

**APPRAISAL REPORT**

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

**FOR**

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

**PYLES WHATLEY CORPORATION  
16910 DALLAS PARKWAY, SUITE 100  
DALLAS, TEXAS 75248**



**PYLES★WHATLEY CORPORATION**Real Estate Consultants

---

October 28, 2015

Ms. Lisa Pyles  
Town of Addison  
16801 Westgrove Drive  
Addison, Texas 75001

Re: A real estate appraisal of Parcel 21E, a proposed partial acquisition in the Belt Line Road Project, located 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 made an on-site inspection of 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, as vacant land; however, the appraised property is identified as the subject land and affected site improvements located along Belt Line Road. This appraisal report is in compliance 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 October 27, 2015.

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).

Page 2  
 Ms. Lisa Pyles  
 October 28, 2015

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

<b>Whole Property</b>	\$	432,370	
<b>Part To Be Acquired in Easement</b>			\$ 11,918
<b>Remainder - Before Taking</b>	\$	420,452	
<b>Remainder - After Taking</b>	\$	420,452	
<b>Damages</b>			\$ 0
<b>Costs-to-Cure</b>			\$ 0
<b>Total Compensation</b>			\$ <b>11,918</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, SR/WA**  
 State of Texas Certification # TX-1320453-G

---

## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

### BELT LINE ROAD PROJECT



<b>Parcel Owner</b>	Ashton Dallas Residential L.L.C.		
<b>Parcel Number</b>	21E		
<b>Location</b>	16 Sugar Tree Way Addison, Texas 75001		
<b>Mapsco</b>	DA-14-A		
<b>Whole Property Land Area</b>	0.643 acres	<i>(or 28,022 SF)</i>	
<b>Part To Be Acquired - Permanent Easement</b>	0.034 acres	<i>(or 1,499 SF)</i>	
<b>Zoning</b>	PD (Planned Development)		
<b>Highest &amp; Best Use</b>	Office Development		
<b>Reasonable Exposure Time</b>	12 to 18 months		
<b>Effective Date of the Appraisal</b>	October 27, 2015		
<b>Date of Appraisal Report</b>	October 28, 2015		
<b>Whole Property</b>	\$	432,370	
<b>Part To Be Acquired in Easement</b>			\$ 11,918
<b>Remainder - Before Taking</b>	\$	420,452	
<b>Remainder - After Taking</b>	\$	420,452	
<b>Damages</b>			\$ 0
<b>Costs-to-Cure</b>			\$ 0
<b>Total Compensation</b>			\$ 11,918

---

**TABLE OF CONTENTS**


---

<b>LETTER OF TRANSMITTAL</b>	
<b>SUMMARY OF IMPORTANT FACTS</b>	
	<b><u>PAGE</u></b>
<b>SCOPE OF THE ASSIGNMENT .....</b>	<b>1</b>
<b>DEFINITION OF MARKET VALUE.....</b>	<b>6</b>
<b>GENERAL ASSUMPTIONS AND LIMITING CONDITIONS.....</b>	<b>7</b>
<b>EXTRAORDINARY ASSUMPTIONS &amp; HYPOTHETICAL CONDITIONS.....</b>	<b>10</b>
<b>MARKET AREA .....</b>	<b>11</b>
<b>DALLAS/FORT WORTH METROPOLITAN AREA ANALYSIS .....</b>	<b>12</b>
<b>REGIONAL MAP.....</b>	<b>31</b>
<b>TOWN OF ADDISON ANALYSIS.....</b>	<b>32</b>
<b>SUBJECT VICINITY.....</b>	<b>37</b>
<b>LOCATION MAP.....</b>	<b>42</b>
<b>SUBJECT PROPERTY.....</b>	<b>43</b>
<b>REAL ESTATE TAX ANALYSIS .....</b>	<b>47</b>
<b>AERIAL PHOTOGRAPH.....</b>	<b>48</b>
<b>SUBJECT PHOTOGRAPHS .....</b>	<b>50</b>
<b>WHOLE PROPERTY SKETCH .....</b>	<b>55</b>
<b>ZONING MAP .....</b>	<b>56</b>
<b>FLOOD MAP .....</b>	<b>57</b>
<b>HIGHEST AND BEST USE .....</b>	<b>58</b>
<b>LAND VALUATION.....</b>	<b>59</b>
<b>COST APPROACH.....</b>	<b>70</b>
<b>RECONCILIATION – WHOLE PROPERTY VALUE.....</b>	<b>71</b>
<b>PART TO BE ACQUIRED.....</b>	<b>72</b>
<b>REMAINDER BEFORE TAKING.....</b>	<b>76</b>
<b>REMAINDER AFTER TAKING.....</b>	<b>77</b>
<b>REMAINDER AFTER VALUE.....</b>	<b>78</b>
<b>SUMMARY OF COMPENSATION.....</b>	<b>79</b>
<b>APPRAISER’S CERTIFICATE .....</b>	<b>80</b>
<b>APPRAISER QUALIFICATIONS .....</b>	<b>81</b>
<b><u>ADDENDA</u></b>	
<b>SURVEY</b>	
<b>TAX INFORMATION</b>	
<b>ZONING INFORMATION</b>	
<b>LETTER OF NOTICE</b>	
<b>RETURN RECEIPTS</b>	

---

## SCOPE OF THE ASSIGNMENT

---

### **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, 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, Half Associates, Inc., and their officers, employees, counsel, 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 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 October 27, 2015, the effective date, and is subject to the market influences and economic conditions, which existed on that date. The subject property was inspected on October 27, 2015 and March 27, 2014.

**Date of Report:** October 28, 2015

**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.

An 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**

---

### **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; however, the appraised property is identified as the subject land and affected site improvements. According to the information provided, the subject tract comprises 28,022 square feet (0.643 acres). Abutting uses are an office building (across Belt Line Road) along the north side, an office building (across Asbury Lane) along the east side, a town house development along the south side, and a restaurant along the west side.

The property appraised is identified as the subject land and affected site improvements.

### **Legal Description**

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

### **Subject History**

According to available information, ownership is vested in Ashton Dallas Residential L.L.C., according to the deed. The property transferred to Ashton Dallas Residential L.L.C. from PHCG Investments on July 17, 2006, as recorded in Instrument No. 200600258982, Deed Records of Dallas County, Texas. The price and terms of the transaction are unknown. No other transaction has occurred in the last five years. The property is currently listed for sale for an undisclosed asking price; to our knowledge, the property is not under a purchase contract.

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**

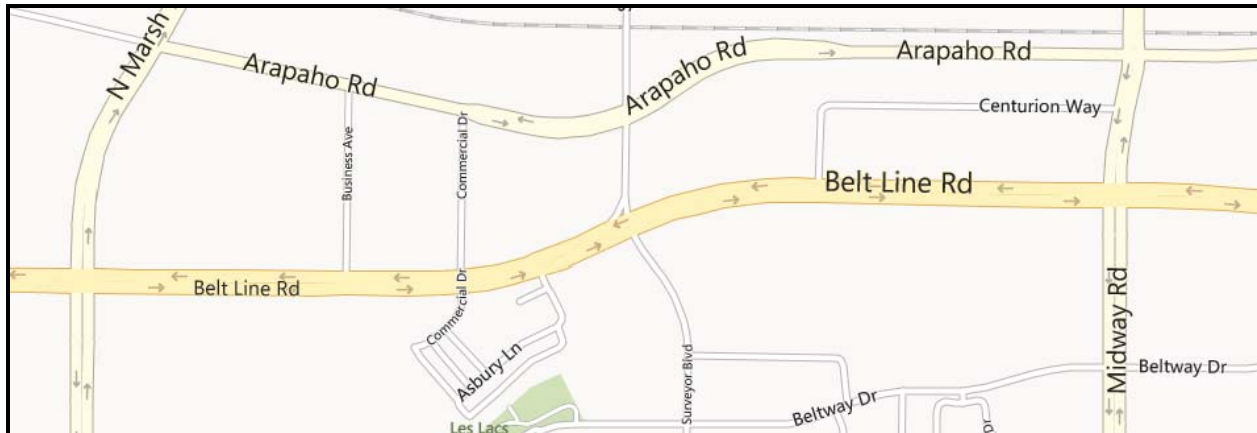
We contacted the subject property owner by certified mail in January 2014. A copy of the letter and return receipt are included in the addenda of this report. The property owner received the certified letter; Mr. Robert Romo (VP – Ashton Woods Homes) called to discuss the acquisition. The property owner, or representative, was not present at the time of the inspection on October 27, 2015. The property owner's representative, Mr. Robert Romo, was present during an inspection meeting held on a neighboring site (which is also owned by the subject owner) at the time of the inspection on March 27, 2014.

## 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 Lane 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 a permanent easement. Per the enclosed parcel survey and field notes, the part to be acquired in permanent easement estate totals 1,499 square feet (0.034 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**

---

### **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**

The proposed acquisitions are located in existing easement areas and within the setbacks. In accordance with USPAP Standards rule 1-2(e), only the affected land and site improvements are addressed and valued in this report.

For this appraisal, the subject property was inspected and the highest and best use analyzed considering the factors of physically possible, legally permissible, financially feasible, and maximally productive. The property to be appraised is identified as the subject land and site improvements affected by the proposed acquisition. The cost, sales comparison, and income capitalization approaches with respect to the appraisal of property as improved are not applicable for appraisal purposes and are not included in the valuation of the subject. The subject land is valued by the sales comparison approach. The market was researched for all pertinent land sale data relating to the valuation. These data are analyzed and adjusted using commonly accepted appraisal techniques. The cost approach is used to value site improvements. Using the cost approach, replacement costs are abstracted from industry sources and applied to the subject improvements, less accrued depreciation. The resulting value indications are reconciled to one final opinion of value.

---

## SCOPE OF THE ASSIGNMENT

---

### 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.

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 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 public records 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 subject property, as requested by the client;
- A narrative appraisal report meets the client's requirements.

## DEFINITION OF MARKET VALUE

---

### 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**

---

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 to be 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**

---

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**

---

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.

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.

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:

The appraisal of the subject property in the whole, part acquired and remainder conditions is based on the hypothetical condition that the whole property is comprised of the whole land site and only the site improvements affected by the proposed acquisition. The other improvements are excluded from the valuations.

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. 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**

---

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 6.9 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 2015 estimated population of over 4.7 million. The Fort Worth MD is comprised of Johnson, Parker, Tarrant, and Wise Counties with a 2015 estimated population of over 2.3 million.

---

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

---

### 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

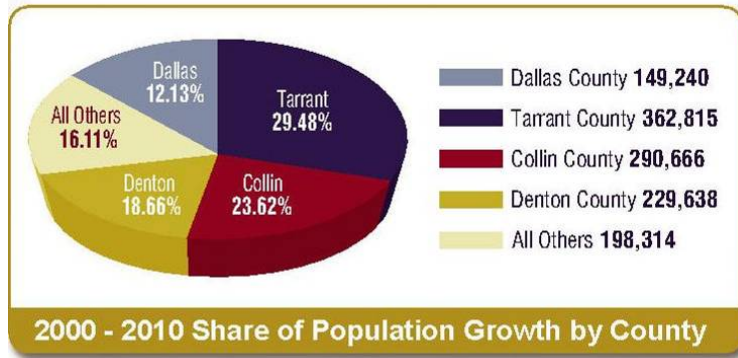
The DFW MSA is the fourth largest metro area in the nation and larger than 33 US states. Dallas is the third largest city in Texas and ninth in the nation. Dallas County is the ninth most populous county in the nation at 2,518,638 persons. Within the Dallas MD is an estimated 2014 population of 4,617,827. 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 2014 population of 1,945,360. Within the Fort Worth MD is a population count of 2,353,770.

From 2000 to 2014, the Dallas-Fort Worth-Arlington MSA was fourth only to the New York region in growth nationwide. With a growth rate of 8.22%, the MSA population increased by an estimated 528,116 persons.

The Dallas MD experienced a growth rate of 1.98% in 2014 and projected growth rate for 2015 is 2.04%. Forbes ranked Dallas as the 3<sup>rd</sup> fastest growing city in the United States behind Houston and Austin.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

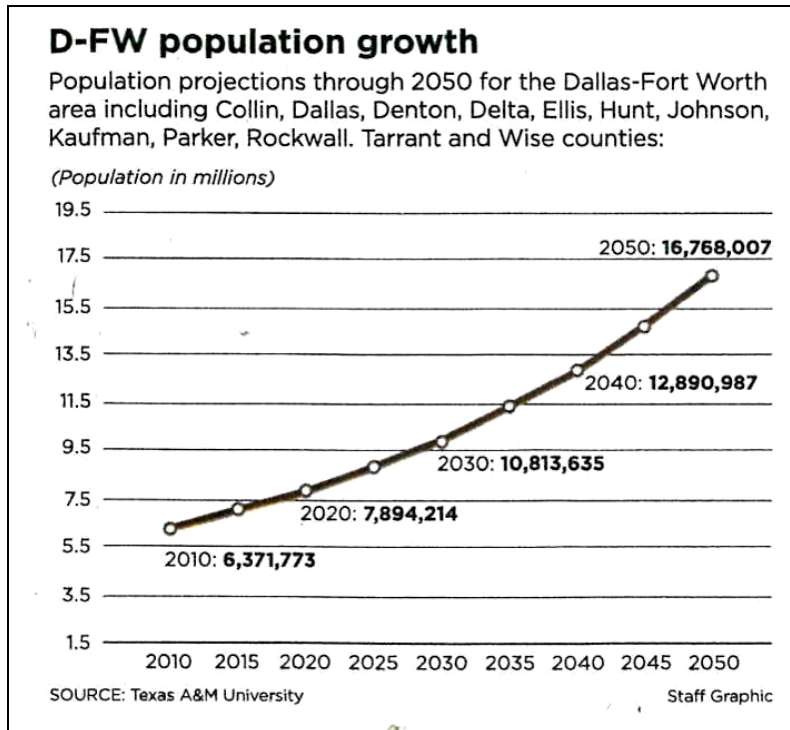
The breakdown of growth by the four major counties of the MSA is as follows:



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 1,779 miles of open land area.

Urban Area (2010)	Total Area (square miles)	Urban Area (2010)	Total Area (square miles)
New York	3,450	Dallas/Fort Worth	1,779
Los Angeles	1,736	Houston	1,660
Chicago	2,443	Washington DC	1,321
Philadelphia	1,981	Atlanta	2,645
Miami	1,239	Boston	1,874

Source: 2010 United States Census "Area Urban List"



## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

The subsequent table illustrates growth trends, in total numbers and annualized percentages, of all the major cities, suburbs, and statistical regions from 1990 to 2015, with a 2020 estimate.

<b>POPULATION ANNUALIZED GROWTH RATES</b>						
<b>AREA</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2015</b>	<b>2020 (est.)</b>	<b>2010-2015 Change</b>
<b>DFW MSA</b>	3,984,349	5,156,410	6,366,542	6,927,372	7,333,237	8.8%
Dallas MD	2,616,281	3,444,276	4,230,520	4,627,519	4,911,363	9.4%
Collin County	264,079	491,676	782,341	891,342	955,581	13.9%
Dallas County	1,848,177	2,219,132	2,368,139	2,526,255	2,666,219	6.7%
Denton County	276,586	430,999	662,614	760,039	818,179	14.7%
Ellis County	85,126	111,294	149,610	160,371	167,873	7.2%
Hunt County	64,353	76,602	86,129	88,743	91,048	3.0%
Kaufman County	52,355	71,493	103,350	112,118	117,859	8.5%
Rockwall County	25,605	43,080	78,337	88,651	94,604	13.2%
<b>Fort Worth MD</b>	1,368,068	1,712,134	2,136,022	2,299,853	2,421,874	7.7%
Johnson County	97,189	126,822	150,934	158,306	164,411	4.9%
Parker County	64,749	88,447	116,927	124,388	128,329	6.4%
Tarrant County	1,171,454	1,448,085	1,809,034	1,955,206	2,065,025	8.1%
Wise County	34,676	48,780	59,127	61,953	64,109	4.8%
Addison	8,492	14,465	13,056	13,950	14,736	6.8%
Allen	20,202	41,942	84,246	95,914	102,821	13.8%
Arlington	265,420	334,292	365,438	394,091	416,274	7.8%
Carrollton	81,605	111,272	119,097	132,692	141,821	11.4%
Coppell	17,676	36,902	38,659	41,384	43,733	7.0%
Dallas	1,005,904	1,182,168	1,197,816	1,282,060	1,354,460	7.0%
Denton	66,807	84,147	113,383	129,234	138,559	14.0%
Duncanville	33,595	35,702	38,524	40,933	43,216	6.3%
Farmers Branch	25,745	29,407	28,616	30,439	32,135	6.4%
Fort Worth	457,068	545,356	741,206	801,887	846,789	8.2%
Frisco	8,766	35,022	116,989	134,061	144,057	14.6%
Garland	179,932	214,822	226,876	241,914	255,460	6.6%
Grand Prairie	98,558	126,730	175,396	188,302	198,889	7.4%
Irving	154,084	191,011	216,290	231,041	243,943	6.8%
Lewisville	45,229	77,544	95,290	108,780	117,157	14.2%
McKinney	22,205	54,953	131,117	150,099	160,809	14.5%
Mesquite	101,162	125,619	139,824	148,940	157,280	6.5%
Murphy	1,093	3,068	17,708	20,243	21,711	14.3%
Plano	128,980	223,856	259,841	295,052	316,371	13.6%
Richardson	76,953	92,063	99,223	107,740	114,256	8.6%
Wylie	9,182	16,540	41,427	47,044	50,428	13.6%

*Source: EASIDemographics.com*

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

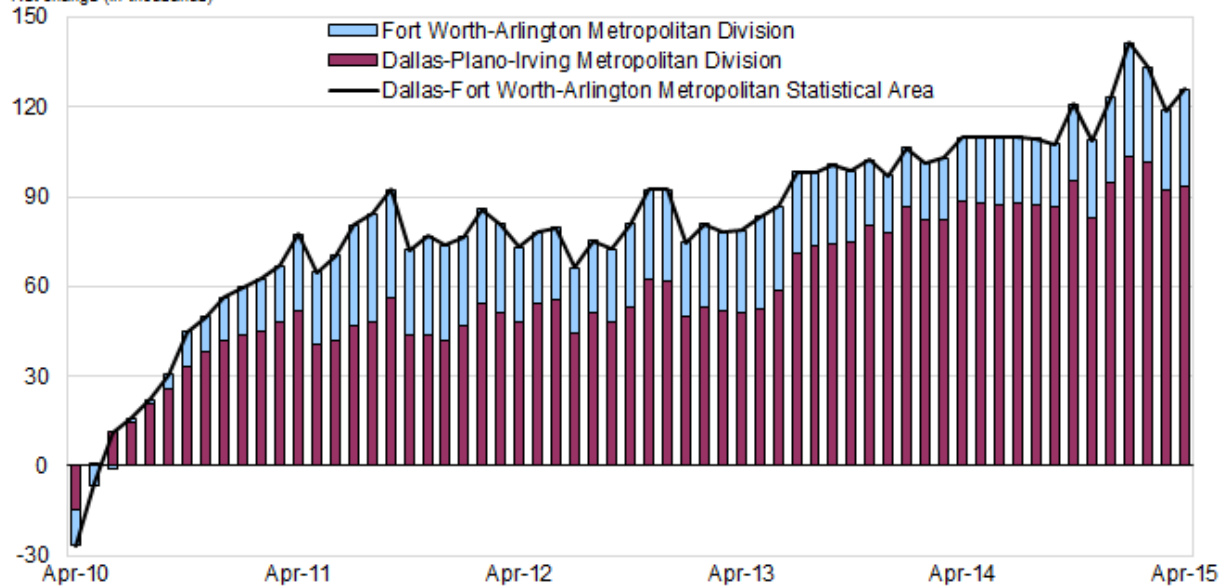
### EMPLOYMENT AND ECONOMIC BASE

#### DFW MSA Employment

From April 2014 to April 2015, local nonfarm employment rose 3.9 percent, well above the national increase of 2.2 percent. Dallas ranked first in the rate of job growth and third in the number of jobs added. Total nonfarm employment in the DFW Metropolitan Statistical area stood at 3,370,500 in April 2015, up 125,800 over the year, according to the U.S. Bureau of Labor Statistics.

**Chart 1. Total nonfarm employment, over-the-year net change in the Dallas metropolitan area and its divisions, April 2010–April 2015**

Net change (in thousands)

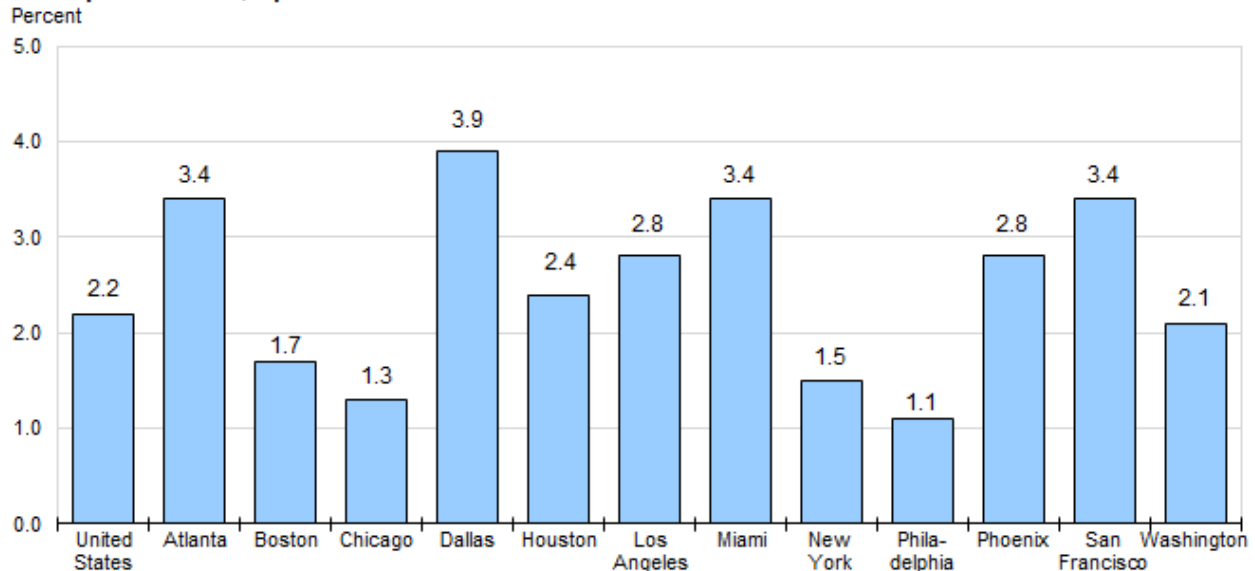


Source: U.S. Bureau of Labor Statistics.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

Dallas-Fort Worth-Arlington was 1 of the nation's 12 largest metropolitan statistical areas in April 2015. All of these areas experienced over-the-year job growth during the period, with seven exceeding the national average of 2.2 percent. The fastest rate of job growth was registered in Dallas, up 3.9 percent.

**Chart 3. Total nonfarm employment, over-the-year percent change, United States and 12 largest metropolitan areas, April 2015**



Source: U.S. Bureau of Labor Statistics.

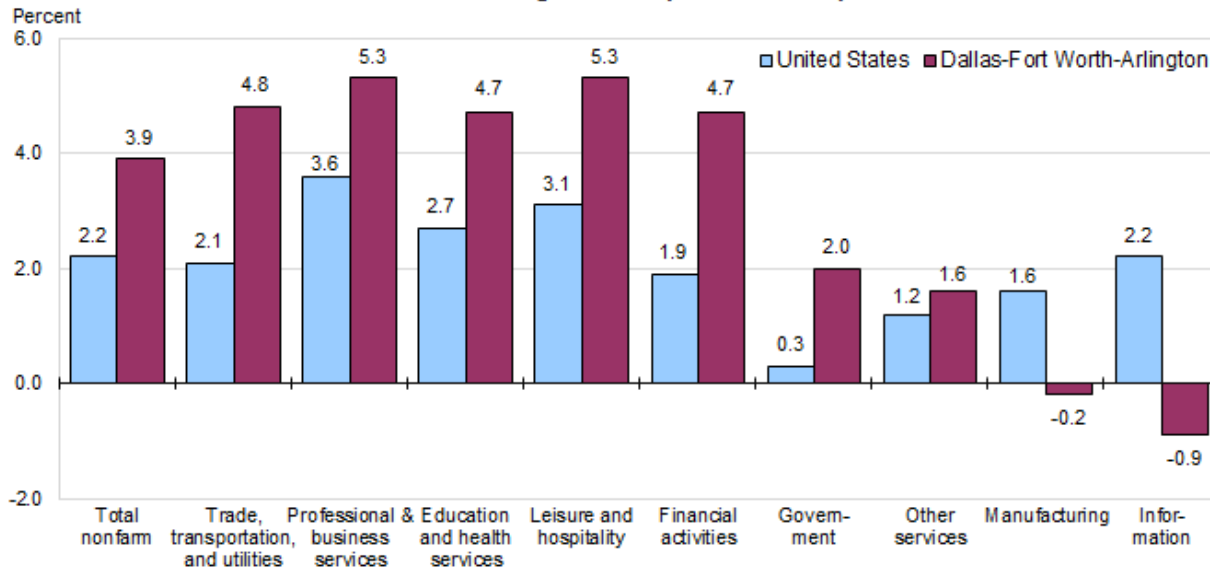
**Civilian Labor Force Estimates for Texas Metropolitan Statistical Areas  
Not Seasonally Adjusted (In Thousands)**

	May 2015				April 2015				May 2014			
	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate
United States	157,719.0	149,349.0	8,370.0	5.3	156,554.0	148,587.0	7,966.0	5.1	155,841.0	146,398.0	9,443.0	6.1
Texas	13,114.0	12,575.3	538.7	4.1	13,094.5	12,573.1	521.4	4.0	13,094.8	12,436.9	657.9	5.0
Ablene	76.5	73.7	2.8	3.7	76.8	74.2	2.6	3.4	77.5	74.1	3.4	4.3
Amarillo	131.0	127.1	3.9	2.9	130.0	126.5	3.5	2.7	132.6	127.8	4.8	3.6
Austin-Round Rock	1,060.3	1,027.3	33.0	3.1	1,056.0	1,024.4	31.6	3.0	1,049.0	1,006.0	43.0	4.1
Beaumont-Port Arthur	181.5	170.7	10.8	6.0	180.5	169.8	10.7	5.9	180.5	166.9	13.6	7.5
Brownsville-Harlingen	165.4	154.5	10.9	6.6	165.1	154.1	11.0	6.7	168.1	154.5	13.6	8.1
College Station-Bryan	119.9	115.9	4.0	3.3	119.1	115.4	3.7	3.1	121.4	116.5	4.9	4.0
Corpus Christi	212.9	202.9	10.0	4.7	213.5	203.9	9.6	4.5	211.8	201.0	10.8	5.1
Dallas-Fort Worth-Arlington	3,567.7	3,433.2	134.5	3.8	3,573.0	3,441.5	131.5	3.7	3,544.3	3,367.7	176.6	5.0
Dallas-Plano-Irving MD	2,376.8	2,288.3	88.5	3.7	2,380.4	2,293.7	86.7	3.6	2,355.0	2,237.1	117.9	5.0
Fort Worth-Arlington MD	1,190.9	1,145.0	45.9	3.9	1,192.6	1,147.8	44.8	3.8	1,189.3	1,130.6	58.7	4.9
El Paso	342.7	325.6	17.1	5.0	342.2	325.6	16.6	4.8	351.1	328.4	22.7	6.5
Houston-The Woodlands-Sugar Land	3,249.9	3,114.9	135.0	4.2	3,245.1	3,114.6	130.5	4.0	3,247.3	3,089.6	157.7	4.9
Killeen-Temple	167.9	160.5	7.4	4.4	167.6	160.4	7.2	4.3	170.8	160.9	9.9	5.8
Laredo	112.0	107.0	5.0	4.5	112.0	107.1	4.9	4.4	111.4	105.8	5.6	5.0
Longview	105.4	100.6	4.8	4.5	105.5	101.0	4.5	4.3	104.5	99.4	5.1	4.9
Lubbock	153.7	148.8	4.9	3.2	153.7	149.1	4.6	3.0	155.0	149.1	5.9	3.8
McAllen-Edinburg-Mission	335.2	311.0	24.2	7.2	331.8	307.7	24.1	7.3	334.6	306.8	27.8	8.3
Midland	97.0	94.0	3.0	3.1	97.1	94.3	2.8	2.9	93.0	90.3	2.7	2.9
Odessa	85.4	82.0	3.4	4.0	85.6	82.4	3.2	3.8	81.7	78.9	2.8	3.5
San Angelo	55.9	53.7	2.2	4.0	55.7	53.6	2.1	3.8	55.4	53.1	2.3	4.1
San Antonio-New Braunfels	1,099.9	1,060.8	39.1	3.6	1,097.4	1,060.2	37.2	3.4	1,094.4	1,044.3	50.1	4.6
Sherman-Denison	60.3	58.1	2.2	3.7	60.2	58.0	2.2	3.6	60.9	58.0	2.9	4.8
Texarkana	63.9	60.7	3.2	5.0	63.7	60.6	3.1	4.9	64.8	60.8	4.0	6.2
Tyler	102.2	97.9	4.3	4.2	102.0	97.9	4.1	4.1	103.4	98.2	5.2	5.1
Victoria	50.5	48.6	1.9	3.8	50.5	48.7	1.8	3.6	50.0	47.9	2.1	4.2
Waco	117.4	112.8	4.6	3.9	117.6	113.3	4.3	3.7	119.8	113.6	6.2	5.2
Wichita Falls	64.8	62.2	2.6	4.1	64.8	62.3	2.5	3.9	66.3	63.2	3.1	4.7

## 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. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Dallas-Fort Worth-Arlington metropolitan area, April 2015**



Source: U.S. Bureau of Labor Statistics.

Trade, transportation and utilities, the metropolitan area's largest supersector, registered the largest annual employment gain adding 31,900 jobs since April 2014. The professional and business services added 27,900 jobs from April 2014 and Dallas area's education and health services supersector added 18,500 jobs. Employment in leisure and hospitality rose by 17,700 from April 2014, an increase of 5.3 percent. Both metropolitan divisions contributed to the increase, with Dallas adding 11,700 jobs and Fort Worth adding 6,000 jobs. Nationwide, leisure and hospitality employment rose 3.1 percent during the period.

The financial activities supersector added 12,400 jobs since April 2014, a 4.7 percent increase. Local growth was greatest in the insurance carriers industry which gained 4,000 jobs over the year, a 9.9 percent increase. Three other local supersectors recorded employment gains including mining, logging and construction; government section; and other services.

### 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.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

---

DFW MSA is home to 20 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.

The largest North Texas employers based on the number of local full-time employees, include Wal-Mart Stores Inc., American Airlines Group Inc., Baylor Health Care System, Dallas Independent School District, Texas Health Resources, Bank of America, City of Dallas, JPMorgan Chase Bank N.A., Texas Instruments Inc., and Lockheed Martin Aeronautics Co.

Below are the top ten employers located in North Texas:

<b>Dallas/Fort Worth</b>	
<b>Top Ten Employers</b>	<b>No. of Local Employees</b>
Wal-Mart Stores Inc.	52,700
American Airlines Group Inc.	23,700
Baylor Health Care Systems	22,000
Dallas Independent School District	20,793
Texas Health Resources	16,205
Bank of America	15,400
City of Dallas	13,000
JPMorgan Chase Bank N.A.	13,000
Texas Instruments Inc.	13,000
Lockheed Martin Aeronautics Co.	12,600
<i>Source: Dallas Business Journal 2015 Book of Lists</i>	

The largest North Texas public companies based on revenue include Exxon Mobil Corp., AT&T Inc., Energy Transfer Partners LP, Fluor Corp., American Airlines Group Inc., Kimberly-Clark Corp., HollyFrontier Corp., Southwest Airlines Co., Texas Instruments Inc., and Tenet Healthcare Corp.

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

<b>Dallas/Fort Worth</b>	
<b>Top Ten Employers</b>	<b>2014 Revenue (billion)</b>
Exxon-Mobil Corp.	\$438.26
AT&T, Inc.	\$128.75
Energy Transfer Partners LP	\$46.34
Fluor Corp.	\$27.35
American Airlines Group Inc.	\$26.74
Kimberly-Clark Corp.	\$21.15
HollyFrontier Corp.	\$20.16
Southwest Airlines Co.	\$17.70
Texas Instruments Inc.	\$12.21
Tenet Healthcare Corp.	\$12.07
<i>Source: Dallas Business Journal 2015 Book of Lists</i>	



## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### DALLAS/FORT WORTH INVESTMENT CRITERIA

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

DALLAS/FT. WORTH											2Q 2015			
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				
	Situs RERC Est	South Region	U.S.	Situs RERC Est	South Region	U.S.	Situs RERC Est	South Region	U.S.	National Value	South Value	National Rent	South Rent	
Offc - CBD	8.6	8.7	8.4	6.8	7.1	6.9	7.7	7.8	7.6	2.9	3.0	2.3	2.4	
Offc - Suburban	9.0	9.3	9.1	7.3	7.5	7.4	8.0	8.1	8.0	2.3	2.5	2.0	2.1	
Ind - Warehouse	8.6	8.9	8.5	6.9	7.3	7.1	7.7	7.9	7.7	2.8	3.0	2.3	2.5	
Ind - R&D	9.1	9.5	9.0	7.6	7.8	7.5	8.3	8.4	8.1	2.2	2.4	2.0	2.2	
Ind - Flex	9.0	9.5	9.0	7.4	7.7	7.5	8.1	8.3	8.1	2.4	2.5	2.2	2.2	
Ret - Reg Mall	8.1	8.8	8.5	6.8	7.2	7.0	7.6	7.9	7.7	2.0	1.9	1.9	2.1	
Ret - Pwr Center	8.7	9.0	8.6	7.2	7.3	7.2	7.8	7.9	7.8	2.2	2.4	2.0	2.3	
Ret - Neigh/Comm.	8.6	9.0	8.7	7.0	7.4	7.3	7.7	8.0	7.9	2.5	2.9	2.4	2.8	
Apartment	7.8	8.1	7.6	5.9	6.2	5.9	6.7	6.9	6.7	3.4	3.1	3.2	3.0	
Hotel	9.5	9.4	9.4	7.9	7.8	7.6	8.7	8.5	8.4	2.9	2.7	2.5	2.6	
<b>Average</b>	<b>8.7</b>	<b>9.0</b>	<b>8.7</b>	<b>7.1</b>	<b>7.3</b>	<b>7.1</b>	<b>7.8</b>	<b>8.0</b>	<b>7.8</b>	<b>2.6</b>	<b>2.6</b>	<b>2.3</b>	<b>2.4</b>	

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

### Office Market

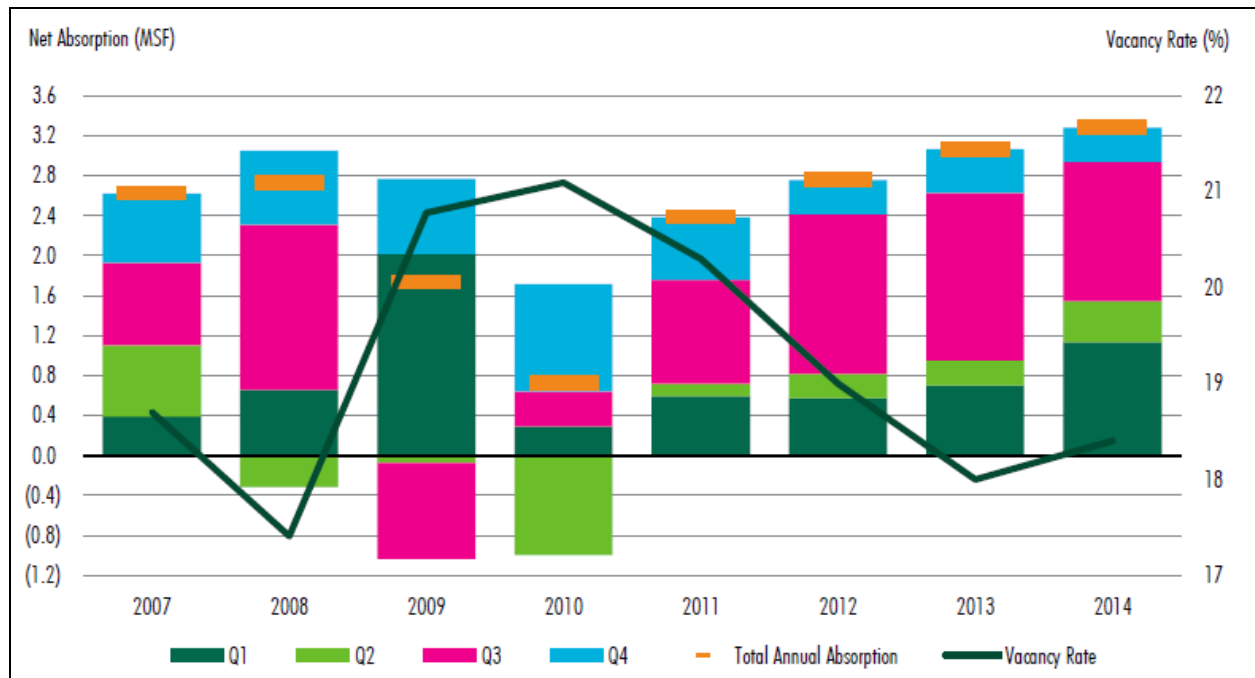
Office space in Dallas-Fort Worth has reached a 15-year low as lease rates continue to climb, driven by the region's booming economy that brought in roughly 110,500 jobs in the past 12 months, according to the latest JLL data for the second quarter of 2015.

Overall, Dallas area office space has hit an 18.7 percent vacancy rate – a low that hasn't been seen since 2000- that drops another two points to 16.7 percent when you consider Class A property in the region along, according to JLL data.

The low vacancy rate, especially in desired submarkets such as Preston Center, Uptown and Far North Dallas along the Dallas North Tollway in Plano and Frisco, has caused a jump in office rents year-over-year, with a 5.5 percent increase in Class A rents and a 5 percent increase in Class A and B rents.

According to the *CB Richard Ellis 4th Quarter 2014 D/FW Marketview*, the Dallas/Fort Worth office market is experiencing a steady decline in vacancy rates. Reference the following net absorption and vacancy graph.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS



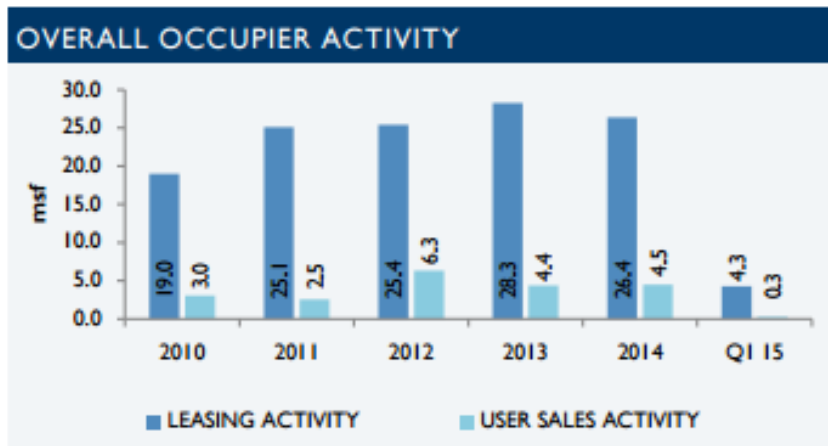
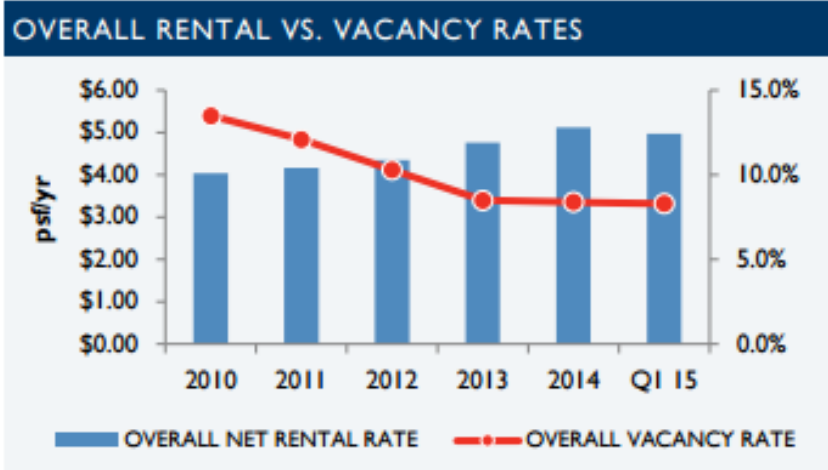
The vacancy rate across North Texas continues to fall, coming in at 16.7 percent for the first quarter of 2015, according to a report from Cushman & Wakefield of Texas. This is down from 17.8 percent for the year before. The Dallas central business district took the greatest drop, from 24.9 percent to 21.8 percent, as businesses moved to new or larger spaces in the urban core. Vacancy in the Legacy/Frisco area grew substantially—from 8.3 percent to 15.9 percent—as nearly 1.5 million square feet of new inventory was added to the market since the first quarter of 2014. Asking full-service rental rates ticked up across the market, to an average of \$21.50 per square foot, an increase of 3.7 percent over 2014 levels. Class A rents rose 3.7 percent, reaching an all-time high of \$26.65 per square foot. C&W researchers expect rate increases to begin leveling off in the next 12 to 18 months. About 8.8 million square feet of office space is under construction across North Texas. This is comprised of 18 speculative buildings totaling 3.6 million square feet and another 10 build-to-suits totaling 5.2 million square feet. More than half—about 5 million square feet—is expected to hit the market this year. About 60 percent of the speculative space has been pre-leased, with most located in the Turtle Creek/Uptown, Dallas CBD, and Preston Center submarkets.

Much fanfare and emphasis has been given to major Fortune 500 companies relocating to the D/FW Metroplex. Toyota is constructing their North American headquarters in Plano with 2.1 million square feet – about twice the size initially proposed and is to open in 2017. Positive trends in the office sector are expected to continue.

### Industrial Market

According to Cushman & Wakefield, demand for industrial space in DFW continues to outpace other intermodal hubs in the U.S. Vacancy rates are expected to increase over the next 12 – 18 months as new space is delivered. Asking rates will likely hold steady in the short term and start to trend upward as new projects under construction begin to taper off.

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS



#### MARKET HIGHLIGHTS

SIGNIFICANT Q1 2015 LEASE TRANSACTIONS				
	SUBMARKET	TENANT	PROPERTY TYPE	SQUARE FEET
Alliance Gateway #53 and #61	Alliance	Bridgestone Americas	Warehouse/Distribution	1,058,320
1900 Lakeside Parkway	Irving/Coppell	MI Windows and Doors	Warehouse/Distribution	401,600
Prologis Great Southwest #49	GSW/Centreport	Greatwide Logistics	Warehouse/Distribution	337,500
SIGNIFICANT Q1 2015 SALE TRANSACTIONS				
	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
Pinnacle Park Distribution Center I	Pinnacle/Turnpike	Global Logistics Properties	\$44,060,000/\$69.23	636,480
2838 Virgo Lane	Walnut Hill/Stemmons	Global Logistics Properties	\$9,872,109/\$60.01	164,500
SIGNIFICANT Q1 2015 CONSTRUCTION COMPLETIONS				
	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET (% LEASED)
Dalport Trade Center #5	I-20/Inland Port	Procter & Gamble	Q1 2015	1,400,000 / 100%
1900 Lakeside Parkway	Irving/Coppell	MI Windows and Doors	Q1 2015	401,600 / 100%
SIGNIFICANT PROJECTS UNDER CONSTRUCTION				
	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET (% LEASED)
1000 East Cleveland Street	I-20/Inland Port	Georgia Pacific	Q3 2015	1,608,590 / 100%
Logistics Crossing II	GSW/Centreport	Speculative	Q4 2015	800,000 / 0%

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### Hospitality

The Fort Worth-Arlington Metropolitan Division room-nights sold grew at a 5.1% rate in the first quarter of 2015. Revenues improved by 10.4%, to \$207 million aided by a 5% rise in daily rates. Occupancy also gained, with an increase of 2.8 points to 66.2%. Net room supply rose 0.6% (200 net rooms).

The Dallas Metropolitan Division room-nights sold rose 6.3% in the first quarter of 2015, while rates improved 5.6%. As a result, revenues rose a strong 12.3% to \$475 million. Occupancy gained 3.6 points, to 74.2%. Net room supply increased by just 1% (800 net rooms).

In the year of 2014, Dallas room-nights sold rose 8.4% on a 3.3% increase in room rates and a 5% rise in room-nights sold from 2013. Occupancy gained a strong 2.9 points to 68.5%. Net room supply increased by only 0.4% (300 net rooms).

### Metro Area Performances

Metro Area	Year of 2014		First Quarter 2015		
	Occ %	Rev % Chg	Occ %	Pt. Chg	\$ Rev % Chg
Midland	85.3	34.6%	81.7	-0.8	18.1%
Austin-Round Rock	73.8	10.4%	76.4	1.6	8.4%
Dallas MD	68.5	8.4%	74.2	3.6	12.3%
Odessa	78.1	18.6%	74.1	-2.6	1.7%
Houston-Baytown-Sugar Land	68.7	10.8%	69.1	-1.1	5.1%
San Antonio	64.5	6.4%	67.0	2.3	8.1%
State Average	65.7	9.7%	66.9	0.9	7.5%
Ft Worth-Arlington MD	63.8	9.0%	66.2	2.8	10.4%
Beaumont-Pt Arthur	59.9	21.0%	65.5	7.6	25.7%
El Paso	65.7	8.7%	65.3	-2.1	0.5%
McAllen-Edinburg-Pharr	62.2	15.0%	64.7	4.5	14.3%
College Station-Bryan	74.3	24.8%	64.5	-5.2	1.4%
San Angelo	76.1	-0.5%	64.0	-19.5	-24.8%
Waco	66.4	12.2%	63.8	-0.8	4.7%
Victoria	68.1	17.4%	63.1	-4.0	2.6%
Laredo	66.9	0.6%	62.9	0.8	1.5%
Tyler	62.0	7.4%	62.2	3.6	25.1%
Longview	59.9	6.5%	61.6	0.7	7.4%
Abilene	57.6	12.2%	61.2	5.6	12.0%
Lubbock	67.2	6.9%	60.6	-1.1	7.4%
Amarillo	63.2	3.7%	60.5	3.2	9.5%
Killeen-Temple-Ft Hood	58.3	10.5%	58.3	-1.9	2.7%
Non Metro	58.4	10.7%	56.8	-0.5	3.1%
Wichita Falls	59.1	6.1%	56.5	-3.9	-7.1%
Corpus Christi	56.2	4.1%	55.1	0.8	3.9%
Sherman-Denison	58.5	5.6%	54.1	-4.6	-6.6%
Texarkana (Tx)	49.0	-6.5%	53.8	6.8	10.1%
Brownsville-Harlingen	55.2	8.0%	51.0	-3.1	-0.5%

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

### Retail

The Dallas/Fort Worth retail market continues to improve as occupancy and demand increases and rental rates remain level. Retail net absorption totaled over 1.9 million square feet, with over half (57.6%) of the absorption contributed by deliveries. Over the past 10 years, the first half 2015 reached a five-year high among all first halves at over 1.1 million square feet more than first half of 2014 and making it the highest first half net absorption since 2008.

 **Vacancy Rate**  
6.1%

 **Under Construction**  
6,176,761 SF

 **Completions**  
1,137,817 SF

 **Net Absorption**  
1,928,918 SF

\*Arrows indicate change from previous quarter.

Source: CBRE, Q2 2015

The Dallas/Fort Worth retail market is comprised of 277.25 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 6.8% ranks 76th overall in the US. The vacancy rate will decline 60 basis points during 2015, reaching 6.8 percent and falling to its lowest level in more than 5 years.

Vacancy at retail assets also fell 60 basis points last year. Average asking rents will rise to \$14.50 per square foot, advancing 2.6 percent year over year. This is down slightly from the 2.8 percent growth in rents realized in 2014. Builders will complete 3.0 million square feet of retail space in the Metroplex this year, of which more than 90 percent is pre-leased. Last year, developers brought 2.9 million square feet of space online.

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN (\$/SF)	Qtr. Total Net Absorption (SF)	2015 Total Net Absorption (SF)
Central Dallas	9,184,633	348,668	3.8	345,668	3.8	27.41	16,469	174,582
East Dallas Outlying	3,481,079	110,122	2.8	100,122	2.8	19.83	79,480	81,722
Far North Dallas	54,090,736	4,864,347	9.0	4,967,990	9.2	15.34	256,770	356,363
Near North Dallas	21,038,867	1,165,612	5.5	1,165,612	5.5	14.23	78,111	224,709
North Central Dallas	31,642,769	2,081,807	6.6	2,225,525	7.0	15.82	869,685	1,355,045
Southeast Dallas	13,216,588	881,735	6.7	881,735	6.7	10.91	32,795	37,026
Southwest Dallas	17,173,947	1,700,508	9.9	1,728,205	10.1	10.40	60,844	15,581
West Dallas	30,299,851	2,581,128	8.5	205,561	0.7	12.81	205,561	137,824
Central Fort Worth	23,737,243	1,985,942	8.4	2,001,083	8.4	10.87	75,063	257,252
Mid-Cities	50,789,710	3,100,524	6.1	3,131,088	6.2	13.42	80,712	254,589
Suburban Fort Worth	22,583,626	1,400,455	6.2	173,428	0.8	11.83	173,428	430,466
<b>TOTAL Dallas</b>	<b>203,865,713</b>	<b>13,720,927</b>	<b>6.7</b>	<b>11,620,418</b>	<b>5.7</b>	<b>14.78</b>	<b>1,599,715</b>	<b>2,588,463</b>
<b>TOTAL Fort Worth</b>	<b>97,062,581</b>	<b>6,486,921</b>	<b>6.7</b>	<b>5,305,599</b>	<b>5.5</b>	<b>12.43</b>	<b>329,203</b>	<b>942,307</b>
<b>TOTAL DFW</b>	<b>277,253,051</b>	<b>20,207,848</b>	<b>7.3</b>	<b>16,926,017</b>	<b>6.1</b>	<b>13.95</b>	<b>1,928,918</b>	<b>3,468,770</b>

Source: CBRE Research, Q2 2015.

---

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

---

At the midpoint of 2015, there was a wave of retail project deliveries, with 1,859,164 square feet reaching completion in DFW. Currently, over size million square feet of new retail space is under construction across the Metroplex. One of the largest projects to deliver was the Nebraska Furniture Mart that officially opened the retail portion this past April. The Nebraska Furniture Mart store includes a 560,000 square foot retail showroom with an attached 1.3 million square foot warehouse/distribution component. Overall, total under construction pipeline increased over 1.3 million square feet but with the current market conditions it is expected many long proposed projects to make it to market in the next 1 to 2 years.

### **Retail Trends**

Developers are constructing more retail space in Dallas-Fort Worth by nearly doubling the amount of planned or projects under construction with more than 3.8 million square feet in 2015, according to the latest survey from The Weitzman Group. This year's construction is on track to be the highest amount of annual construction since 2008.

In the past 5 years, grocery stores – Kroger, Sprouts, WholeFoods, Fresh Market, WinCo Foods and Wal-Mart – are still the driving force behind a significant amount of the new construction of retail space.

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.

### **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 center 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 METROPOLITAN ANALYSIS

---

### **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 148,000 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 204 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. In December 2013, American Airlines merged with US Airways to form the world's largest airline company, which continues to be based at D/FW.

D/FW International Airport ranks eighth in the world, serving 62,946,579 passengers in 2014, 1,247,516 of which were international travelers. DFW also ranks 3rd in the world in terms of operations and 9<sup>th</sup> busiest airport in the world for passengers. Approximately 172,456 passengers travel daily through D/FW Airport. In 2013, 56% of the passenger makeup consisted of connecting flights while 44% was local.

DFW Airport is currently upgrading its 4 original terminals with a \$2.3 billion dollar "Terminal Renewal and Improvement Program" (TRIP) and is expected to be completed in 2017.

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 \$31.6 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.

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

---

### **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 corporations and 400 corporate headquarters, including the global headquarters of multiple Fortune 500 and 100 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. There are 56 small lakes and water amenities throughout the development, jogging trails, public and private parks, museums, colleges, hospitals, country clubs and cultural and recreational institutions.

### **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.

Twenty, four-year colleges and universities, and six 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 68 technical and vocational programs in the Dallas/Fort Worth area. More than 1.4 million 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.



---

## DALLAS/FORT WORTH METROPOLITAN ANALYSIS

---

### 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.

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.

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

---

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. In August 2015, a 2.8 million square foot Parkland campus was opened and is twice the size of the former hospital.

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**

---

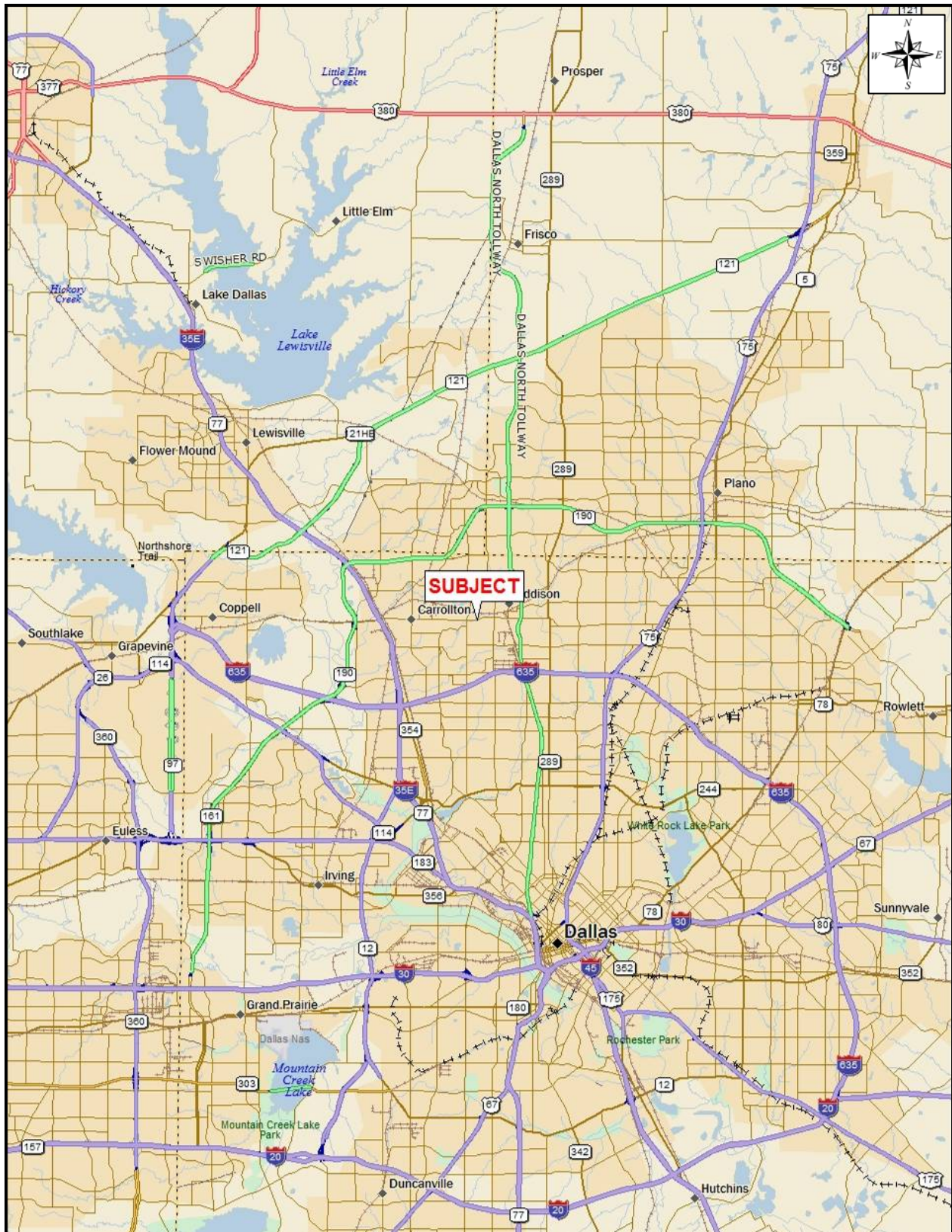
### **CONCLUSIONS**

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.

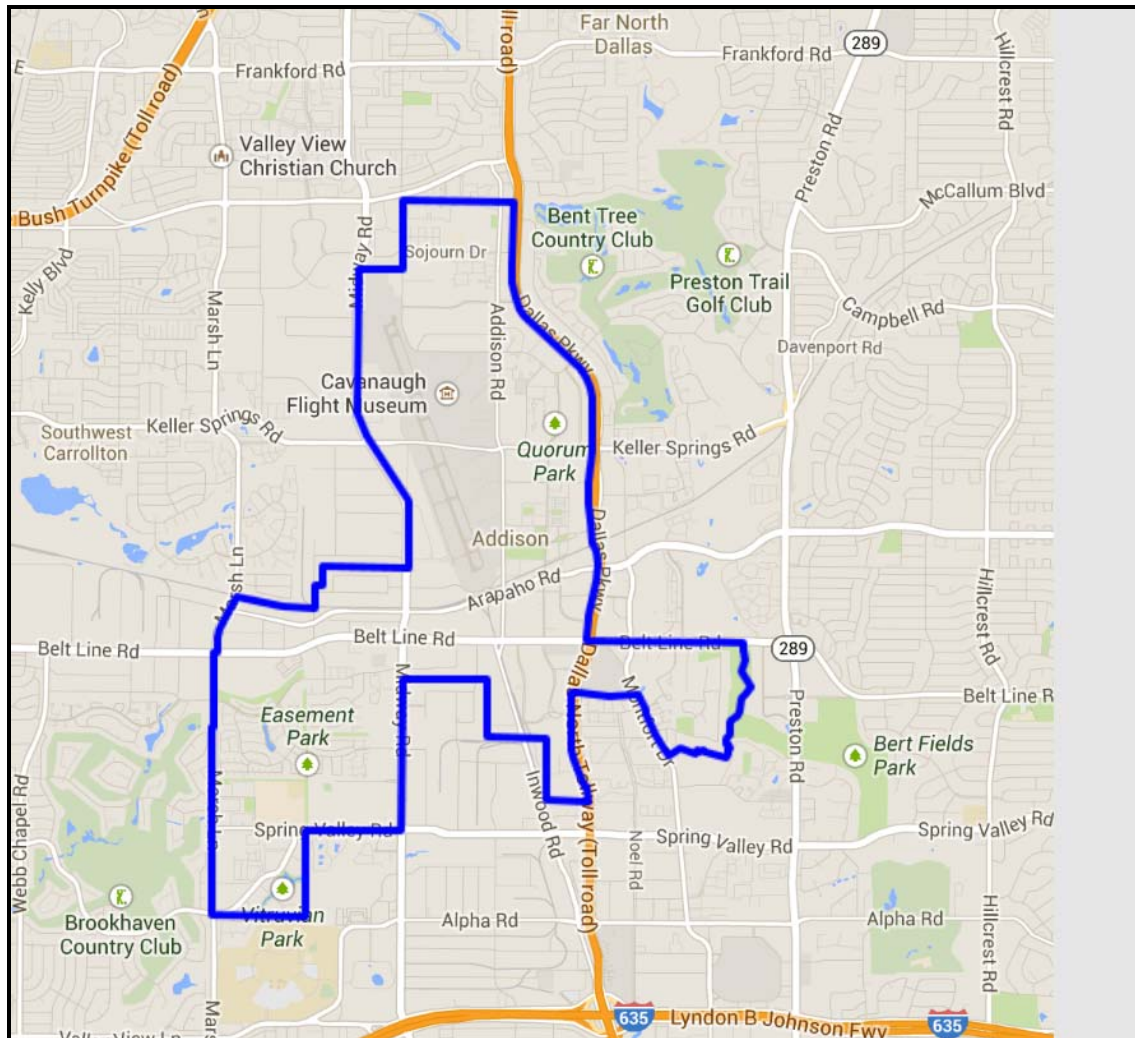
In 2008, the Metroplex saw a record number of single-family home foreclosures. The meltdown of the subprime lending market and collapse of major financial institutions virtually halted commercial and residential lending. Development trends from 2007 through 2009 were downward and sales volumes slowed dramatically. Markets began to stabilize in 2010. Recovery has been strong in most property sectors. Overall, the Texas economy is proving more resilient as compared to Florida, Arizona, Nevada, and California, and continues to be a leading real estate market in the U.S.

# 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

---

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 Marsh 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.

