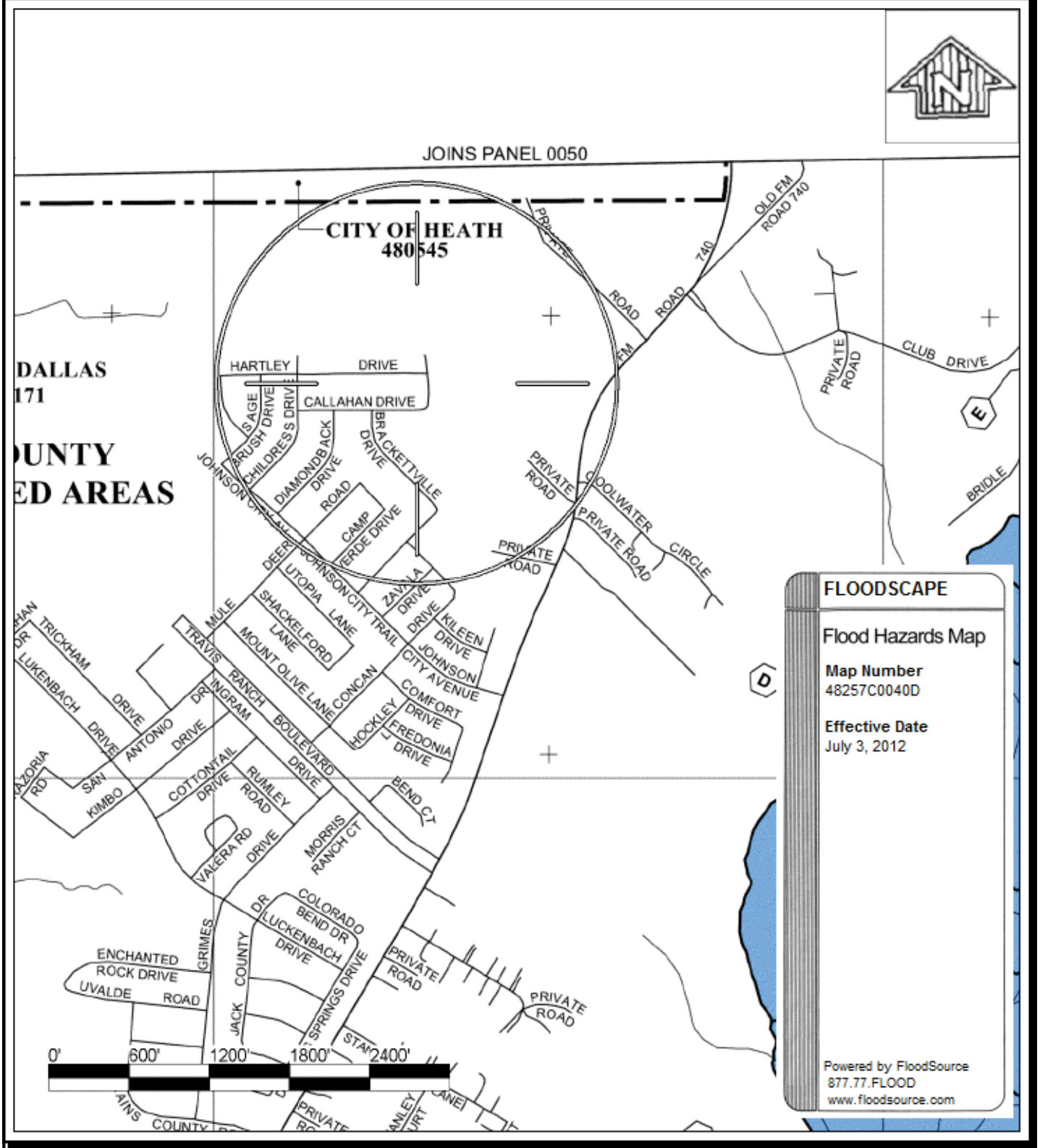
Prox. to Subject
Sale Price
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age

Flood Map

Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County	Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.			



Prepared for:
 Applied Valuations, Inc. (214) 526-1600
 2101 Hartley Dr
 Forney, TX 75126



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Certification

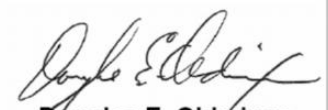
Client	Pavillion Bank			
Property Address	2101 Hartley Dr			
City	Forney	County	Kaufman	State TX Zip Code 75126
Borrower	Megatel Homes, Inc.			

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate AppraiserNumber: **TX 1320548 G**Issued: **03/29/2012**Expires: **03/31/2014**Appraiser: **CHARLES L LIGON**

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 this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner