

**APPRAISAL REPORT  
BELT LINE ROAD PROJECT  
PARCEL 21E  
ASHTON DALLAS RESIDENTIAL L.L.C.  
VACANT LAND  
16 SUGAR TREE WAY  
ADDISON, DALLAS COUNTY, TEXAS**

**FOR**

**TOWN OF ADDISON  
16801 WESTGROVE DRIVE  
ADDISON, TEXAS 75001**

**PYLES WHATLEY CORPORATION  
11551 FOREST CENTRAL DRIVE, SUITE 220  
DALLAS, TEXAS 75243**

**PYLES ★ WHATLEY CORPORATION**  
**Real Estate Consultants**

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*Wendell Pyles, MAI, SR/WA*

*Jan Whatley (1953-2013)*

March 31, 2014

Ms. Lisa Pyles  
Director of Infrastructure Operations and Services  
Town of Addison  
16801 Westgrove Drive  
Addison, Texas 75001

Re: A real estate appraisal of Parcel 21E, a proposed partial acquisition in permanent easement in the Belt Line Road Project, located at the at the southwest corner of Belt Line Road and Asbury Lane, and the northwest corner of Asbury Lane and Sugar Tree Way, Addison, Dallas County, Texas

Dear Ms. Pyles:

At your request, we submit this appraisal report to estimate the market value of the above referenced property. We have inspected the property and considered factors pertinent to and indicative of value including Addison area characteristics, market area data and trends, locational amenities, highest and best use, and other elements of value.

Methodology and terminology used throughout the report may be found in *The Appraisal of Real Estate*, 14<sup>th</sup> Edition, as published by the Appraisal Institute.

The subject property is a tract of land totaling 28,022 square feet, located along Belt Line Road, Asbury Lane, and Sugar Tree Way. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice (USPAP) as provided by the Appraisal Foundation. Our opinion of value for the subject is effective as of March 27, 2014.

The appraisal problem, as applied to the subject, is to determine the property's market value and the total compensation due to the property owner for the proposed acquisition. "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future." *City of Austin v. Cannizzo*, 267 S.W. 2d 808 (Tex. 1954).

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Page 2  
 Ms. Lisa Pyles  
 March 31, 2014

With reference to the preceding definition, our opinions of value are as follows:

|  |            |                  |
|--|------------|------------------|
| <b>Whole Property (Market Value)</b>             | \$ 411,100 |                  |
| <b>Part To Be Acquired in Permanent Easement</b> |            | \$ 11,315        |
| <b>Remainder - Before Taking</b>                 | \$ 399,785 |                  |
| <b>Remainder - After Taking</b>                  | \$ 399,785 |                  |
| <b>Total Compensation</b>                        |            | <b>\$ 11,315</b> |

Any personal property, fixtures, or intangible items that are not real property - that are included in the valuation - are identified as personal property and discussed herein.

The following report sets forth a description of the property along with a summary of the market data considered and the conclusions derived from such data. Your attention is directed to the general assumptions and limiting conditions on the following pages, as well as the extraordinary assumptions and hypothetical conditions.

If you should have questions concerning any portion of this appraisal report, please contact our office.

Respectfully submitted,

**PYLES★WHATLEY CORPORATION**



**Wendell Pyles, MAI**  
 State of Texas Certification # TX-1320453-G

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**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**


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**BELT LINE ROAD PROJECT – PARCEL 21E**


|  |   |                  |
|--|---|------------------|
| <b>Parcel Owner</b>                              | Ashton Dallas Residential L.L.C.          |                  |
| <b>Parcel Number</b>                             | 21E                                       |                  |
| <b>Location</b>                                  | 16 Sugar Tree Way<br>Addison, Texas 75001 |                  |
| <b>Mapsc</b>                                     | DA-14-A                                   |                  |
| <b>Whole Property Land Area</b>                  | 0.6433 acres                              | (or 28,022 SF)   |
| <b>Part To Be Acquired - Fee Simple</b>          | 0   | (or 0 SF)        |
| <b>Part To Be Acquired – Permanent Easement</b>  | 0.0344                                    | (or 1,499 SF)    |
| <b>Zoning</b>                                    | PD; Planned Development                   |                  |
| <b>Highest &amp; Best Use</b>                    | Hold for Future Improvement               |                  |
| <b>Reasonable Exposure Time</b>                  | 12 to 18 months                           |                  |
| <b>Effective Date of the Appraisal</b>           | March 27, 2014                            |                  |
| <b>Date of Appraisal Report</b>                  | March 31, 2014                            |                  |
| <b>Whole Property (Market Value)</b>             | \$ 411,100                                |                  |
| <b>Part To Be Acquired in Permanent Easement</b> |   | \$ 11,315        |
| <b>Remainder - Before Taking</b>                 | \$ 399,785                                |                  |
| <b>Remainder - After Taking</b>                  | \$ 399,785                                |                  |
| <b>Total Compensation</b>                        |   | <u>\$ 11,315</u> |

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**ADDENDA**

**TAX INFORMATION  
FIELD NOTES/PARCEL SKETCH  
CERTIFIED MAIL RECEIPT  
NOTIFICATION LETTER**

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## SCOPE OF THE ASSIGNMENT

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### **Purpose of the Appraisal**

The purpose of this appraisal is to estimate the market value of the subject property: the whole property, part to be acquired, remainder property, and any damages to the remainder property. This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and intended user(s) for the intended use stated below. The appraisers are not responsible for unauthorized use of this report.

### **Client, Intended Use, and Intended User**

The Town of Addison is the client of Pyles Whatley Corporation. The intended use of this appraisal is to assist the client in their determination of total compensation due to the property owner - the market value of the property to be acquired and any remainder damages. The intended users are the Town of Addison and Halff Associates, Inc., its officers, employees, and agents. Any other user or uses are not intended or authorized. Use of this appraisal for any other use or by another user may invalidate the findings and conclusions.

The client has been notified that the appraiser has not appraised the subject property in the three years preceding the date of this report.

### **Effective Date of the Appraisal**

The subject property is appraised as of March 27, 2014, the effective date, and is subject to the market influences and economic conditions, which existed on that date. The subject property was inspected on March 27, 2014.

**Date of Report:** March 31, 2014

**Interest(s) Valued** Fee Simple Estate and Easement Estate

A Fee Simple Estate is definable as absolute ownership, unencumbered by another interest or estate, and subject only to the limitations of eminent domain, escheat, police power, or taxation.

Easement Estate is defined as an interest in real property that conveys use, but not ownership, of a portion of an owner's property.

## **SCOPE OF THE ASSIGNMENT**

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### **Identification of Property**

The subject is located in the Town of Addison, Dallas County, Texas. Situated at the southwest corner of Belt Line Road and Asbury Lane, and the northwest corner of Asbury Lane and Sugar Tree Way, the property's street address is 16 Sugar Tree Way, Addison, Texas 75001. The subject site is vacant land. According to the information provided, the subject tract comprises 28,022 square feet (0.6433 acres). Abutting uses are Asbury Lane to the east, Sugar Tree Way to the south, an International House of Pancakes restaurant to the west, and Belt Line Road to the north.

The subject is currently vacant, with the exception of sodded grass. The property appraised is identified as the subject land and affected site improvements.

### **Legal Description**

The subject is legally described as being Block B, Lot 16, Asbury Circle, an addition to the Town of Addison.

### **Subject History**

According to available information, ownership is vested in the name of Ashton Dallas Residential L.L.C. It was purchased in a transaction recorded July 18, 2006, as part of the purchase of a larger tract totaling 3.214 acres, indicated in a special warranty deed number 200600258982, in the records of Dallas County. It was purchased from PHCH Investments for an undisclosed price. The 28,022 square feet portion comprising the subject remains vacant.

A sign on the property indicates it to be listed for sale with David Davidson, Jr. and Bob Moore with Venture Real Estate. In a telephone conversation about the listing, the asking price was noted to be "in the \$20s" per square foot.

The Town of Addison, Texas is proposing acquiring 1,499 square feet in permanent easement along Belt Line Road.

No other transactions are known to have taken place in the past five years.

This information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee of title or chain of title. Any interested party should obtain a title search performed by a qualified title expert as needed.

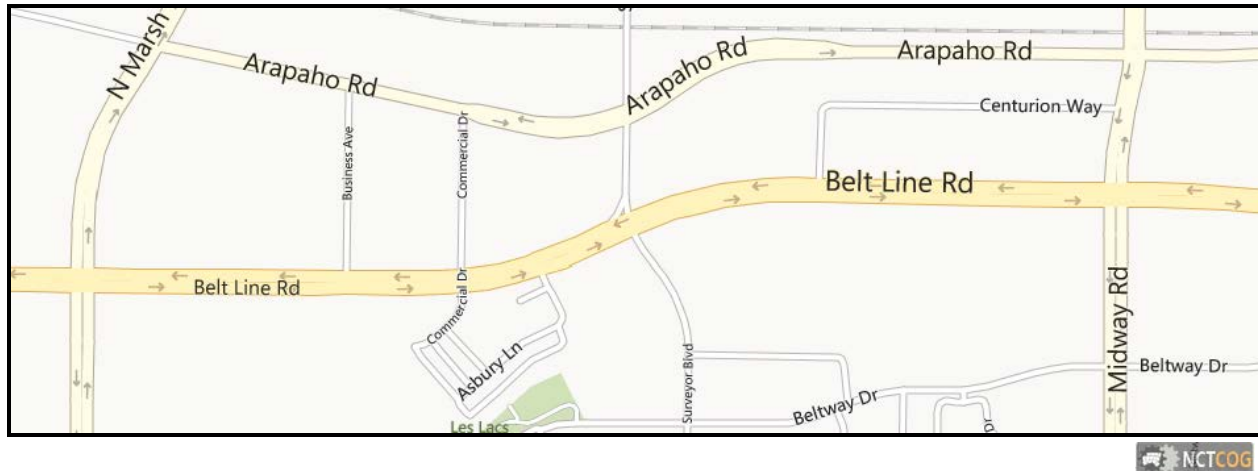
### **Inspection Information**

We notified the subject property owner by certified mail, and a meeting was held on a neighboring site also owned by the property owner.

## SCOPE OF THE ASSIGNMENT

### Project Description

The Belt Line Road Project by the Town of Addison is for the undergrounding of electrical utilities along Belt Line Road, between Marsh and Midway Road, in Addison, Texas. The purpose is to enhance the streetscape. Permanent and temporary easements and fee simple acquisitions are required. The type and use of the acquisitions vary by parcel. The acquisition areas are for electrical utilities and switchgear, drainage facilities, manholes, street right-of-way, landscaping, and sidewalks and crosswalk ramps. The construction date has not been determined.



### Project Influence

The subject property is appraised excluding consideration of the effect, if any, on value of the whole property and the part to be acquired caused by the proposed public improvements, and excluding any non-compensable damages to the remainder property that result because of the part acquired or the public project. We conclude that the impending project has no effect on the whole property or on the comparable market data used herein.

### Part To Be Acquired

The Town of Addison proposes to acquire a part of the subject property for the Belt Line Road Project. The proposed acquisition is fee simple estate and permanent easement. Per the enclosed parcel survey and field notes, the part to be acquired in fee simple estate totals 0 square feet square feet (0 acres), and a permanent easement totaling 1,499 square feet (0.0344 acres).

### Appraisal Problem

The appraisal problem, as applied to the subject, is to determine the market value of the fee simple interest in the subject property and determine the total compensation due to the property owner for the proposed acquisition. In addressing this problem, the principles of utility, substitution, and anticipation are considered in the following valuation.



## **SCOPE OF THE ASSIGNMENT**

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### **Data Researched**

For this report, the subject market was researched for all pertinent data relating to the appraisal problem including: collecting and confirming data through brokers, appraisers, property owners, lessees/lessors, and others familiar with the real estate market. The information provided by these sources is deemed reliable, but is not guaranteed.

In addition, verifiable third party sources were utilized including the Multiple Listing Service (MLS) and others. Where applicable, additional market data was extracted from market reports and data circulated and purchased from, Real Estate Research Corporation, Price Waterhouse Coopers Korpacz Investor Survey, Yieldstar and others. The information provided by these sources is deemed reliable, but is not guaranteed.

### **Competency**

Collectively, the appraisers involved in this assignment have considerable experience in appraising this property type, and have adequate knowledge of the property type and location to meet the competency requirements of the Uniform Standards of Professional Appraisal Practice. In addition, other appraisers in the market would perform similar actions in the appraisal process to fulfill the scope of work in this assignment and the appraisal meets or exceeds the expectations of parties who are regularly intended users for similar assignments.

### **Procedure**

For this report, the area was inspected and the highest and best use analyzed considering the factors of physically possible, legally permissible, financially feasible, and maximally productive. The cost and sales comparison approaches are applicable for appraisal purposes. In this case, the cost approach is utilized to determine the value of site improvements in the proposed acquisition area, and the sales comparison approach is utilized to determine the land value. The resulting value indications are reconciled to one final opinion of value of the whole property.

In accordance with USPAP Standards rule 1-2(e), only the affected land and site improvements are addressed and valued in this report. The analysis of the building improvements and operating income of the property are in no way affected by the proposed acquisition, as the new right-of-way line lies approximately 50 feet from the building to the existing right of way along Belt Line Road and an estimated 50 feet from Asbury Lane.

### **Exposure Time**

Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

## **SCOPE OF THE ASSIGNMENT**

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Considering the state of the economy, properties of the subject type, and market participants' actions, an exposure time of 12 to 18 months is concluded for the subject property – at a value consistent with the conclusions of this report.

### **Scope of Work**

Pyles Whatley Corporation, through its licensed appraisers, has performed all aspects of the real estate appraisal report, to include the following:

- Identified the property and interests to be appraised;
- Communicated with the Town of Addison personnel, and Halff Associates, Inc. (the design and engineering consultant), and as appropriate, other service providers, and landowners, regarding the appraisal assignment;
- When possible, communicated with the property owner regarding the history and the condition of the subject property;
- Researched the public records for data on the subject property, including zoning, assessments, taxes, acreage, buildings and site improvements, and maps;
- Performed a preliminary search of all available resources to determine market trends, influences and other significant factors pertinent to the subject properties. Inspected the subject property and subject area, and photographed the subject and relevant comparable sales and income properties; although due diligence has been exercised in inspection of the properties, the appraiser is not an expert in such matters as soils, structural engineering, hazardous waste, environmental conditions, the ADA, and other similar matters, and no warranty is given as to these elements;
- Performed an analysis of the highest and best use of the subject property;
- Researched and collected relevant data (land sales, escrow sales, and listings and other market data) as present in the market area (from public and private sources) and of sufficient quality to express an opinion of value as defined in the appraisal reports;
- Gathered and analyzed the market data to reach an estimate of market value for the appropriate interest in the subject, using the methodology and valuation approaches that are relevant to the assignment;
- Assembled and wrote the narrative report, complete with maps, photos, and supporting addenda;
- Prepared and submitted a written appraisal report of the property as requested by the client;
- A narrative appraisal report meets the client's requirements.

## DEFINITION OF MARKET VALUE

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### The definition of market value is:

“Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future.” *City of Austin v. Cannizzo*, 267 S.W. 2d 808 (Tex. 1954).

In this report, a market value opinion of the fee simple interest in the real property is developed.

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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The Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute require the appraiser to "set forth all assumptions and limiting conditions that affect the analyses, opinions, and conclusions in the report". In compliance therewith, and to assist the reader in interpreting this report, such general assumptions and limiting conditions are set forth below. Specific assumptions, if any, are referred to in the transmittal letter and their location in the report detailed.

Title is assumed marketable, and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, notwithstanding the fact that such matters may be discussed in the report.

No opinion is expressed on the value of subsurface oil, gas, water, or mineral rights or whether the property is subject to surface entry for the exploration or removal of such except as expressly stated.

The date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated. The opinion of value is considered reliable only as of the date of the appraisal.

The valuation is reported in dollars of U.S. currency prevailing on the date of the appraisal.

Maps, plats, and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose unless specifically identified as such.

All information and comments pertaining to this and other properties included in the report represent the personal opinion of the appraiser, formed after examination and study of the subject and other properties. While it is believed the information, estimates and analyses are correct, the appraiser does not guarantee them and assumes no liability for errors in fact, analysis or judgment.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designation) shall be disseminated to the public through advertising media, public relations media, sales media, or any other public means of communication without written consent and approval of the undersigned.

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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The appraiser is not required to give testimony or to appear in court by reason of this appraisal, unless prior arrangements have been made.

The distribution of the total valuation in this report between land and improvements applies only under the existing, or proposed/completed program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Certain information concerning market and operating data were obtained from others. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed.

Opinions of value contained herein are opinions only. There is no guarantee, written or implied, that the subject property will sell for such amounts. Prospective values are based on market conditions as of the effective date of the appraisal. The appraiser is not responsible if unforeseeable events alter market conditions subsequent to the effective date of the appraisal. As a personal opinion, valuation may vary between appraisers based on the same facts.

No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes can be assumed without provision of specific professional or governmental inspections. While the general conditions of the property were observed, no guarantee can be made concerning the individual components of the structures including but not limited to the heating system, plumbing, electrical services, roof, possible termite damage or building foundation, wells or septic systems. This appraiser is not qualified to make a complete physical inspection of the property. Such an inspection is beyond the scope of this report and no statements can be made concerning the adequacy or condition of these or other systems.

No investigation - unless presented in other sections of this report - was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such products, if any, would have to be determined by a qualified inspector. It is assumed that there is no asbestos, fiberglass, synthetic mineral fiber products, nor other contaminants present that would materially affect value.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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No investigation - unless presented in other sections of this report - was made by the appraiser to determine if any toxic materials are present on the subject tract. The existence of such materials, if any, would have to be determined by a qualified inspector. It is assumed that no toxic materials are present that would materially affect value or development costs.

A reasonable investigation was made to determine the existence of any underground storage tanks (UST) on the subject site. If USTs are present on the subject site details are provided in other sections of this report. It is assumed there are no USTs present that would materially affect value.

In the event the appraisal is based upon proposed improvements, it is assumed that the improvements will be completed in substantial conformity with plans and specifications, which have been furnished to the appraiser, and with good materials and workmanship. It is also assumed that the proposed foundation and construction techniques are adequate for the existing sub-soil conditions.

Due to the multiplicity of mathematical calculations used in standard appraisal practice, rounded values, e.g., rounded to whole dollars or whole units of measure such as linear feet or square feet, may result in inexact sums of components. The typical difference in such cases does not materially affect the value conclusions of this appraisal report or the total compensation due to the property owner.

## **EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS**

**Extraordinary Assumptions/Hypothetical Conditions:** The Uniform Standards of Professional Appraisal Practice require the disclosure of hypothetical conditions and extraordinary assumptions when employed in the development of an appraisal. The use of these may have affected the assignment results.

As defined in the Uniform Standards of Professional Appraisal Practice, an extraordinary assumption is “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

As defined in the Uniform Standards of Professional Appraisal Practice, a hypothetical condition is “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”

The subject is appraised conditioned upon the following:

In the remainder condition the subject is appraised as though the Town of Addison project is complete and in place and the part acquired has been put to the use for which it was acquired.

The subject site is located along Belt Line Road Project. Adequate, legal access to the subject is assumed available as of the appraisal date.

A legal opinion of the deed covering the subject property is not available. It is assumed that the deed does not contain any right, restriction, or reservation that would affect the value conclusions of this report.

The above are set forth for appraisal purposes and no legal reasoning is intended. The reader should be aware that in the event any of the above proves false or improperly applied, the conclusions of this appraisal could be changed or invalidated.

## **MARKET AREA**

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A market area, as defined in The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, copyrighted 2010, is:

"The area associated with a subject property that contains its direct competition."

When analyzing value influences, the focus is on market area. A market area is defined in terms of the market for a specific category of real estate and thus, is the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users. A market area can encompass one or multiple neighborhoods or districts.

### **Market Area Influences**

The subject property is located in the town of Addison, Texas, situated in the Dallas-Fort Worth metropolitan area. The market area is considered to be the Town of Addison, and the surrounding cities of Carrollton, Farmers Branch, and Dallas, and ultimately the Dallas Fort Worth Metropolitan area as the subject property competes with similar properties in this trade area. An area analysis and a subject vicinity description are presented in the following pages.



## **DALLAS/FORT WORTH METROPOLITAN ANALYSIS**

The subject property in this report is located in the Dallas/Fort Worth Metropolitan Area, one of the major financial and population centers in the nation. Therefore, an overview of the Metroplex is appropriate.

Downtown Dallas



Fort Worth



*Photograph Courtesy of the Dallas Convention & Visitors Bureau*

### **CLASSIFICATION**

The classifications represented in the Dallas/Fort Worth area are:

#### **Metropolitan Statistical Area (MSA) and Metropolitan Division (MD)**



With a population of over 6.4 million, Dallas/Fort Worth and the surrounding area is the fourth largest MSA under this classification. The DFW MSA is comprised of two Metropolitan Divisions; Dallas-Plano-Irving or Dallas MD on the east and Fort Worth-Arlington or Fort Worth MD on the west. The Dallas MD includes Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, and Rockwall Counties with a 2013 estimated population of over 4.3 million. The Fort Worth MD is comprised of Johnson, Parker, Tarrant, and Wise Counties with a 2013 estimated population of over 2.3 million.

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## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

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### CITY AND COUNTY CHARACTERISTICS

#### History/Introduction

The city of Dallas, located in Dallas County, began as a small Trinity River settlement founded in 1841 by John Neely Bryan. Shortly after its founding, Dallas became part of the wagon train route, the Central National Highway of the Republic of Texas. Dallas was incorporated in 1857 despite its small population, and by 1870 had a population of only 2,960.

In the 1870's, Dallas citizens, bent on making their mark in the Southwest, coaxed the Houston & Texas Central Railroad, which ran north/south, and the westbound Texas Pacific Railroad to the city, thereby becoming a crossing point for the Northeast and Southwest.

With the advent of the railroad, Dallas quickly grew to 38,500 by 1890, and by 1920 the nation was referring to Dallas as "Big D". The city's growth has been mostly attributable to the efforts and influences of the business and private sector. Dallas became the center of finance and business in the Southwest when it petitioned for and received one of the twelve District Federal Reserve Banks in 1913. Since that time, Dallas has become the fifth largest financial center in the United States.

Situated in North Texas, Dallas and Fort Worth serve as the principal cities of the DFW metropolitan area (commonly called the Metroplex). Dallas is the main economic center while Fort Worth is the second largest cultural and economic center of the Metroplex.

#### Demographics/Population

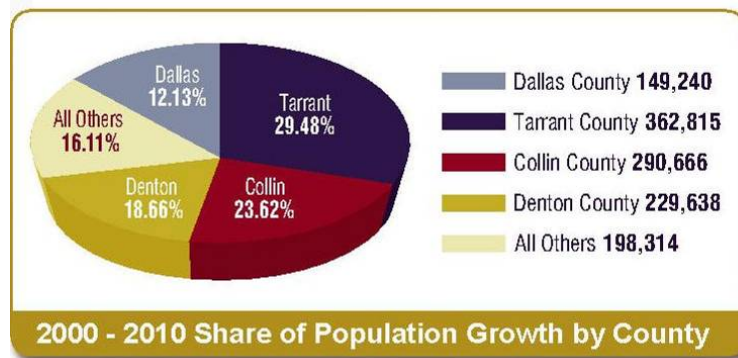
The DFW MSA is the fourth largest metro area in the nation and larger than 33 US states. Dallas is the third largest city in Texas and ninth in the nation. Dallas County is the ninth most populous county in the nation at 2,385,990 persons. Within the Dallas MD is an estimated 2012 population of 4,298,130. Fort Worth ranks as the fifth largest city in the state of Texas and eighteenth in the United States. The city serves as the county seat for Tarrant County, which consists of a 2012 population of 1,831,230. Within the Fort Worth MD is a population count of 2,163,280.

From 2000 to 2008, the Dallas-Fort Worth-Arlington MSA was second only to the Atlanta region in growth nationwide. With a growth rate of 2.7%, the MSA population increased by an estimated 947,907 persons.

The Dallas MD experienced a growth rate of 24.5% between 2000 and 2012, indicating slightly lower growth than in the Fort Worth MD, which experienced a 26.5% growth rate. Over the past twelve years, the MSA as a whole has grown in population by 25.2%.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

The breakdown of growth by the four major counties of the MSA are as follows:



Dallas/Fort Worth also ranks sixth in the nation in terms of urbanized land area. The urbanized area that includes the two cities and their contiguous suburbs consumed 1,407 miles of open land between 1990 and 2000 and grew by more than one-third.

| Urban Area (1990-2000) | Total Area (square miles) | Urban Area (1990-2000)   | Total Area (square miles) |
|------------------------|---------------------------|--------------------------|---------------------------|
| <b>New York</b>        | <b>3,353</b>              | <b>Dallas/Fort Worth</b> | <b>1,407</b>              |
| <b>Los Angeles</b>     | <b>1,859</b>              | <b>Boston</b>            | <b>1,736</b>              |
| <b>Chicago</b>         | <b>2,123</b>              | <b>Washington DC</b>     | <b>1,157</b>              |
| <b>Philadelphia</b>    | <b>1,799</b>              | <b>Detroit</b>           | <b>1,261</b>              |
| <b>Miami</b>           | <b>1,116</b>              | <b>San Francisco</b>     | <b>758</b>                |

The subsequent table illustrates growth trends, in total numbers and annualized percentages, of all the major cities, suburbs, and statistical regions from 1990 to 2012.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

| POPULATION<br>ANNUALIZED GROWTH RATES                     |           |              |             |           |           |                                |
|---|-----------|--------------|-------------|-----------|-----------|--------------------------------|
| AREA  | 1990      | 2000         | 2010        | 2011      | 2012      | 2011-2012<br>Percent<br>Change |
| DFW MSA   | 3,885,415 | 5,161,130.01 | 6,366,542   | 6,409,700 | 6,461,410 | 0.8                            |
| Dallas MD   | 2,553,362 | 3,451,226    | 4,230,520   | 4,262,910 | 4,298,130 | 0.8                            |
| Collin County   | 264,036   | 491,675      | 782,341     | 792,150   | 804,390   | 1.5                            |
| Dallas County   | 1,852,810 | 2,218,899    | 2,368,139   | 2,380,510 | 2,385,990 | 0.2                            |
| Denton County   | 273,525   | 432,976      | 662,614     | 669,930   | 683,010   | 2.0                            |
| Ellis County  | 85,167    | 111,360      | 149,610     | 151,030   | 152,580   | 1.0                            |
| Hunt County   | 64,343    | 76,596       | 86,129      | 86,860    | 87,290    | 0.5                            |
| Kaufman County  | 52,220    | 71,326       | 103,350     | 103,440   | 104,600   | 1.1                            |
| Rockwall County   | 25,604    | 43,080       | 78,355.07   | 78,990    | 80,270    | 1.6                            |
| Fort Worth MD   | 1,361,034 | 1,710,318    | 2,136,022   | 2,146,790 | 2,163,280 | 0.8                            |
| Johnson County  | 97,165    | 126,811      | 150,934     | 151,440   | 153,060   | 1.1                            |
| Parker County   | 64,785    | 88,495       | 116,927     | 117,570   | 15,614    | 1.1                            |
| Tarrant County  | 1,170,103 | 1,446,219    | 1,1,034,034 | 1,818,240 | 1,831,230 | 0.7                            |
| Wise County   | 34,679    | 48,793       | 59,127      | 59,540    | 60,130    | 1.0                            |
| Addison   | 8,783     | 13,250       | 13,056      | 13,060    | 13,680    | 4.7                            |
| Allen   | 18,309    | 43,554       | 84,246      | 84,820    | 86,600    | 2.1                            |
| Arlington   | 261,721   | 322,969      | 365,438     | 365,530   | 365,860   | 0.1                            |
| Carrollton  | 82,169    | 109,576      | 119,097     | 119,360   | 121,150   | 1.5                            |
| Coppell   | 16,881    | 35,958       | 38,659      | 38,870    | 38,950    | 0.2                            |
| Dallas  | 1,006,877 | 1,188,580    | 49,047      | 49,210    | 49,540    | 0.7                            |
| Denton  | 66,270    | 80,537       | 113,383     | 110,281   | 115,810   | 1.1                            |
| Duncanville   | 35,008    | 36,081       | 38,524      | 38,600    | 38,610    | 0.0                            |
| Farmers Branch  | 24,250    | 27,508       | 28,616      | 28,600    | 28,620    | 0.1                            |
| Fort Worth  | 447,619   | 534,694      | 741,206     | 748,450   | 757,810   | 1.3                            |
| Frisco  | 6,138     | 33,714       | 116,989     | 121,670   | 125,500   | 3.1                            |
| Garland   | 180,650   | 215,768      | 226,876     | 227,670   | 228,060   | 0.2                            |
| Grand Prairie   | 99,616    | 127,427      | 175,396     | 176,320   | 176,980   | 0.4                            |
| Irving  | 155,037   | 191,615      | 216,290     | 218,080   | 218,850   | 0.4                            |
| Lewisville  | 46,521    | 77,737       | 95,290      | 95,430    | 96,000    | 0.6                            |
| McKinney  | 21,283    | 54,269       | 131,117     | 133,010   | 136,180   | 2.4                            |
| Mesquite  | 101,484   | 124,523      | 139,824     | 139,890   | 139,950   | 0.0                            |
| Murphy  | 1,547     | 3,109        | 17,708      | 17,860    | 18,020    | 0.9                            |
| Plano   | 128,713   | 222,030      | 259,841     | 260,500   | 261,900   | 0.5                            |
| Richardson  | 74,840    | 91,802       | 99,223      | 99,870    | 100,450   | 0.6                            |
| Wylie   | 8,716     | 14,965       | 41,427      | 42,040    | 42,690    | 1.5                            |
| <i>Source: North Central Texas Council of Governments</i> |           |              |             |           |           |                                |

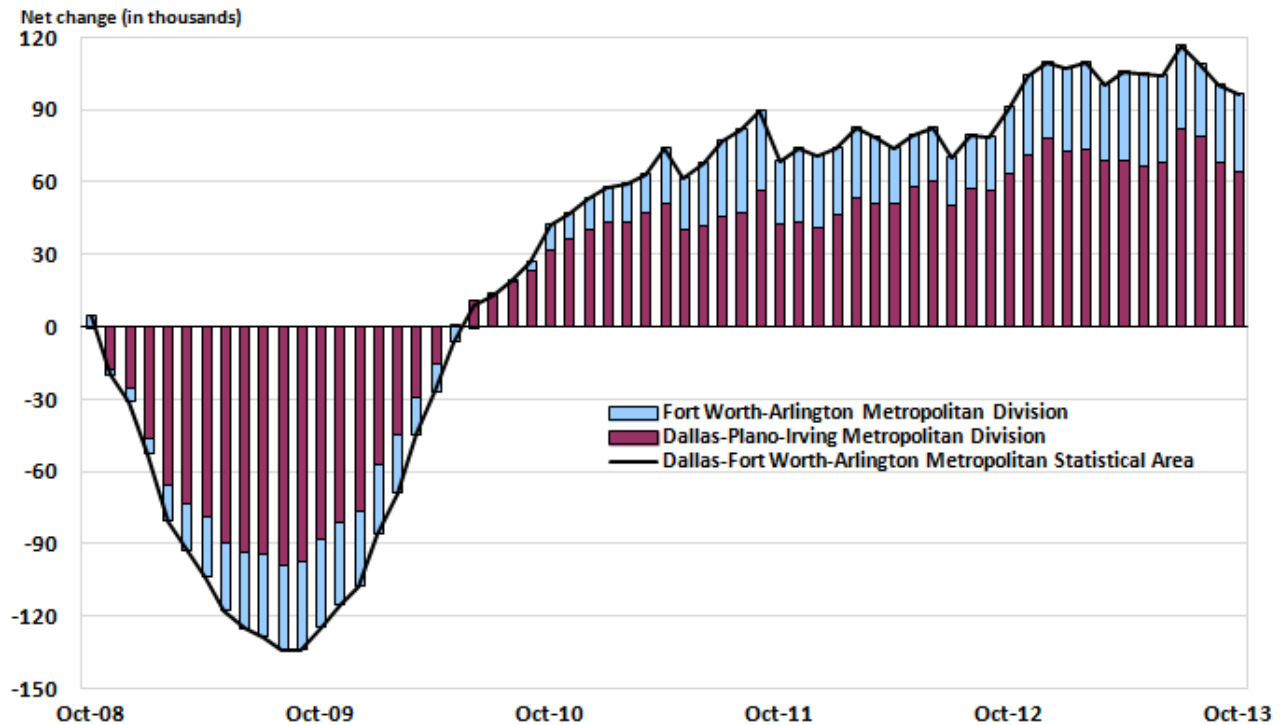
## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### EMPLOYMENT AND ECONOMIC BASE

#### DFW MSA Employment

From 1995 to 2000, the DFW MSA was consistently one of the leaders in new job creation, with annual gains in the range of 70,000 to 125,000 jobs. However, the region posted job losses totaling 36,500, or -1.3% decline for the year ending 2001, primarily due to layoffs in the high tech and telecom sectors. This was a record loss and twice the previous record of 19,500 job losses in 1991. In total, only three years of negative job growth are recorded in the last fifteen years. Employment bases of the MSAs are growing and the unemployment figures are typically slightly superior to the U.S. as a whole. Total nonfarm employment in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area stood at 3,114,800 in July 2013, up 111,800 over the year, the U.S. Bureau of Labor Statistics reported. From July 2012 to July 2013, local nonfarm employment rose 3.7 percent, more than twice the national increase of 1.7 percent. Regional Commissioner Stanley W. Suchman noted that among the 12 largest metropolitan areas in the country, Dallas ranked first in the rate of job growth.

**Chart 1. Total nonfarm employment, over-the-year net change in the Dallas metropolitan area and its divisions, October 2008–October 2013**



## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

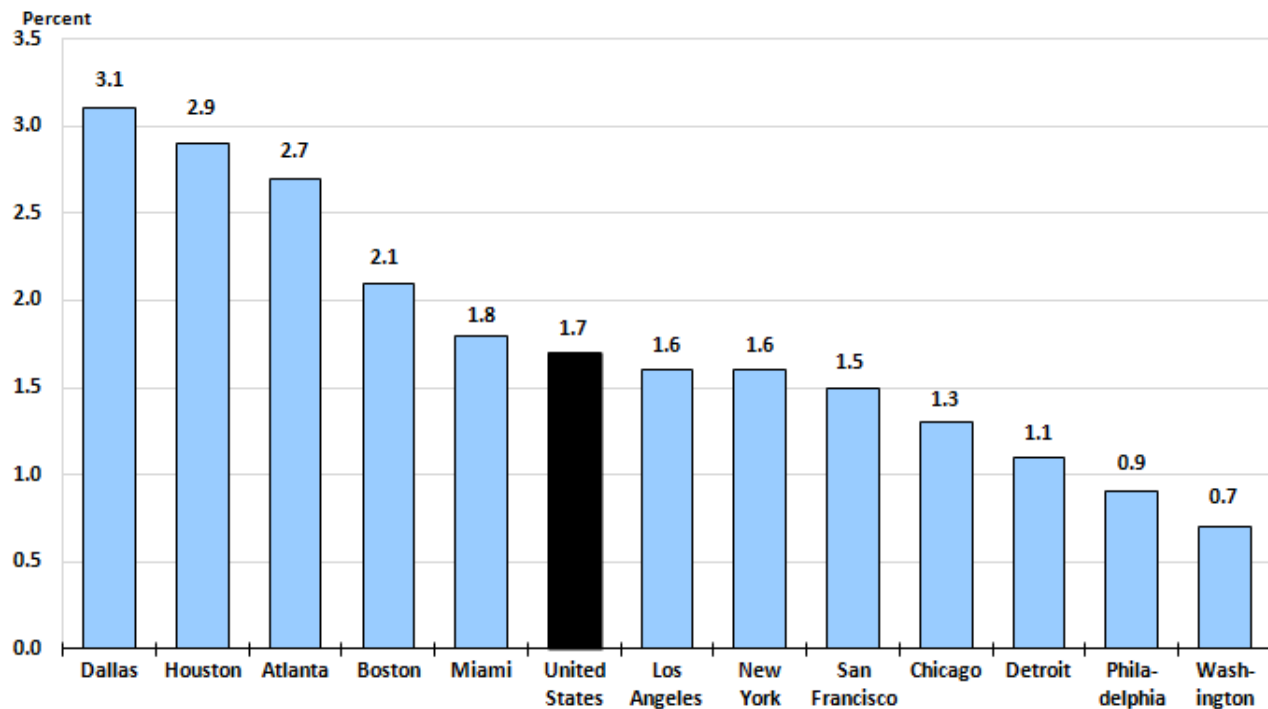
Dallas-Fort Worth-Arlington was 1 of the nation's 12 largest metropolitan statistical areas in July 2013. All of these areas experienced over-the-year job growth during the period, with five exceeding the national average of 1.7 percent. The fastest rate of job growth was registered in Dallas, up 3.7 percent, closely followed by Houston-Sugar-Land-Baytown, up 3.6 percent.

### Civilian Employment (In Thousands) August 2013

|                              |             |                           |          |
|------------------------------|-------------|---------------------------|----------|
| United States                | 144,509,000 | State of Texas            | 11,981.9 |
| Abilene                      | 80.1        | Longview                  | 111.1    |
| Amarillo                     | 127.4       | Lubbock                   | 139.8    |
| Austin-Round Rock-San Marcos | 931.1       | McAllen-Edinburg-Mission  | 277.6    |
| Beaumont-Port Arthur         | 169.4       | Midland                   | 92.6     |
| Brownsville-Harlingen        | 146.1       | Odessa                    | 84.1     |
| Bryan-College Station        | 107.3       | San Angelo                | 53.8     |
| Corpus Christi               | 208.9       | San Antonio-New Braunfels | 968.9    |
| Dallas-Plano-Irving MD       | 2,150.5     | Sherman-Denison           | 54.3     |
| El Paso                      | 293.7       | Texarkana                 | 59.0     |
| Fort Worth-Arlington MD      | 1,077.6     | Tyler                     | 95.5     |
| Houston-Baytown-Sugarland    | 2,916.2     | Victoria                  | 58.7     |
| Killeen-Temple-Fort Hood     | 159.1       | Waco                      | 110.2    |
| Laredo                       | 94.8        | Wichita Falls             | 66.7     |

*Source: Texas Workforce Commission -Texas Labor Market Review, September 2013*

**Chart 3. Over-the-year percent change in employment, United States and 12 largest metropolitan areas, October 2013**

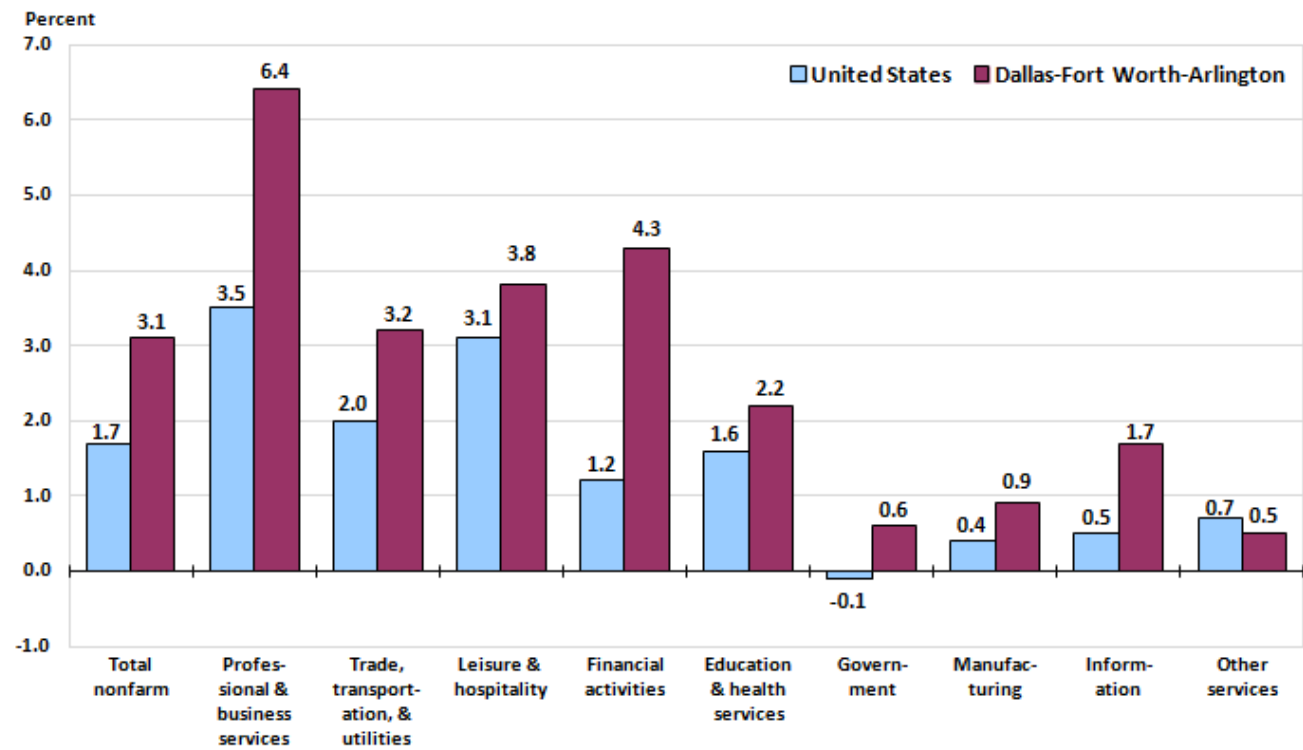


Source: U.S. Bureau of Labor Statistics.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

In previous years, the DFW diversified economic base has generated employment opportunities, which caused substantial amounts of growth and expansion. The Dallas/Fort Worth job market has changed from a traditional manufacturing and low-skill employment to the service, high tech, and high skill employment. The subsequent chart illustrates employment growth in industry sectors in Dallas/Fort Worth and nationwide.

**Chart 2. Over-the-year percent change in employment by industry supersector, United States and the Dallas-Fort Worth-Arlington metropolitan area, October 2013**



Trade, professional, business, and other services, manufacturing, and government make up the bulk of the jobs within the Dallas/Fort Worth area.

### Local Companies

The metropolitan area boasts a long list of national and international corporate headquarters, with many major companies relocating to DFW in the past twenty years. The availability of reasonably priced land, lower living cost for employees, favorable climate, and reasonable housing are great incentives.

DFW MSA is home to 19 Fortune 500 Companies. These companies include Exxon Mobil, AT&T, AMR Corporation, Texas Instruments, Fluor, Kimberly-Clark, J.C Penney, Energy Transfer Holdings, Energy Transfer Equity, Atmos Energy, and several others.

## **DALLAS/FORT WORTH METROPOLITAN ANALYSIS**

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The largest North Texas private companies based on revenue include Ashton Dallas Residential L.L.C., Energy Future Holdings, Michaels Stores Inc., Baylor Health Care System, The Neiman Marcus Group, Texas Health Resources, Glazers Distributors, Sammons Enterprises, Sabre Holdings, and Mary Kay Inc.

Below are the top ten private-sector employers located in North Texas:

| <b>Dallas/Fort Worth</b>                                  |                               |
|---|-------------------------------|
| <b>Top Ten Employers</b>                                  | <b>No. of Local Employees</b> |
| American Airlines   | 24,700                        |
| Bank of America   | 20,000                        |
| Texas Health Resources                                    | 19,230                        |
| Dallas ISD  | 18,314                        |
| Baylor Health Care System                                 | 17,097                        |
| AT&T Inc.   | 15,800                        |
| Lockheed Martin   | 14,126                        |
| JPMorgan Chase  | 13,500                        |
| UT Southwestern Medical Center at Dallas                  | 13,122                        |
| City of Dallas  | 12,2,176                      |
| <i>Source: Dallas Business Journal 2013 Book of Lists</i> |                               |

The largest North Texas public companies based on revenue include Exxon Mobil Corp., AT&T Inc., AMR Corp., Fluor Corp., Kimberly-Clark Corp., J.C. Penney Co. Inc., Southwest Airlines Co., Holly Frontier Corp., Texas Instruments Inc., and Dean Foods.

Below are the top ten public-sector employers located in North Texas:

| <b>Dallas/Fort Worth</b>                                  |                               |
|---|-------------------------------|
| <b>Top Ten Employers</b>                                  | <b>No. of Local Employees</b> |
| Dallas ISD  | 18,314                        |
| UT-Southwestern Medical Center at Dallas                  | 13,122                        |
| City of Dallas  | 12,2,176                      |
| United States Postal Service                              | 10,439                        |
| Fort Worth ISD  | 10,129                        |
| Parkland Health & Hospital System                         | 8,134                         |
| Arlington ISD   | 7,907                         |
| Dallas County   | 7,411                         |
| Garland ISD   | 7,300                         |
| Dallas County Community College District                  | 7,076                         |
| <i>Source: Dallas Business Journal 2013 Book of Lists</i> |                               |



## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### DALLAS/FORT WORTH INVESTMENT CRITERIA

According to the Real Estate Research Center's 3rd Quarter 2013 Real Estate Report, investment criteria are as follows:

DALLAS/FT. WORTH

3RD QUARTER 2013

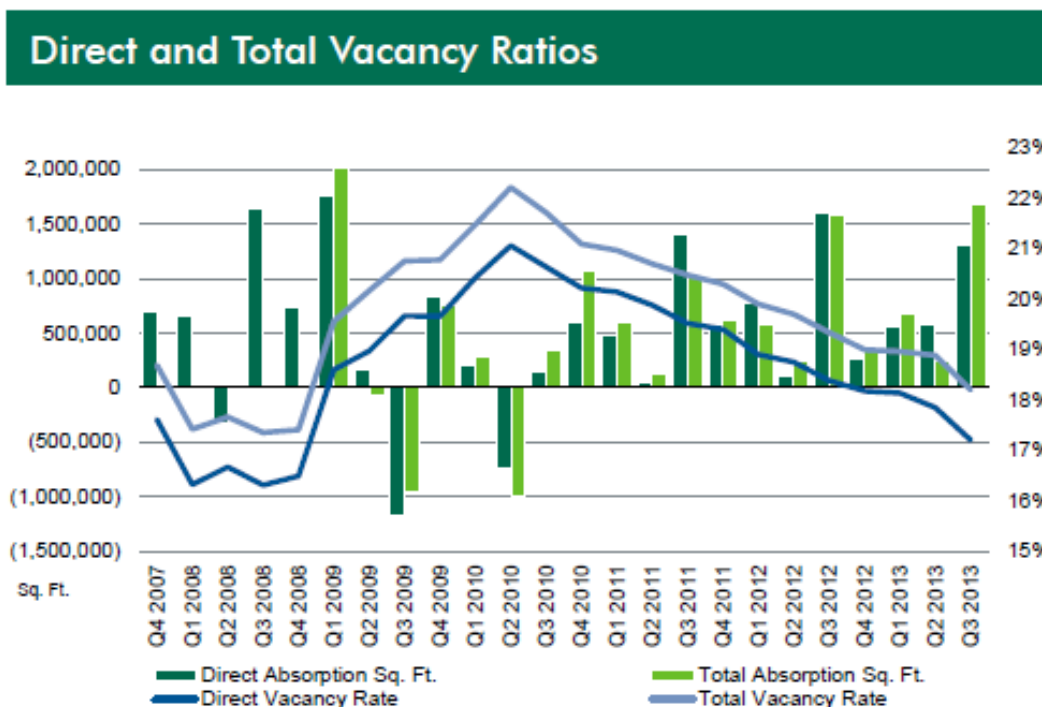
| Dallas/Ft. Worth Investment Criteria   First-Tier <sup>1</sup> Investment Properties |                   |              |            |                       |              |            |                       |              |            |                                 |             |               |            |
|--|-------------------|--------------|------------|-----------------------|--------------|------------|-----------------------|--------------|------------|---------------------------------|-------------|---------------|------------|
|  | Pre-Tax Yield (%) |              |            | Going-In Cap Rate (%) |              |            | Terminal Cap Rate (%) |              |            | Anticipated 1-Year Growth Rates |             |               |            |
|  | RERC Estimate     | South Region | U.S.       | RERC Estimate         | South Region | U.S.       | RERC Estimate         | South Region | U.S.       | National Value                  | South Value | National Rent | South Rent |
| Offc - CBD   | 8.7               | 9.3          | 9.0        | 7.1                   | 7.6          | 7.3        | 7.9                   | 8.4          | 8.0        | 2.1                             | 1.6         | 1.9           | 1.4        |
| Offc - Suburban  | 9.2               | 9.5          | 9.4        | 7.6                   | 7.8          | 7.7        | 8.2                   | 8.5          | 8.4        | 1.9                             | 2.0         | 1.5           | 1.6        |
| Ind - Warehouse  | 8.8               | 9.4          | 9.1        | 7.2                   | 7.8          | 7.6        | 7.8                   | 8.4          | 8.2        | 2.6                             | 2.6         | 2.1           | 2.0        |
| Ind - R&D  | 9.4               | 9.8          | 9.6        | 7.7                   | 8.1          | 7.9        | 8.4                   | 8.8          | 8.5        | 1.9                             | 2.1         | 1.7           | 1.8        |
| Ind - Flex   | 9.5               | 9.8          | 9.6        | 7.9                   | 8.2          | 7.9        | 8.5                   | 8.9          | 8.6        | 2.0                             | 1.8         | 1.7           | 1.5        |
| Ret - Reg Mall   | 8.5               | 9.1          | 9.1        | 7.0                   | 7.5          | 7.5        | 7.7                   | 8.2          | 8.1        | 1.3                             | 1.3         | 1.3           | 1.2        |
| Ret - Pwr Center   | 8.9               | 9.1          | 9.2        | 7.5                   | 7.6          | 7.5        | 8.1                   | 8.2          | 8.2        | 1.7                             | 1.9         | 1.5           | 1.5        |
| Ret - Neigh/<br>Comm.  | 9.0               | 9.3          | 9.3        | 7.5                   | 7.8          | 7.7        | 8.1                   | 8.3          | 8.4        | 2.1                             | 2.5         | 1.9           | 2.1        |
| Apartment  | 7.9               | 8.3          | 8.1        | 5.9                   | 6.5          | 6.3        | 6.6                   | 7.2          | 7.0        | 3.5                             | 3.6         | 3.0           | 3.4        |
| Hotel  | 10.1              | 10.3         | 10.2       | 8.2                   | 8.4          | 8.5        | 9.0                   | 9.2          | 9.2        | 2.6                             | 3.1         | 2.2           | 2.7        |
| <b>Average</b>   | <b>9.0</b>        | <b>9.4</b>   | <b>9.3</b> | <b>7.4</b>            | <b>7.7</b>   | <b>7.6</b> | <b>8.0</b>            | <b>8.4</b>   | <b>8.3</b> | <b>2.2</b>                      | <b>2.2</b>  | <b>1.9</b>    | <b>1.9</b> |

<sup>1</sup> First-tier investment properties are defined as new or newer quality construction in prime to good locations.  
Source: RERC Investment Survey.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### Office Market

According to the *CB Richard Ellis 3rd Quarter 2013 D/FW Marketview*, the Dallas/Fort Worth office market is experiencing a steady decline in vacancy rates. Overall, vacancy rates have been declining, with lease rates slightly decreasing in the most recent quarters. With the uncertainty in the global economy, investors have become lease aggressive in the office market, with the quantity of proposed office projects declining. Medical offices continue as the strongest sector within the office inventory.

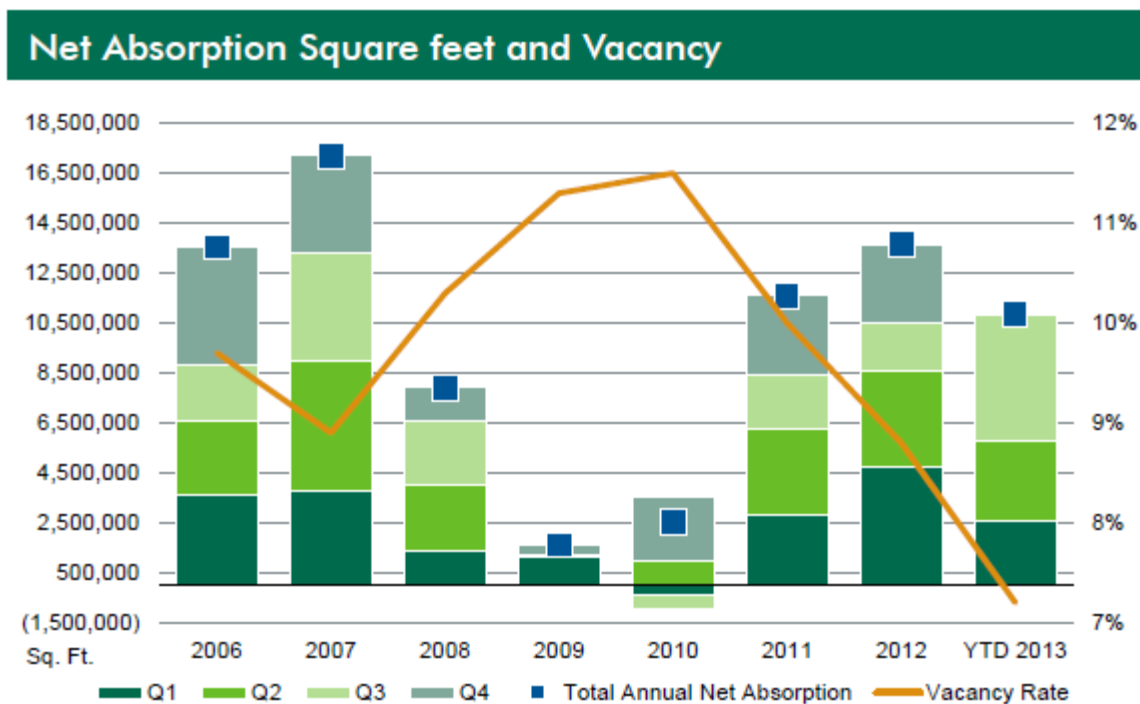


Source: CBRE Research, Q3 2013.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### Industrial Market

According to *CB Richard Ellis*, the industrial market showed signs of continued recovery into 2013. During the past three years, absorption has decreased and then bottomed out; however, for the sixth consecutive quarter, net absorption in the Dallas/Fort Worth industrial market has increased and vacancy rates have dropped. This indicates a growth in demand for space that will be necessary to move the market back to its pre-recession health. As tenants continue to read about the sluggish economy, they expect lower rent as a result. Supply will be increasing slightly, as construction has picked up and two speculative industrial developments have been announced.



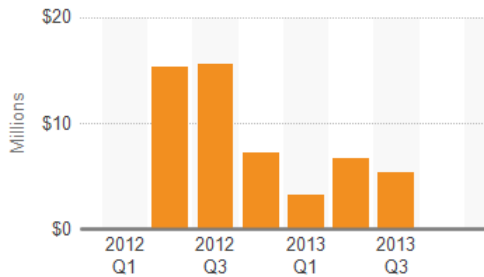
Source: CBRE Research, Q3 2013.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

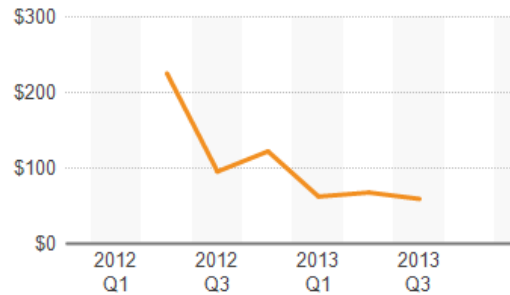
### Hospitality

The Dallas/Fort Worth Metropolitan Area remains strong in terms of the hospitality industry. The overall state of Texas market showed a 7% increase in revenue growth in the third quarter of 2013, largely driven by a 9.5% increase in the oil and gas exploration and production regions. However, Dallas/Fort Worth benefitted from a solid 5% gain in room revenue. With current broader market occupancy currently at 62.6%, the third quarter saw a 3.4% increase in occupancy from the previous period, and a 1.3% increase from the same period one year ago.

**Sales Volume**

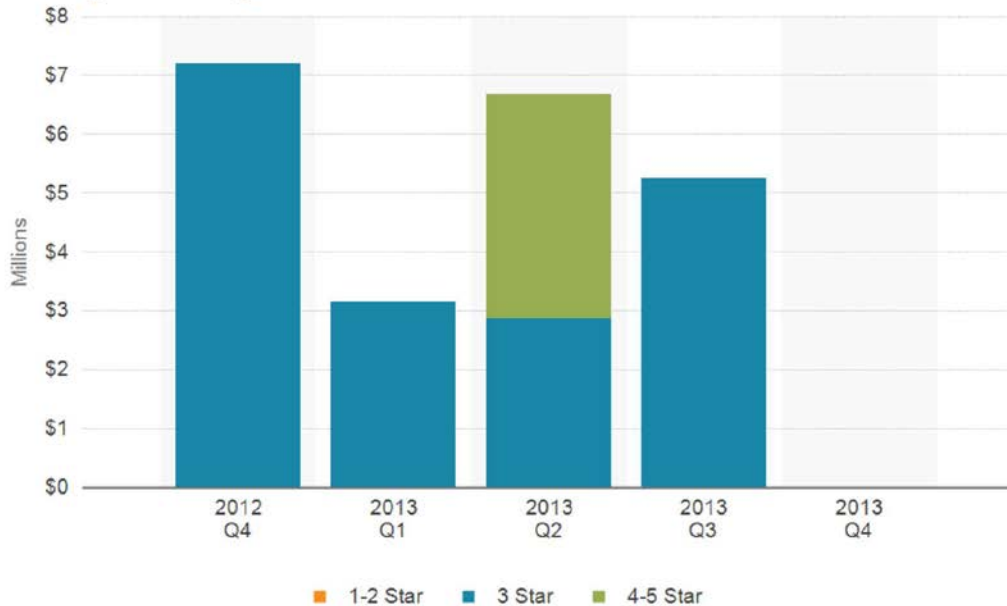


**Average Sales Price Per SF**



Sales volume as well as average sales price per square foot has declined in 2013 in comparison to 2012. This marks not only a decrease in properties offered for sale, but a recent shift away from upscale and full service properties. As displayed in the chart below, the midscale, limited service market remains consistent.

**Sales Vol by Star Rating**



Source: CoStar

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## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

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### Retail

The Dallas/Fort Worth retail market continues to improve as occupancy and demand increases and rental rates remain level. Retail net absorption has been positive since 3<sup>rd</sup> quarter 2009 and is anticipated to continue. Of the total retail market inventory, neighborhood centers dominated the distribution with 32% of the market and strip centers at 24% of the inventory.

The Dallas/Fort Worth retail market is comprised of 84.7 million square feet. Relative to the other markets in the US, Dallas/Fort Worth is the 2nd largest by inventory size. Currently, Dallas/Ft. Worth has 13 square feet of neighborhood & community retail space per capita compared to the U.S. inventory level of 12.9 square feet per capita. The current Dallas/Fort Worth retail vacancy rate of 8.4% ranks 76th overall in the US. The vacancy rate has decreased by 500 basis points over the last year. Over the next five years, the vacancy rate is expected to decrease slightly.

Dallas/Fort Worth retail sales per capita are \$15,143. This is the 52nd largest sales per capita among US markets. Retail sales per capita are expected to grow by an annual rate of 3.1% over the next five years. This is projected to drive the Dallas/Fort Worth annual absorption of 1.2% as a percent of total inventory over the next five-years.

Currently, 1,163,127 square feet of neighborhood and community retail space is under construction, representing 1.4% of total inventory. Annual new supply is projected to represent 0.9% of total inventory. Over the last four years retail rents have fallen by 0.6% in Dallas/Fort Worth. The outlook in retail market fundamentals is expected to drive annual rental growth of 2.2% over the next five years. The 2012 estimated retail health ratio for Dallas/Fort Worth is 91.3 as compared to the average for all markets ratio of 99.7.

### Retail Trends

In 2011, 64 retail transactions closed totaling \$1,095.9 million. Year-to-date 2012, 40 retail transactions have closed totaling \$1,015.2 million. This level of transaction activity compares to 2007 when 126 retail transactions closed for a total of \$2,260.0 million.

New developments of higher density, mixed-use centers offer unique opportunities to both businesses and residents of the Dallas–Fort Worth region. These developments are situated along the new light rail lines and include: Mockingbird Station, West Village, Victory Park, and Park Lane Place in Dallas, and Montgomery Plaza, Museum Place, and Sundance Square in Fort Worth. In addition, historic downtowns are being redeveloped into attractive regional destinations, including downtowns in Plano, McKinney, Denton, Carrollton, and Grapevine.

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## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

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### DFW ECONOMY

#### Market Center/Conventions

Located north of the Dallas Central Business District is the Dallas Market Center. This 150 acre, five building complex is the largest wholesale mart complex in the United States. Since its opening in the early 1950's, this center has grown to include a total of 5.1 million square feet consisting of the International Floral and Gift Center, Market Hall, Trade Mart, and the World Trade Center.

The Dallas Market Center annually conducts more than fifty major markets for more than 200,000 professional buyers. The World Trade Center offers many services vital for international commerce, including consular offices, and trade commissions, foreign buying offices, translation and customs brokers.

The Dallas Convention Center (DCC) underwent a \$100 million expansion, completed in 2002. The Convention Center now features the world's largest singular column-free exhibit hall in the world, at 203,000 square feet and comprises one million square feet of exhibit space, ballrooms, meeting rooms, and is the only convention centre in the nation to have an art museum on the premises. The latest addition to the Dallas Convention Center is large enough to hold The Ballpark at Arlington (home to the Texas Rangers), and still have enough room so that the longest home run hit out of the ballpark would still be in the Convention Center. The DCC hosts 3,600 conventions annually and is one of the leading conventions sites in the US bringing more than \$4.2 billion to the Dallas economy.

#### Dallas/Fort Worth International Airport

The Dallas/Fort Worth International Airport, which opened January 1974, has had an enormous impact on the economy of the DFW Metroplex. Located roughly sixteen miles northwest of the Dallas CBD and employing approximately 305,000 people, the 18,000-acre space is the second largest airport facility in the nation.

The airport has 5 terminals, 7 runways, 155 gates, and 191 destinations. D/FW Airport includes 12 instrument landing approaches and 3 control towers giving it the capacity of the three New York airports combined. D/FW is the only airport where four planes can land simultaneously. Twenty passenger airlines operate out of D/FW, of which eleven are commuter airlines, and nine are foreign flag airlines.

D/FW International Airport ranks eighth in the world, serving 57,806,918 passengers in 2011, 5,509,372 of which were international travelers. DFW also ranks fourth in the world in terms of operations with 646,803 takeoff/departures in 2011. Approximately 158,375 passengers travel daily through D/FW Airport. In 2011, 58% of the passenger makeup consisted of connecting flights while 42% was local.

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## **DALLAS/FORT WORTH METROPOLITAN ANALYSIS**

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American Airlines makes D/FW its home base with a high amount of total passengers on a monthly basis. D/FW Airport is also home to an impressive global distribution center with several cargo carriers, 2.6 million square feet of cargo facilities and a foreign trade zone with direct highway access. Covering more than 250 acres, this area is developing into a full service free trade zone. D/FW generates an estimated \$16.6 billion annually to the Metroplex economy.

### **Alliance Airport**

The Alliance Airport is the world's first industrial/ air cargo and corporate airport in the nation and is designed to serve the needs of business as opposed to passenger service. Alliance Airport is located 15 miles north of downtown Fort Worth, 12 miles northwest of the Dallas/Fort Worth International Airport, and 29 miles to the northwest of downtown Dallas. This project, created by Ross Perot Jr., the city of Fort Worth and the FAA, is a master-planned industrial and commercial facility, which houses more than 140 companies – including over 62 from the Fortune 500, Global 500 and Forbes' List of Top Private Companies. Alliance is the only Foreign Trade Zone in North Texas with combined air, rail and highway access. In conjunction with the airport, Circle T Ranch, a 2,500-acre master-planned community, and Heritage, a 2,300-acre residential community, are transforming northern Tarrant County into a modern urban environment. Alliance Town Center is becoming the center of activity for the growing North Fort Worth area. The center includes a 500 acre retail center, Heritage Marketplace, luxury apartments, hospitals and more.

### **Las Colinas**

Located on major traffic routes between the Dallas/Fort Worth International Airport, downtown Dallas, and the dense residential area of North Dallas, Las Colinas has become one of the major mixed-use developments in the nation. This master planned community covers approximately 12,000 acres within the city of Irving. With 22.3 million square feet of office space, Las Colinas is currently home to more than 2,000 companies. Las Colinas features three private country clubs and four championship golf courses surrounded by residential communities. The Four Seasons Las Colinas Resort has hosted the PGAs Byron Nelson Championship since it opened in 1986. It also contains high-rise office towers, retail centers, apartment complexes, and leisure facilities.

## **DALLAS/FORT WORTH QUALITY OF LIFE**

### **Education**

Educational facilities offered by the city of Dallas and the surrounding areas have grown to keep pace with the increasing population. As of 2010, the DFW MSA consisted of almost 100 school districts and over 1,800 schools with a total enrollment of over 1.1 million. Teacher-pupil ratios ranged from 15 to 3:15. The Dallas and Fort Worth Independent School districts ranked 5th among the largest school districts in the nation.

## **DALLAS/FORT WORTH METROPOLITAN ANALYSIS**

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Twenty, four-year colleges and universities, and five community college districts with a combined total 20 campuses are within one hundred miles of the DFW MSA. Several notable institutions of higher education are located within the MSA.

- Dallas Baptist University
- Texas Christian University
- Texas Wesleyan University
- Baylor College of Dentistry
- Southern Methodist University
- Texas A&M University - Commerce
- University of Dallas
- University of North Texas
- Texas Woman's University
- University of Texas at Dallas
- University of Texas at Arlington
- University of Texas Southwestern Medical Center

Along with these colleges and universities are 75 technical and vocational programs in the Dallas/Fort Worth area. More than 280,000 full- and part-time students attend public and private four year colleges, universities, professional schools, community colleges or senior and graduate level institutions located in this region.

### **Recreation**

Dallas and Fort Worth both offer a wide range of recreational and cultural amenities. Located within 100 miles of DFW are 406 area parks encompassing almost 23,000 acres and more than 60 lakes and reservoirs covering approximately 550,000 acres. DFW has more than 175 museums and galleries, 50 pro and community theatres and dozens of local symphony and chamber orchestras, ballet groups and opera associations. The Dallas Arts District, a sixty-acre section of the Dallas Central Business District, is taking shape into what is expected to become a major focal point in the Dallas arts community. Anchored by the Dallas Museum of Art, the Meyerson Symphony Center, and Nasher Sculptor Garden, the Dallas Arts District is the largest urban arts district in the country.

The Fort Worth Cultural District is home to several museums that are applauded for their architecture and the quality of their collections. Such museums include the Amon Carter Museum of American Art, Kimbell Art Museum, Modern Art Museum of Fort Worth, National Cowgirl Museum and Hall of Fame, Cattle Raisers Museum, and the Fort Worth Museum of Science and History.

Downtown Fort Worth encompasses Sundance Square in thirty five historic blocks where people live, work, stay, and play. Sundance Square is filled with great places to eat, shops and galleries, night clubs, live music and theater, Bass Performance Hall, and more.

The Fort Worth Stockyards is a nationally recognized historic district and is a major tourist attraction in the area. Stockyards Station is the only location that holds a daily longhorn cattle drive, the Fort Worth Herd. Cowboys drive the herd down East Exchange Avenue twice daily. The Stockyards is also home to the world's first indoor rodeo and opens the doors Friday and Saturday nights. Billy Bob's Texas, once a barn for prize cattle during the stock shows, is now 100,000 square feet where you can enjoy real bull riding, games, and performances by some of the biggest country music artists.



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## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

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Dallas/Fort Worth is host to a wide range of sporting events throughout the year: home to the Dallas Cowboys, Texas Rangers, Dallas Mavericks, Dallas Stars, and FC Dallas Soccer. The area is also host to the Cotton Bowl (Arlington), Byron Nelson Golf Tournament (Irving), Colonial Golf Tournament (Fort Worth), and the Mesquite Rodeo (Mesquite).

Texas Motor Speedway, a development of Bruton Smith, city of Fort Worth and Denton County, opened in 1997. This facility, located at State Highway 114 and Interstate 35W, has a capacity of 200,000 persons. TMS draws huge crowds and lends to accelerated development to the area north of Alliance Airport. Major events to TMS are the NASCAR Nextel Cup, Samsung/Radio Shack 500, Dickies 500, NASCAR Busch Grand National Series, O'Reilly 300, O'Reilly Challenge, IRL, and the Bombardier Learjet 500.

Lone Star Park, a class I horse racing facility, opened in Grand Prairie in 1997. The facility is located on Belt Line Road just to the north of Interstate 30. Lone Star Park covers 315 acres, includes a 36,000 square foot pavilion for simulcasting, and a seven story, 280,000 square foot grandstand with a capacity of roughly 8,000 people. The track has a one mile dirt oval and a 7 furlong turf track, and has accommodations for 1,600 horses across 32 barns. In 2004, it was the site of the Breeder's Cup, becoming the ninth race track to ever host a Breeders' Cup. At only seven years old, Lone Star Park is the youngest track to host the event.

### Health Care

The city of Dallas excels in offering health care and medical related research facilities to the Southwest. Baylor Health Care Systems has been named 18<sup>th</sup> among the nation's Top 100 integrated health care networks by SDI, a leading health care market insight and analytics firm and the nation's premier rating system for IHN's. The Southwest Medical School of the University of Texas was ranked 17<sup>th</sup> among research medical schools and 23<sup>rd</sup> among primary care medical schools in the nation. Also, located in the Dallas area is the Wadley Institute of Molecular Medicine blood disease and cancer research facilities, and the headquarters for the American Heart Association, National Association for Retarded Children, and the American Association for Respiratory Therapy. Baylor college of Medicine is ranked 12<sup>th</sup> in medical research and 13<sup>th</sup> in primary care. Parkland Memorial Hospital ranks in the top 50 in five different medical fields.

Medical facilities in Fort Worth include: Baylor Health System, Cook's Children Health Care System, University of North Texas Health Science Center at Fort Worth, JPS Hospital, Plaza Medical Center of Fort Worth, The Center for Cancer and Blood Disorders, and Texas Health Harris Methodist Hospital Fort Worth.

### Infrastructure

Water and wastewater needs are supplied by Dallas Water Utilities, North Texas Municipal Water District, Trinity River Authority, and Tarrant Regional Water District.

## **DALLAS/FORT WORTH METROPOLITAN ANALYSIS**

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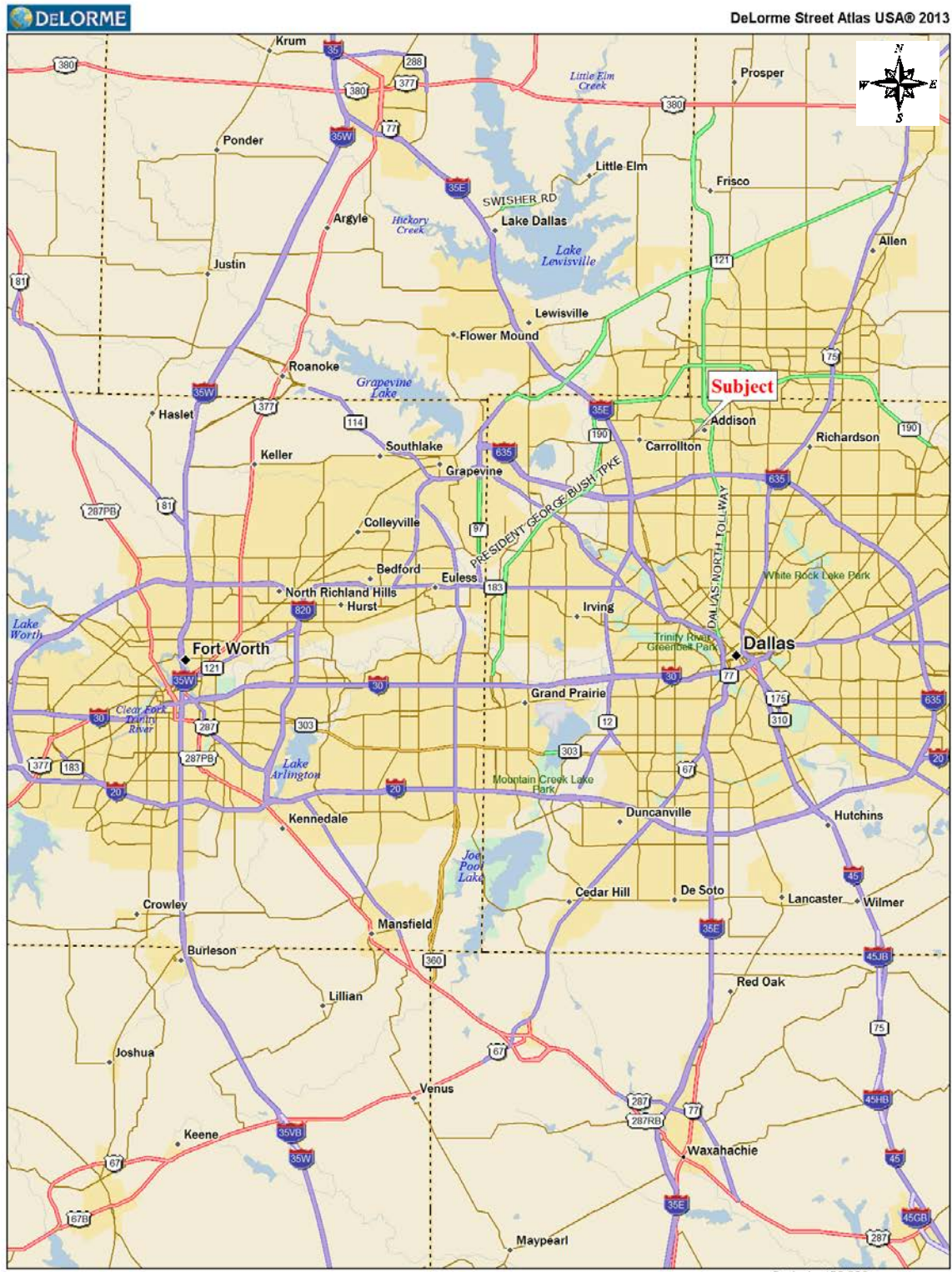
### **CONCLUSIONS**

The foregoing city data and local area economic base activity are presented to establish growth and income patterns, which materially affect real estate development, real estate sales volume and value. The Dallas/Fort Worth area, based upon past performances and reasonable forecasts, should continue an upward growth trend, both in population and employment, particularly in the suburban cities.

As population in the suburban communities continues to increase, and as traffic in and around the Central Core becomes more congested, both residents and local firms are beginning to look toward new, outlying employment centers. This is especially seen in North Dallas along the LBJ Freeway/Dallas Parkway Corridors as well as master planned areas such as Las Colinas and Legacy Business Park.

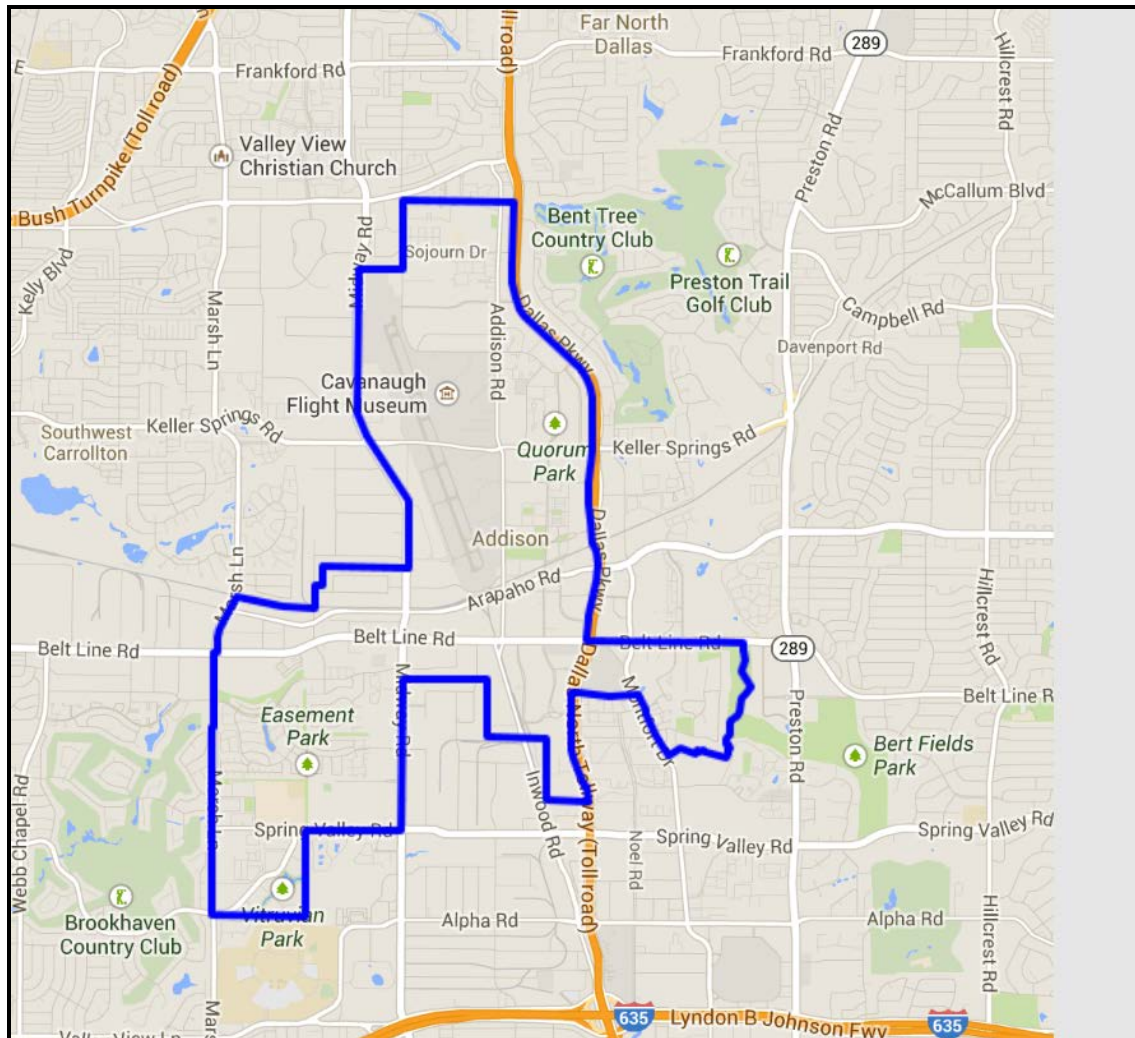
For most sectors of the North Texas metropolitan market, appreciation continued in recent years until 2007. In 2008, the Metroplex saw a record number of single-family home foreclosures. The meltdown of the subprime lending market and collapse of major financial institutions virtually halted commercial and residential lending. Development trends from 2007 through 2009 were downward and sales volumes slowed dramatically. A slow recovery is underway, and while economic forecasts are varied, modest improvement seems to be a consensus. Overall, the Texas economy is proving more resilient and less over-built as compared to Florida, Arizona, Nevada, and California.

# REGIONAL MAP



## TOWN OF ADDISON ANALYSIS

The town of Addison, Texas is located 13 miles north of downtown Dallas, 16 miles northeast of DFW airport, and 11 miles north of Love Field airport. The town is bordered by the city of Carrollton to the west, Farmers Branch to the southwest, and Dallas to the south, east, and north.



### History

Incorporated on June 15, 1953, the Town of Addison is located in the area known at one time as Peters Colony, and settled circa 1846. The area was not known as Addison until 1902, named after Addison Robertson, who served as the community's second postmaster. With the adoption of a new charter, the community became the Town of Addison on April 3, 1982.

In 1975, an election to allow liquor by the drink served in town was a major attribute to the expansion of businesses and restaurants. All combined, Addison's restaurants and eating establishments can seat over 20,000 patrons at one time.

## **TOWN OF ADDISON ANALYSIS**

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During the late 1970's and early 1980's, Addison experienced explosive growth. The Town of Addison is included in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area, and hence benefits from the economic and population growth trends of the Dallas-Plano- Irving Metropolitan Division.

### **Government**

Governed by a council-manager form of government, the Town Council consists of a Mayor and six members who are elected by at-large elections. The Council enacts ordinances and determines policies, adopts the budget, and appoints the City Manager, who is the chief administrator.

### **Population, Transportation, and Commerce**

Addison contains an estimated 15,179<sup>1</sup> people in a total of 8,419 households. During the day, the population of the town of Addison is estimated to increase to over 100,000 persons, attributable to the large number of employers in the area, as well as the more than 170 restaurants, 27 hotels with over 4,000 rooms, and a large number of retail stores and office buildings along the primary thoroughfares. Furthermore, Addison is corporate headquarters to Dresser, Mary Kay Cosmetics, Jani-King, Palm Harbor Homes, and MillionAire. Average per capita income is estimated to be \$47,727 and average household income is \$63,279, with an average unemployment rate of 6.1%.

The town of Addison covers 4.4 square miles of land, roughly one-half of which is improved with Addison Airport. The airport runway is 7,203 x 100 feet, and is equipped for ILS/DME and VOR/DME instrument approaches. The airport has an average of 366 aircraft operations each day, with 88% being considered general aviation, and 12% being air taxi, charter, or commercial flights. Aircraft based at the airport total 774, 49% of which are single engine, 24% of which are multiple engine, 24% of which are jet aircraft, and 3% of which are helicopters.

Primary thoroughfares providing north/south linkage include the Dallas Parkway/Dallas North Tollway, Addison Road, Inwood Road, Midway Road, and Asbury Lane. East/west linkage is provided by Keller Springs Road, Arapaho Road, Belt Line Road, and Spring Valley Road.

The area is one of the heaviest-developed business centers in northern Dallas, with dense concentrations of low-, mid-, and high-rise office buildings, industrial districts, and retail and restaurant uses. Though Addison is better than 90 percent built out, the town continues to prosper into the new millennium, and prime real estate and redevelopment opportunities remain at and near the Addison Airport and are anticipated for the future.

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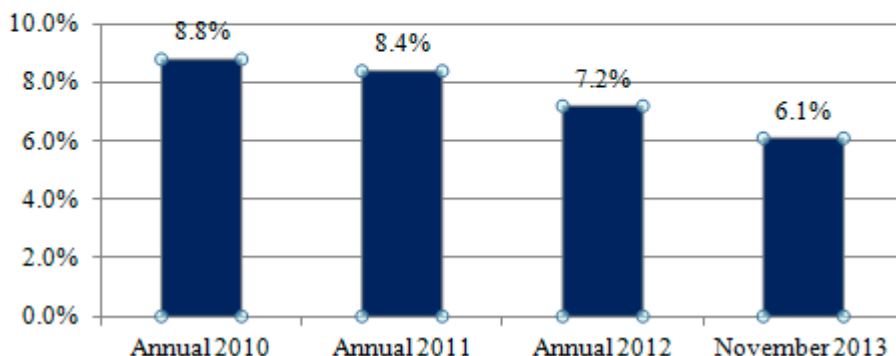
<sup>1</sup> United States Census, Addison, Texas Estimated 2012 Population.

**Employment and Unemployment**

The Texas Workforce Commission does not specifically track the unemployment rate for Addison. Addison historical unemployment rates are estimated to be at or lower than Dallas County as a whole.

**Unemployment Rate  
Dallas County**

(Source: Texas Workforce Commission)



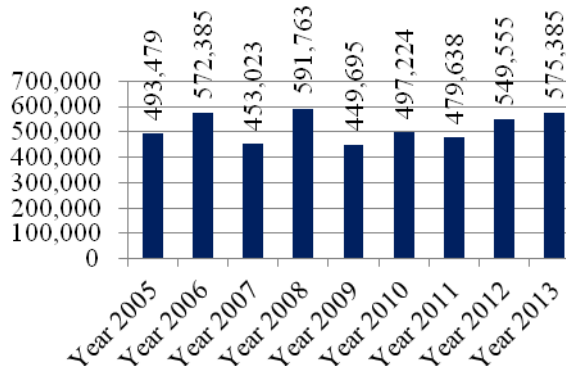
**Retail Sales**

In 2013, retail sales in the town of Addison totaled over \$575 million. Sales in 2005 totaled \$493 million, indicating 2% annual compounded growth. The number of retail businesses has increased from 427 in 2005 to 655 in 2013, indicating 5.5% annual compounded growth.

**Gross Retail Sales**

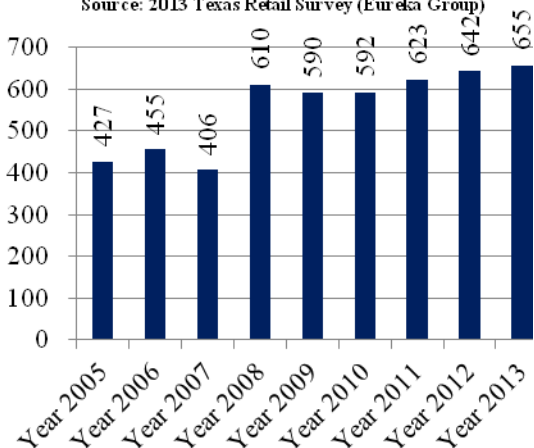
(\$1,000s)

Source: 2013 Texas Retail Survey (Eureka Group)



**Retail Businesses**

Source: 2013 Texas Retail Survey (Eureka Group)



**Community Services**

The town of Addison is served by the Dallas Independent School District and the Carrollton-Farmers Branch Independent School District. Fire and police protection are provided by the town of Addison. Electrical and telephone services are available through various providers, and natural gas is provided by Atmos Energy. Water and sewer services are also provided by the town of Addison.

Located between Addison Road, Addison Circle Drive, Quorum Drive, and Festival Way, Addison Circle Park is a 10-acre open space that serves as the special event site for the Town of Addison's community events such as: Taste of Addison, Kaboom Town, Oktoberfest, and others throughout the year.

**Town of Addison Real Estate Market**

The town of Addison is extensively developed with industrial, office, retail, and multifamily housing, with each property type considered in general terms below.

**Industrial**

A surveyed region, which includes Addison and neighboring areas, indicates a total of 101,377,615 square feet of industrial space, with a vacancy rate of 8.0% and average lease rates ranging from \$4.63 to \$7.51 per square foot on NNN terms.<sup>2</sup>

**Office**

In a manner similar to the industrial analysis, a surveyed region, which includes Addison and neighboring areas, indicates a total of 37,126,805 square feet of office space, with a vacancy rate of 14.5% and average lease rates of \$20.95 per square foot on full service terms.<sup>3</sup>

**Retail**

A surveyed region, including Addison and neighboring areas, indicates a total of 28,332,820 square feet of office space, with a vacancy rate of 8.7% and average lease rates of \$14.76 per square foot on NNN terms.<sup>4</sup>

**Multi-Family Residential Apartments**

In a survey of an area designated as "North Dallas/Addison", 106 properties are considered, with 28,727 units. The average rent per month is \$1.02 per square foot, with 92% occupancy.<sup>5</sup>

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<sup>2</sup> CBRE, *MarketView*.

<sup>3</sup> CBRE, *MarketView*.

<sup>4</sup> CBRE, *MarketView*.

<sup>5</sup> CBRE, *MarketView*.

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## **TOWN OF ADDISON ANALYSIS**

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### **Single-Family and Multi-Family Owned Units**

According to the 2010 United States Census for Addison, 73.4% of the 8,419 households are located in multifamily complexes (either condominium ownership or apartments). The remaining 2,239 units are detached single-family.<sup>6</sup> Given the significant level of build-out in the town, new development is nominal. However, City Homes recently completed construction of 183 condominiums in the Addison Circle Urban Center. The homes range between 1,500 to more than 2,000 square feet.

Condominium list prices range from \$73,500 to \$280,000, or \$94.80 to \$141.03 per square foot. Detached single-family list prices range from \$182,500 to \$849,900, or \$93.63 to \$193.00 per square foot. Townhome list prices range from \$157,000 to \$382,000, or \$110.81 to \$189.14 per square foot.<sup>7</sup>

### **CONCLUSIONS**

The Town of Addison is located along the prestigious Dallas Parkway corridor, and is a major employment center of northern Dallas. The locale is enhanced by residential areas in neighboring communities, and the area is expected to continue to be a major focal point in the commercial real estate market in the Dallas metropolitan area. Residential construction is evident in isolated areas throughout the town, but land availability will tend to retard this growth in the future.

The transportation network in the area is good and surrounding land uses are considered to be compatible and homogenous. The area is in proximity to employment centers and quality schools and services, and is considered a stable residential and commercial environment, with no noticeable nuisances or hazards. The majority of improvements are in the early to middle stages of economic life, and sufficient neighborhood services are accessible to service the community. The long-term prospects for the area and the subject property are positive.

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<sup>6</sup> United States Census, Addison, Texas Estimated 2012 Population.

<sup>7</sup> North Texas Real Estate Information Systems (Local MLS), January 22, 2013.

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## **SUBJECT VICINITY**

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The subject is located in the Belt Line Road corridor in the Town of Addison. The vicinity is west of Midway Road and east of Asbury Lane, and approximately one mile west of the Dallas North Tollway and 2.5 miles north of Interstate Highway 635 (LBJ Freeway).

The area consists of a variety of mostly commercial improvements, ranging from retail buildings and shopping centers, restaurants, office buildings, and others. The majority of improvements are adequately maintained and in average condition. The area is in a stable phase of its life cycle, with an estimated 95% of the land in use.

The traffic system is adequate to service the locale, with Belt Line Road as the primary east-west thoroughfare, and Midway Road and Marsh Lane the primary north-south routes. A number of connecting streets are interspersed throughout the area.

The following pages provide demographic data for the vicinity.

**Neighborhood Demographics**

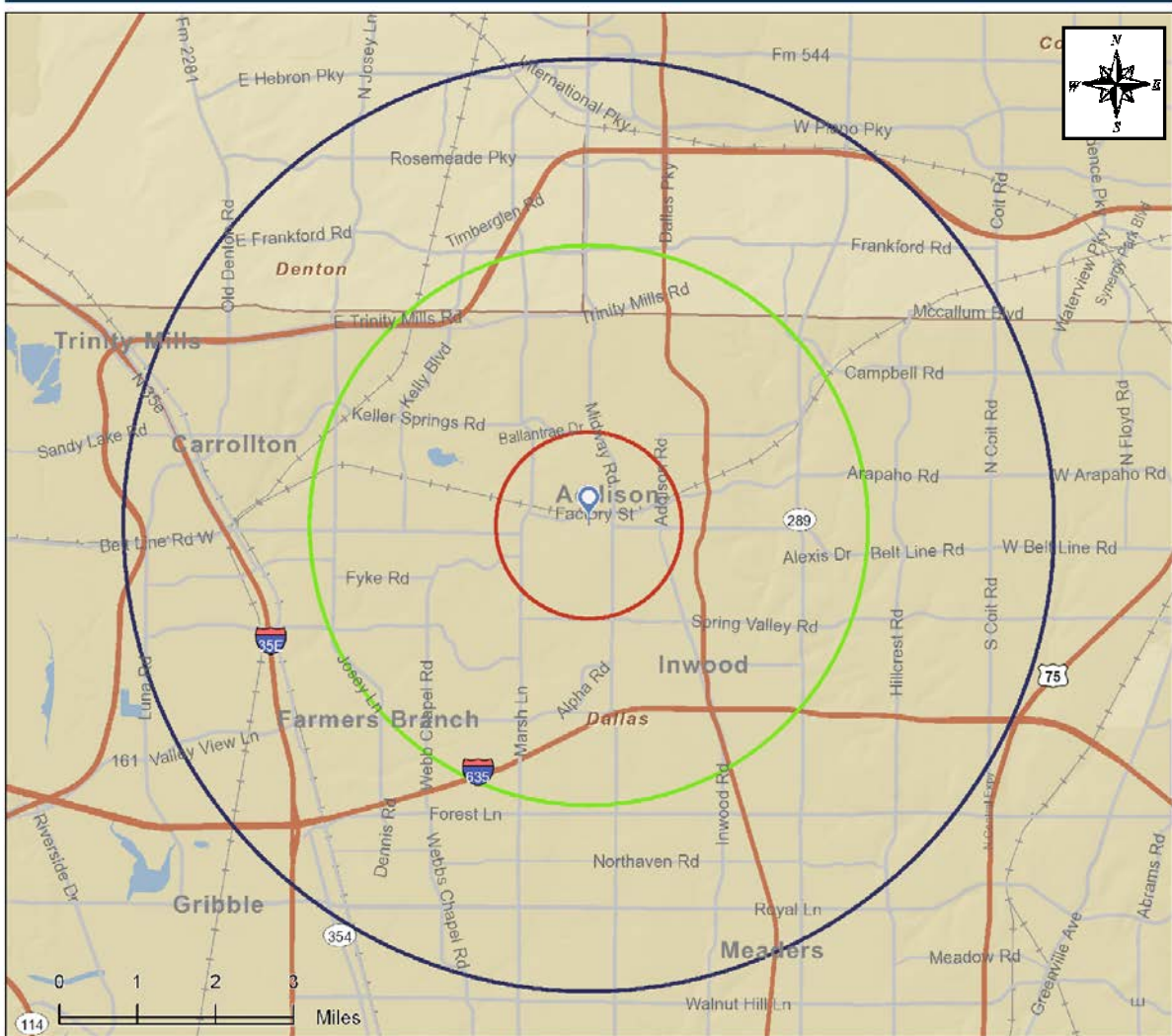
The following Executive Summary provided by Site To Do Business provides demographic and income data for 1-mile, 3-mile, and 5-mile radii centered near the subject's location.



**Site Map**

4101 Belt Line Rd, Addison, Texas, 75001  
Ring: 1, 3, 5 Miles

Prepared by Wendell Pyles  
Latitude: 32.954498  
Longitude: -96.84323





## Executive Summary

4101 Belt Line Rd, Addison, Texas, 75001  
Rings: 1, 3, 5 mile radii

Prepared by Wendell Pyles  
Latitude: 32.954498307  
Longitude: -96.84323032

|                        | 1 mile | 3 miles | 5 miles |
|------------------------|--------|---------|---------|
| <b>Population</b>      |        |         |         |
| 2000 Population        | 7,012  | 123,610 | 329,719 |
| 2010 Population        | 7,605  | 129,115 | 334,277 |
| 2013 Population        | 7,761  | 130,669 | 342,352 |
| 2018 Population        | 8,167  | 137,002 | 365,395 |
| 2000-2010 Annual Rate  | 0.82%  | 0.44%   | 0.14%   |
| 2010-2013 Annual Rate  | 0.63%  | 0.37%   | 0.74%   |
| 2013-2018 Annual Rate  | 1.02%  | 0.95%   | 1.31%   |
| 2013 Male Population   | 48.0%  | 49.3%   | 49.5%   |
| 2013 Female Population | 52.0%  | 50.7%   | 50.5%   |
| 2013 Median Age        | 38.5   | 34.5    | 35.2    |

In the identified area, the current year population is 342,352. In 2010, the Census count in the area was 334,277. The rate of change since 2010 was 0.74% annually. The five-year projection for the population in the area is 365,395 representing a change of 1.31% annually from 2013 to 2018. Currently, the population is 49.5% male and 50.5% female.

### Median Age

The median age in this area is 35.2, compared to U.S. median age of 37.3.

### Race and Ethnicity

|  | 1 mile | 3 miles | 5 miles |
|--|--------|---------|---------|
| 2013 White Alone                         | 68.0%  | 64.1%   | 66.1%   |
| 2013 Black Alone                         | 9.6%   | 11.6%   | 10.8%   |
| 2013 American Indian/Alaska Native Alone | 1.4%   | 0.6%    | 0.6%    |
| 2013 Asian Alone                         | 5.3%   | 6.1%    | 6.3%    |
| 2013 Pacific Islander Alone              | 0.0%   | 0.0%    | 0.0%    |
| 2013 Other Race                          | 12.2%  | 14.3%   | 13.0%   |
| 2013 Two or More Races                   | 3.4%   | 3.2%    | 3.1%    |
| 2013 Hispanic Origin (Any Race)          | 30.5%  | 36.3%   | 33.9%   |

Persons of Hispanic origin represent 33.9% of the population in the identified area compared to 17.4% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 75.0 in the identified area, compared to 62.1 for the U.S. as a whole.

### Households

|                             | 1 mile | 3 miles | 5 miles |
|-----------------------------|--------|---------|---------|
| 2000 Households             | 3,834  | 57,266  | 141,339 |
| 2010 Households             | 3,948  | 59,201  | 142,352 |
| 2013 Total Households       | 4,007  | 59,766  | 145,649 |
| 2018 Total Households       | 4,207  | 62,627  | 155,509 |
| 2000-2010 Annual Rate       | 0.29%  | 0.33%   | 0.07%   |
| 2010-2013 Annual Rate       | 0.45%  | 0.29%   | 0.71%   |
| 2013-2018 Annual Rate       | 0.98%  | 0.94%   | 1.32%   |
| 2013 Average Household Size | 1.94   | 2.18    | 2.35    |

The household count in this area has changed from 142,352 in 2010 to 145,649 in the current year, a change of 0.71% annually. The five-year projection of households is 155,509, a change of 1.32% annually from the current year total. Average household size is currently 2.35, compared to 2.34 in the year 2010. The number of families in the current year is 82,475 in the specified area.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.



## Executive Summary

4101 Belt Line Rd, Addison, Texas, 75001  
Rings: 1, 3, 5 mile radii

Prepared by Wendell Pyles  
Latitude: 32.954498307  
Longitude: -96.84323032

|                                 | 1 mile    | 3 miles  | 5 miles   |
|---------------------------------|-----------|----------|-----------|
| <b>Median Household Income</b>  |           |          |           |
| 2013 Median Household Income    | \$62,922  | \$52,481 | \$55,316  |
| 2018 Median Household Income    | \$80,212  | \$63,365 | \$70,125  |
| 2013-2018 Annual Rate           | 4.98%     | 3.84%    | 4.86%     |
| <b>Average Household Income</b> |           |          |           |
| 2013 Average Household Income   | \$85,302  | \$78,205 | \$87,071  |
| 2018 Average Household Income   | \$101,065 | \$92,945 | \$103,450 |
| 2013-2018 Annual Rate           | 3.45%     | 3.51%    | 3.51%     |
| <b>Per Capita Income</b>        |           |          |           |
| 2013 Per Capita Income          | \$42,970  | \$35,871 | \$37,066  |
| 2018 Per Capita Income          | \$50,765  | \$42,605 | \$44,037  |
| 2013-2018 Annual Rate           | 3.39%     | 3.50%    | 3.51%     |

### Households by Income

Current median household income is \$55,316 in the area, compared to \$51,314 for all U.S. households. Median household income is projected to be \$70,125 in five years, compared to \$59,580 for all U.S. households

Current average household income is \$87,071 in this area, compared to \$71,842 for all U.S. households. Average household income is projected to be \$103,450 in five years, compared to \$83,667 for all U.S. households

Current per capita income is \$37,066 in the area, compared to the U.S. per capita income of \$27,567. The per capita income is projected to be \$44,037 in five years, compared to \$32,073 for all U.S. households

### Housing

|                                    |       |        |         |
|------------------------------------|-------|--------|---------|
| 2000 Total Housing Units           | 3,987 | 61,039 | 149,051 |
| 2000 Owner Occupied Housing Units  | 1,503 | 21,530 | 66,227  |
| 2000 Owner Occupied Housing Units  | 2,331 | 35,736 | 75,112  |
| 2000 Vacant Housing Units          | 153   | 3,773  | 7,712   |
| 2010 Total Housing Units           | 4,238 | 65,099 | 155,171 |
| 2010 Owner Occupied Housing Units  | 1,626 | 22,468 | 66,521  |
| 2010 Renter Occupied Housing Units | 2,322 | 36,733 | 75,831  |
| 2010 Vacant Housing Units          | 290   | 5,898  | 12,819  |
| 2013 Total Housing Units           | 4,292 | 66,294 | 159,466 |
| 2013 Owner Occupied Housing Units  | 1,650 | 22,178 | 66,906  |
| 2013 Renter Occupied Housing Units | 2,357 | 37,588 | 78,743  |
| 2013 Vacant Housing Units          | 285   | 6,528  | 13,817  |
| 2018 Total Housing Units           | 4,450 | 68,833 | 168,844 |
| 2018 Owner Occupied Housing Units  | 1,815 | 23,656 | 72,411  |
| 2018 Renter Occupied Housing Units | 2,392 | 38,972 | 83,098  |
| 2018 Vacant Housing Units          | 243   | 6,206  | 13,335  |

Currently, 42.0% of the 159,466 housing units in the area are owner occupied; 49.4%, renter occupied; and 8.7% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 155,171 housing units in the area - 42.9% owner occupied, 48.9% renter occupied, and 8.3% vacant. The annual rate of change in housing units since 2010 is 1.22%. Median home value in the area is \$235,948, compared to a median home value of \$177,257 for the U.S. In five years, median value is projected to change by 2.38% annually to \$265,381.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

**Conclusions**

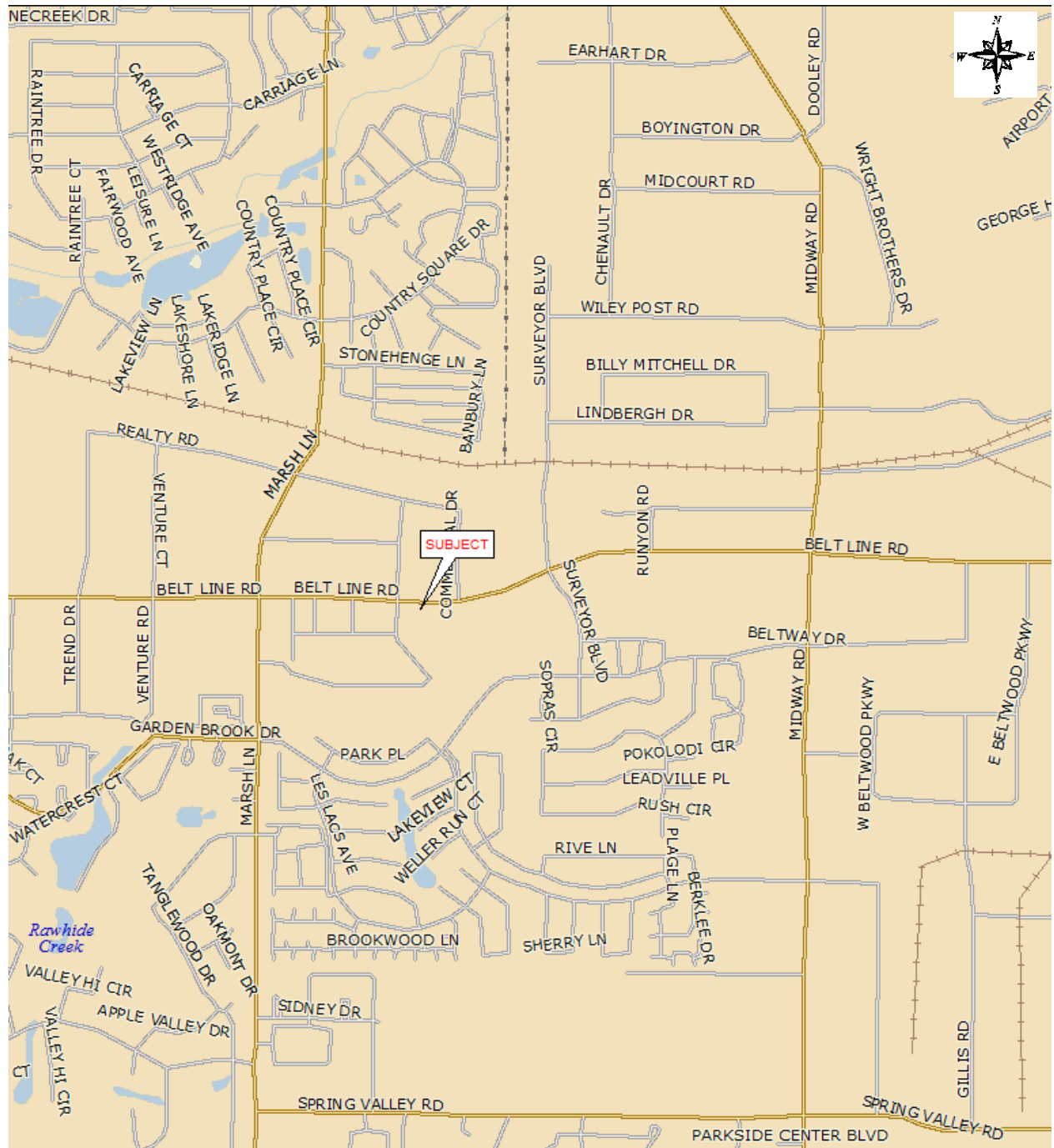
The immediate neighborhood is a diverse employment center in northern Dallas, and is enhanced by the surrounding residential areas. The transportation network in the area is good. Major roadways, regional freeways and toll roads provide good access for the area.

The area has enjoyed favorable economic opportunities. Characterized as a stable commercial and residential environment, the vicinity is a mixture of retail and restaurant buildings, office buildings, hotels, and office-warehouses and light industrial uses. The subject is congruent with neighborhood land uses.

The subject area is in a stable phase of development and in proximity to employment centers and quality schools and services with few improvements needing repairs and/or renovations. Consequently, some new construction, as well as renovation of older properties, is more likely to occur within the subject area in the near future. Additionally, there appears to be no detrimental influences upon the area that would inhibit the income-producing capabilities of the improved properties.

No noticeable nuisances or hazards are in the area and the majority of improvements are in the early to middle stages of economic life, and sufficient area services are accessible to service the community. The long-term prospects for the area and the subject property are positive.

# LOCATION MAP



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## **SUBJECT PROPERTY**

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The whole subject property is vacant land, located at 16 Sugar Tree Way, Addison, Dallas County, Texas. Only the land and affected site improvements are appraised.

### **SITE DATA**

#### **Site/Dimensions/Frontage**

Based on the information available, the whole property tract is irregularly shaped, and contains 28,022 square feet, or 0.6433 acres. The subject fronts the southern line of Belt Line Road for approximately 278.15 linear feet, the eastern line of Asbury Lane for approximately 57.84 linear feet, and the northern line of Sugar Tree Way for approximately 272.44 linear feet. The subject ranges from approximately 154.82 feet deep from Belt Line along the westernmost property line to 57.84 feet deep along the easternmost property line.

#### **Abutting Uses**

Abutting uses are Asbury Lane to the east, Sugar Tree Way to the south, an International House of Pancakes restaurant to the west, and Belt Line Road to the north

#### **Linkages**

The subject is accessible to arterial linkages and the distance to employment centers, retailers, restaurants, and schools is considered within reason in the town of Addison. In terms of travel time and actual distances by road, the subject property is within community standards.

#### **Access**

Belt Line Road is a six-lane, divided thoroughfare. Asbury Lane is a two lane roadway. Overall, access for the neighborhood is rated as good. There are currently no curb cut access drives to the subject from Belt Line Road, Alsbury Lane, or Sugar Tree Way. Furthermore, the area between the subject and Sugar Tree Way is fenced.

Visibility and exposure of the subject are rated good.

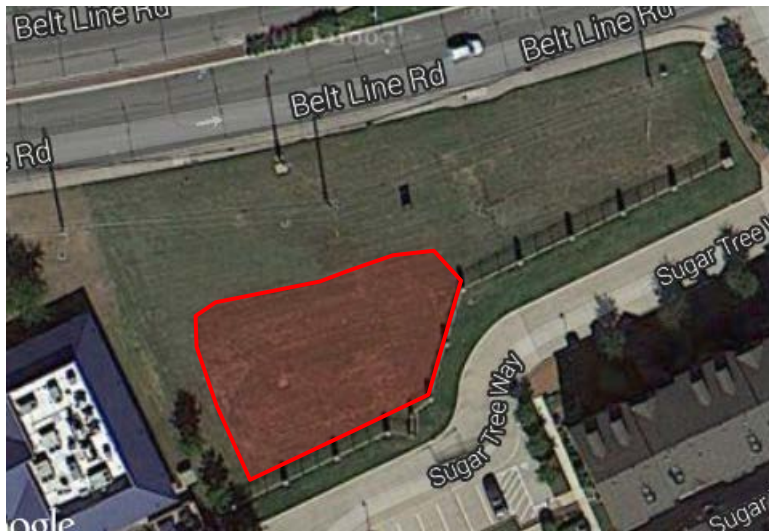
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## SUBJECT PROPERTY

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### Topography/Flood Zone

The topography of the tract is mixed, with the portion of the subject along Sugar Tree Way being approximately five feet higher in elevation than the portion immediately along Beltline Road. The elevation difference is most pronounced along the western end of the property, with less difference to the east. According to FEMA flood hazard map 48113C0180J dated August 23, 2001, the subject is not located in a designated flood hazard area. No representation is made that the site will or will not flood. A hydrological study or survey is required for confirmation of flood-designated boundaries.



The Red Highlighted Area Denotes the Approximate Elevated Portion of the Subject

### Environmental Conditions

To our knowledge, a Phase I Environmental Site Assessment has not been completed for the subject property as of the date of inspection. A current Phase I ESA is recommended. The subject is appraised predicated on the absence of detrimental environmental conditions. The conclusions of this appraisal report would be materially changed if detrimental environmental conditions affect the subject.

### Utilities/Community Services

Electricity, water, sewer, and phone services are available to the subject. Electric service and telecommunication services are available by various providers. Natural gas service is available from Atmos Energy. Water and wastewater is provided by the Town of Addison. Police and fire protection are provided by the Town of Addison. The property is located within the Dallas Independent School District.



## SUBJECT PROPERTY

### Zoning

The site is zoned PD; Planned Development by the Town of Addison. The purpose of this district is to encourage better development in the town by allowing more flexibility in the planning and development of projects. It is the policy of the town that the developer shall inventory site conditions and environs, both natural and manmade, and shall provide appropriate protection of these elements prior to approval of the planned development district. The district is further designed to allow the city council greater control over the development of areas adjacent to residential districts.

Setback and height requirements are site specific and approved by the town on an individual basis. However, as a point of reference, the C-1, Commercial District requires 25 foot side yards at corners, and otherwise no side yard. Rear yard setbacks are not required unless the area abuts an apartment district, in which case a ten foot setback is required. The minimum front yard is 25 feet.

### Soils

Soils in this area vary and can require specific engineering considerations. This condition is considered typical for the area, and no unusually unstable soil-bearing capacities are known.

### Easements

A storm sewer easement totaling ten feet in width is located along Belt Line Road. Immediately south of the storm sewer easement is a drainage easement totaling twenty feet in width, resulting in gross easements totaling thirty feet in width along Belt Line Road. Additionally, a utility easement totaling fifteen feet in width is located along the western portion of the subject, and a utility easement totaling ten feet in width is located along the eastern portion of the subject. Additionally, a water easement totaling ten feet in width extends from the southeast corner of the subject approximately 76 feet along Sugar Tree Way. There are also two five-foot wide guy easements extending from Belt Line Road onto the subject. The easements total approximately 11,245 square feet, or 40% of the whole property ( $11,245 \div 28,022$ )



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## **SUBJECT PROPERTY**

### **Deed Restrictions**

To our knowledge, no deed restrictions affect or limit the use of the property; however, this should not be considered as a guaranty or warranty that no such restrictions exist. Deed restrictions are a legal matter: normally discoverable only by a title search by a title attorney. It is recommended that a title search be made if any questions regarding deed restrictions arise.

### **Wetlands**

No visual evidence was observed to indicate whether wetlands exist on the subject site. Wetlands, as defined by Section 404 of the Clean Water Act, are those areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Swamps, bogs, fens, marshes, and estuaries are subject to federal environmental law.

## **SUBJECT IMPROVEMENTS**

### **Improvements**

The land is vacant, but grass sod is present throughout the entire site.

## **CONCLUSIONS**

The subject is vacant land, with adequate frontage, but without existing curb cut access.

## REAL ESTATE TAX ANALYSIS

The Texas legislature created a system of centralized appraisal districts for each Texas county so that all real estate within a given county is valued for tax purposes through a standard appraisal process. Property assessments are based on market value. Property valuations under the central appraisal district system became effective in 1982.

In Dallas County, the Dallas Central Appraisal District is responsible for ad valorem tax appraisals of all real estate within the county. Based on the ad valorem tax appraisal, various tax districts levy annual taxes on property located within their respective districts. Typical taxing jurisdictions include assessments from the county, city, and school districts in which the property is located. The total ad valorem tax burden is the sum of the assessments for the various taxing authorities.

The subject property is situated within the Town of Addison, and falls within the taxing jurisdictions of the Town of Addison, Dallas County, Dallas County Community College, Parkland Hospital District, and Dallas Independent School District. Pertinent 2013 tax rates (the most recent available) for the subject are detailed below.

| <b>2013 TAX RATES (per \$100)</b>  |                    |
|------------------------------------|--------------------|
| Town of Addison                    | \$ 0.571800        |
| Dallas County                      | \$ 0.253100        |
| Dallas County Community College    | \$ 0.124700        |
| Parkland Hospital District         | \$ 0.276000        |
| Dallas Independent School District | \$ 1.282085        |
| <b>Total</b>                       | <b>\$ 2.507685</b> |

The Dallas Central Appraisal District account for the subject assessment for 2013 is summarized as follows:

| Account Number    | Land      | Improvements | Total     |
|-------------------|-----------|--------------|-----------|
| 100018800B0160000 | \$224,180 | \$0          | \$224,180 |

Based on the preceding assessed value and pertinent tax rates, the subject's annual tax liability is calculated as follows:

| Assessed Value | Tax Rate/\$100 | Indicated Tax Liability |
|----------------|----------------|-------------------------|
| \$224,180      | x \$2.507685   | = <b>\$5,621.73</b>     |

The assessed value equates to \$8.00 per square foot of the size indicated by the Dallas County Appraisal District.

# AERIAL PHOTOGRAPH

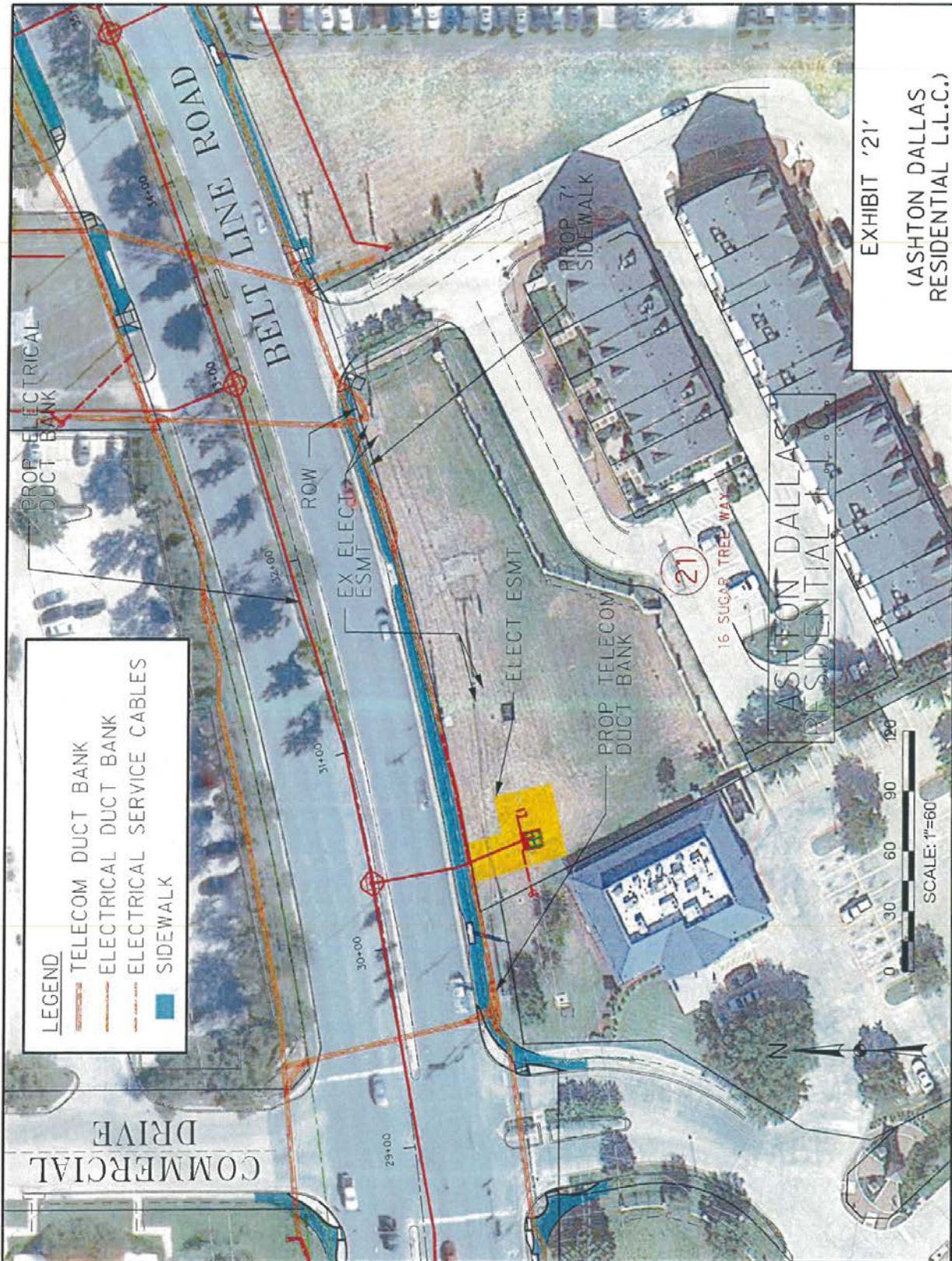


EXHIBIT '21'  
(ASHTON DALLAS  
RESIDENTIAL L.L.C.)

Yellow area denotes the permanent easement acquisition area.

**SUBJECT PHOTOGRAPHS**

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**PHOTOGRAPHED MARCH 27, 2014**



Belt Line Road, Looking East; Subject on Right.



Belt Line Road, Looking West; Subject on Left.

# SUBJECT PHOTOGRAPHS

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Permanent Easement Area, Looking South



Permanent Easement Area, Looking Southeast

**SUBJECT PHOTOGRAPHS**

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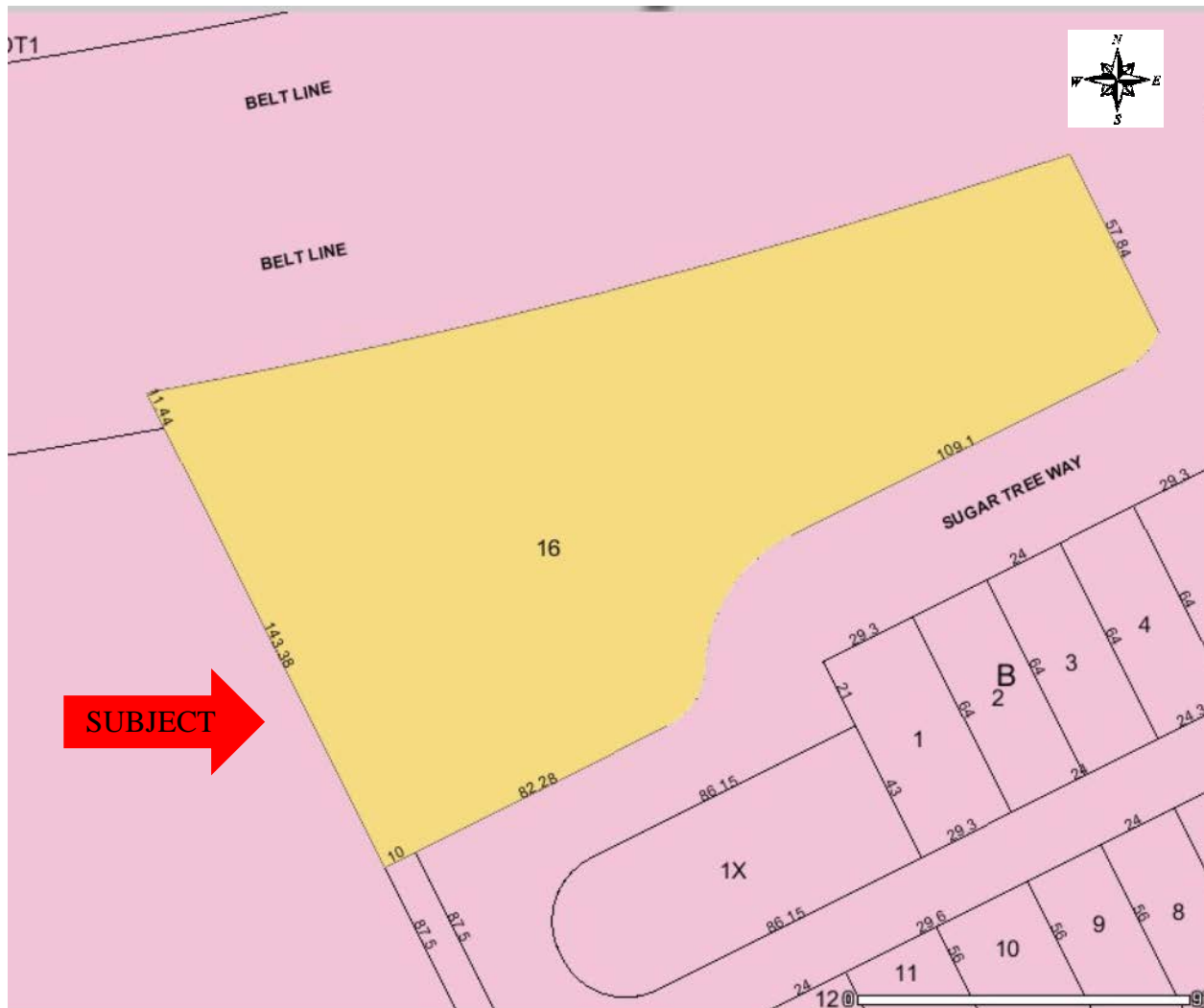


Permanent Easement Area, Looking South



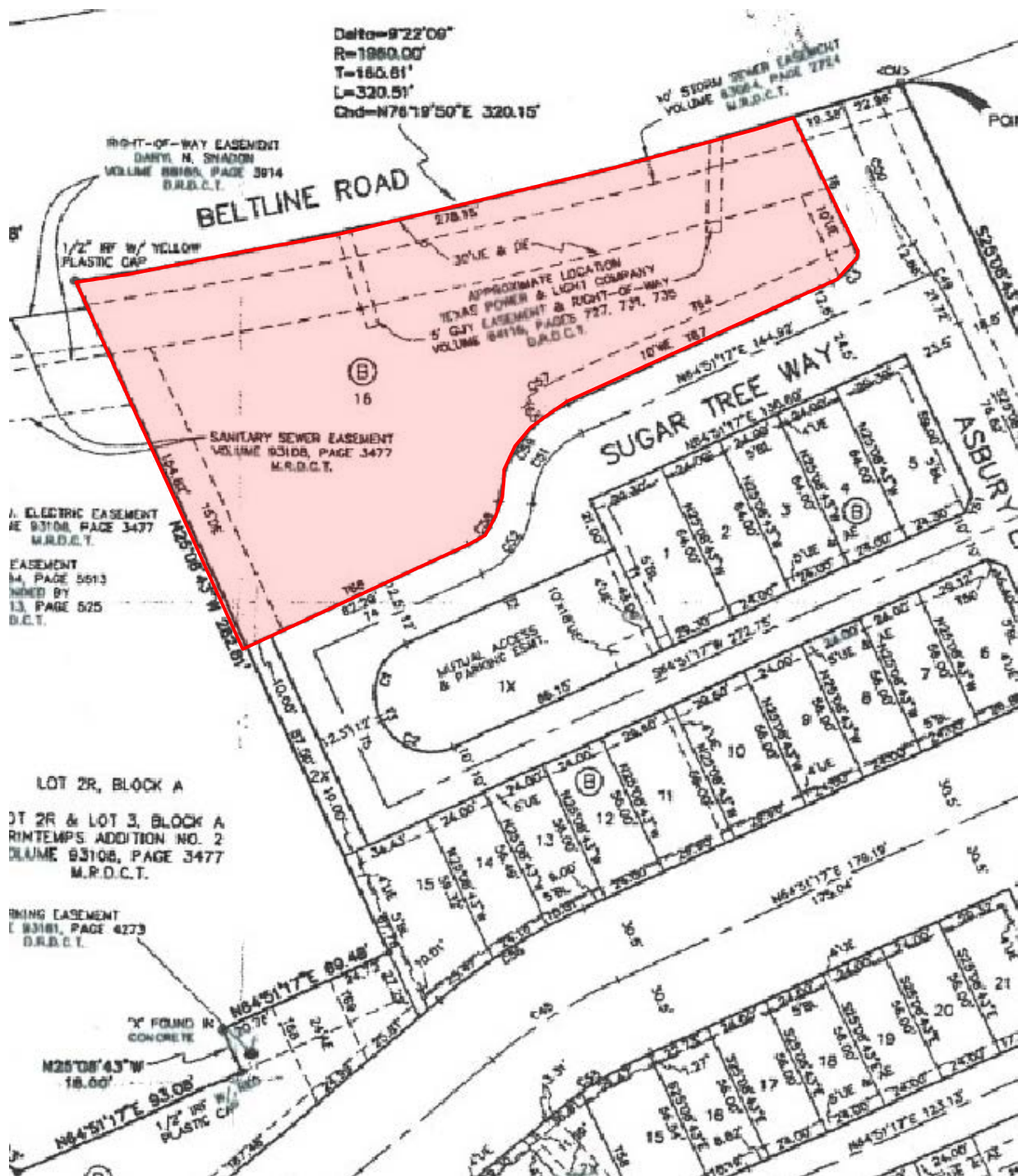
Subject From West Property Line, Sugar Tree Way Toward Upward Right Portion

## TAX PLAT



Note: The dimensions indicated by the Dallas County Appraisal District differ slightly from those indicated on the plat. The plat is considered to be the most accurate, and is utilized in this analysis, as well as the survey of the areas proposed to be acquired.





# ZONING MAP

**Find an address:**

**Check box to view location of comprehensive zoning ordinances:**

Zoning Ordinances

- All on/off
- 2011
- 2010
- 2009
- 2008
- 2007
- 2006
- 2005
- 1966-2004

**Check box(es) to turn on zoning overlay by zoning category:**

|   |                                |
|---|--------------------------------|
| <input type="checkbox"/> A              | <input type="checkbox"/> P     |
| <input type="checkbox"/> C-1            | <input type="checkbox"/> PD    |
| <input type="checkbox"/> C-2            | <input type="checkbox"/> PD-CC |
| <input type="checkbox"/> I-1            | <input type="checkbox"/> PD-TH |
| <input type="checkbox"/> I-2            | <input type="checkbox"/> PD4   |
| <input type="checkbox"/> I-3            | <input type="checkbox"/> R-1   |
| <input type="checkbox"/> LR             | <input type="checkbox"/> R-16  |
| <input type="checkbox"/> MXR            | <input type="checkbox"/> UC    |
| <input checked="" type="checkbox"/> All |                                |

Please refer to Appendix A of the [Addison Code of Ordinances](#) for detailed zoning code descriptions.

**Click to re-center the map:**

TOWN OF ADDISON, TEXAS  
ORDINANCE NO. 006-026-1

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE, AS HERETOFORE AMENDED, SO AS TO CHANGE THE ZONING FROM PLANNED DEVELOPMENT (PD #626) AND PLANNED DEVELOPMENT (PD #093-018), TO THE BELT LINE ROAD ZONING DISTRICT (BL), AND APPROVING A CONCEPT PLAN FOR A BELT LINE ZONING DISTRICT DEVELOPMENT, LOCATED ON ONE TRACT OF EIGHT (8) ACRES AT THE SOUTHEAST AND SOUTHWEST CORNERS OF BELT LINE ROAD AND COMMERCIAL DRIVE, AND BEING MORE PARTICULARLY DESCRIBED IN THE BODY OF THIS ORDINANCE; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR A REPEAL CLAUSE.

WHEREAS, application was made to amend the Comprehensive Zoning Ordinance of the Town of Addison, Texas, by making application for the same with the Planning and Zoning Commission of the Town of Addison, Texas, as required by State Statutes and the zoning ordinance of the Town of Addison, Texas, and all the legal requirements, conditions and prerequisites having been complied with, the case having come before the City Council of Addison, Texas, after all legal notices, requirements, conditions and prerequisites having been complied with; and

WHEREAS, the City Council of the Town of Addison, Texas, does find that there is a public necessity for the zoning change, that the public demands it, that the public interest clearly requires the amendment, and it is in the best interest of the public at large, the citizens of the Town of Addison, Texas, and helps promote the general welfare and safety of this community, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON,

SECTION 1. That the Comprehensive Zoning Ordinance of the Town of Addison, Texas, be, and the same is hereby amended by amending the zoning map of the Town of Addison, Texas, so as to give the hereinafter described property the zoning district

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. 006-026-1

classification, to-wit: BL – Belt Line Road District, said property being in the Town of Addison, Texas, and being described as follows:

WHEREAS ASHTON DALLAS RESIDENTIAL, LLC, is the owner of a tract of land located in the THOMAS L. CHENOWITH SURVEY, ABSTRACT NO. 273, Addison, Dallas County, Texas and being a part of LES LACS PLAZA SUBDIVISION, an addition to the City of Addison, Dallas County, Texas according to the plat thereof recorded in Volume 83064, Page 2724, Map Records, Dallas County, Texas and being all of a tract of land described in Deed to PHCG Investments, recorded in Volume 93233, Page 3084, Deed Records, Dallas County, Texas and being all of Lot 2, Block A, of SKIP BAILEY ADDITION, an Addition to the City of Addison, Dallas County, Texas according to the plat thereof recorded in Volume 2005125, Page 1, Map Records, Dallas County, Texas and being all of Lots 3A, 3B, 3C-1, 4R-1, and 5 of ADDISON TOWN CENTER, an Addition to the City of Addison, Dallas County, Texas according to the plat thereof recorded in Volume 84176, page 1630, Map Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING at a ½ inch iron rod found in the South right-of-way line of Belt Line Road, a variable width right of way, at the Northeast corner of said Addition and said PHCG tract;

THENCE South 25 degrees 08 minutes 43 seconds East, leaving said South right-of-way line and along the East line of said LES LACS PLAZA SUBDIVISION and said PHCG tract, a distance of 22.48 feet to a ½ inch iron rod with a yellow plastic cap found for corner;

THENCE South 00 degrees 55 minutes 55 seconds West, continuing along the East line of said LES LACS PLAZA SUBDIVISION and said PHCG tract, a distance of 284.37 feet to a ½ inch iron rod with a yellow plastic cap stamped "DAA" set at the southeast corner of said PHCG tract and the Northeast corner of Addison Town Center, an Addition to the city of Addison, Dallas County, Texas according to the Plat thereof recorded in Volume 93237, Page 3840, Map Records, Dallas County, Texas;

THENCE South 79 degrees 49 minutes 35 seconds West, leaving the east line of said LES LACS PLAZA SUBDIVISION and along the common line of said PHCG tract and ADDISON TOWN CENTER, an Addition to the City of Addison, Dallas County, Texas, according to the Plat thereof recorded in Volume 93237, page 2840, Map Records, Dallas County, Texas, a distance of 195.38 feet to a ½ inch iron rod with a yellow plastic cap stamped "DAA" set at the southwest corner of said PHCG tract and the southeast corner of said Lot 2;

THENCE South 10 degrees 12 minutes 12 seconds West, leaving said common line, a distance of 72.69 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 48 degrees 46 minutes 55 seconds West, a distance of 302.78 feet to a ½ inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 41 degrees 13 minutes 05 seconds West, passing at a distance of 261.78 feet a ½ inch iron rod with a yellow plastic cap stamped "DAA" set at the southwest corner of said Lot 2, and continuing for a total distance of 604.70 feet to an "X" set at the most Westerly corner of said Lot 2;

THENCE North 39 degrees 49 minutes 52 seconds East, a distance of 262.96 feet to an "X" found in concrete paving at the most southerly northwest corner of said Lot 2;

THENCE North 00 degrees 59 minutes 34 seconds East, a distance of 30.50 feet to a ½ inch iron rod found in said South right-of-way line of Belt Line Road at the most northerly northwest corner of said Lot 2;

THENCE northerly and easterly, along said South right-of-way line, the following three (3) courses and distances:

South 89 degrees 00 minutes 2 seconds East, a distance of 178.12 feet to a ½ inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

North 05 degrees 46 minutes 28 seconds West, a distance of 15.57 feet to a ½ inch iron rod with a yellow plastic cap stamped "DAA" set for corner at the beginning of a non-tangent curve to the left having a central angle of 00 degrees 27 minutes 01 seconds, a radius of 1971.00 feet and a chord bearing and distance of North 83 degrees 13 minutes 38 seconds East, 15.49 feet;

Easterly, along said curve to the left, an arc distance of 15.49 feet to a 5/8 inch iron rod found at the Northwest corner of Lot 2R, Block A of PRINTEMPS ADDITION NO. 2, an addition to the City of Addison, Dallas County, Texas according to the plat thereof recorded In Volume 93108, Page 3477, Map Records, Dallas County, Texas;

THENCE southerly and easterly, leaving said South right-of-way line and along the common line of said Lot 2 and said Lot 2R, the following eight (8) courses and distances:

South, a distance of 69.99 feet to a ½ inch iron rod found for corner;

South 33 degrees 06 minutes 17 seconds West, a distance of 84.83 feet to an "X" found in concrete paving;

South 10 degrees 42 minutes 39 seconds West, a distance of 34.00 feet to an "X" found in concrete paving;

South 25 degrees 08 minutes 13 seconds East, a distance of 120.82 feet to a ½ inch iron rod with a red plastic cap found for corner;

South 52 degrees 33 minutes 10 seconds East, a distance of 61.03 feet to a ½ inch iron rod with a yellow plastic cap;

North 64 degrees 51 minutes 17 seconds East, a distance of 93.08 feet to a ½ inch iron rod with a red plastic cap found for corner;

North 25 degrees 08 minutes 43 seconds West, a distance of 18.00 feet to an "X" found in concrete paving;

North 64 degrees 51 minutes 17 seconds East, a distance of 69.48 feet to a ½ inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of said LES LACS SUBDIVISION, and said PHCG tract at the most easterly southeast corner of said Lot 2R;

THENCE North 25 degrees 08 minutes 43 seconds West, along the common line of said LES LACS SUBDIVISION and said PHCG tract, a distance of 282.81 feet to a ½ inch iron rod with a yellow plastic cap found in said south right-of-way line at the northwest corner of said LES LACS SUBDIVISION and said PHCG tract and at the beginning of a non-tangent curve to the left having a central angle of 09 degrees 22 minutes 09 seconds, a radius of 1960.00 feet and a chord bearing and distance of north 76 degrees 19 minutes 50 seconds east, 320.15 feet;

THENCE easterly, along said South right-of-way line and said curve to the left, an arc distance of 320.51 feet to the POINT OF BEGINNING and containing 8.140 acres of land, more or less.

SECTION 2, As provided in the "BL" Belt Line – Article of the Comprehensive Zoning Ordinance, said property shall be developed in accordance with the concept plan, which is attached hereto and made a part hereof for all purposes.