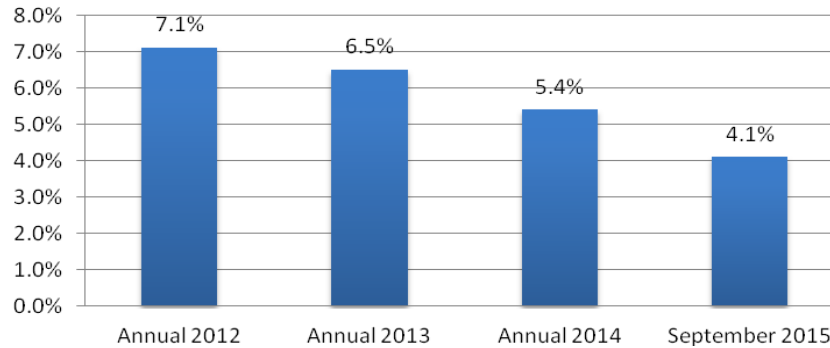
---

<sup>1</sup> CBRE, *MarketView*.

### 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

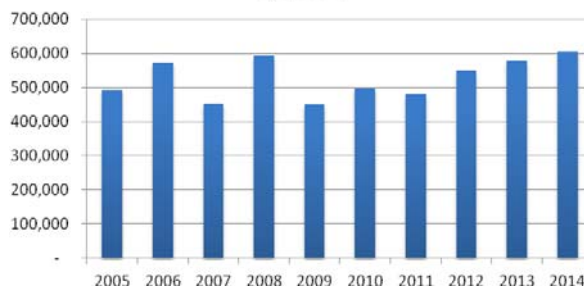


*Source: Eureka Group – 2014 Texas Retail Survey*

### Retail Sales

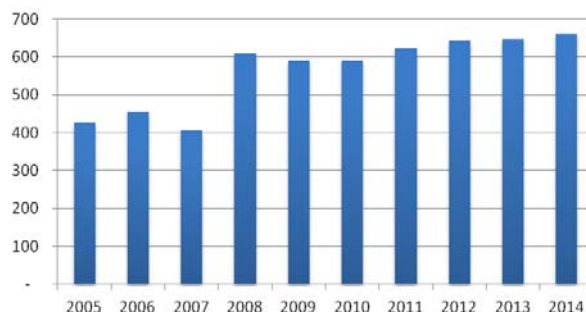
In 2014, retail sales in the town of Addison totaled over \$605 million. Sales in 2005 totaled \$493 million, indicating 2.3% annual compounded growth. The number of retail businesses has increased from 427 in 2005 to 660 in 2014, indicating 5% annual compounded growth.

#### Gross Retail Sales (\$1,000s)



*Source: Eureka Group – 2014 Texas Retail Survey*

#### Retail Businesses



*Source: Eureka Group – 2014 Texas Retail Survey*

## TOWN OF ADDISON ANALYSIS

---

### 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 104,609,462 square feet of industrial space, with a vacancy rate of 7.2% and average lease rates ranging from \$4.48 to \$8.00 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 38,897,655 square feet of office space, with a vacancy rate of 14.5% and average lease rates of \$22.44 per square foot on full service terms.<sup>3</sup>

#### Retail

A surveyed region, including Addison and neighboring areas, indicates a total of 31,642,769 square feet of office space, with a vacancy rate of 7.0% and average lease rates of \$15.82 per square foot on NNN terms.<sup>4</sup>

#### Multi-Family Residential Apartments

In a survey of an area designated as "North Dallas/Addison", 107 properties are considered, with 29,459 units. The average rent per month is \$1.13 per square foot, with 94.4% occupancy. Additionally, this market has 400 units under construction.<sup>5</sup>

---

<sup>2</sup> CBRE, *MarketView, Dallas/Fort Worth Industrial, Q3, 2015.*

<sup>3</sup> CBRE, *MarketView, Dallas/Fort Worth Office, Q3, 2015.*

<sup>4</sup> CBRE, *MarketView, Dallas/Fort Worth Retail, Q2, 2015.*

<sup>5</sup> CBRE, *MarketView, Dallas/Fort Worth Multifamily, Q2, 2015.*

---



## TOWN OF ADDISON ANALYSIS

---

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

According to the 2010 United States Census for Addison, 73.4% of the 8,499 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 typically range between 1,500 to more than 2,000 square feet.

Condominium list prices range from \$130,000 to \$449,900, or \$93.30 to \$198.81 per square foot. Detached single-family list prices range from \$305,000 to \$2,599,000, or \$109.95 to \$336.48 per square foot. Townhome list prices range from \$179,500 to \$449,900, or \$134.96 to \$198.81 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.

---

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

<sup>7</sup> North Texas Real Estate Information Systems (Local MLS), October 26, 2015.

---

**SUBJECT VICINITY**

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 Marsh Lane, and approximately one mile west of the Dallas North Tollway and 2.5 miles north of Interstate Highway 635 (LBJ Freeway).

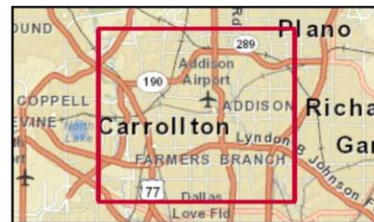
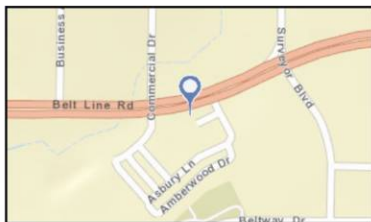
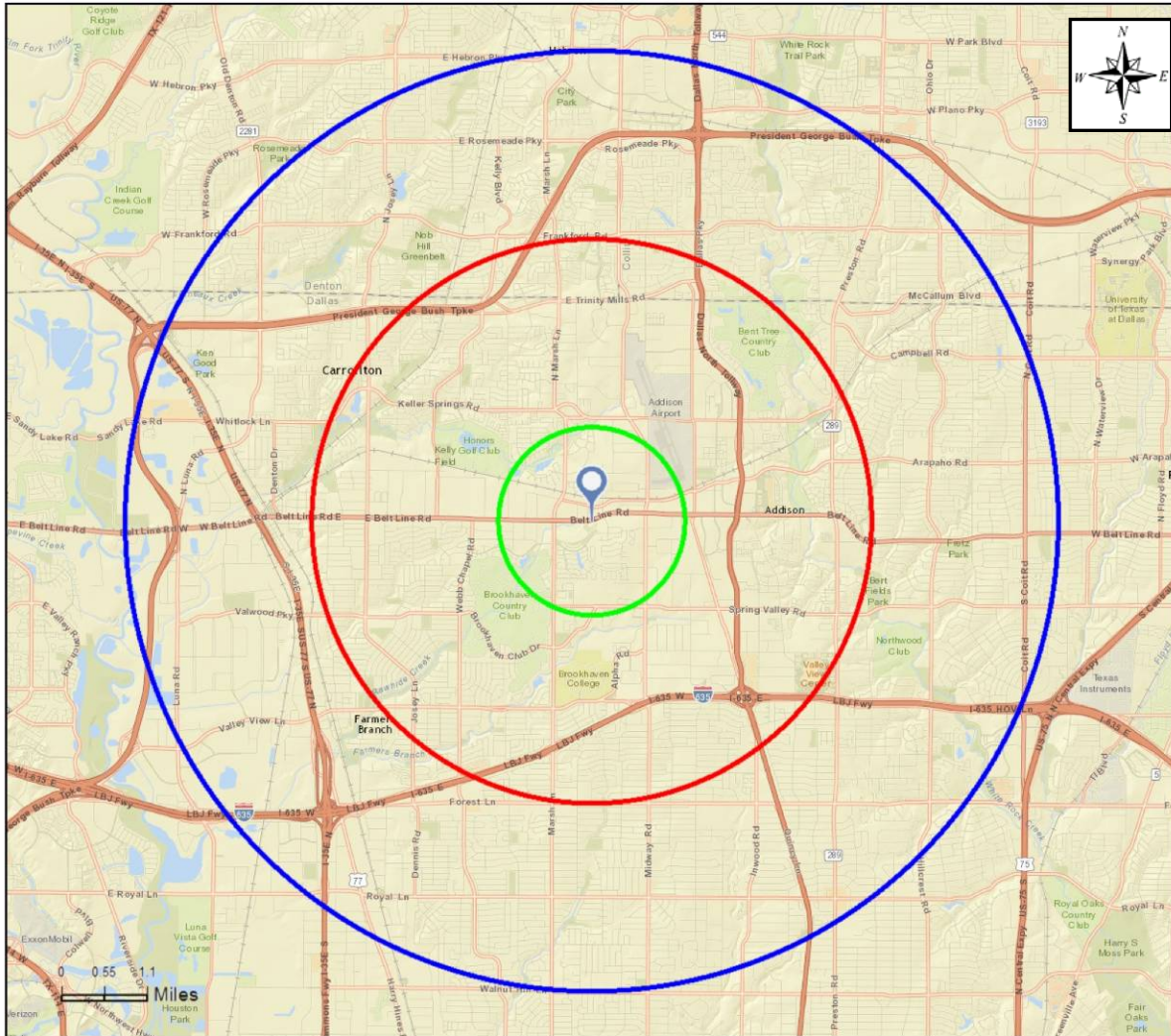
The area consists of a variety of mostly commercial improvements, ranging from retail buildings and shopping centers, restaurants, office buildings, and others. The majority of improvements are adequately maintained and in average condition. The area is in a stable phase of its life cycle, with an estimated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





## Executive Summary

3940 Sugar Tree Way, Addison, Texas, 75001  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 32.95303  
Longitude: -96.84869

	1 mile	3 miles	5 miles
<b>Population</b>			
2000 Population	8,811	127,932	316,412
2010 Population	9,345	134,079	322,114
2015 Population	9,718	140,322	334,716
2020 Population	10,220	148,166	353,179
2000-2010 Annual Rate	0.59%	0.47%	0.18%
2010-2015 Annual Rate	0.75%	0.87%	0.73%
2015-2020 Annual Rate	1.01%	1.09%	1.08%
2015 Male Population	48.0%	49.4%	49.4%
2015 Female Population	52.0%	50.6%	50.6%
2015 Median Age	39.3	34.4	35.9

In the identified area, the current year population is 334,716. In 2010, the Census count in the area was 322,114. The rate of change since 2010 was 0.73% annually. The five-year projection for the population in the area is 353,179 representing a change of 1.08% annually from 2015 to 2020. Currently, the population is 49.4% male and 50.6% female.

### Median Age

The median age in this area is 39.3, compared to U.S. median age of 37.9.

### Households

2000 Households	4,667	58,054	136,160
2010 Households	4,706	59,891	137,365
2015 Total Households	4,836	62,207	142,371
2020 Total Households	5,064	65,512	150,165
2000-2010 Annual Rate	0.08%	0.31%	0.09%
2010-2015 Annual Rate	0.52%	0.73%	0.68%
2015-2020 Annual Rate	0.93%	1.04%	1.07%
2015 Average Household Size	2.01	2.25	2.35

The household count in this area has changed from 137,365 in 2010 to 142,371 in the current year, a change of 0.68% annually. The five-year projection of households is 150,165, a change of 1.07% 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 80,519 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 2015 and 2020. Esri converted Census 2000 data into 2010 geography.



## Executive Summary

3940 Sugar Tree Way, Addison, Texas, 75001  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 32.95303  
Longitude: -96.84869

	1 mile	3 miles	5 miles
<b>Median Household Income</b>			
2015 Median Household Income	\$66,610	\$53,619	\$59,858
2020 Median Household Income	\$76,736	\$59,578	\$69,060
2015-2020 Annual Rate	2.87%	2.13%	2.90%
<b>Average Household Income</b>			
2015 Average Household Income	\$93,819	\$76,308	\$92,497
2020 Average Household Income	\$104,987	\$85,152	\$103,512
2015-2020 Annual Rate	2.27%	2.22%	2.28%
<b>Per Capita Income</b>			
2015 Per Capita Income	\$46,504	\$33,904	\$39,338
2020 Per Capita Income	\$51,878	\$37,735	\$43,998
2015-2020 Annual Rate	2.21%	2.16%	2.26%
<b>Households by Income</b>			

Current median household income is \$59,858 in the area, compared to \$53,217 for all U.S. households. Median household income is projected to be \$69,060 in five years, compared to \$60,683 for all U.S. households

Current average household income is \$92,497 in this area, compared to \$74,699 for all U.S. households. Average household income is projected to be \$103,512 in five years, compared to \$84,910 for all U.S. households

Current per capita income is \$39,338 in the area, compared to the U.S. per capita income of \$28,597. The per capita income is projected to be \$43,998 in five years, compared to \$32,501 for all U.S. households

<b>Housing</b>			
2000 Total Housing Units	4,856	61,914	143,445
2000 Owner Occupied Housing Units	2,017	21,887	64,968
2000 Renter Occupied Housing Units	2,650	36,167	71,192
2000 Vacant Housing Units	189	3,860	7,285
2010 Total Housing Units	5,045	65,917	149,542
2010 Owner Occupied Housing Units	2,101	22,694	65,082
2010 Renter Occupied Housing Units	2,605	37,197	72,283
2010 Vacant Housing Units	339	6,026	12,177
2015 Total Housing Units	5,266	68,911	156,044
2015 Owner Occupied Housing Units	2,043	22,155	64,209
2015 Renter Occupied Housing Units	2,793	40,051	78,161
2015 Vacant Housing Units	430	6,704	13,673
2020 Total Housing Units	5,543	72,127	164,078
2020 Owner Occupied Housing Units	2,120	22,837	66,413
2020 Renter Occupied Housing Units	2,944	42,675	83,753
2020 Vacant Housing Units	479	6,615	13,913

Currently, 41.1% of the 156,044 housing units in the area are owner occupied; 50.1%, renter occupied; and 8.8% are vacant. Currently, in the U.S., 55.7% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.6% are vacant. In 2010, there were 149,542 housing units in the area - 43.5% owner occupied, 48.3% renter occupied, and 8.1% vacant. The annual rate of change in housing units since 2010 is 1.91%. Median home value in the area is \$309,303, compared to a median home value of \$200,006 for the U.S. In five years, median value is projected to change by 1.83% annually to \$338,677.

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

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

**Conclusions**

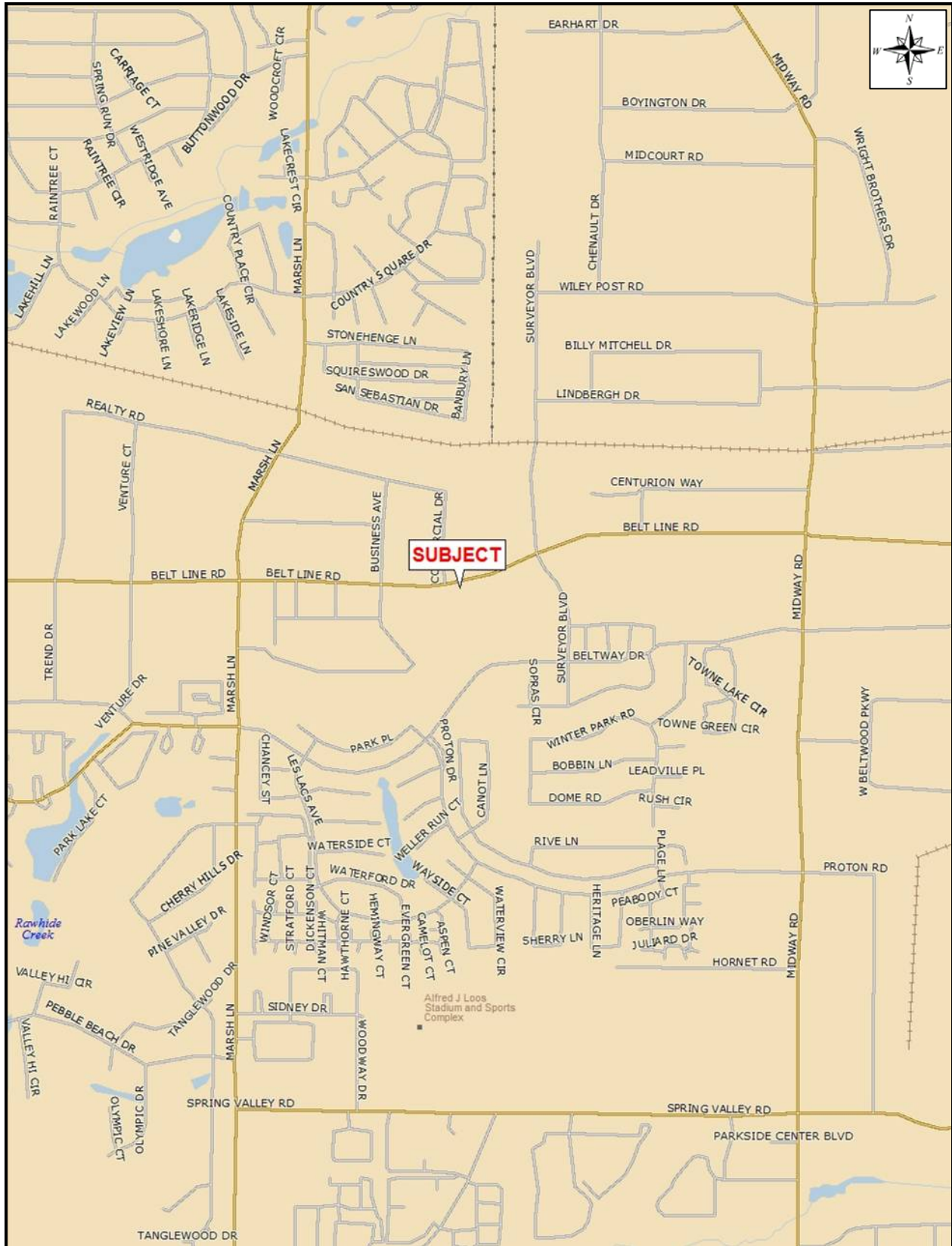
The immediate neighborhood is a diverse employment center in northern Dallas, and is enhanced by the surrounding residential areas. The transportation network in the area is good. Major roadways, regional freeways and toll roads provide good access for the area.

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



## **SUBJECT PROPERTY**

---

The whole subject property is identified as vacant land and affected site improvements, located at 16 Sugar Tree Way, Addison, Dallas County, Texas.

### **SITE DATA**

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

Based on the information available, the whole property tract is irregular in shape, and contains 28,022 square feet, or 0.643 acres. The subject fronts the southern line of Belt Line Road for approximately 278 linear feet, the western line of Asbury Lane for approximately 58 feet, and the northern line of Sugar Tree Way for approximately 272 feet. The subject is approximately 155 feet deep, along the western property line.

#### **Abutting Uses**

The subject abuts an office building (across Belt Line Road) along the north side, an office building (across Asbury Lane) along the east side, a town house development along the south side, and a restaurant along the west side.

#### **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, undivided roadway. Sugar Tree Way is a two-lane, undivided roadway. Overall, access for the neighborhood is rated as good. Access to and from the subject is good and via the along the western line of Asbury Lane and the northern line of Sugar Tree Way.

Visibility and exposure of the subject are rated good.



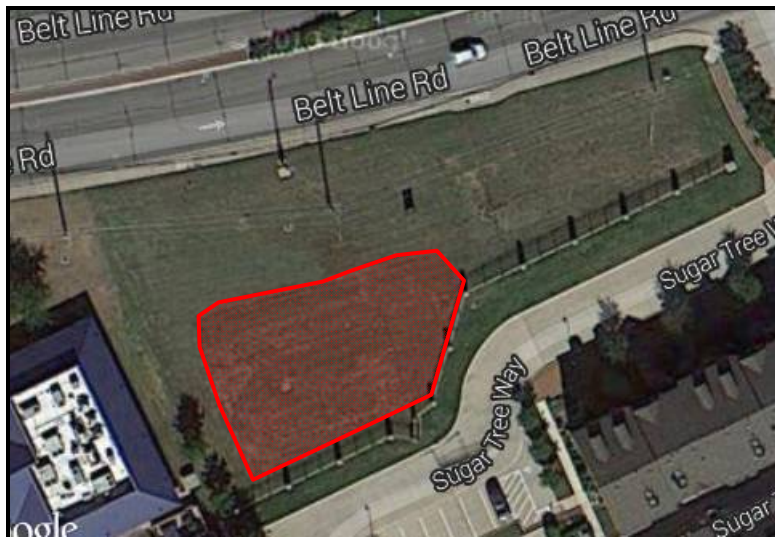
---

## SUBJECT PROPERTY

---

### 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 Belt Line 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 48113C0180K dated July 7, 2014, the subject is determined to be outside the 100-year floodplain, being within Zone 'X', located in the northern part of the tract. Drainage of the site appears graded. 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.



