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Wayne Hollingsworth
Armbrust & Brown
100 Congress Avenue
Suite 1300
Austin, TX 78701

Re: Visual Inspection of 2708 Scenic Drive, Austin, Texas 78703

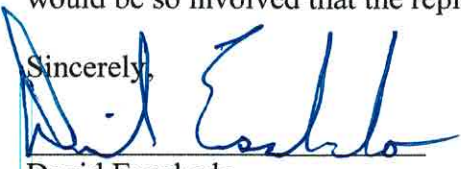
Dear Wayne,

As requested, we conducted a visual inspection of the residence at 2708 Scenic Drive. We did not perform any invasive exploratory work at the residence, however, the following conditions are visually apparent:

- The residence is bungalow style architecture built in the 1950s.
- The structure is in a deteriorated state.
- The craftsmanship of construction is substandard.
- There is significant deterioration/rotting of structural elements, particularly the roof beams at all eaves.
- There appear to be leaks in the foundation.
- The roof is not of adequate thickness to contain thermal insulation.
- The remaining original windows are single-pane uninsulated glass and glazed using wood as frames.

It is our opinion that, in order to bring the structure to current building and energy codes, the majority of the structure has to be disassembled and all compromised materials replaced. The restoration/remediation costs would be extremely high and not economically feasible for this type of structure. The remediation would be so involved that the replacement structure would be a replication of the original.

Sincerely,



David Escobedo
Principal, Escobedo Group, LP