SECTION 3. As provided in the "BL" Belt Line Article of the Comprehensive Zoning Ordinance, the property shall be developed in accordance with the concept plan, subject to the following special conditions:

- The plan be revised to list on it the land use of townhome, and the maximum number of 72 units.
- Developer shall provide complete engineering plans with plat submittal and include the following:
  - a. Plat with surveying data (include necessary street, drainage, water and sewer easements and dedications)
  - b. Site Dimensioning Plan
  - c. Paving plan (on site and offsite improvements)
  - d. Drainage Plans
  - e. Water and Sanitary Sewer

- Developer shall provide traffic engineering study to determine length of deceleration lane for eastern driveway. Developer will need to provide design in engineering plans and construct improvements.

- Site Plan indicates a median cut on Belt Line Road that will not be allowed. Traffic entering site from westbound Belt Line will need to enter at Commercial Boulevard signal.

- Plans provided show 22 ft drives and minimum turning radii. Please overlay fire truck turning templates on the fire lanes and public streets to verify that pavement provided is adequate and no parking is specified where fire trucks require turning room.

- Dedication of improvements to the Town requires that design and construction meet all City Standards.

SECTION 4. All paved areas, permanent drives, streets and drainage structure shall be constructed in accordance with standard Town of Addison specifications adopted for such purpose

SECTION 5. That any person, firm, or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the city, as heretofore amended, and upon conviction shall be punished by a fine set in accordance with Chapter 1, General Provisions, Section 1.10, General penalty for violations of Code; continuing violations, of the Code of Ordinances for the Town of Addison.

SECTION 6. That should any paragraph, sentence, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid,

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. 006-026-1

## ZONING EXCERPT

the same shall not affect the validity of this ordinance as a whole or any part or provisions thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of this ordinance as a whole.

SECTION 7. That all ordinances of the City in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, on this the 27<sup>th</sup> day of June, 2006.

  
MAYOR - JOE CHOW

ATTEST:

  
CITY SECRETARY - MARIO CANIZARES

CASE NO. : 1519-Z/Ashton-Woods Homes

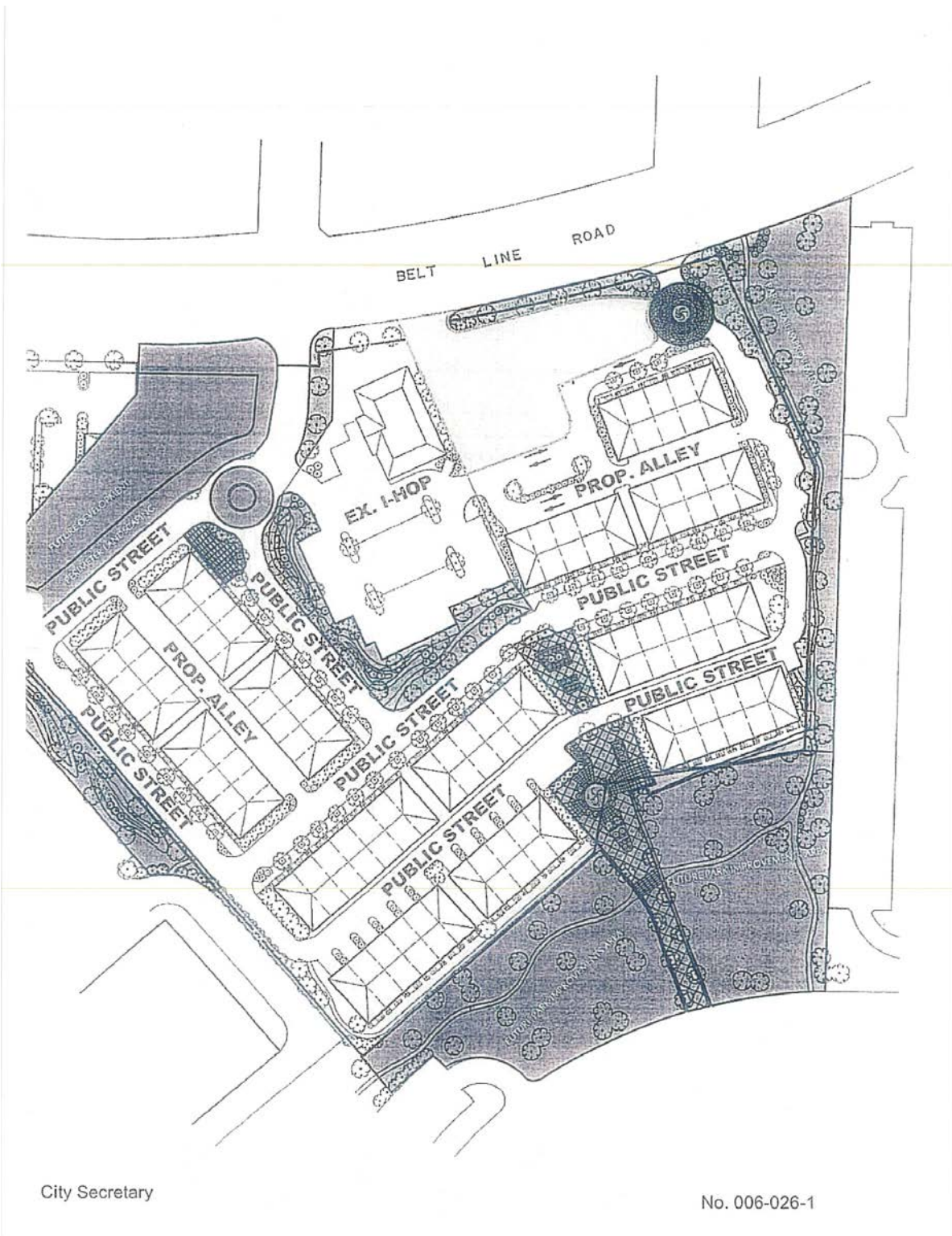
APPROVED AS TO FORM:

  
DIRECTOR OF DEVELOPMENT SERVICES -  
CARMEN MORAN

PUBLISHED ON: \_\_\_\_\_



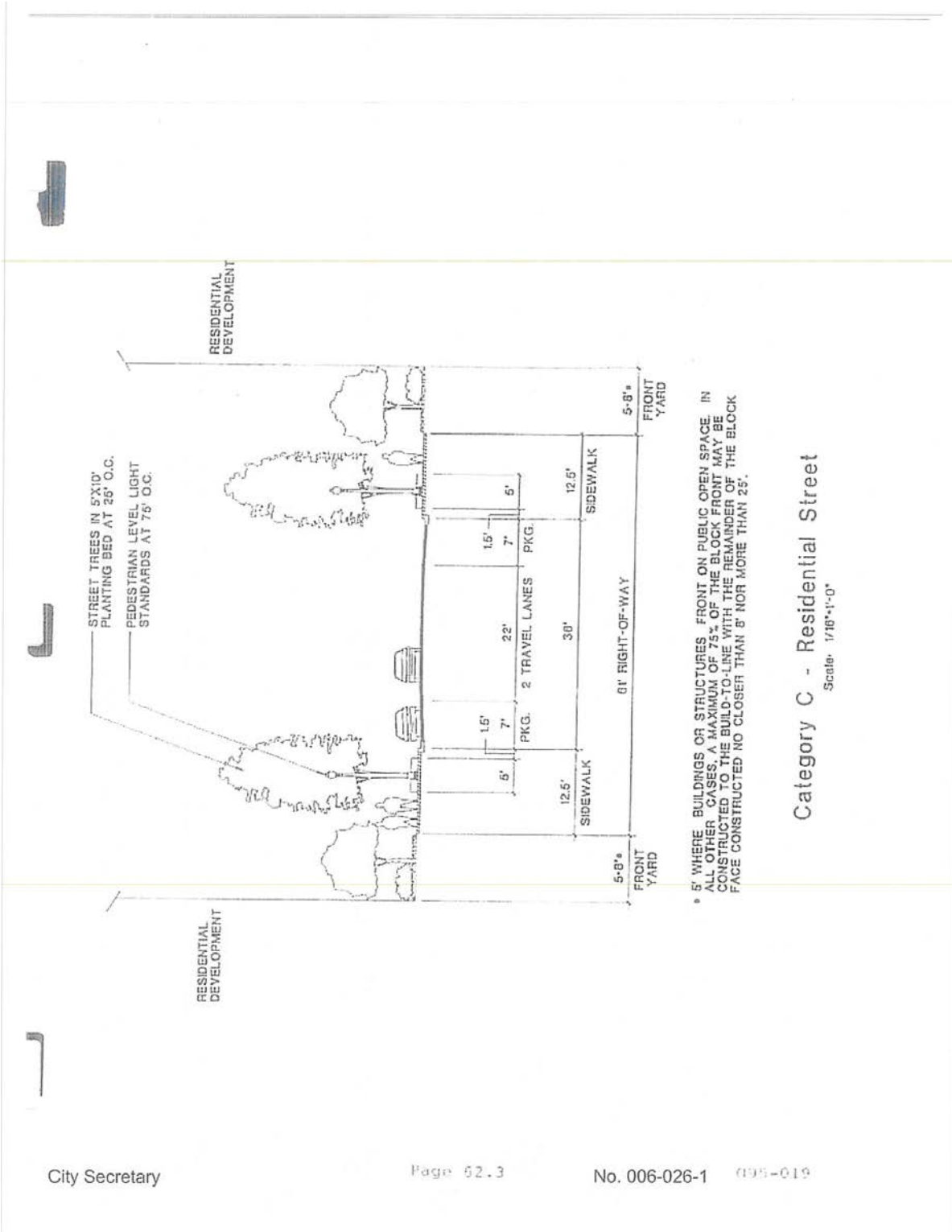
# ZONING EXCERPT



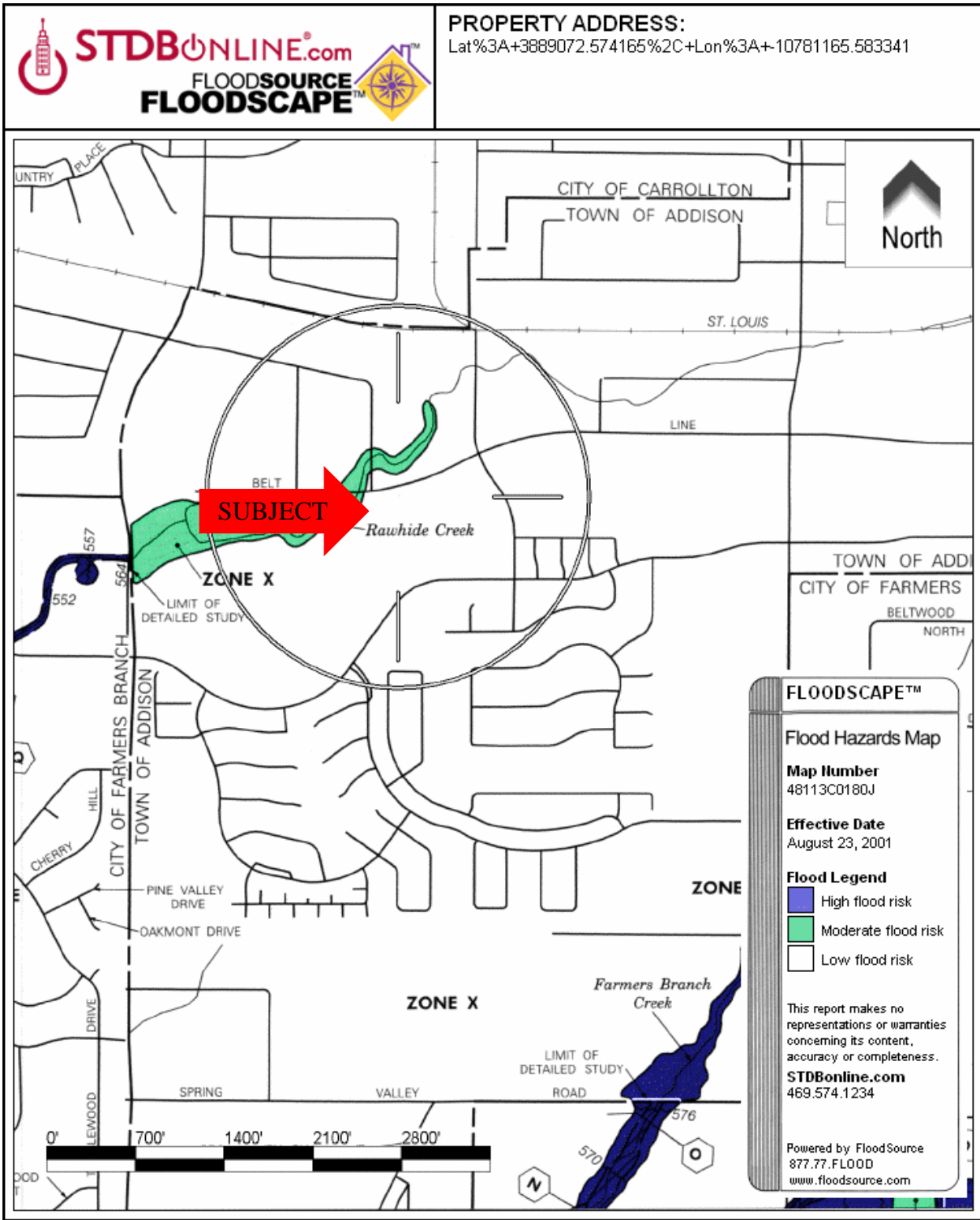
City Secretary

No. 006-026-1

# ZONING EXCERPT



# FLOOD MAP



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## HIGHEST AND BEST USE

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The *Highest and Best Use* analysis should consider the reasonably probable and legal use of vacant land or improved property considering legally permissible, physically possible, financially feasible, and maximally productive.

The subject is a 0.6433-acre tract of land and is irregular in shape.

### HIGHEST & BEST USE AS IF VACANT

***Physically Possible Use:*** In arriving at an opinion of highest and best use for the subject, it is first necessary to determine if the physical characteristics of the site - such as soil conditions, topography, shape and frontage were favorable for development. Soil conditions vary throughout the area and sometimes require particular engineering. The subject fronts the southern line of Belt Line Road for approximately 278.15 linear feet, the eastern line of Asbury Lane for approximately 57.84 linear feet, and the northern line of Sugar Tree Way for approximately 272.44 linear feet. The subject ranges from approximately 154.82 feet deep from Belt Line along the westernmost property line to 57.84 feet deep along the easternmost property line

According to the enclosed flood map No. 48113C0180J, the subject does not appear to be in designated flood hazard area. No representation is made that the site will or will not flood. A hydrological study or survey is required for confirmation of flood-designated boundaries. The site is of sufficient size, shape, and frontage to be economically adaptable to numerous uses.

The shape and topography of the tract somewhat limits potential improvement, with the most probable being construction of a professional office structure along the elevated portion of the site, facing Sugar Tree Way.

***Permissible Use:*** The site is zoned PD; Planned Development by the Town of Addison, with any proposed use being subject to approval by representatives of the Town of Addison.

***Feasible Use:*** The surrounding properties and land uses are considered for compatibility in determination of feasible use.

Abutting uses are Asbury Lane to the east, Sugar Tree Way to the south, an International House of Pancakes restaurant to the west, and Belt Line Road to the north. Other uses along Belt Line Road and Asbury Lane support retail improvement and professional office improvement. In accordance with the physical shape and topography, the most feasible use appears to be to hold the tract until such time as professional office construction of a facility facing Sugar Tree Way becomes feasible for either owner use or speculative use.

## HIGHEST AND BEST USE

---

*Maximally Productive Highest & Best Use:* The subject fronts the southern line of Belt Line Road for approximately 278.15 linear feet, the eastern line of Asbury Lane for approximately 57.84 linear feet, and the northern line of Sugar Tree Way for approximately 272.44 linear feet. Belt line is a six-lane, divided thoroughfare. Asbury Lane is a two-lane thoroughfare, and Sugar Tree Way is a two-lane thoroughfare.

In accordance with the physical shape and topography, the most feasible use appears to be to hold the tract until such time as professional office construction of a facility facing Sugar Tree Way becomes feasible for either owner use or speculative use.

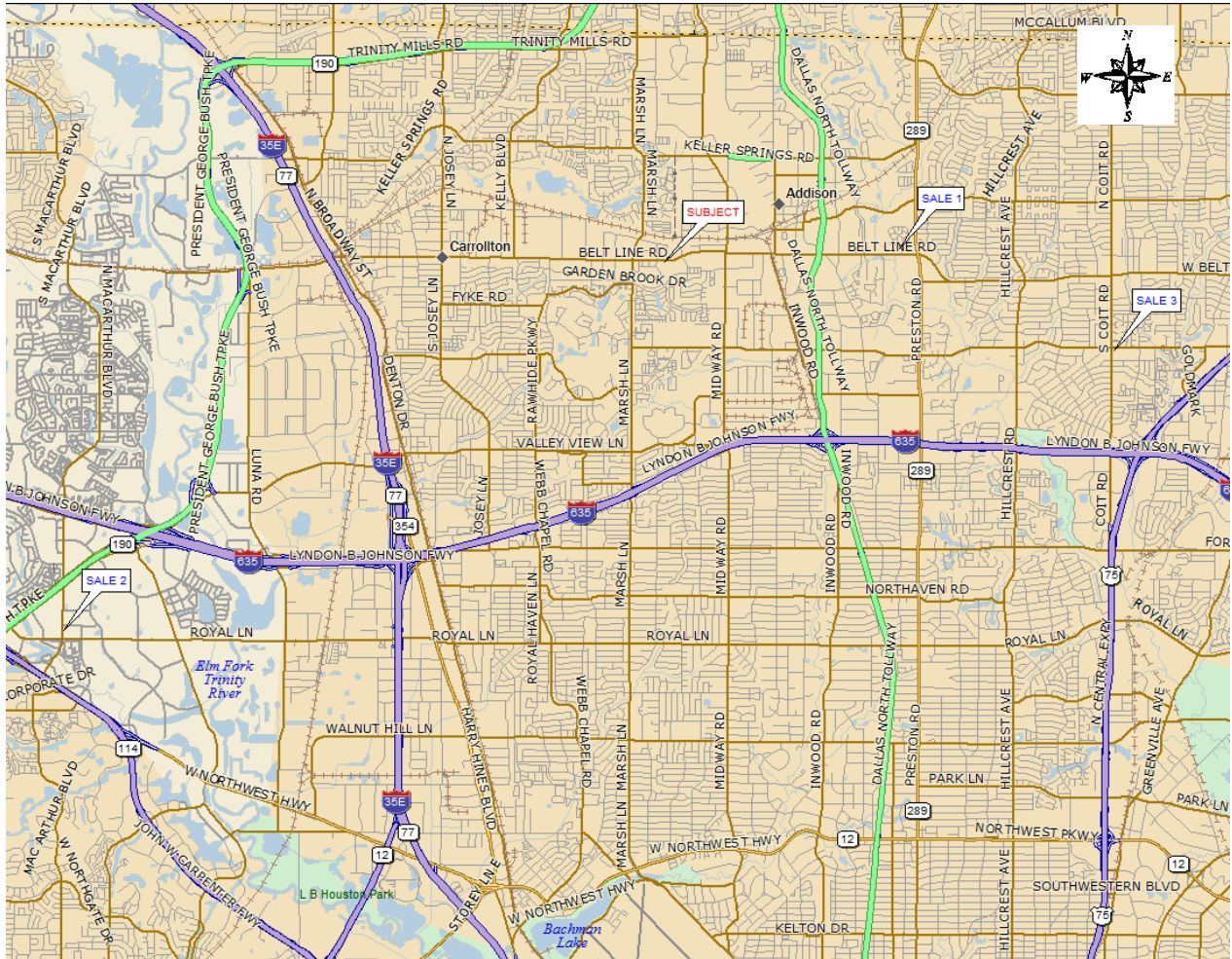
## LAND VALUATION

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The *sales comparison* method is the best method of developing an opinion of value of the subject. In this method, known sales of similar use land in the market area are compared to the subject to arrive at an indication of value. In arriving at value conclusions, the tracts are compared as to the rights conveyed, financing terms, sale conditions, market conditions, location, and physical characteristics. This approach is used to value land that is vacant or considered vacant for appraisal purposes.

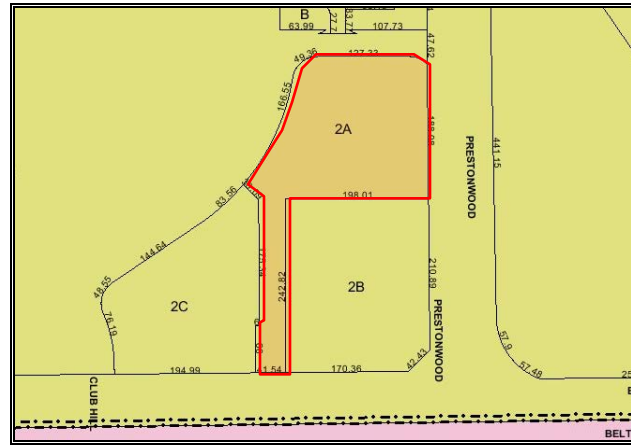
The market was carefully researched for recent sales, listings, or other transactions, which would provide a valid basis for developing an opinion of the market value of the subject by comparison. After reviewing and analyzing the sales, the sales detailed on the following pages were extracted from this sample and utilized for the land valuation.

LAND SALES MAP



| LAND SALES SUMMARY |   |               |               |          |              |
|--------------------|---|---------------|---------------|----------|--------------|
| Sale No.           | Location  | Size          |               | Price/SF | Date of Sale |
|                    |   | SF            | AC            |          |              |
| 1                  | Adj. to NW/c Belt Line Road and Prestonwood Boulevard               | 51,285        | 1.18          | \$15.60  | Feb-13       |
| 2                  | E/s North MacArthur Boulevard, approx. 225 feet north of Royal Lane | 88,024        | 2.02          | \$17.67  | Apr-11       |
| 3                  | E/s Coit Road, approx. 250 feet south of Spring Valley Road         | 28,000        | 0.64          | \$26.25  | Jun-10       |
| <b>Subject</b>     | <b>SWC Belt Line Road and Asbury Lane</b>                           | <b>28,022</b> | <b>0.6433</b> |          |              |

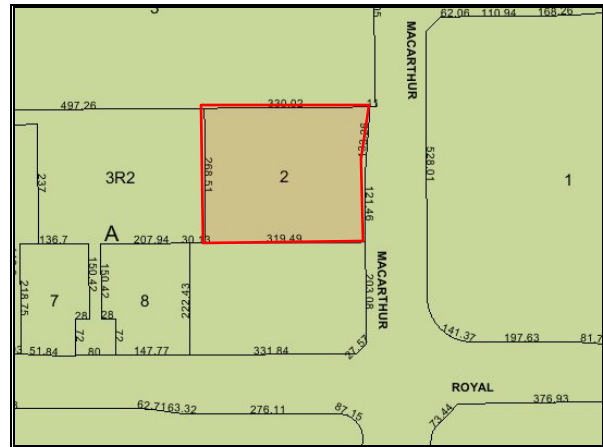
## Land Sale Number 1



|                           |   |
|---------------------------|---|
| <b>Location</b>           | Adj. to NW/c Belt Line Road and Prestonwood Boulevard<br>Dallas, Dallas County, Texas   |
| <b>Mapsko</b>             | DA-15-A   |
| <b>Legal Description</b>  | Being a 1.1773 acre tract of land out of Lot 2, Block B/8222,<br>Official City Numbers, of Prestonwood Town Center II   |
| <b>Grantor</b>            | Beltline Stampede, Ltd.   |
| <b>Grantee</b>            | 784 Gunclub, LLC  |
| <b>Date of Sale</b>       | February 27, 2013   |
| <b>Record Data</b>        |   |
| <b>Document No.</b>       | 201300061040  |
| <b>Consideration</b>      | \$800,000   |
| <b>Conditions of Sale</b> | Cash to the seller  |
| <b>Land Area</b>          |   |
| <b>Acres</b>              | 1.177   |
| <b>Square Feet</b>        | 51,285  |
| <b>Price Per SF</b>       | \$15.60   |
| <b>Price Per AC</b>       | \$679,497   |
| <b>Zoning</b>             | MU-3 (SAH) (Mixed-Use District)   |
| <b>Comments</b>           | This tract is located adjacent to the northwest corner of Belt Line Road and Prestonwood Boulevard. The site wraps a bank branch, and has approximately 42 feet of frontage on Belt Line Road and approximately 188 feet of frontage along Prestonwood Boulevard. The transaction was reportedly an investment purchase with no marketing or outside brokerage assistance. One party stated that a slightly higher price was paid for the site as it was the last piece of vacant land in the area. This site previously transacted for \$570,000, or \$11.12 per square foot, in August of 2011. |
| <b>Confirmed</b>          | JS  |

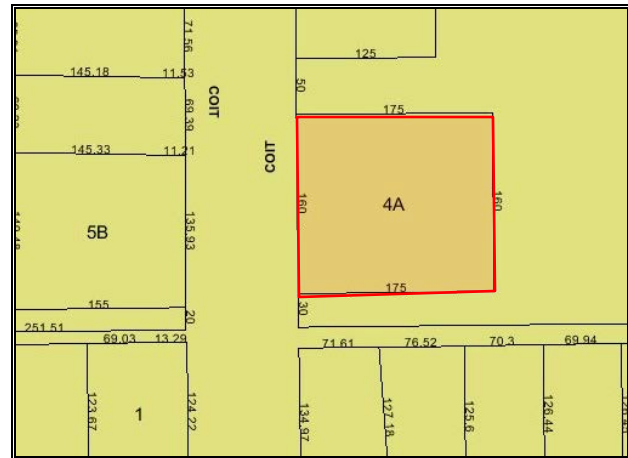


## Land Sale Number 2



|                           |   |
|---------------------------|---|
| <b>Location</b>           | E/s North MacArthur Boulevard, approx. 225 feet north of Royal Lane<br>Irving, Dallas County, Texas   |
| <b>Mapsc</b>              | DA-21B-E  |
| <b>Legal Description</b>  | Lot 2, Block A of Makko MacArthur I, an addition to the City of Irving  |
| <b>Grantor</b>            | Makko MacArthur I, LP   |
| <b>Grantee</b>            | In-N-Out Burgers, Corp.   |
| <b>Date of Sale</b>       | April 6, 2011   |
| <b>Record Data</b>        |   |
| <b>Document No.</b>       | 201100087823  |
| <b>Consideration</b>      | \$1,555,000   |
| <b>Conditions of Sale</b> | Cash to the seller  |
| <b>Land Area</b>          |   |
| <b>Acres</b>              | 2.021   |
| <b>Square Feet</b>        | 88,024  |
| <b>Price Per SF</b>       | \$17.67   |
| <b>Price Per AC</b>       | \$769,515   |
| <b>Zoning</b>             | PUD-Planned Unit Development  |
| <b>Comments</b>           | This tract is located in a highly concentrated commercial district near the confluence of two major regional freeways. Subsequent to the sale, the property was developed with a nationally branded fast food restaurant. |
| <b>Confirmed</b>          | JCW   |

## Land Sale Number 3



|                           |  |
|---------------------------|--|
| <b>Location</b>           | E/s Coit Road, approx. 250 feet south of Spring Valley Road<br>Dallas, Dallas County, Texas  |
| <b>Mapsko</b>             | DA-16-K  |
| <b>Legal Description</b>  | Being Lots 4 and 5, in Block A/7758 of Willingham Coit Road<br>Addition  |
| <b>Grantor</b>            | WPC Coit/SV, LP  |
| <b>Grantee</b>            | Firebrand Properties, LP   |
| <b>Date of Sale</b>       | June 21, 2010  |
| <b>Record Data</b>        |  |
| <b>Document No.</b>       | 201000155147   |
| <b>Consideration</b>      | \$735,000  |
| <b>Conditions of Sale</b> | Cash to the seller   |
| <b>Land Area</b>          |  |
| <b>Acres</b>              | 0.643  |
| <b>Square Feet</b>        | 28,000   |
| <b>Price Per SF</b>       | \$26.25  |
| <b>Price Per AC</b>       | \$1,143,450  |
| <b>Zoning</b>             | SUP-315 (Special Use Permit)   |
| <b>Comments</b>           | This tract, with 160 feet of frontage on Coit Road, was formerly<br>improved with an active clothing retailer. Following the razing<br>of the original improvements, the site was replatted and sold in<br>fee to the current owner. The property has been subsequently<br>improved with a fast food restaurant. |
| <b>Confirmed</b>          | KH   |

## LAND VALUATION

| LAND SALES SUMMARY |   |               |               |          |              |
|--------------------|---|---------------|---------------|----------|--------------|
| Sale No.           | Location  | Size          |               | Price/SF | Date of Sale |
|                    |   | SF            | AC            |          |              |
| 1                  | Adj. to NW/c Belt Line Road and Prestonwood Boulevard               | 51,285        | 1.18          | \$15.60  | Feb-13       |
| 2                  | E/s North MacArthur Boulevard, approx. 225 feet north of Royal Lane | 88,024        | 2.02          | \$17.67  | Apr-11       |
| 3                  | E/s Coit Road, approx. 250 feet south of Spring Valley Road         | 28,000        | 0.64          | \$26.25  | Jun-10       |
| <b>Subject</b>     | <b>SWC Belt Line Road and Asbury Lane</b>                           | <b>28,022</b> | <b>0.6433</b> |          |              |

### Comparable Adjustments

Adjustments to the comparables are considered in the categories of financing terms, conditions of sale, market conditions/time, location, size, zoning, and availability of utilities and other factors. Adjustments for each factor are typically made after a comparison indicates the appropriate direction and size of each adjustment. Adjustments are based on experience and extrapolations of market indicators.