*Shaded Area(Red) - 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 PD (Planned Development) district is to encourage better development in the town of allowing more flexibility in the planning and development of projects. Variable combinations of land use units such as industrial parks, office or commercial districts, mixed or uniform residential development, or other appropriate combination of uses will be allowed if developed and operated as integral land use units by a single owner or combination of owners. Additionally, the site is within the Belt Line District, which has a purpose to implement the adopted recommendations of the Comprehensive Plan by encouraging new development and redevelopment in the Belt Line Corridor.

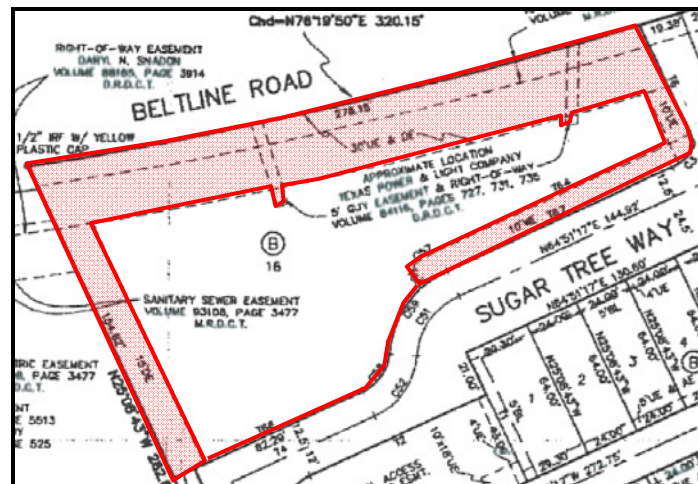
Setback and height requirements are site specific and approved on an individual basis.

### 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 10-foot storm sewer easement is located along Belt Line Road. Immediately south of the storm sewer easement is a 20-foot drainage easement, resulting in gross easements totaling 30-foot wide along Belt Line Road. Additionally, a 15-foot utility easement is located along the western portion of the subject, and a 10-foot utility easement is located along the eastern portion of the subject. Also, a 10-foot water easement extends from the southeast corner of the subject approximately 76 feet along Sugar Tree Way. Two 5-foot guy easements extend from Belt Line Road onto the subject. The easements total approximately 11,245 square feet, or approximately 40% of the whole property ( $11,245 \div 28,022$ )



---

## **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**

### **Site Improvements**

Site improvements are comprised of landscaping. Landscaping includes grass sod.

## **CONCLUSIONS**

The subject is vacant land and affected site improvements, with adequate frontage and access via the along the western line of Asbury Lane and the northern line of Sugar Tree Way. Condition of the improvements is average.

## 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, Parkland Hospital, Dallas County Community College, and Dallas Independent School District. Pertinent 2015 tax rates for the subject are detailed below.

<b>2015 TAX RATES (per \$100)</b>	
Town of Addison	\$ 0.579150
Dallas County	\$ 0.253100
Parkland Hospital	\$ 0.286000
Dallas County Community College	\$ 0.123650
Dallas Independent School District	\$ 1.282085
<b>Total</b>	<b>\$ 2.523985</b>

The Dallas Central Appraisal District account for the subject assessment for 2015 is summarized as follows:

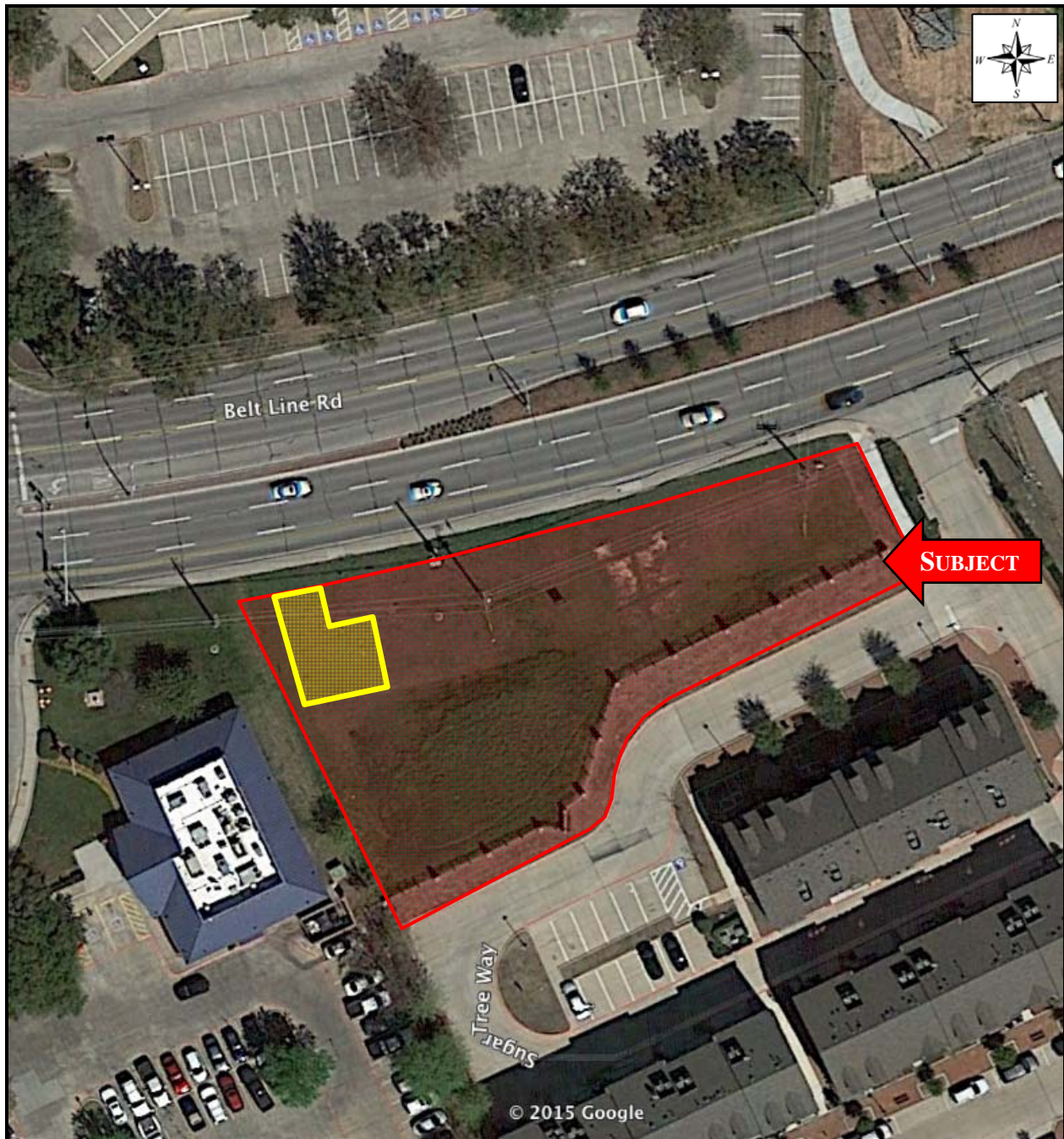
Account Number	Land	Improvements	Total
100018800B0160000	\$ 224,180	\$ 0	\$ 224,180

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 \$2.523985	= \$ 5,658

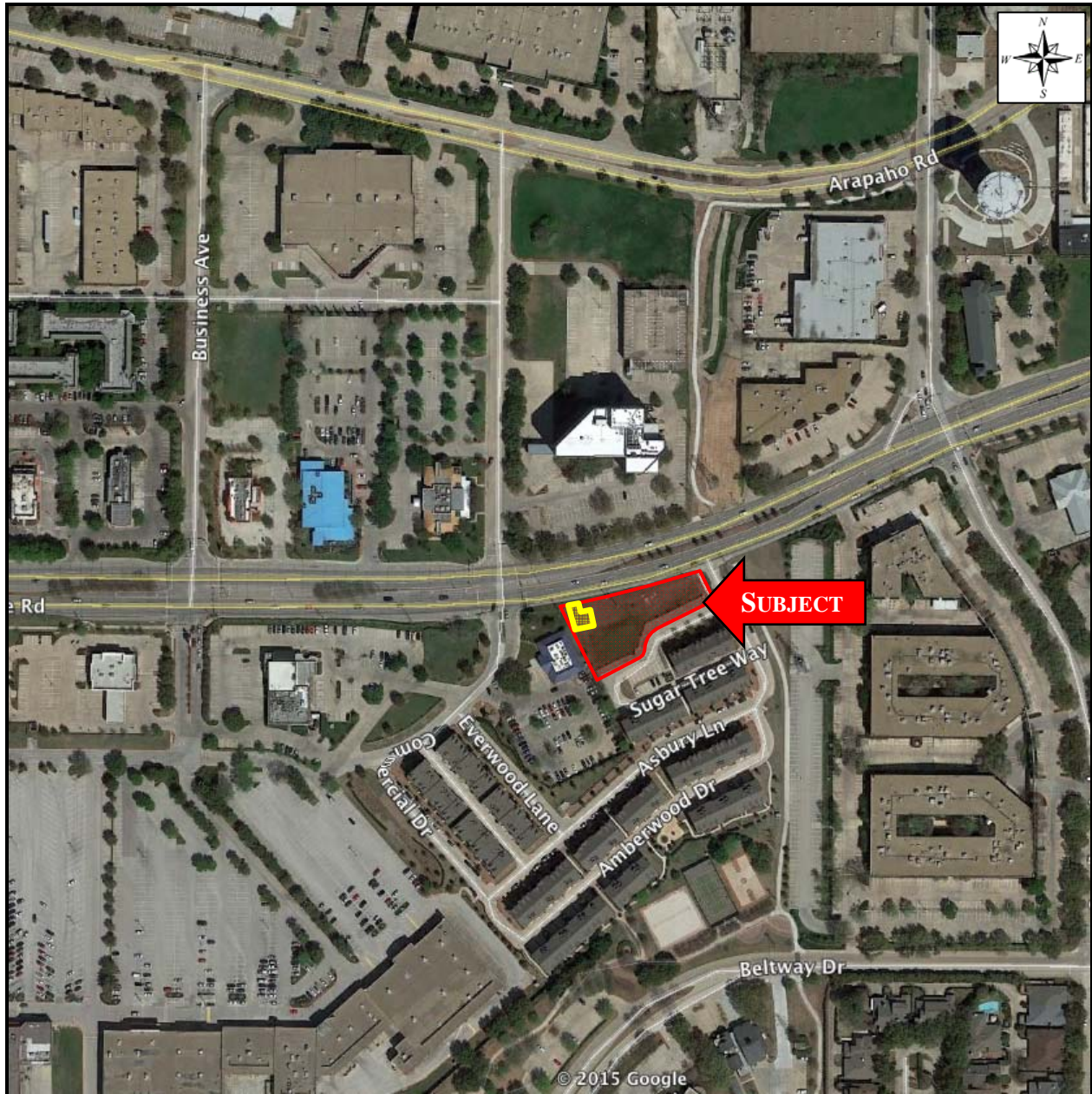
Additionally, the assessed land value equates to \$8.00/SF of land area, and is below the concluded market value in this appraisal. This difference is typically due to the valuation methods of the appraisal district.

# AERIAL PHOTOGRAPH



Red line - approximate subject property boundary – *appraiser's estimate.*  
Yellow area - approximate location of proposed permanent easement – *appraiser's estimate.*

# AERIAL PHOTOGRAPH



Red line - approximate subject property boundary – *appraiser's estimate.*  
Yellow area - approximate location of proposed permanent easement – *appraiser's estimate.*

**SUBJECT PHOTOGRAPHS**

---

**PHOTOGRAPHED OCTOBER 27, 2015**



Looking southeasterly at subject property.



Looking southwesterly at subject property.

**SUBJECT PHOTOGRAPHS**

---



Looking westerly along Belt Line Road, subject on left.



Looking southerly along Asbury Lane, subject on right.



**SUBJECT PHOTOGRAPHS**

---

**PHOTOGRAPHED MARCH 27, 2014**



Belt Line Road, Looking East; Subject on Right.



Belt Line Road, Looking West; Subject on Left.

**SUBJECT PHOTOGRAPHS**

---



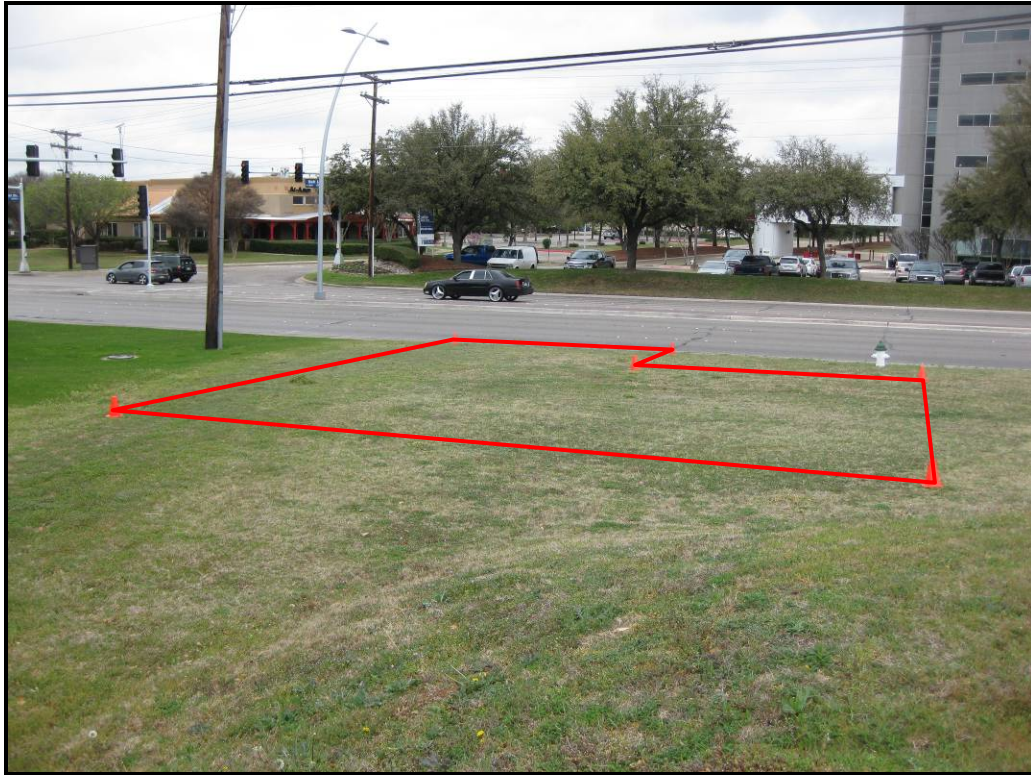
Permanent Easement Area, Looking South



Permanent Easement Area, Looking Southeast

**SUBJECT PHOTOGRAPHS**

---



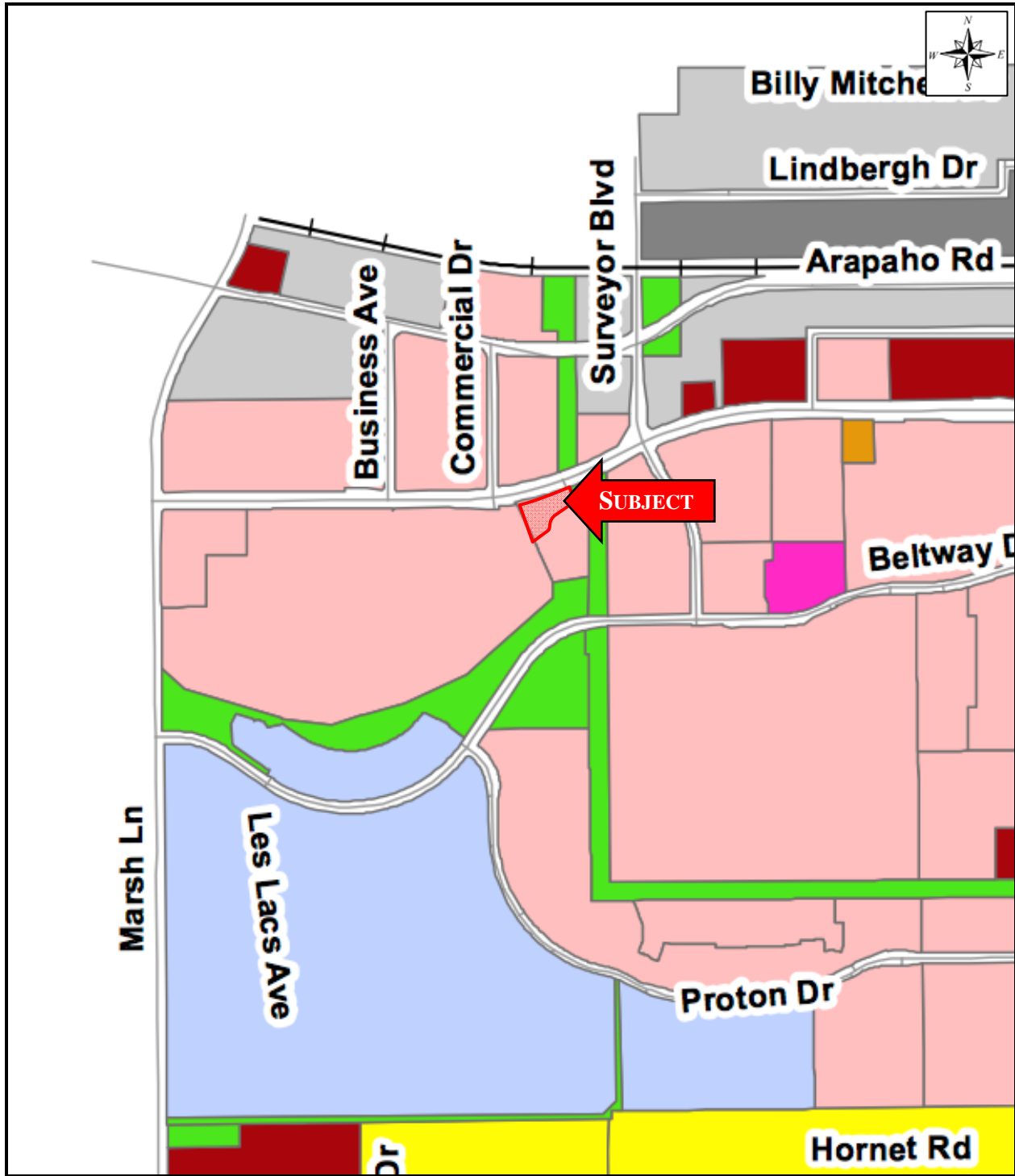
Permanent Easement Area, Looking South



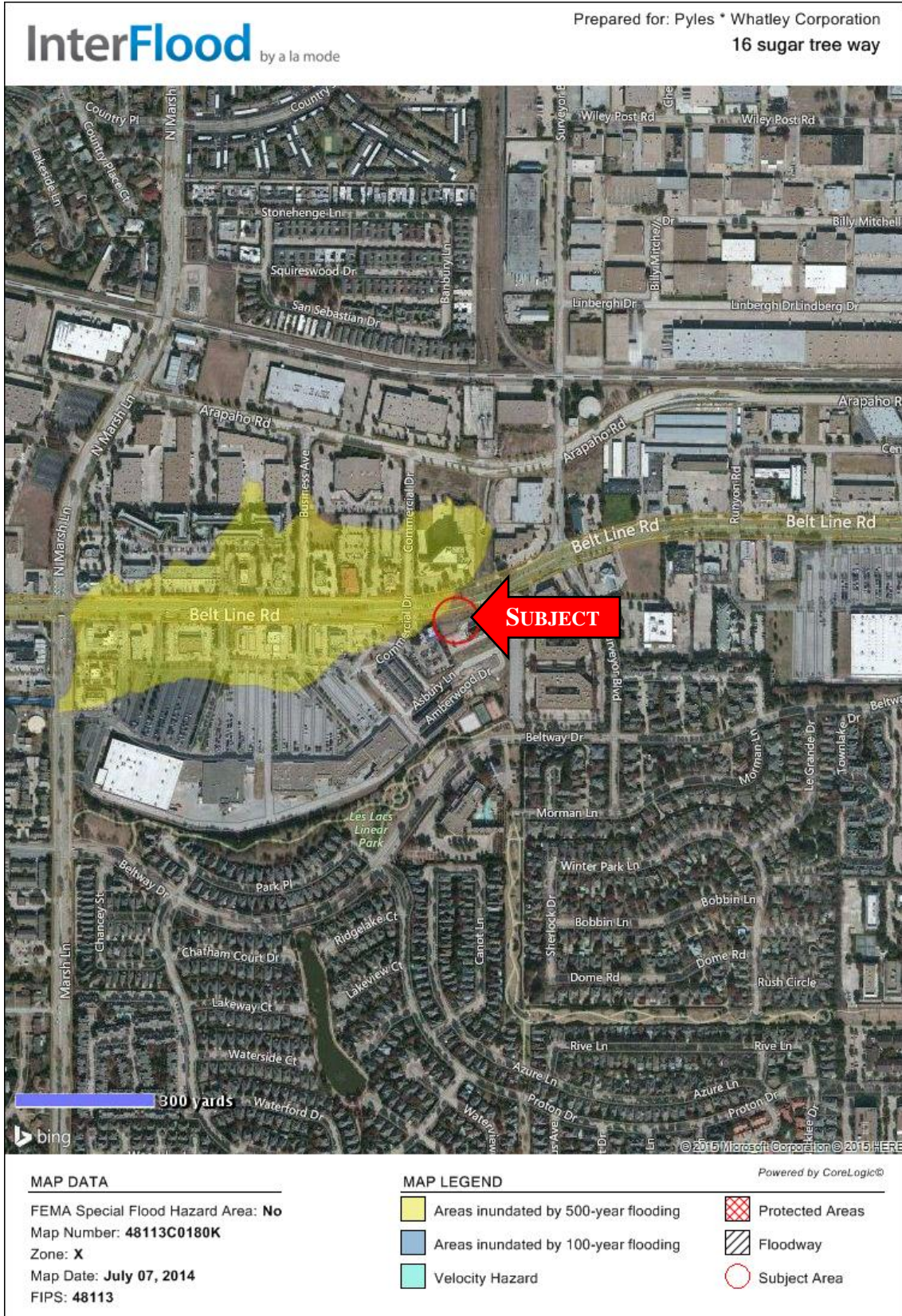
Subject From West Property Line, Sugar Tree Way Toward Upward Right Portion



ZONING MAP



PD (Planned Development)



---

## HIGHEST AND BEST USE

---

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 0.643-acre tract of land and is irregular in shape. The size and shape of the tract is supportive of a number of potential developments.

### HIGHEST & BEST USE AS IF VACANT

**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 linear feet, the western line of Asbury Lane for approximately 58 feet, and the northern line of Sugar Tree Way for approximately 272 feet. The subject is approximately 155 feet deep, along the western property line. According to the enclosed flood map No. 48113C0180K, the subject is determined to be outside the 100-year floodplain, being within Zone 'X'. The site is of sufficient size, shape, and frontage to be economically adaptable to numerous uses. A number of easements exist that may limit development. The size and shape of the site is adequate for commercial development.

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. Additionally, the easements encumbering the subject limit its potential development.

**Permissible Use:** The site is zoned PD (Planned Development) by the Town of Addison. The PD (Planned Development) district is to encourage better development in the town of allowing more flexibility in the planning and development of projects. Variable combinations of land use units such as industrial parks, office or commercial districts, mixed or uniform residential development, or other appropriate combination of uses will be allowed if developed and operated as integral land use units by a single owner or combination of owners.

**Feasible Use:** The surrounding properties and land uses are considered for compatibility in determination of feasible use. The subject abuts an office building (across Belt Line Road) along the north side, an office building (across Asbury Lane) along the east side, a town house development along the south side, and a restaurant along the west side. Based on the land usage pattern of the surrounding area, the layout, location and frontage/visibility of the site, the most feasible use is considered to be for office development.

**Maximally Productive Highest & Best Use:** The subject fronts the southern line of Belt Line Road for approximately 278 linear feet, the western line of Asbury Lane for approximately 58 feet, and the northern line of Sugar Tree Way for approximately 272 feet. Belt Line Road is a six-lane, divided thoroughfare. Asbury Lane is a two-lane, undivided roadway. Sugar Tree Way is a two-lane, undivided roadway. For a retail development, the location is considered good for appeal within the submarket. Access is rated as good and exposure of the subject is rated as good. Electricity, water, sewer, and phone services are available to the subject. Based on the foregoing and land use patterns, the highest and best use of the subject tract is for office development, as demand emerges in the market.

---

## LAND VALUATION

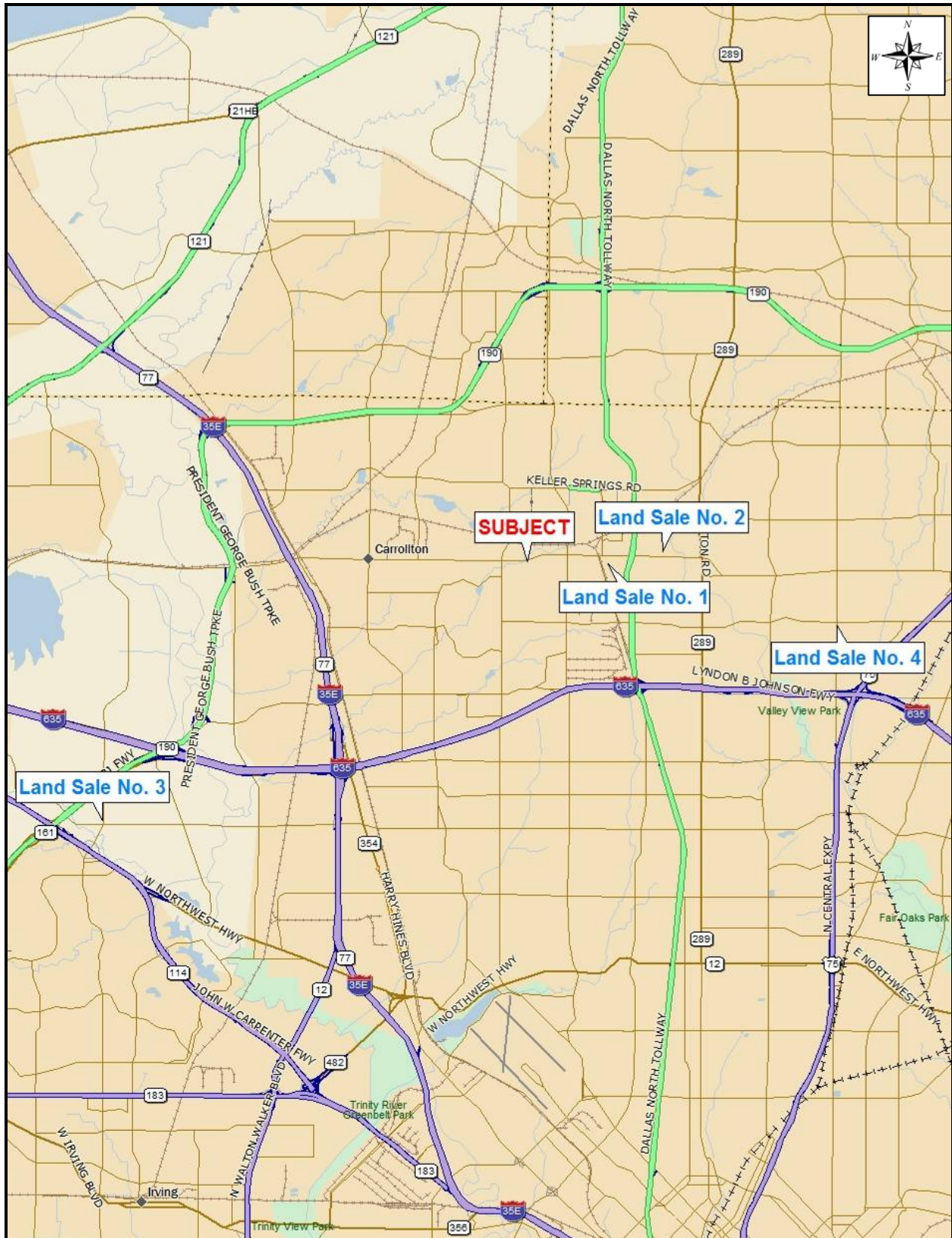
---

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.

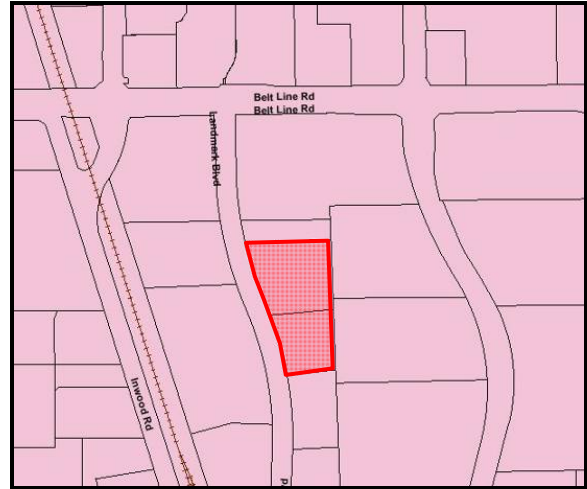
The market was carefully researched for recent sales, listings, or other transactions, which would provide a valid basis for developing an opinion of the market value of the subject by comparison. After reviewing and analyzing the sales, the sales detailed on the following pages were extracted from this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



LAND SALES MAP

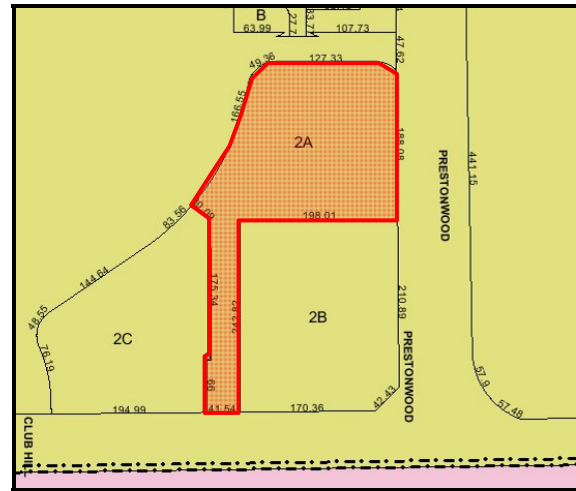


## Land Sale No. 1



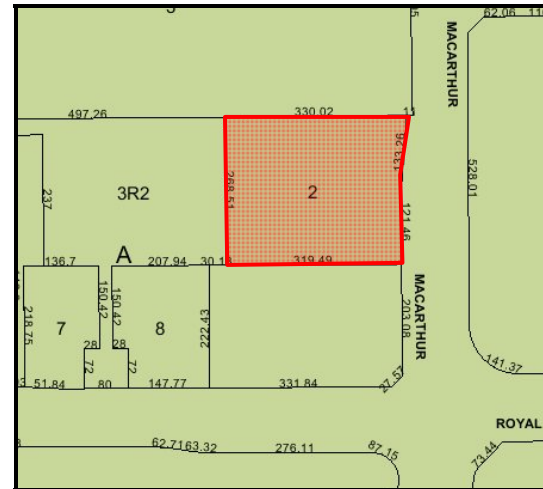
<b>Location</b>	E/s of Landmark Boulevard, ±490' S of Belt Line Road Addison, Dallas County, Texas
<b>Mapsc0</b>	DA-14-C
<b>Legal Description</b>	Block 2, Quorum West Addition, an addition to the Town of Addison, Dallas County, Texas
<b>Grantor</b>	Kevin R. Carter
<b>Grantee</b>	Addison Hotels, LP
<b>Date of Sale</b>	May 15, 2014
<b>Record Data</b>	
<b>Document No.</b>	201400124777
<b>Consideration</b>	\$1,739,257
<b>Conditions of Sale</b>	Cash (or cash equivalent) to the seller
<b>Land Area</b>	
<b>Acres</b>	2.775
<b>Square Feet</b>	120,863
<b>Price Per SF</b>	\$14.39
<b>Zoning</b>	C-1 (Commercial-1)
<b>Comments</b>	This tract is located along the eastern line of Landmark Boulevard, approximately 490 feet south of Belt Line Road. The site has approximately 519 feet of frontage along Landmark Boulevard. According to the broker, the grantee intends to develop the site as a hotel; a special use permit has been approved for a Holiday Inn Express hotel.
<b>Confirmed</b>	JS

## Land Sale No. 2



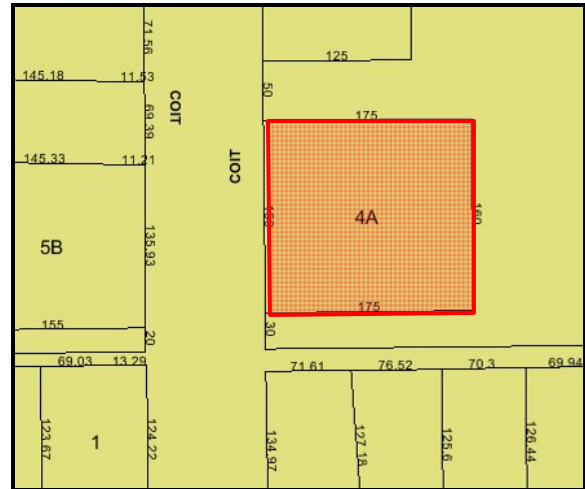
<b>Location</b>	Adj. NW/c of Belt Line Road and Prestonwood Boulevard Dallas, Dallas County, Texas
<b>Mapsc0</b>	DA-15-A
<b>Legal Description</b>	Being a 1.1773 acre tract of land out of Lot 2, Block B/8222, Official City Numbers, of Prestonwood Town Center II Addition, an addition of the City of Dallas, Dallas County, Texas
<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 (or cash equivalent) 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>Zoning</b>	PD-614 (Planned Development)
<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. The broker 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 2011.
<b>Confirmed</b>	JS

## Land Sale No. 3



<b>Location</b>	E/s of North MacArthur Boulevard, ±225' N of Royal Lane Irving, Dallas County, Texas
<b>Mapsc</b>	DA-21B-E
<b>Legal Description</b>	Lot 2, Block A of Makko MacArthur I Addition, an addition to the City of Irving, Dallas County, Texas
<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 (or cash equivalent) 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>Zoning</b>	PUD (Planned Unit Development)
<b>Comments</b>	This tract is located along the eastern line of North MacArthur Boulevard, approximately 225 feet north of Royal Lane. The tract has approximately 255 feet of frontage on North MacArthur Boulevard. 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 No. 4



<b>Location</b>	E/s of Coit Road, ±250' S of Spring Valley Road Dallas, Dallas County, Texas
<b>Mapsc</b>	DA-16-K
<b>Legal Description</b>	Being Lots 4 and 5, in Block A/7758 of Willingham Coit Road 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 is located along the eastern line of Coit Road, approximately 250 feet south of Spring Valley Road. The tract has approximately 160 feet of frontage on Coit Road. The site was formerly improved with an active clothing retailer. Following the razing of the original improvements, the site was replatted and sold in fee to the current owner. Since this transaction, the site was 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	E/s of Landmark Boulevard, ±490' S of Belt Line Road	120,863	2.77	\$14.39	May-14
2	Adj. NW/c of Belt Line Road and Prestonwood Boulevard	51,285	1.18	\$15.60	Feb-13
3	E/s of North MacArthur Boulevard, ±225' N of Royal Lane	88,024	2.02	\$17.67	Apr-11
4	E/s of Coit Road, ±250' S of Spring Valley Road	28,000	0.64	\$26.25	Jun-10
<b>Subject</b>	<b>16 Sugar Tree Way</b>	<b>28,022</b>	<b>0.64</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. No adjustments are warranted as each of the sales transpired with no reported uncommon sale conditions.

#### Market Conditions

The sales occurred between June 2010 and May 2014. 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. Sale Nos. 1, 2, 3, and 4 are similarly located as the subject, requiring 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. Sale properties are adjusted based on their inferiority/superiority as compared with the subject. The subject has access from a shared access easement along its northern and eastern lines. Sale Nos. 1, 2, 3, and 4, with similar access available, require no adjustments.

### Frontage

Frontage is the number of feet of frontage along the subject roadway or roadways. Sale properties are adjusted based on their inferiority/superiority as compared with the property. The property has approximately 608 feet of frontage. Sale No. 1 has similar frontage as the subject; no adjustment is applied to this sale. Sale Nos. 2, 3, and 4 are inferior to the subject in terms of frontage and are adjusted 5%, each.

### Exposure

Exposure is the visibility of the subject to the roadways or neighboring properties. Sale No. 1 is adjusted 15% for its inferior exposure. Sale Nos. 2 and 3 have similar exposure, with no adjustments. Sale No. 4 is adjusted 5% for its inferior exposure.

Land Sales - Traffic Exposure		
Sale No.	Location	Vehicle Count
1	E/s of Landmark Boulevard, ±490' S of Belt Line Road	3,700
2	Adj. NW/c of Belt Line Road and Prestonwood Boulevard	41,800
3	E/s of North MacArthur Boulevard, ±225' N of Royal Lane	48,300
4	E/s of Coit Road, ±250' S of Spring Valley Road	37,600
<i>Subject</i>	<i>16 Sugar Tree Way</i>	<i>47,100</i>

### Size

The subject is 0.643 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 PD (Planned Development), by the Town of Addison. The PD (Planned Development) district is to encourage better development in the town of allowing more flexibility in the planning and development of projects. Variable combinations of land use units such as industrial parks, office or commercial districts, mixed or uniform residential development, or other appropriate combination of uses will be allowed if developed and operated as integral land use units by a single owner or combination of owners. Sale Nos. 1, 2, 3, and 4 are similar as compared to the property in terms of designation and highest and best use, and do not require adjustments.

**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 and is not adjusted.

**Topography**

According to FEMA flood hazard map 48113C0180K, the subject is determined to be outside the 100-year floodplain, being within Zone 'X'. 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 sale is adjusted downward by -10%.

**Functional Utility**

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



## LAND VALUATION

### LAND SALES DATA

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

LAND SALES ADJUSTMENTS				
Sale No.	1	2	3	4
No. of Acres	2.775	1.177	2.021	0.643
Size - SF	120,863	51,285	88,024	28,000
Sale Date	May-14	Feb-13	Apr-11	Jun-10
Sale Price	\$1,739,257	\$800,000	\$1,555,000	\$735,000
Sale Price Per SF	\$14.39	\$15.60	\$17.67	\$26.25
Rights Conveyed	0%	0%	0%	0%
Financing	0%	0%	0%	0%
Sale Conditions	0%	0%	0%	0%
Market Conditions	4%	8%	14%	16%
Adjusted Price	\$14.97	\$16.85	\$20.14	\$30.45
Location	0%	0%	0%	0%
Access	0%	0%	0%	0%
Frontage	0%	5%	5%	5%
Exposure	15%	0%	0%	5%
Size	11%	5%	9%	0%
Zoning	0%	0%	0%	0%
Utilities	0%	0%	0%	0%
Topography	-10%	-10%	-10%	-10%
Functional Utility	0%	0%	0%	0%
Net Adjustment	16%	0%	4%	0%
<b>Adjusted Price/SF</b>	<b>\$17.37</b>	<b>\$16.85</b>	<b>\$20.95</b>	<b>\$30.45</b>

### Land Value Opinion

After the adjustment process, the comparables range from \$16.85 to \$30.45 per square foot, with an average of \$21.40 per square foot and a median of \$19.16 per square foot.

While the whole, unencumbered property is estimated to have a value of \$21.00 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 \$59,036 (11,245 x \$21.00 x 25%). The remaining unencumbered portion is valued at \$21.00 per square foot, or \$352,317.

## LAND VALUATION

---

Based on the foregoing, it is our opinion that the market data support an estimated fee simple value of \$411,353.

Total Land Area						
No. of Square Feet		\$/SF			Indicated Value	
16,777	x	\$21.00		=	\$352,317	
11,245	x	\$21.00	x	25%	=	\$59,036
28,022					\$411,353	

## COST APPROACH

---

The purpose of the cost approach is to develop an opinion of the cost to construct a reproduction of, or replacement for, the existing structure and then deduct all accrued depreciation in the property being appraised from the cost new of the reproduction or replacement structure. 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 leased fee interest in the property.

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 cost approach is based on the estimated replacement cost of the improvements less depreciation from all causes, to which is added the market value of the land based on comparable sales.

### REPLACEMENT COST

The cost estimates in the following tables are abstracted from the *Marshall Valuation Service*. The *Marshall Valuation Service* is a national cost index providing cost data for determining replacement costs of buildings and other improvements, and is published by Marshall & Swift, LP.

Improvements situated within the easement are a steel panel double gate, steel panel fencing, a concrete column, and concrete paving. Replacement costs are based on information obtained from Bruce Hershey, independent general contractor/builder, 214-549-5355, and landscaping cost by David Witt from Land Pro Creation, in Grand Prairie, 972-380-6777. To the base cost, various multipliers are applied to reflect local market conditions and changes in construction costs.