### EXPLANATION OF ADJUSTMENTS

#### Property Interest Transferred

Adjustments are not necessary.

#### Financing Terms

Adjustments are not necessary.

#### Sale Conditions

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. Any sales that reflect unusual sale conditions are adjusted accordingly and the circumstances of these non-arm's length transactions are detailed on the sale summary pages.

#### Market Conditions

The sales occurred between June 2010 and February 2013. Adjustments for market conditions are applied if property values have increased or decreased since the transaction dates. Based on our observations and analysis, real estate has appreciated approximately three percent annually since mid-2010. Each sale is adjusted accordingly.

**Location**

An adjustment for location within a market area may be required when the locational characteristics of a comparable property are different from those of the property. Most comparable properties in the same market area have similar locational characteristics, but variations may exist within that area of analysis.

Each of the sales is located in respective suburban locations, in areas of highly developed commercial corridors, warranting no adjustment.

**Access**

Access is defined as the points, or number of points available for ingress/egress to the subject site, or ease of access to a site from major routes in the area. The sales are interior-oriented, although Sale 1 offers access to two thoroughfares. Interestingly, it also sold for the least of the three transactions. As such, no adjustment is considered necessary for access.

**Frontage**

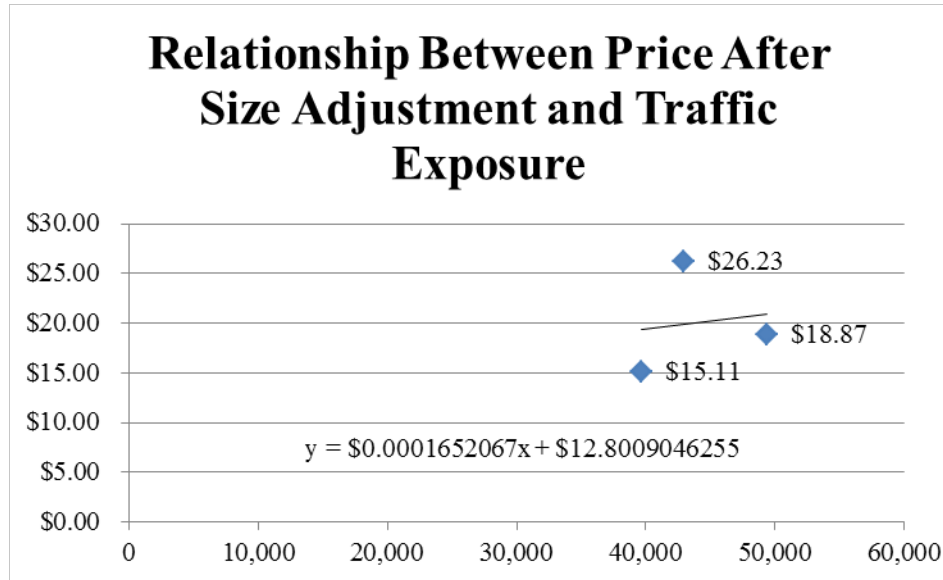
The sales differ significantly in frontage, but the influence on value, relative to the subject's highest and best use of professional office is nominal, with no adjustments considered necessary.

**Exposure**

Exposure is the visibility of the subject to the roadways or neighboring properties. While office or industrial prices may not be directly influenced by traffic exposure, commercial properties are generally influenced by traffic exposure. The subject has significant exposure attributable to the frontage along Belt Line Road and Asbury Lane, and there appears to be a relationship between traffic exposure and price per square foot, based on a review of the comparables, as follows.

| <b>Land Sales - Traffic Exposure</b> |  |                      |
|--------------------------------------|--|----------------------|
| <b>Sale No.</b>                      | <b>Location</b>  | <b>Vehicle Count</b> |
| 1                                    | Adj. to NW/c Belt Line Road and Prestonwood Boulevard                | 39,700               |
| 2                                    | E/s North MacArthur Boulevard, approx. 225 feet north of Royal Lane  | 49,400               |
| 3                                    | E/s Coit Road, approx. 250 feet south of Spring Valley Road          | 42,900               |
| <i>Subject</i>                       | <i>Belt Line (52,000 Vehicles) at Asbury Lane and Sugar Tree Way</i> | <i>52,000</i>        |

The following details the indicated relationship between traffic and price per square foot after the size and topography adjustments, but prior to considering the traffic exposure adjustments, as follows.



After considering the graph, Sales 1, 2 and 3 are adjusted 10%, 0%, and 10%, respectively.

### Size

The subject is 0.6433 acres. The size adjustment is based on the premise that, in general, the larger the tract, the less its selling price on a per unit basis. Recent experience with other properties indicates an approximate 5% - 15% adjustment for each doubling/halving (100%) in size. A 5% adjustment for each doubling/halving (100%) in size is utilized. Each sale is adjusted accordingly for size.

### Zoning

The property is zoned under a planned development (PD) zoning ordinance. The ordinance specifically allows utilization as a vacant land. No adjustments appear necessary.

### Utilities

Electricity, water, sewer, and phone services are available to the subject. Each of the sales has water, sewer, electricity and phone service available to the respective sites, with no adjustments being necessary.

### Functional Utility

Limitations come from the relatively extensive number of easements on the subject property. These are considered in the final value reconciliation. No adjustments were necessary.

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## LAND VALUATION

### Topography

The subject has a relatively large elevated portion toward Sugar Tree Way, along the northern portion of the subject. This is the area most likely to be improved. However the obvious significant elevation change reduces the potential for improvement relative to the comparables, and each is adjusted downward by -10%.

### LAND SALES DATA

The grid below outlines the pertinent characteristics of each of the comparables and the adjustments applied.

| <b>LAND SALES ADJUSTMENTS</b> |                |                |                |
|-------------------------------|----------------|----------------|----------------|
| <b>Sale No.</b>               | <b>1</b>       | <b>2</b>       | <b>3</b>       |
| No. of Acres                  | 1.177          | 2.021          | 0.643          |
| Size - SF                     | 51,285         | 88,024         | 28,000         |
| Sale Date                     | Feb-13         | Apr-11         | Jun-10         |
| Sale Price                    | \$800,000      | \$1,555,000    | \$735,000      |
| Sale Price Per SF             | \$15.60        | \$17.67        | \$26.25        |
| Rights Conveyed               | 0%             | 0%             | 0%             |
| Financing                     | 0%             | 0%             | 0%             |
| Sale Conditions               | 0%             | 0%             | 0%             |
| Market Conditions             | 3%             | 9%             | 11%            |
| Adjusted Price                | \$16.07        | \$19.26        | \$29.14        |
| Location                      | 0%             | 0%             | 0%             |
| Access                        | 0%             | 0%             | 0%             |
| Frontage                      | 0%             | 0%             | 0%             |
| Exposure                      | +10%           | 0%             | +10%           |
| Size                          | +4%            | +8%            | 0%             |
| Zoning                        | 0%             | 0%             | 0%             |
| Utilities                     | 0%             | 0%             | 0%             |
| Functional Utility            | 0%             | 0%             | 0%             |
| Topography                    | -10%           | -10%           | -10%           |
| Net Adjustment                | +4%            | -2%            | 0%             |
| <b>Adjusted Price/SF</b>      | <b>\$16.71</b> | <b>\$18.87</b> | <b>\$29.14</b> |

## LAND VALUATION

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### Land Value Opinion

After the adjustment process, the comparables range from \$16.71 to \$29.14 per square foot, with a mean and median of \$21.57 and \$18.87, respectively. The subject value is considered to be within the range, at \$20.00 per square foot, rounded.

While the whole, unencumbered property is estimated to have a value of \$20.00 per square foot, it should be noted that approximately 11,245 square feet, or 40% of the subject is encumbered with sanitary sewer, water, drainage, and guy easements.

The existing easement area totaling 11,245 square feet is valued at 25% of the fee simple value, which equates to \$56,225 (11,245 x \$20.00 x 25%). The remaining unencumbered portion is valued at \$20.00 per square foot, or \$335,540, with the concluded value calculated as follows.

| <b>Total Land Value</b> |                  |   |              |   |      |                   |
|-------------------------|------------------|---|--------------|---|------|-------------------|
|                         | <u>Size (SF)</u> |   | <u>\$/SF</u> |   |      | <u>Value</u>      |
| Unencumbered            | 16,777           | x | \$20.00      | x | 100% | = \$335,540       |
| <u>Encumbered</u>       | <u>11,245</u>    | x | \$20.00      | x | 25%  | = <u>\$56,225</u> |
| <b>Total</b>            | <b>28,022</b>    |   |              |   |      | <b>\$391,765</b>  |

## **COST APPROACH**

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The purpose of the cost approach is to develop an opinion of the cost to construct a replacement for an existing structure or new structure and then deduct all accrued depreciation in the property being appraised from the cost new. When the value of the land and an entrepreneurial profit, if appropriate, are added to this figure, the result is an indication of the value of the fee simple interest in the property.

### **COST APPROACH (Improvements only)**

When applicable, the cost approach reflects market thinking by recognizing that market participants relate value to cost. Investors tend to judge the value of an existing structure by considering the prices and rents of similar buildings and the cost to create a new building with optimal physical and functional utility. Investors adjust the prices they are willing to pay by estimating the costs to bring an existing structure up to the level of physical and functional utility they desire.

The following details the value of the whole site improvements.

| <b>Summary of Items In Whole Property</b>       |                  |
|---|------------------|
| <b>Improvements</b>                             | <b>Value</b>     |
| 28,022 SF of Sod @ \$0.69/SF, No Depreciation   | \$ 19,335        |
| <b>Total Contributory Value of Improvements</b> | <b>\$ 19,335</b> |

The value of the overall site improvements is **\$19,335**.



## WHOLE PROPERTY VALUE

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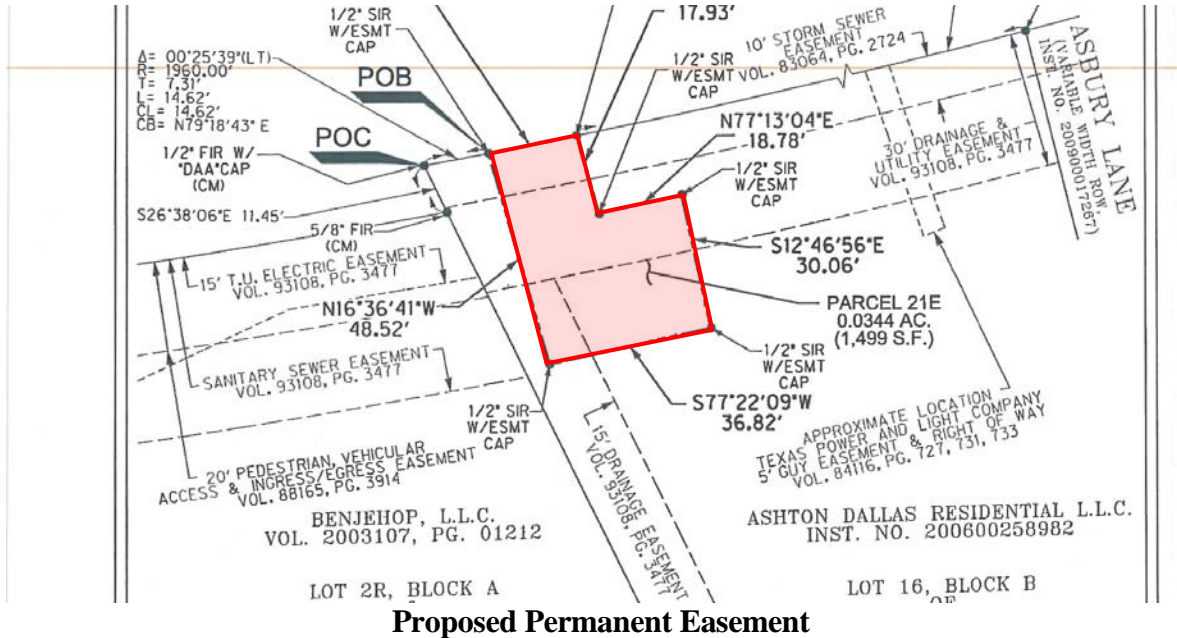
The improved sales and income capitalization approaches are not utilized in this analysis. The land sales comparison is used to establish a subject land value, due to both the quality and quantity of the available sale data, and provides an excellent basis for valuation. The cost approach presented is valuable in detailing the replacement costs of the site improvements. Based on the above considerations for the subject property, our final opinion of the market value of the subject is as follows:

| SUMMARY                                      |                  |
|--|------------------|
| Cost Approach                                | \$ 19,335        |
| <u>Sales Comparison Approach (Land Only)</u> | <u>\$391,765</u> |
| <b>Reconciled Value</b>                      | <b>\$411,100</b> |

**PART TO BE ACQUIRED**

**Part To Be Acquired**

The part proposed to be acquired in **permanent easement** estate totals 0.0344 acres, or 1,499 square feet. The proposed easement is irregular in shape, and is equivalent to 5.35% of the total site. This area will be utilized for an electrical distribution appurtenance.



Also situated in and/or proximate to the acquisition area are utility lines and appurtenances, such as utility equipment, signs, and markers. These items are assumed the property of others-unrelated entities of subject ownership. It is assumed that the Town of Addison will negotiate the successful movement of these items where necessary, and without burden to the subject owner.

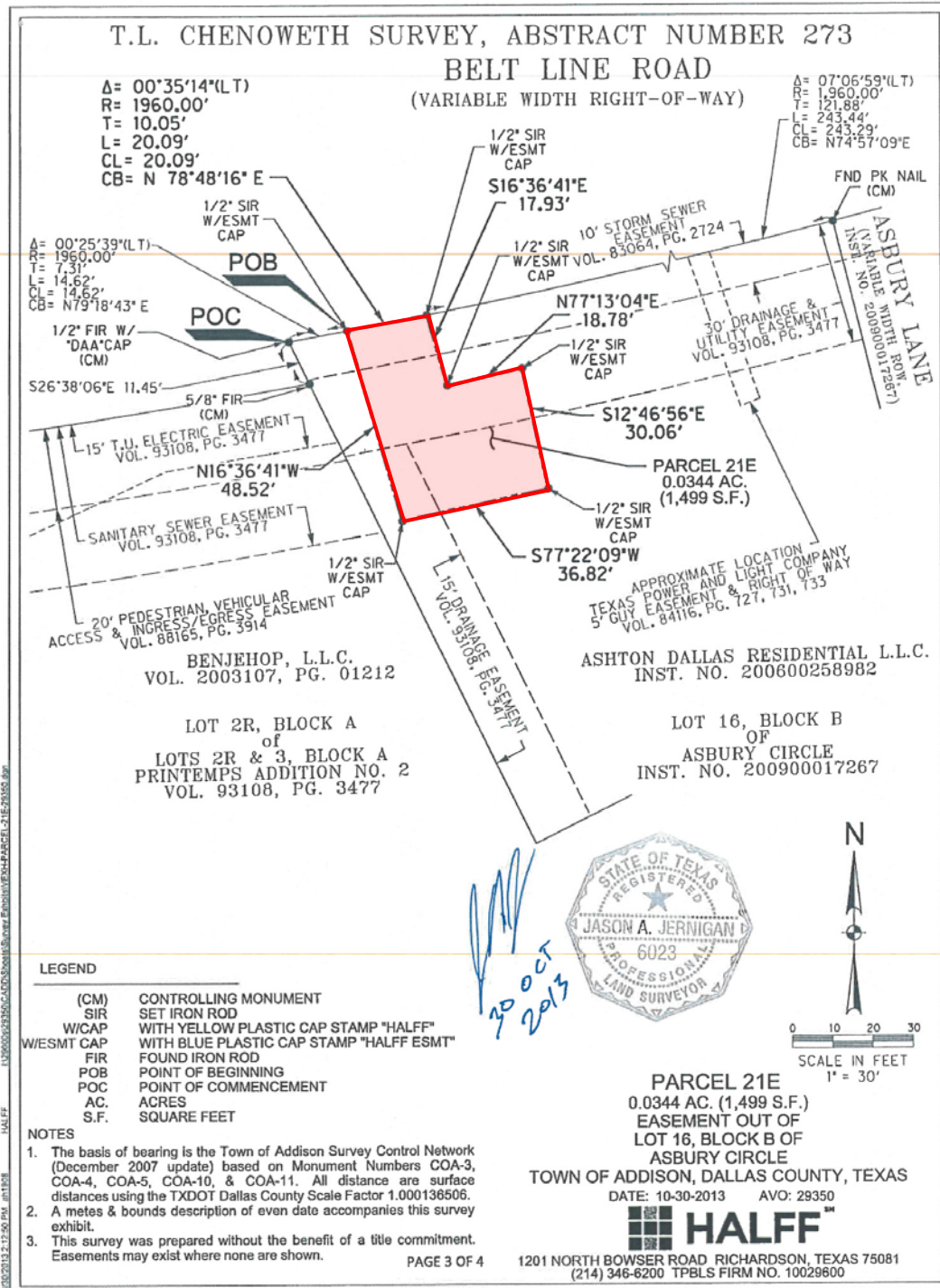
The following details the value of the site improvements within the proposed permanent easement.

| Summary of Items In Proposed Acquisition Area (Permanent Easement) |                 |
|--|-----------------|
| Improvements (Within The Acquisition Area)                         | Value           |
| 1,499 SF of Sod @ \$0.69/SF, No Depreciation                       | \$ 1,034        |
| <b>Total Contributory Value of Improvements</b>                    | <b>\$ 1,034</b> |

**Highest and Best Use**

The part to be acquired is a small parcel and would not be developed as a separate property. Its highest and best use is as part of the whole property.

**PART TO BE ACQUIRED**



## PART TO BE ACQUIRED

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### Compensation

The take line extends through land that includes landowner improvements. The compensation due the property owner for the part taken is comprised of land value plus the depreciated value of the improvements acquired, plus the cost to cure, if any.

### Valuation of the Permanent Easement Acquisition

The part to be acquired in easement estate is comprised of a permanent easement. The part acquired in permanent easement estate totals 0.0344 acres or 1,499 square feet. The proposed easement is rectangular, and is equivalent to 5.35% of the total site.

The proposed permanent easement is not an economic unit within itself, because of the small size and shape, and the highest and best use of the parcel is as a part of the whole property. The whole property land value is previously established as \$20.00 per square foot for the portions not encumbered with easements and \$5.00 per square foot (25% of \$20.00 per square foot) for the portions encumbered with easements.

The following details the calculation of the area proposed for acquisition with a permanent easement, after considering the existing easements, and directly before the acquisition.

| <b>Value of the Area Proposed For Acquisition in Permanent Easement<br/>Prior to the Acquisition</b> |                  |   |              |   |      |                  |
|--|------------------|---|--------------|---|------|------------------|
|  | <u>Size (SF)</u> |   | <u>\$/SF</u> |   |      | <u>Value</u>     |
| Previously Unencumbered  | 482              | x | \$20.00      | x | 100% | = \$9,640        |
| <u>Previously Encumbered</u>   | <u>1,017</u>     | x | \$20.00      | x | 25%  | = <u>\$5,085</u> |
| <b>Total</b>   | <b>1,499</b>     |   |              |   |      | <b>\$14,725</b>  |

The property owner does not retain the rights to surface use of the area within the proposed easement, and cannot construct any building or other structure within the easement area, and cannot change the grade, remove dirt from the surface of the easement or impound water over the easement without the prior approval of the grantee. The easement holder may cut all trees from the easement area. The property owner is relinquishing certain rights in perpetuity to the easement holder. The property owner still incurs certain obligations within the area of the easement, including the cost to maintain the surface and payment of all ad valorem taxes.

Limited market data are available that demonstrate the value of these rights. For the land encumbered by the permanent easement area, it is our opinion that the property owner is giving rights to the easement holder that equate to 75% of the fee simple unencumbered value of the land. The proposed permanent easement (21E) partially overlaps existing easements totaling approximately 1,017 square feet, which prior to the imposition of the proposed easement is valued at 25% of fee simple value.

## PART TO BE ACQUIRED

Immediately following the imposition of the easements, the value of the land within the existing easements is considered to be no more than 10% of the fee simple value of the land, while the portion to be only encumbered with the new easement is considered to retain a value of 25% of fee simple. The resulting value of the permanent easement following the acquisition is a calculated below.

| <b>Value of the Area Proposed For Acquisition in Permanent Easement<br/>Following the Acquisition</b> |                  |   |              |   |     |                  |
|---|------------------|---|--------------|---|-----|------------------|
|   | <u>Size (SF)</u> |   | <u>\$/SF</u> |   |     | <u>Value</u>     |
| Previously Unencumbered   | 482              | x | \$20.00      | x | 25% | = \$2,410        |
| <u>Previously Encumbered</u>  | <u>1,017</u>     | x | \$20.00      | x | 10% | = <u>\$2,034</u> |
| <b>Total</b>  | <b>1,499</b>     |   |              |   |     | <b>\$4,444</b>   |

The value of the proposed easement is calculated by deducting the value of the land within the easement area prior to the acquisition from the value of the land following the acquisition.

| <b>Easement Value</b>                           |                  |
|---|------------------|
| Immediately Before Imposition of Easement       | \$14,725         |
| <u>Immediately After Imposition of Easement</u> | <u>-\$ 4,444</u> |
| <b>Permanent Easement Value</b>                 | <b>\$10,281</b>  |

Within the acquisition area, the property is improved with sod. The improvements situated within the proposed easement acquisition area are valued at **\$1,034**.

| <b>Summary of Items In Proposed Acquisition Area (Permanent Easement)</b> |                 |
|---|-----------------|
| <b>Improvements (Within The Acquisition Area)</b>                         | <b>Value</b>    |
| 1,499 SF of Sod @ \$0.69/SF, No Depreciation                              | \$ 1,034        |
| <b>Total Contributory Value of Improvements</b>                           | <b>\$ 1,034</b> |

It is our opinion, the total value of the part to be acquired in easement estate, including land and improvements is **\$11,315**.

| <b>Permanent Easement Proposed Acquisition</b> |                 |
|--|-----------------|
| Land Acquired                                  | \$10,281        |
| Site Improvements Acquired                     | \$ 1,034        |
|  | <u>\$11,315</u> |

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**PART TO BE ACQUIRED**

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**Summary of Portion Proposed To Be Acquired**

The value of the portion proposed for acquisition is \$11,315 for the permanent easement acquisition.

| <b>Summary of Proposed Acquisition</b> |                    |                            |                     |
|--|--------------------|----------------------------|---------------------|
| <b>Parcel</b>                          | <b><u>Land</u></b> | <b><u>Improvements</u></b> | <b><u>Total</u></b> |
| 21E, Permanent Easement Taking         | \$10,281           | \$1,034                    | \$11,315            |

## **REMAINDER BEFORE TAKING**

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### **Remainder Before Taking**

The indicated value of the remainder before the taking is derived by deducting the projected value of the take from the value of the whole property. The calculation is as follows:

| <b>Remainder Before The Taking</b>             |                  |                     |                  |
|--|------------------|---------------------|------------------|
|  | <u>Land</u>      | <u>Improvements</u> | <u>Total</u>     |
| Opinion of Value - Whole Property              | \$391,765        | \$19,335            | \$411,100        |
| Opinion of Value – Permanent Easement Taking   | -\$ 10,281       | -\$ 1,034           | -\$ 11,315       |
| Opinion of Value - Remainder Before the Taking | <b>\$381,484</b> | <b>\$18,301</b>     | <b>\$399,785</b> |

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## REMAINDER AFTER TAKING

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### Remainder After Taking

The remainder after taking is valued by a separate analysis of the property addressing physical characteristics, highest and best use, utility, and marketability.

The remainder is comprised of 0.6433 acres, or 28,022 square feet, stated.

In the remainder situation, the subject fronts the southern line of Belt Line Road for approximately 278.15 linear feet, the eastern line of Asbury Lane for approximately 57.84 linear feet, and the northern line of Sugar Tree Way for approximately 272.44 linear feet. The subject ranges from approximately 154.82 feet deep from Belt Line along the westernmost property line to 57.84 feet deep along the easternmost property line.

### *Remainder After the Acquisition As Affected By the Permanent Easement*

Following the acquisition, the subject will retain its usefulness and utility. The remainder after the taking is the whole property, but with a small area encumbered by the easement. The remainder land area is 0.6433 acres, or 28,022 square feet, including the part taken in a permanent easement (1,499 square feet). The easement is situated in an area that will likely continue to include setbacks, open space, or landscaping areas, given the topographic change in elevation and the fact that improvements will probably be constructed on the higher elevation portion of the property. The highest and best use of the remainder land continues as speculative holding for future professional office improvement. While the taking does not diminish the remainder's potential, it will result in an encumbrance of approximately 5.35% of the remaining property area (1,499 square feet divided by 28,022 square feet).

As if complete and in place, the road project improvements are a general enhancement in the neighborhood and are not judged to enhance a specific property.

### Highest & Best Use

In the remainder condition, the subject property is encumbered with a permanent easement along the northern property line of the tract. The subject easement fronts the northern line of Belt Line Road for approximately 20.09 linear feet. Additionally, following the proposed fee simple acquisition, the subject will retain 278.15 linear feet of frontage along the southern line of Belt Line Road, 57.84 linear feet along the western line of Asbury Lane, and 272.44 linear feet of frontage along the southern line of Sugar Tree Way for approximately 272.44 linear feet.