Improvements	Value
28,022 SF - Landscaping - Sod @ \$0.75/SF, no depreciation	\$ 21,017
<b>Total Contributory Value of Improvements</b>	<b>\$ 21,017</b>

Upon inclusion of the land value at \$411,353, the whole property value via the cost approach is \$432,370.

## **RECONCILIATION – WHOLE PROPERTY VALUE**

---

In the preceding sections of this report, the area data and trends, location amenities, highest and best use, and other elements of value are discussed. The market was researched for comparable data and market trends.

In the final analysis, considering the approaches to value, each approach is analyzed in terms of the quantity and quality of the data used in each approach and applicability to estimating a reliable value.

### **Summary of Approaches**

<b>Cost Approach</b>	<b>\$432,370</b>
<b>Sales Comparison Approach (Land Only)</b>	<b>\$411,353</b>
<b>Income Capitalization Approach</b>	<b>N/A</b>

Sufficient sales of tracts of land with similar utility are available to arrive at an opinion of value of the land by market comparison. The sales used are adjusted to reflect current market conditions and differences in physical characteristics.

<b>Land Value at \$21.00 per square foot</b>	<b>\$411,353</b>
--	------------------

### **Cost Approach**

The estimated costs are compared with the Marshall Valuation Service Cost Manual. Additionally, a review of cost manuals, conversations with local building contractors and developers, and the appraiser's experience in valuing similar properties readily support these costs.

### **Sales Comparison Approach**

For the valuation of the subject, sufficient sales of tracts of land with similar utility are available to arrive at an opinion of value of the land by market comparison. The sales used are adjusted to reflect current market conditions and conditions of sale.

### **Income Capitalization Approach**

The income capitalization approach is not applicable to the subject property analysis, as the subject is not leased or considered income producing.

### **CONCLUSION**

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

<b>Property Value</b>	<b>\$432,370</b>
-----------------------	------------------

---

## PART TO BE ACQUIRED

---

### Part To Be Acquired

The proposed acquisition is in **permanent easement** estate. Per the enclosed parcel survey and field notes, the part to be acquired in easement totals 1,499 square feet, or 0.034 acres, stated.

The length of the acquisition area of easement 21E is 20.09 feet along the Belt Line Road right-of-way, 36.82 feet along the southern boundary, and with depths of 47.99 feet (two parts) feet on the eastern boundary, and 48.52 feet on the western boundary.

The easement will be used for underground electrical utilities.

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.

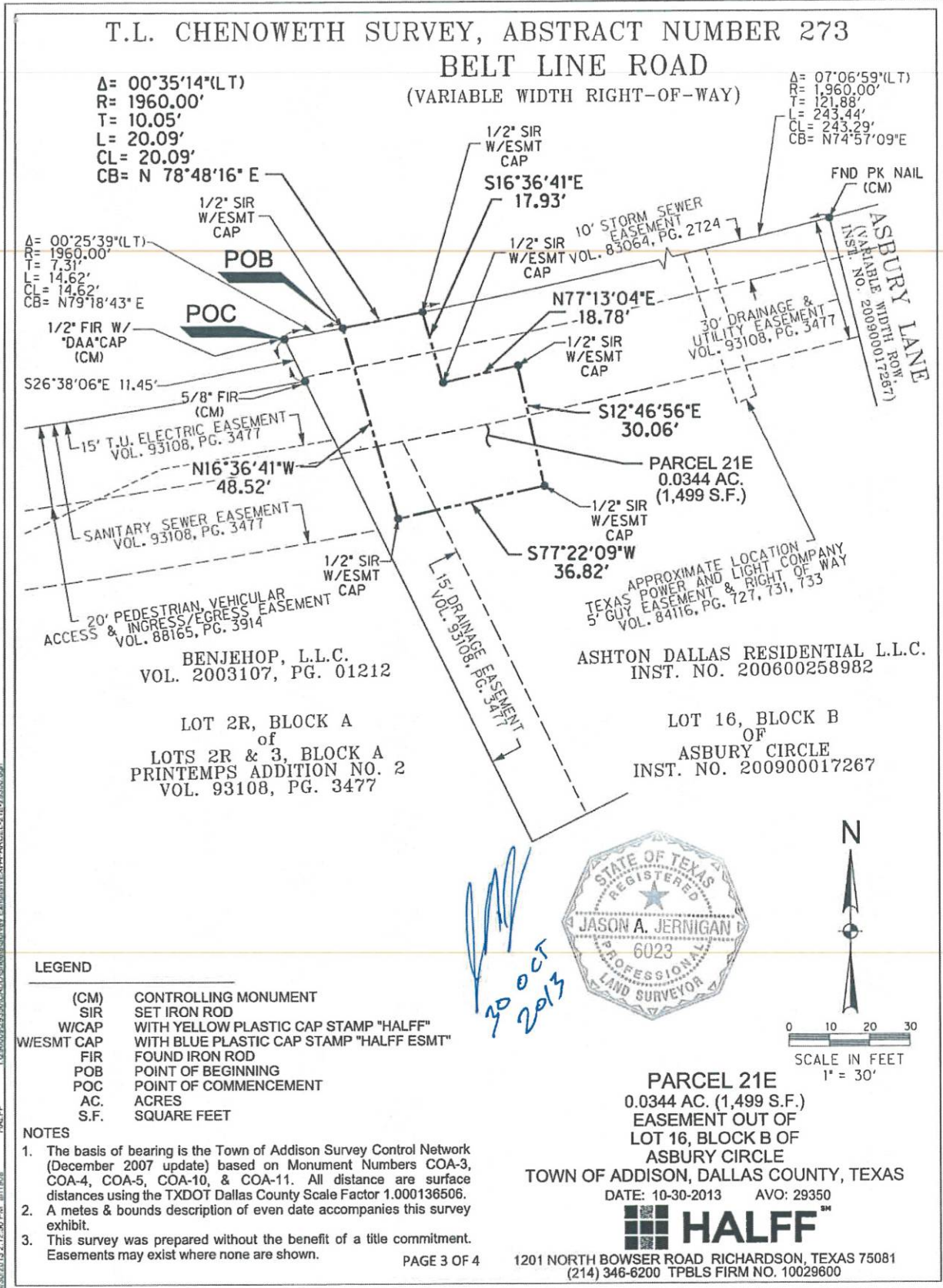
Landowner improvements situated in the proposed acquisition area are landscaping. Landscaping includes grass sod. Items that appear to be the property of others (other than the subject owner) are not considered in the valuation of the subject.

<b>Improvements Located in Permanent Easement Parcel 21E - Belt Line Road Project Addison, Dallas County Texas</b>	
Improvements	Quantity
Landscaping - Sod	1,499 SF

### 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**

---

### **Compensation**

The acquisition area is 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 permanent easement taking will result in an encumbrance of 5.3% of the subject (1,499 square feet ÷ 28,022 square feet = 0.053).

The proposed easement is not considered to be an economic unit within itself, due to the small size and shape, and the highest and best use of the parcel is considered as a part of the whole property. The whole property land value is previously established at \$21.00 per square foot. The value of the easement land immediately before the imposition of the permanent easement equates to \$15,461 for a total of 1,499 square feet.

Fee Simple Value Permanent Easement	482 SF	x \$21.00	x 100%	= \$ 10,122
Value of Area within Existing Easement	1,017 SF	x \$21.00	x 25%	= \$ 5,339
	1,499 SF			\$ 15,461

After the imposition of the easement, the land in the easement areas is restricted. The property owner can continue to use the land, but cannot use the easement land in any manner that will prevent or interfere with the grantee's uses or rights, 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 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 value of the land. A portion of proposed permanent easement overlaps existing easements, containing 1,017 square feet, which is prior to the imposition of the proposed easement, valued at 25% of fee simple.

Immediately after the imposition of the easement, the value of the land in the easement area – outside the existing drainage easement – is considered to be no more than 25% of the fee simple value, while the value of the land within the existing drainage easement is considered to be no more than 10% of the fee simple value of the land. The resulting value of the permanent easement is calculated as follows:

## PART TO BE ACQUIRED

Fee Simple Value Permanent Easement	482 SF	x	\$21.00	x	100%	=	\$ 10,122
Value of Area within Existing Easement	1,017 SF	x	\$21.00	x	25%	=	\$ 5,339
	1,499 SF						\$ 15,461
<b>Less:</b>							
Value after imposition of Permanent Easement	482 SF	x	\$21.00	x	25%	=	\$ 2,531
Value after imposition of Permanent Easement	1,017 SF	x	\$21.00	x	10%	=	\$ 2,136
	1,499 SF						\$ 4,667
<b>Easement Value</b>							<b>\$ 10,794</b>

Within the acquisition area, the property is improved with landscaping. The improvements situated in the acquisition parcel are valued at \$1,124.

Improvements (within the permanent easement area)	Value
1,499 SF - Landscaping - Sod @ \$0.75/SF, no depreciation	\$ 1,124
<b>Total Contributory Value of Improvements</b>	<b>\$ 1,124</b>

In our opinion, the total value of the part to be acquired in easement estate, including land and improvements is \$11,918.

Land	\$	10,794
Site Improvements	\$	1,124
<b>Total</b>	<b>\$</b>	<b>11,918</b>



---

**REMAINDER BEFORE TAKING**

---

**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:

Opinion of value - whole property	\$ 432,370
Opinion of value - taking	\$ 11,918
Opinion of value - remainder before the taking	<u>\$ 420,452</u>

---

## REMAINDER AFTER TAKING

---

### 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 after the taking is the same as the whole property, but with a small area encumbered by the easement. The remainder land area is 28,022 square feet, or 0.643 acres, including the part taken in the permanent easement (1,499 square feet). The easement is situated in an area that will likely include setbacks, open space, paving, or landscaping areas. The highest and best use of the remainder land continues as future office development. While the taking does not diminish the remainder's potential, it will result in an encumbrance of approximately 5.3% of the whole property land area (1,499 square feet ÷ 28,022 square feet = 0.053).

As if complete and in place, the 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 by a permanent easement along the northern property line of the tract. The subject fronts the southern line of Belt Line Road for approximately 278 linear feet, the western line of Asbury Lane for approximately 58 feet, and the northern line of Sugar Tree Way for approximately 272 feet. The subject is approximately 155 feet deep, along the western property line. According to the enclosed flood map No. 48113C0180K, the subject is determined to be outside the 100-year floodplain, being within Zone 'X'. A number of easements exist that may limit development. 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. Additionally, the easements encumbering the subject limit its potential development.

**Permissible Use:** The site is zoned PD (Planned Development) by the Town of Addison. The PD (Planned Development) district is to encourage better development in the town of allowing more flexibility in the planning and development of projects. Variable combinations of land use units such as industrial parks, office or commercial districts, mixed or uniform residential development, or other appropriate combination of uses will be allowed if developed and operated as integral land use units by a single owner or combination of owners.

**Feasible Use:** The surrounding properties and land uses are considered for compatibility in determination of feasible use. The subject abuts an office building (across Belt Line Road) along the north side, an office building (across Asbury Lane) along the east side, a town house development along the south side, and a restaurant along the west side. Based on the land usage pattern of the surrounding area, the layout, location and frontage/visibility of the site, the most feasible use is considered to be for office development.

**Maximally Productive Highest & Best Use:** For an office development, the location is considered good for appeal within the submarket. Access is rated as good and exposure of the subject is rated as good. Electricity, water, sewer, and phone services are available to the subject. Based on the foregoing and land use patterns, the highest and best use of the subject tract is for office development, as demand emerges in the market.

---

## **REMAINDER AFTER TAKING**

---

### **Remainder After Value**

The remainder land, comprised of 28,022 square feet is valued at \$21.00 per square foot, using the land sales in the whole property valuation. The value of the remainder after the taking is.

Land Within Permanent Easement	482 SF x \$21.00 x 25% = \$	2,531
Land Within Permanent/Existing Easement	1,017 SF x \$21.00 x 10% = \$	2,136
Land Within Existing Easement	10,228 SF x \$21.00 x 25% = \$	53,697
Unencumbered Land	16,295 SF x \$21.00 x 100% = \$	342,195
<b>Total</b>	<u>28,022 SF</u>	<u>\$ 400,559</u>

The improvements situated in the acquisition parcel are valued at \$19,893.

<b>Improvements</b>	<b>Value</b>
26,523 SF - Landscaping - Sod @ \$0.75/SF, no depreciation	\$ 19,893
<b>Total Contributory Value of Improvements</b>	<b>\$ 19,893</b>

In our opinion, the total value of the part to be acquired in easement estate, including land and improvements is \$420,452.

Land	\$ 400,559
Site Improvements	\$ 19,893
<b>Total</b>	<u>\$ 420,452</u>

## **SUMMARY OF COMPENSATION**

---

The proposed taking does not bisect the remainder. In the remainder after scenario, the highest and best use of the property is for office development. Access remains at proportionately the same locations as before the acquisition.

### **TOTAL COMPENSATION**

The market value of the total compensation due to the landowner is \$11,918.

<b>Whole Property</b>	\$	432,370	
<b>Part To Be Acquired in Easement</b>			\$ 11,918
<b>Remainder - Before Taking</b>	\$	420,452	
<b>Remainder - After Taking</b>	\$	420,452	
<b>Damages</b>	\$		0
<b>Costs-to-Cure</b>	\$		0
<b>Total Compensation</b>	\$		<b>11,918</b>

## **APPRAISER'S CERTIFICATE**

---

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 has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

We have previously provided appraisal services regarding this property in the past three years. Jason Secrest and Wendell Pyles provided real property appraisal assistance to the person signing this certification. We certify that we personally inspected the property appraised.

### **PYLES ★ WHATLEY CORPORATION**

---

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

---

**Jason Secrest**  
State of Texas Certification #TX-1337373-G

---

## APPRAISER QUALIFICATIONS

### WENDELL PYLES, MAI, SR/WA

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

#### Experience

- Owner of *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
- Certified by the State of Oklahoma as General Real Estate Appraiser, 13099CGA
- 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

---

## APPRAISER QUALIFICATIONS

---

### JASON A. SECREST

Appraisal assignments entail on-site inspection, market research, data analysis, and valuation. Completed assignments include the following: shopping centers, retail and industrial properties, multi-family residential, office buildings, land development, subdivision analyses, right-of-way (condemnation) projects, conservation easements, expert witness testimony, and market analyses.

#### Experience

- Appraised commercial properties, with PYLES-WHATLEY CORPORATION from 2004 to 2007 and since 2010.
- Appraising commercial properties, with JACKSON HOLE REAL ESTATE & APPRAISAL from 2007 to 2010.
- Six-years experience in Information Technology and Telecommunications industries as a financial consultant and negotiator, with ELECTRONIC DATA SYSTEMS (EDS).

#### Education

- Bachelor of Science – Business Finance, Brigham Young University, 1998
- Completed numerous appraisal courses and seminars conducted by the Appraisal Institute and various real estate and financial organizations.

#### Professional Licenses

- State of Texas Certified: General Real Estate Appraiser: #1337373-G

#### Affiliations

- Appraisal Institute – Candidate
- International Right of Way Association, Chapter 36 – Member
- BYU Management Society, Dallas Chapter – Member

# **ADDENDA**



**SURVEY**

**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;

**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:

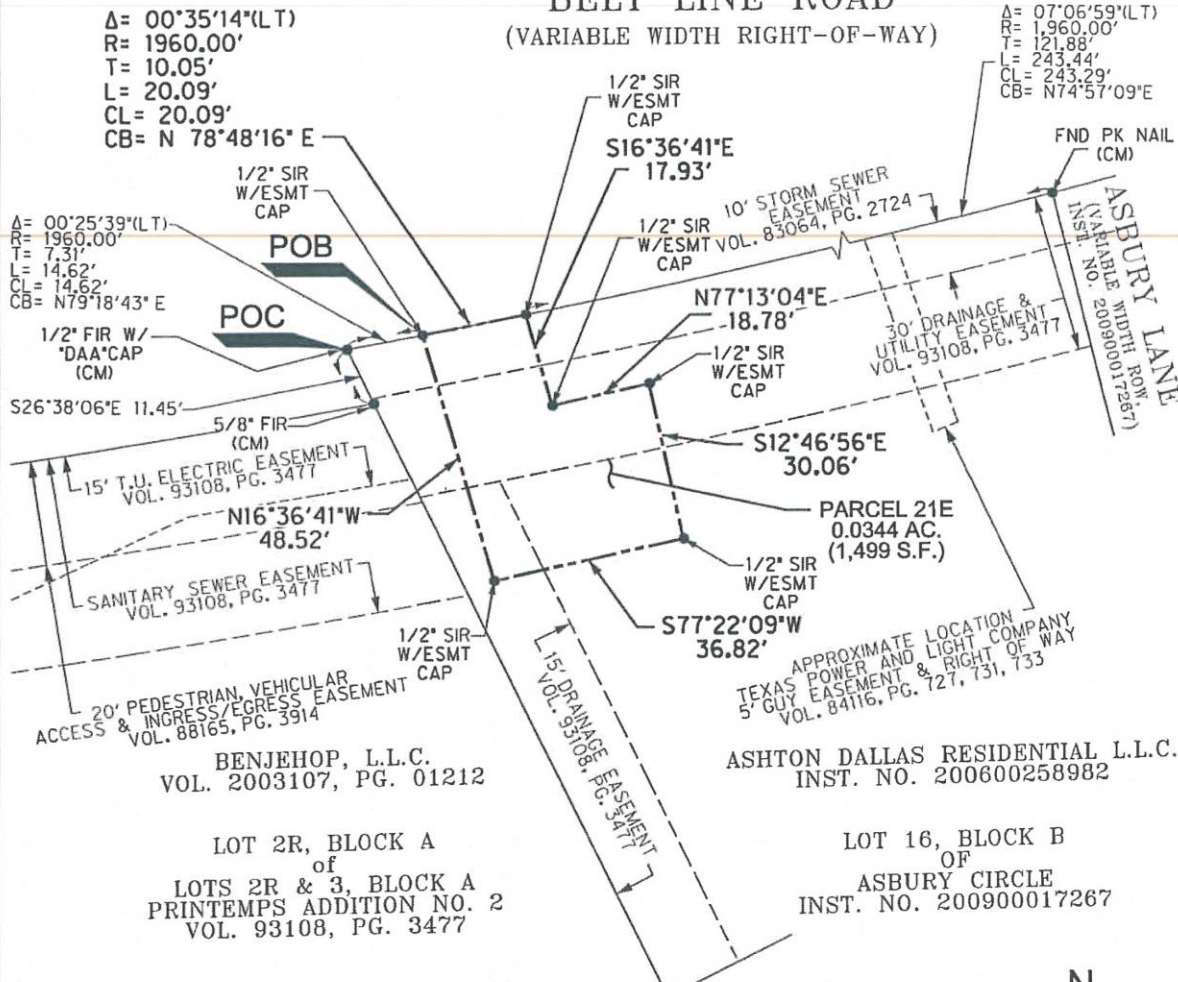
The basis of bearing is the Town of Addison Survey Control Network (December 2007 update) based on Monument Numbers COA-3, COA-4, COA-5, COA-10, & COA-11. All distance are surface distances using the TXDOT Dallas County Scale Factor 1.000136506.

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

*J. Jernigan*  
30 OCT  
2013



T.L. CHENOWETH SURVEY, ABSTRACT NUMBER 273  
**BELT LINE ROAD**  
 (VARIABLE WIDTH RIGHT-OF-WAY)

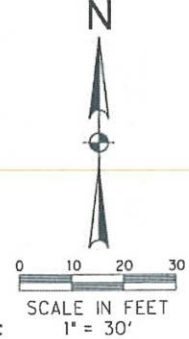


**LEGEND**

(CM)	CONTROLLING MONUMENT
SIR	SET IRON ROD
W/CAP	WITH YELLOW PLASTIC CAP STAMP "HALFF"
W/ESMT CAP	WITH BLUE PLASTIC CAP STAMP "HALFF ESMT"
FIR	FOUND IRON ROD
POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
AC.	ACRES
S.F.	SQUARE FEET

**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.
- A metes & bounds description of even date accompanies this survey exhibit.
- This survey was prepared without the benefit of a title commitment. Easements may exist where none are shown.



**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



1201 NORTH BOWSER ROAD RICHARDSON, TEXAS 75081  
 (214) 346-6200 TPBLS FIRM NO. 10029600

10/30/2013 2:17:50 PM JAJ:1018 I:\29000\29350\CADD\Sheet\Survey\Embs\VEH\PARCEL-21E-2013.dwg HALFF

---

## TAX INFORMATION

### Residential Account #100018800B0160000

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

#### Property Location (Current 2016)

**Address:** 16 SUGAR TREE WAY  
**Neighborhood:** 2DS114  
**Mapsc0:** 14-A (DALLAS)

**DCAD Property Map**

**2015 Appraisal Notice**

#### Electronic Documents (ENS)

**File Homestead Exemption Online**



**Print Homestead Exemption Form**

#### Owner (Current 2016)

ASHTON DALLAS RES LLC  
 1800 VALLEY VIEW LN STE 100  
 FARMERS BRANCH, TEXAS 752348944

#### Multi-Owner (Current 2016)

Owner Name	Ownership %
ASHTON DALLAS RES LLC	100%

#### Legal Desc (Current 2016)

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

#### Value

2015 Certified Values	
<b>Improvement:</b>	\$0
<b>Land:</b>	+ \$224,180
<b>Market Value:</b>	= \$224,180
<b>Tax Agent:</b> BOWLBY D ALAN & ASSOC INC	
<b>Revaluation Year:</b>	2014
<b>Previous Revaluation Year:</b>	2012

#### Main Improvement (Current 2016)

No Main Improvement.

## TAX INFORMATION – *Continued*

### Additional Improvements (Current 2016)

No Additional Improvements.

### Land (2015 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 2015 Certified Values. \***

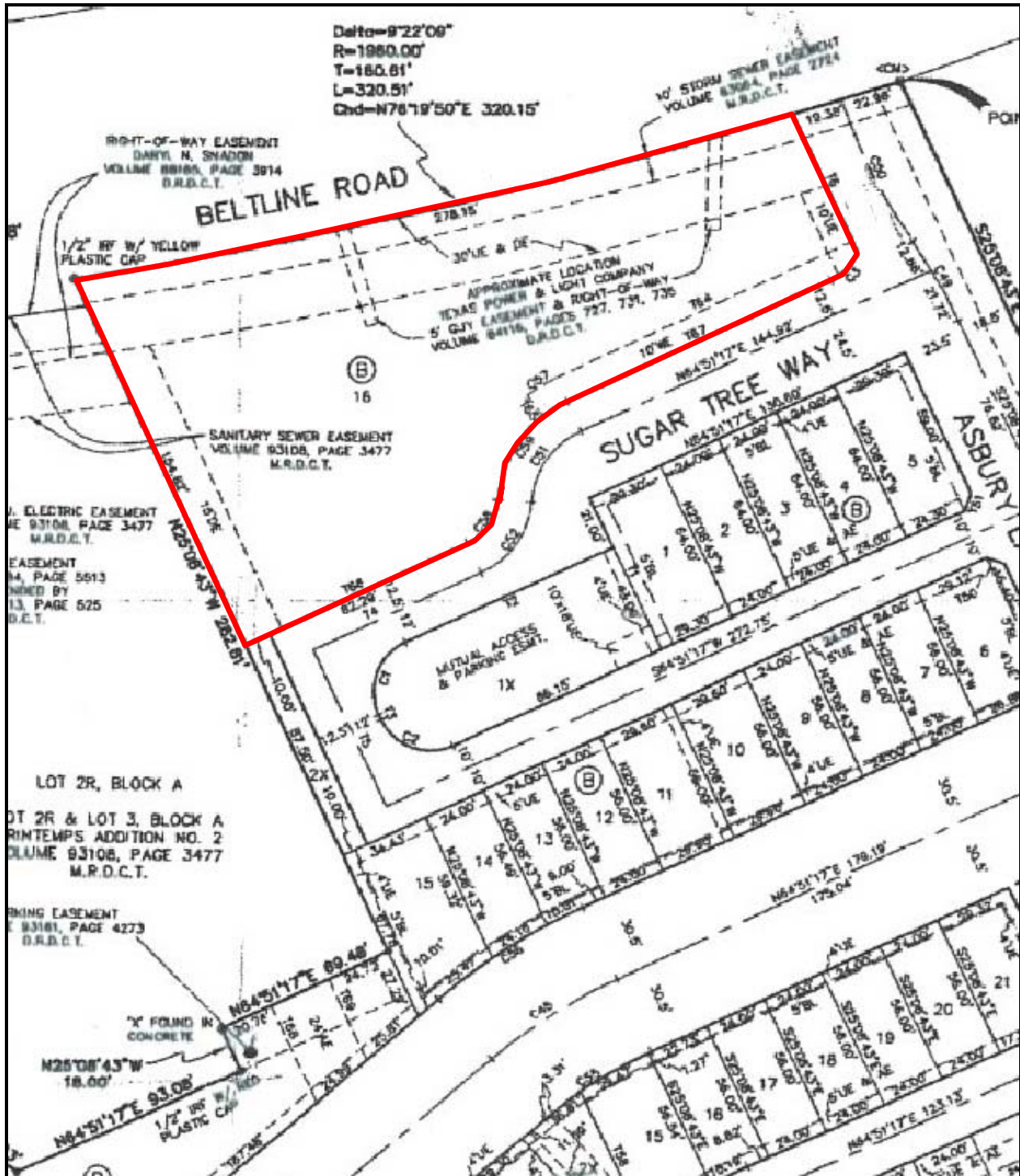
### Exemptions (2015 Certified Values)

No Exemptions

### Estimated Taxes (2015 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>	\$0.57915	\$1.282085	\$0.2531	\$0.12365	\$0.286	N/A
<b>Taxable Value</b>	\$224,180	\$224,180	\$224,180	\$224,180	\$224,180	\$0
<b>Estimated Taxes</b>	\$1,298.34	\$2,874.18	\$567.40	\$277.20	\$641.15	N/A
<b>Tax Ceiling</b>					N/A	N/A
<b>Total Estimated Taxes:</b>						<b>\$5,658.27</b>

# PLAT MAP



---

## ZONING INFORMATION

---

### ARTICLE XV. PLANNED DEVELOPMENT DISTRICT

---

[Section 1. Purpose of district.](#)

[Section 2. Application.](#)

[Section 3. Uses permitted.](#)

[Section 4. Development schedule.](#)

[Section 5. Procedure for approval of development plan.](#)

[Section 6. Coordination with subdivision regulation ordinance.](#)

#### **Section 1. Purpose of district.**

The purpose of this district is to encourage better development in the town by allowing more flexibility in the planning and development of projects. Variable combinations of land use units such as industrial parks, office or commercial districts, mixed or uniform residential development, or other appropriate combination of uses will be allowed if developed and operated as integral land use units by a single owner or combination of owners. 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.

#### **Section 2. Application.**

An application for a planned development district may be made to the city planning and zoning commission in the same manner that an application for any amendment to the zoning ordinance is made. In addition to the requirements outlined in sections 4 and 5, the planning and zoning commission or the city council may require additional information or special plans related to specific elements of the planned development district.

#### **Section 3. Uses permitted.**

A planned development district may be approved for any use or combination of uses allowed under the zoning ordinance including special use permits. The uses permitted in any specific planned development district shall be enumerated in the ordinance establishing such districts.

#### **Section 4. Development schedule.**

1. An application for a planned development district shall, if the applicant desires or the planning and zoning commission or city council requires, be accompanied by a development schedule indicating the appropriate date on which construction is expected to begin and the rate of anticipated development to completion. The development schedule, if adopted and approved by the city council, shall become part of the development plan and shall be adhered to by the owner, developer and his

---

## ZONING INFORMATION – *Continued*

- successor in interest. The city council, in the ordinance approving the development schedule, may authorize the planning and zoning commission to extend the development schedule or adopt a new development schedule without additional public hearings.
2. Annually, where a development schedule has been required, the building official shall report to the city council the actual development accomplished in the various planned development districts as compared with the development schedules.
  3. The planning and zoning commission may, if in its opinion the owner or owners of the property are failing or have failed to meet the approved schedule, initiate proceedings to rezone the planned development district by removing all or part of the planned development district from the zoning district map and recommending that the area involved be placed in another appropriate zoning district. This recommendation shall be passed to the city council as are other amendments to the zoning ordinance.
  4. The owner or owners may, at any time, apply to the planning and zoning commission for an extension of the development schedule. Such application shall be acted upon by the planning and zoning commission and if the ordinance setting out the development schedules gives the authority to the planning and zoning commission to extend the development time, the action of the planning and zoning commission making the extension shall be final. In the event the planning and zoning commission denies the extension, the owner or owners of the property shall have a right of appeal to the city council and the rules for the amendment of the zoning ordinance shall apply and govern the handling of the appeal.

### **Section 5. Procedure for approval of development plan.**

1. An applicant for a development of an area included under a planned development district, or one seeking to have an area designated as such a district, must submit a development plan which shall become part of the amending ordinance. Changes in the development plan shall be considered the same as changes in the zoning district map and shall be processed as required by zoning ordinance; except that changes of detail which do not alter the basic relationship of the proposed development to adjacent property and which do not alter the uses permitted or increase the density, building height or coverage of the site, or which do not decrease the off-street parking ratio or reduce the yards provided at the boundary of the site or does not significantly alter the landscape plans or signage as indicated on the approved development plan may be authorized by the zoning administrator. Any applicant may appeal the decision of the zoning administrator to the planning and zoning commission for review and decision as to whether an amendment to the planned development district ordinance shall be required.
2. The development plan shall include:
  - (a) A site inventory analysis including a scale drawing showing existing vegetation, natural watercourses, creeks or bodies of water and analysis of planned changes in such natural features as a result of the development. This should include a delineation of any flood prone areas.
  - (b) A scale drawing showing any proposed public or private streets and alleys; building sites or lots, and areas reserved as parks, parkways, playgrounds, utility easements, school sites, street widening and street changes; the points of ingress and egress from existing streets; general location and description of existing and proposed utility services, including size of water and sewer mains; the location and width of all curb cuts and the land area of all abutting sites and the zoning classification thereof on an accurate survey of the tract with the topographical contour interval of not more than five feet.



---

## ZONING INFORMATION – *Continued*

- (c) A site plan for proposed building complexes showing the location of separate buildings and the minimum distance between buildings, and between buildings and property lines, street lines and alley lines. Also to be included on the site plan is a plan showing the arrangement and provision of off-street parking.
- (d) A landscape plan, prepared in accordance with the provisions of article XXI, landscaping regulations of this appendix.
- (e) An architectural plan showing elevations to be used throughout the development on commercial buildings. Any or all of the required information may be incorporated on a single drawing if one drawing is clear and can be evaluated by the director of development services and the building official. A legal instrument establishing a plan for permanent care and maintenance of any common area or communally owned facility must be submitted before the development plan will be approved. All such instruments shall be approved by the city attorney as to legal form, and by the city council as to suitability for the proposed use of the common area.

### **Section 6. Coordination with subdivision regulation ordinance.**

1. Processing under the subdivision ordinance shall be carried out simultaneously with the review of the development plan under this section.
2. The development plan submitted under section 5 shall be accompanied by a preliminary plat which meets the requirements of the subdivision ordinance. The preliminary plat shall be reviewed and approved by the planning and zoning commission prior to the granting of any building permits.
3. Every planned development district approved under the provisions of this appendix shall be considered as an amendment to the zoning ordinance as applicable to the property involved. In carrying out the development of a planned development district, the development conditions and the development schedule, if required, shall be complied with and such conditions as are specified for the development of a planned development district shall not be construed as conditions precedent to the approval of the zoning amendment, but shall be construed as conditions precedent to the granting of a certificate of occupancy.

---

**ZONING INFORMATION – *Continued***

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

---

**ZONING INFORMATION – *Continued***

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;

---

**ZONING INFORMATION – *Continued***

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;

## ZONING INFORMATION – *Continued*

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:

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. 006-026-1

---

## ZONING INFORMATION – *Continued*

- 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 INFORMATION – *Continued***

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

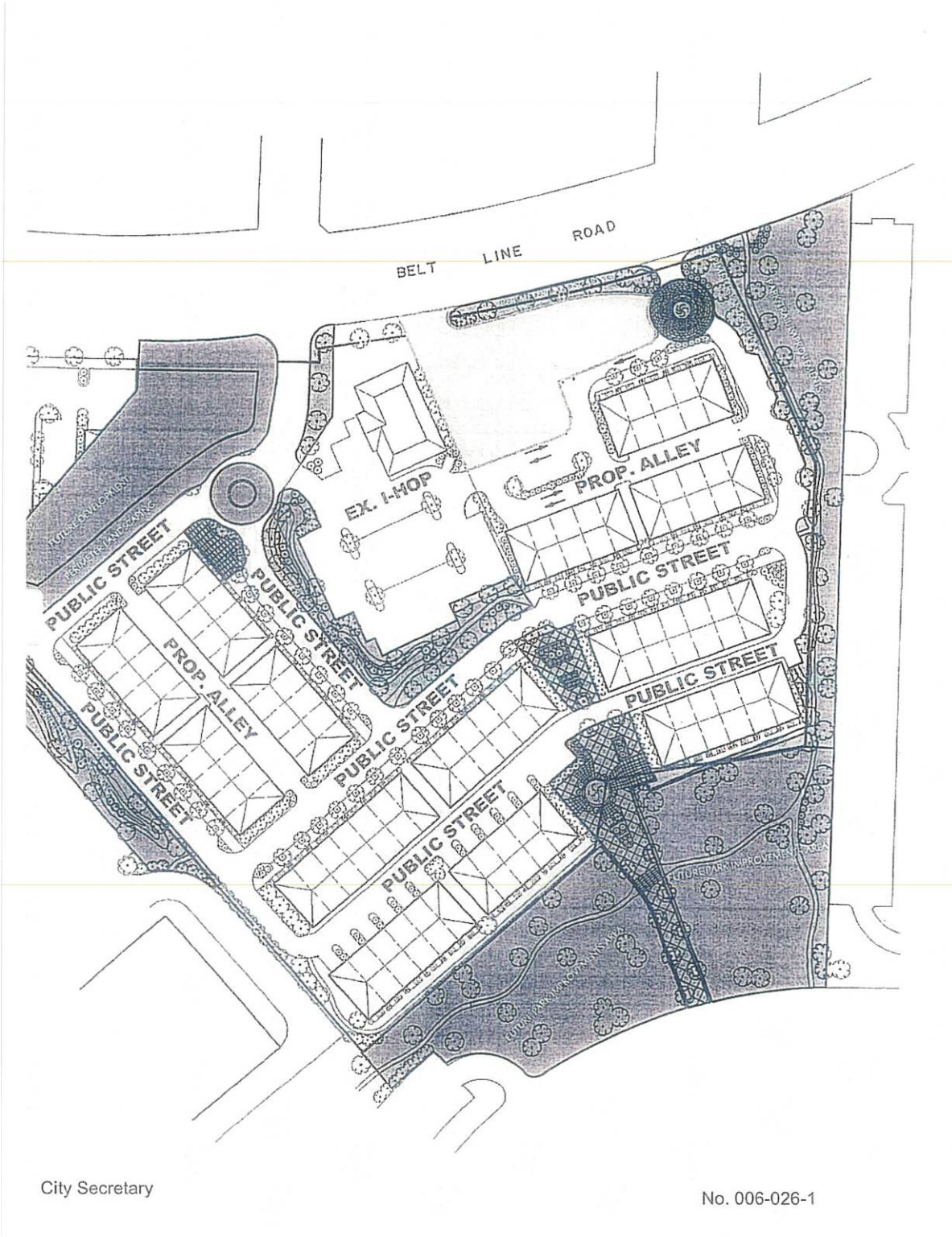
CASE NO. : 1519-Z/Ashton-Woods Homes

APPROVED AS TO FORM:

  
DIRECTOR OF DEVELOPMENT SERVICES –  
CARMEN MORAN

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

**ZONING INFORMATION – Continued**

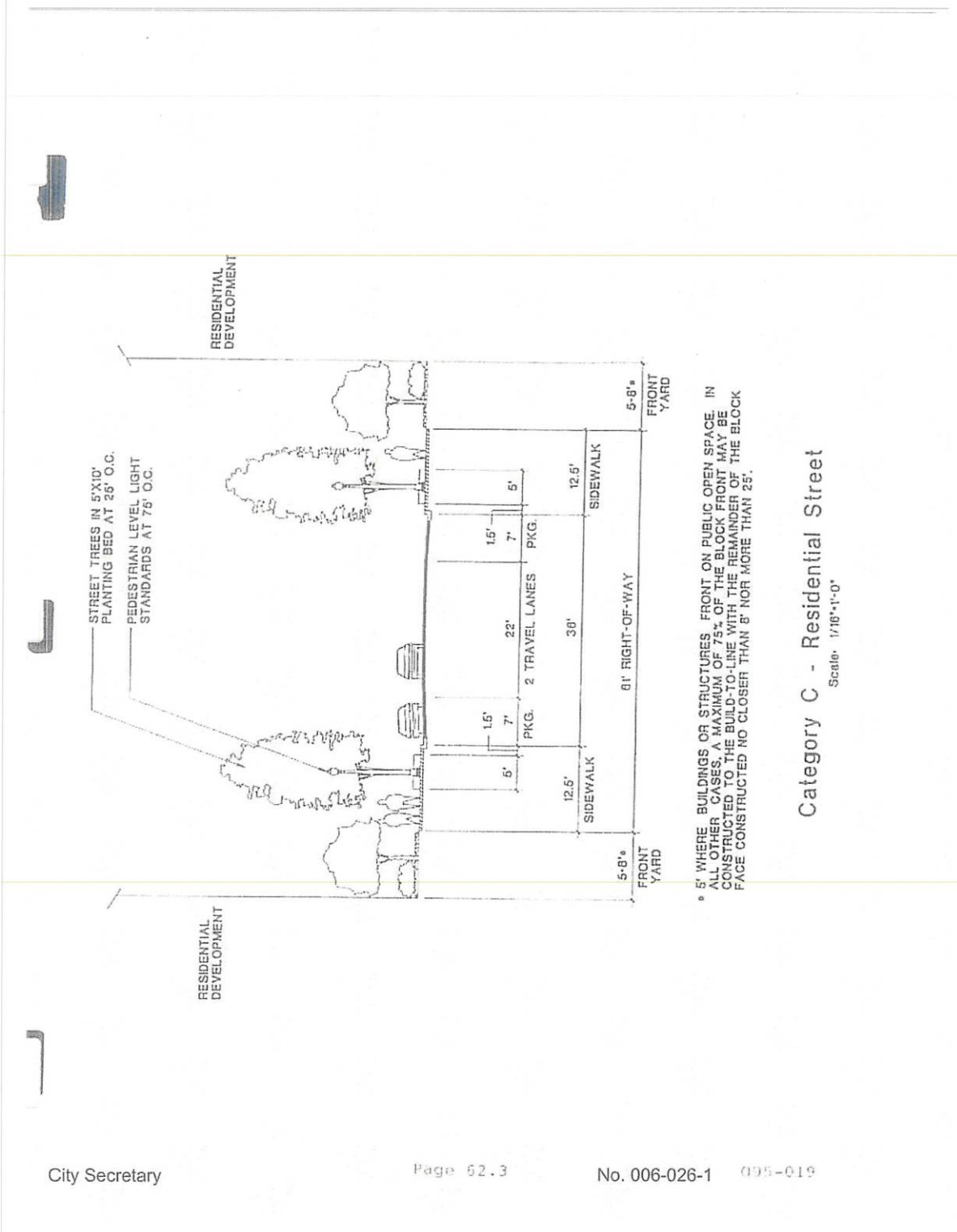


City Secretary

No. 006-026-1



# ZONING INFORMATION – Continued



**LETTER OF NOTICE**

**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:

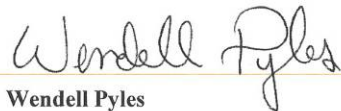
In connection with the Town of Addison, our firm has been engaged to perform a real estate appraisal of a proposed partial acquisition involving the property referenced above. In preparation for the Belt Line Road Project, real estate appraisals of the affected properties are required.

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

**USPS CERTIFIED/RETURN RECEIPTS**

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  <input checked="" type="checkbox"/> <u>Samantha</u>      <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)      C. Date of Delivery            _____      <u>1/11/14</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            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              1221 N Interstate 35E, Ste 170              Carrollton, TX 75006-3806              13-658 / DB</p> </div>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail      <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered      <input checked="" type="checkbox"/> Return Receipt for Merchandise  <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. <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™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Postage	\$	.66	
Certified Fee		3.10	
Return Receipt Fee (Endorsement Required)		2.55	
Restricted Delivery Fee (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