**Physically Possible Use:** In arriving at an opinion of highest and best use for the subject, it is first necessary to determine if the physical characteristics of the site - such as soil conditions, topography, shape and frontage were favorable for development. Soil conditions vary throughout the area and sometimes require particular engineering. The subject fronts the southern line of Belt Line Road for approximately 278.15 linear feet, the eastern line of Asbury Lane for approximately 57.84 linear feet, and the northern line of Sugar Tree Way for approximately 272.44 linear feet. The subject ranges from approximately 154.82 feet deep from Belt Line along the westernmost property line to 57.84 feet deep along the easternmost property line

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## REMAINDER AFTER TAKING

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According to the enclosed flood map No. 48113C0180J, the subject does not appear to be in designated flood hazard area. No representation is made that the site will or will not flood. A hydrological study or survey is required for confirmation of flood-designated boundaries. The site is of sufficient size, shape, and frontage to be economically adaptable to numerous uses.

The shape and topography of the tract somewhat limits potential improvement, with the most probable being construction of a professional office structure along the elevated portion of the site, facing Sugar Tree Way.

***Permissible Use:*** The site is zoned PD; Planned Development by the Town of Addison, with any proposed use being subject to approval by representatives of the Town of Addison.

***Feasible Use:*** The surrounding properties and land uses are considered for compatibility in determination of feasible use.

Abutting uses are Asbury Lane to the east, Sugar Tree Way to the south, an International House of Pancakes restaurant to the west, and Belt Line Road to the north. Other uses along Belt Line Road and Asbury Lane support retail improvement and professional office improvement. In accordance with the physical shape and topography, the most feasible use appears to be to hold the tract until such time as professional office construction of a facility facing Sugar Tree Way becomes feasible for either owner use or speculative use.

***Maximally Productive Highest & Best Use:*** The subject fronts the southern line of Belt Line Road for approximately 278.15 linear feet, the eastern line of Asbury Lane for approximately 57.84 linear feet, and the northern line of Sugar Tree Way for approximately 272.44 linear feet. Belt line is a six-lane, divided thoroughfare. Asbury Lane is a two-lane thoroughfare, and Sugar Tree Way is a two-lane thoroughfare.

In accordance with the physical shape and topography, the most feasible use appears to be to hold the tract until such time as professional office construction of a facility facing Sugar Tree Way becomes feasible for either owner use or speculative use.

## REMAINDER AFTER TAKING

### Remainder After Value

The remainder land, comprised of 28,022 square feet is comprised as follows.

| <b>Summary of Land Easement Allocation</b>        |  |                                     |
|---|--|-------------------------------------|
|   | <b>Prior to<br/><u>Acquisition</u></b> | <b>After<br/><u>Acquisition</u></b> |
| Unencumbered Area                                 | 16,777                                 | 16,295                              |
| Previous Easements Not Overlaid                   | 11,245                                 | 10,228                              |
| New Easement Area Not Overlaid                    | 0                                      | 482                                 |
| <u>New Easement Overlaying Existing Easements</u> | <u>0</u>                               | <u>1,017</u>                        |
| <b>Total</b>                                      | <b>28,022</b>                          | <b>28,022</b>                       |

The portion of the subject unencumbered with easements is valued at \$20.00 per square foot. The portion not overlaid (new or existing easements) is considered to be valued at 25% of the \$20.00 fee simple value, and the portion of the new easement overlaying existing easements is considered to have a value of 10% of the \$20.00 fee simple value.

The following details the value following the acquisition of the land and remaining improvements.

| <b>Total Value After The Acquisition</b>          |                         |   |                     |   |        |                     |
|---|-------------------------|---|---------------------|---|--------|---------------------|
|   | <b><u>Size (SF)</u></b> |   | <b><u>\$/SF</u></b> |   |        | <b><u>Value</u></b> |
| Unencumbered                                      | 16,295                  | x | \$20.00             | x | 100% = | \$325,900           |
| Previous Easements Not Overlaid                   | 10,228                  | x | \$20.00             | x | 25% =  | \$ 51,140           |
| New Easement Area Not Overlaid                    | 482                     | x | \$20.00             | x | 25% =  | \$ 2,410            |
| <u>New Easement Overlaying Existing Easements</u> | <u>1,017</u>            | x | \$20.00             | x | 10% =  | <u>\$ 2,034</u>     |
| Total Land Value                                  | 28,022                  |   |                     |   |        | \$381,484           |
| Sod   | 26,523                  | x | \$0.69              | x | 100% = | \$ 18,301           |
| <b>Total Value</b>                                |                         |   |                     |   |        | <b>\$399,785</b>    |

The remainder is valued at **\$399,785**.

## **SUMMARY OF COMPENSATION**

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The proposed taking does not reduce utility. In the remainder after scenario, the highest and best use of the property is to hold the tract until such time as professional office construction of a facility facing Sugar Tree Way becomes feasible for either owner use or speculative use.

The total compensation consists of the value of the part taken in permanent easement. Damages to the remainder are not supported.

### **Total Compensation**

The market value of the total compensation due to the landowner is **\$11,315**.

|  |            |                  |
|--|------------|------------------|
| <b>Whole Property (Market Value)</b>             | \$ 411,100 |                  |
| <b>Part To Be Acquired in Permanent Easement</b> |            | \$ 11,315        |
| <b>Remainder - Before Taking</b>                 | \$ 399,785 |                  |
| <b>Remainder - After Taking</b>                  | \$ 399,785 |                  |
| <b>Total Compensation</b>                        |            | <b>\$ 11,315</b> |

## **APPRAISER'S CERTIFICATE**

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The undersigned do hereby certify that, except as otherwise noted in this appraisal report:

We have no present or contemplated future interest in the real estate that is the subject of this appraisal report. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved. Our engagement in this assignment was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which analyses, opinions and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report. These are our personal, impartial, unbiased professional analyses, opinions, and conclusions.

This appraisal report has been made in conformity with the Uniform Standards of Professional Appraisal Practice. We certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and in conformity with the rules of the Texas Real Estate Commission. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this appraisal, Wendell Pyles and David Bullard have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute

We have not appraised or provided a real estate service for this property within the last three years. David Bullard and Charles Stearman provided real property appraisal assistance to the persons signing this certification. We certify that we personally inspected the property appraised.

### **PYLES ★ WHATLEY CORPORATION**

  
 \_\_\_\_\_  
**Wendell Pyles, MAI**  
 State of Texas Certification # TX-1320453-G

  
 \_\_\_\_\_  
**David Bullard, MAI**  
 State of Texas Certification #TX-1326759-G

**WENDELL PYLES, MAI, SR/WA**

Real estate appraiser practicing as owner of *Pyles★Whatley Corporation*.

Appraisal assignments include office buildings, multi-family dwellings, commercial and industrial properties, condemnation work, automobile dealerships, land development, and specialized properties, as well as feasibility and market studies.

**Experience**

- Since 1983, owner of Wendell Pyles & Company, predecessor firm to *Pyles★Whatley Corporation*, conducting appraisal assignments throughout Texas and the Southwest
- Experience in commercial real estate sales and mortgage brokerage
- Financial Analyst with W. R. Grace & Company. Involved in capital expenditure analyses, financial reporting, and acquisition evaluation
- Qualified as expert witness in Texas District Courts and U.S. Bankruptcy courts.

**Education**

- Master of Business Administration, Oklahoma State University
- Bachelor of Science - Business Administration (Banking & Finance), Oklahoma State University
- Completed numerous appraisal courses and seminars conducted by the Appraisal Institute and various real estate and financial organizations

**Professional**

- Member - Appraisal Institute (MAI), Certificate No. 6698. The Appraisal Institute conducts a program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification, and I am currently certified under this program.
  - Certified by State of Texas as General Real Estate Appraiser, TX-1320453-G
  - Senior Member (SR/WA) – International Right-of-Way Association, Registration Number 4444
  - Right-of-Way Professional of the Year, 2004 - IRWA Chapter 36
  - North Texas Chapter Appraisal Institute - Board of Directors, 1989-1991; 1998-2000 Chairman, Candidate Guidance Committee, 1990; Regional Representative, 1993
  - International Right-of -Way Association Member, Chapter 36 – Secretary, 2001; Vice President, 2002; President, 2003; Board of Directors, 2004-2005
-

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## QUALIFICATIONS

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### DAVID R. BULLARD, MAI

#### WORK HISTORY

I began appraising commercial property in 1990, during graduate school, when the flexible schedule of appraisal provided income without conflicting with my studies. After graduate school, I continued appraising investment-grade commercial property in both self-employed and fee capacities in Massachusetts, Idaho, and Texas.

I worked as Vice President, Commercial Lending with Southwest Bank in Fort Worth as well as with several other commercial banks and loan corporations in Texas.

Prior to employment as a commercial real estate appraiser and commercial lender, I held the title of Bank Holding Company Financial Analyst with the Federal Reserve Bank of Dallas, Texas.

#### EDUCATION

In 1992, I received my Master of Business Administration degree from the University of Texas at Arlington, Texas. Although my studies included virtually all facets of the traditional business curriculum, the primary concentration was in finance.

In 1988, I received my Bachelor of Business Administration degree from Baylor University, Waco, Texas. This traditional four-year degree was primarily focused in the study of finance and real estate, although it also included conventional core business, science and liberal arts classes.

I continue to remain current with the continuing education requirements of both the Appraisal Institute and the Texas Appraiser Licensing and Certification Board. I have also received formal credit training through Risk Management Associates (RMA), and was the first place statewide 2001 RMA paper writing contest winner for a paper titled *Analyzing the Causes of Real Estate Market Change*.

#### CERTIFICATIONS, LICENSES, AND PROFESSIONAL DESIGNATIONS

I am a State Certified General Appraiser in Texas, a designated MAI, Member of the Appraisal Institute, and a licensed Private Pilot.

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# **ADDENDA**

## TAX INFORMATION



Home | Find Property | Contact Us

### Residential Account #100018800B0160000

[Location](#)
[Owner](#)
[Legal Desc](#)
[Value](#)
[Main Improvement](#)
[Additional Improvements](#)
[Land](#)
[Exemptions](#)  
[Estimated Taxes](#)
[History](#)

#### Property Location (Current 2014)

**Address:** 16 SUGAR TREE WAY  
**Neighborhood:** 2DS114  
**Mapsco:** 14-A (DALLAS)

#### Customer Service Survey

Enter PIN:

#### DCAD Property Map

#### 2013 Appraisal Notice

#### Electronic Documents (ENS)

#### File Homestead Exemption Online



Print Homestead Exemption Form

#### YAHOO! Maps

#### Owner (Current 2014)

ASHTON DALLAS RES LLC  
 SUITE 170  
 1221 N INTERSTATE 35E  
 CARROLLTON, TEXAS 750063806

#### Multi-Owner (Current 2014)

| Owner Name            | Ownership % |
|-----------------------|-------------|
| ASHTON DALLAS RES LLC | 100%        |

#### Legal Desc (Current 2014)

- 1: ASBURY CIRCLE
  - 2: BLK B LT 16
  - 3:
  - 4: INT200600258982 DD07172006 CO-DC
  - 5: 0018800B01600 3CA0018800B
- Deed Transfer Date:** 7/18/2006

#### Value

| 2013 Certified Values                       |             |
|---|-------------|
| Improvement:                                | \$0         |
| Land:                                       | + \$224,180 |
| Market Value:                               | = \$224,180 |
| <b>Tax Agent:</b> BOWLBY D ALAN & ASSOC INC |             |
| <b>Revaluation Year:</b>                    | 2012        |
| <b>Previous Revaluation Year:</b>           | 2011        |



**TAX INFORMATION (Continued)****Additional Improvements (Current 2014)**

No Additional Improvements.

**Land (2013 Certified Values)**

| # | State Code               | Zoning              | Frontage (ft) | Depth (ft) | Area                    | Pricing Method | Unit Price | Market Adjustment | Adjusted Price | Ag Land |
|---|--------------------------|---------------------|---------------|------------|-------------------------|----------------|------------|-------------------|----------------|---------|
| 1 | SFR - VACANT LOTS/TRACTS | PLANNED DEVELOPMENT | 0             | 0          | 28,022.0000 SQUARE FEET | STANDARD       | \$10.00    | -20%              | \$224,176      | N       |

**\* All Exemption information reflects 2013 Certified Values. \*****Exemptions (2013 Certified Values)**

No Exemptions

**Estimated Taxes (2013 Certified Values)**

|                               | City       | School     | County and School Equalization | College                     | Hospital          | Special District  |
|-------------------------------|------------|------------|--------------------------------|-----------------------------|-------------------|-------------------|
| <b>Taxing Jurisdiction</b>    | ADDISON    | DALLAS ISD | DALLAS COUNTY                  | DALLAS CO COMMUNITY COLLEGE | PARKLAND HOSPITAL | UNASSIGNED        |
| <b>Tax Rate per \$100</b>     | \$0.5718   | \$1.282085 | \$0.2531                       | \$0.1247                    | \$0.276           | N/A               |
| <b>Taxable Value</b>          | \$224,180  | \$224,180  | \$224,180                      | \$224,180                   | \$224,180         | \$0               |
| <b>Estimated Taxes</b>        | \$1,281.86 | \$2,874.18 | \$567.40                       | \$279.55                    | \$618.74          | N/A               |
| <b>Tax Ceiling</b>            |            |            |                                |                             | N/A               | N/A               |
| <b>Total Estimated Taxes:</b> |            |            |                                |                             |                   | <b>\$5,621.73</b> |

**DO NOT PAY TAXES BASED ON THESE ESTIMATED TAXES.** You will receive an **official tax bill** from the appropriate agency when they are prepared. Taxes are collected by the agency sending you the **official** tax bill. To see a listing of agencies that collect taxes for your property. [Click Here](#)

The estimated taxes are provided as a courtesy and should not be relied upon in making financial or other decisions. The Dallas Central Appraisal District (DCAD) does not control the tax rate nor the amount of the taxes, as that is the responsibility of each Taxing Jurisdiction. Questions about your taxes should be directed to the appropriate taxing jurisdiction. We cannot assist you in these matters. These tax estimates are calculated by using the most current certified taxable value multiplied by the most current tax rate. **It does not take into account other special or unique tax scenarios.** If you wish to calculate taxes yourself, you may use the [TaxEstimator](#) to assist you.

**FIELD NOTES/PARCEL SKETCH**

**PARCEL 21E**  
0.0344 ACRE (1,499 SQUARE FOOT)  
EASEMENT OUT OF  
LOT 16, BLOCK B OF  
ASBURY CIRCLE  
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

BEING a 1,499 square foot tract of land situated in the T. L. Chenoweth Survey, Abstract Number 273, Town of Addison, Dallas County, Texas, and being part of Lot 16, Block B of ASBURY CIRCLE, an addition to the Town of Addison, Texas, as recorded in Instrument Number 200900017267 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.), said tract also being part of that tract of land described in deed to Ashton Dallas Residential L.L.C. as recorded in Instrument Number 200600258982, O.P.R.D.C.T., and being more particularly described as follows:

COMMENCING at a 1/2-inch found iron rod with "DAA" cap for the northwest corner of said Lot 16 on the south right-of-way line of Belt Line Road (a variable width right-of-way), said corner also being the beginning of a non-tangent circular curve to the left having a radius of 1,960.00 feet and a chord that bears North 79 degrees 18 minutes 43 seconds East a distance of 14.62 feet;

THENCE Easterly, with said south right-of-way line of Belt Line Road and with the north line of said Lot 16 and with said curve, through the central angle of 00 degrees 25 minutes 39 seconds, an arc distance of 14.62 feet to a 1/2-inch set iron rod with blue plastic cap stamped "HALFF ESMT" (hereinafter referred to as "with easement cap") for the POINT OF BEGINNING, said point also being on a circular curve to the left having a radius of 1,960.00 feet and a chord that bears North 78 degrees 48 minutes 16 seconds East a distance of 20.09 feet;

THENCE Easterly, with the south right-of-way line of said Belt Line Road and the north line of said Lot 16 and with said curve, through a central angle of 00 degrees 35 minutes 14 seconds, an arc distance of 20.09 feet to a 1/2-inch set iron rod with easement cap for corner;

THENCE South 16 degrees 36 minutes 41 seconds East, departing the south right-of-way line of said Belt Line Road and the north line of said Lot 16, a distance of 17.93 feet to a 1/2-inch set iron rod with easement cap for corner;

THENCE North 77 degrees 13 minutes 04 seconds East, a distance of 18.78 feet to a 1/2-inch set iron rod with easement cap corner;

THENCE South 12 degrees 46 minutes 56 seconds East, a distance of 30.06 feet to a 1/2-inch set iron rod with easement cap for corner;

THENCE South 77 degrees 22 minutes 09 seconds West, a distance of 36.82 feet to a 1/2-inch set iron rod with easement cap for corner;

**FIELD NOTES/PARCEL SKETCH (Continued)**

**PARCEL 21E**  
0.0344 ACRE (1,499 SQUARE FOOT)  
EASEMENT OUT OF  
LOT 16, BLOCK B OF  
ASBURY CIRCLE  
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

THENCE North 16 degrees 36 minutes 41 seconds West, a distance of 48.52 feet to the POINT OF BEGINNING and containing 0.0344 of an acre (1,499 square feet) of land, more or less.

Notes:

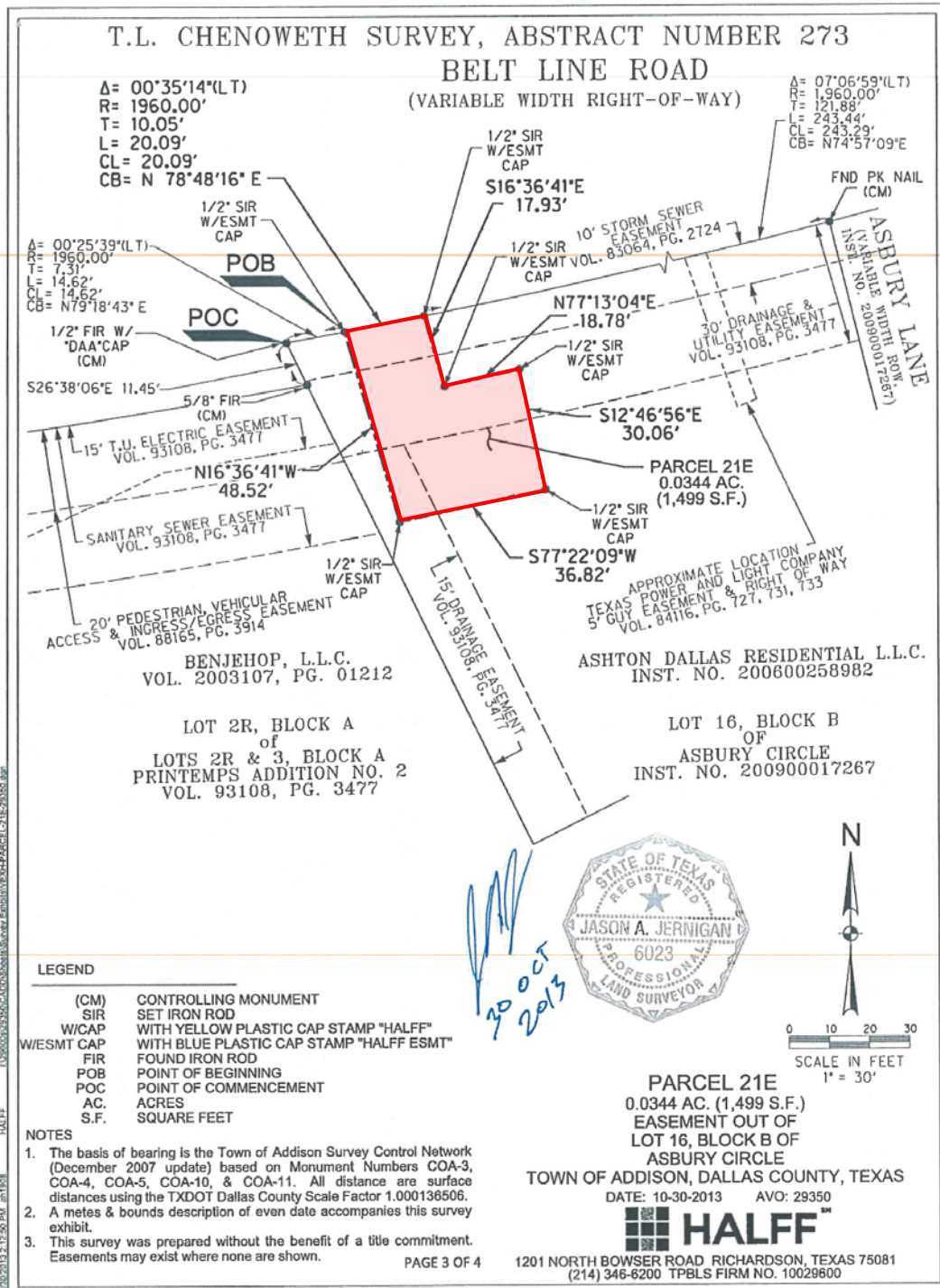
The basis of bearing is the Town of Addison Survey Control Network (December 2007 update) based on Monument Numbers COA-3, COA-4, COA-5, COA-10, & COA-11. All distance are surface distances using the TXDOT Dallas County Scale Factor 1.000136506.

This metes & bounds description is accompanied by a survey exhibit of even date.

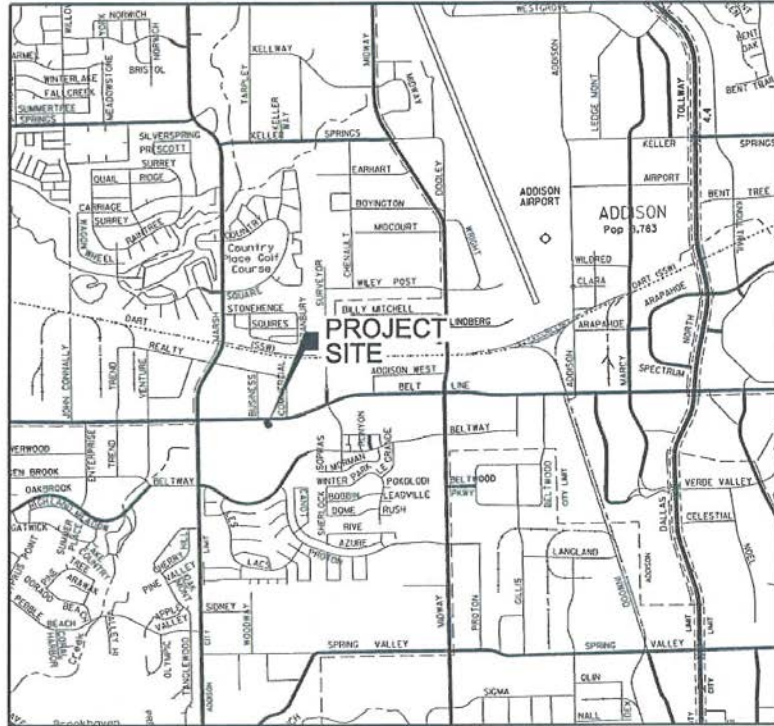
*JA*  
30 OCT  
2013



### FIELD NOTES/PARCEL SKETCH (Continued)



FIELD NOTES/PARCEL SKETCH (Continued)



LOCATION MAP  
NOT TO SCALE

PARCEL 21E  
0.0344 AC. (1,499 S.F.)  
EASEMENT OUT OF  
LOT 16, BLOCK B OF  
ASBURY CIRCLE  
TOWN OF ADDISON, DALLAS COUNTY, TEXAS  
DATE: 10-30-2013 AVO: 29350



10/30/2013 12:13:12 PM 401508 HALFF \\P28000\00365\CAD\Drawings\10-30-13\10-30-13-21E.dwg

**CERTIFIED MAIL RECEIPT**

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY  |
|--|--|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> | <p>A. Signature<br/> <input checked="" type="checkbox"/> <u>Samantha</u>      <input type="checkbox"/> Agent<br/> <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)      C. Date of Delivery<br/>           _____      <u>1/11/14</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>           If YES, enter delivery address below: <input type="checkbox"/> No</p> |
| <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Ashton Dallas Res, LLC<br/>             1221 N Interstate 35E, Ste 170<br/>             Carrollton, TX 75006-3806<br/>             13-658 / DB</p> </div>  | <p>3. Service Type<br/> <input checked="" type="checkbox"/> Certified Mail      <input type="checkbox"/> Express Mail<br/> <input type="checkbox"/> Registered      <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/> <input type="checkbox"/> Insured Mail      <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee)      <input type="checkbox"/> Yes</p>                            |
| <p>2. ZIP Code      <u>7012 3050 0001 4153 2408</u></p>  |  |
| <p>PS Form 3811, February 2004      Domestic Return Receipt      102595-02-M-1540</p>  |  |

**U.S. Postal Service™**  
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*(Domestic Mail Only; No Insurance Coverage Provided)*

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OFFICIAL USE

|   |           |             |  |
|---|-----------|-------------|--|
| Postage   | \$        | .66         |  |
| Certified Fee                                     |           | 3.10        |  |
| Return Receipt Fee<br>(Endorsement Required)      |           | 2.55        |  |
| Restricted Delivery Fee<br>(Endorsement Required) |           |             |  |
| <b>Total Postage &amp; Fees</b>                   | <b>\$</b> | <b>6.31</b> |  |

Ashton Dallas Res, LLC  
 1221 N Interstate 35E, Ste 170  
 Carrollton, TX 75006-3806  
 13-658 / DB

Instructions

7012 3050 0001 4153 2408

## NOTIFICATION LETTER

**PYLES★WHATLEY CORPORATION**  
Real Estate Consultants

*Wendell Pyles, MAI, SR/WA*

*Jan Whatley (1953-2013)*

January 02, 2014

Ashton Dallas Res LLC  
1221 N Interstate 35E, Ste 170  
Carrollton, Texas 75006-3806

Via first class, certified mail, return receipt requested, article no. 7012 3050 0001 4153 2408

Re: Parcel 21E - real estate property located at 16 Sugar Tree Way, Addison, Texas

To Whom It May Concern:

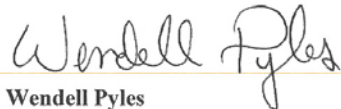
In connection with the Town of Addison, our firm has been engaged to perform a real estate appraisal of a proposed partial acquisition involving the property referenced above. In preparation for the Belt Line Road Project, real estate appraisals of the affected properties are required.

We would like to meet with you and inspect your property for appraisal purposes. Please contact **David Bullard** at **214.340.5880** to arrange an appointment.

Enclosed are copies of the acquisition descriptions and drawings. We look forward to meeting you.

Sincerely,

**PYLES WHATLEY CORPORATION**



**Wendell Pyles**

11551 Forest Central Drive  
Suite 220  
Dallas, Texas 75243  
Phone (214) 340-5880  
Fax (214) 340-5422

[www.PylesWhatley.com](http://www.PylesWhatley.com)  
Toll Free (800) 340-2166

777 Main Street  
Suite 600  
Fort Worth, Texas 76102  
Phone (817) 887-8176  
Fax (817) 887-8177