

REAL ESTATE APPRAISAL REPORT  
STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

Parcel Number Exxon Project Number Addison Transit Pass  
Address of Property 4191 Beltline Rd, Addison, Tx Whole Taking \_\_\_\_\_ Partial Taking X  
Property Owner Addison Beltway JV One Highway N/A  
Address \_\_\_\_\_ County Dallas  
Occupant's Name Gas Station/Convenience Store Between Stations \_\_\_\_\_

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the entire property, any special benefits and damages to the remainder property must be included in accordance with the laws of Texas.

Market Value may be defined as follows: "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."

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$ 85,637 as of 10-05-98 based upon my independent appraisal and the exercise of my professional judgment; That on 10-05-98 (date)(s), I personally inspected in the field the property herein appraised; that I afforded through condemnor's attorney, the property owner or his representative, the opportunity to accompany me at the time of the inspection;

The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal supplement and were inspected on 10-05-98 & others (date)(s);

That to the best of my knowledge and belief the statements contained in the appraisal hereinabove set forth are true, and the information upon which the opinions expressed therein are based is correct, subject to the limiting conditions therein set forth;

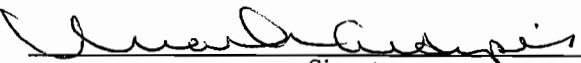
That I understand that such appraisal is to be used in connection with the acquisition of right-of-way for a highway to be constructed by the State of Texas with the assistance of Federal-Aid highway funds or other Federal funds, and that such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, has been disregarded in determining the compensation for the property;

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein;

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the State, I will immediately notify the State of such interest or interests;

That I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the State Department of Highways and Public Transportation of said State or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

October 7, 1998  
Date

  
Signature  
Mark A. Hipes

\_\_\_\_\_  
District Field Reviewer

**Attach All Pertinent Photographs**

Parcel No. Exxon Local Address 4191 Beltline Road, Addison, Tx.

Date Taken 10-05-98 Taken by Mark A. Hipes

1. Point from which taken SE across intersection from subject Looking NW toward subject



2. Point from which taken NWC of the subject Looking SE at fuel lanes

**Attach All Pertinent Photographs**

Parcel No. Exxon Local Address 4191 Beltline Road, Addison, Tx.

Date Taken 10-05-98 Taken by Mark A. Hipes

3. Point from which taken North side of Take Looking South along the Take



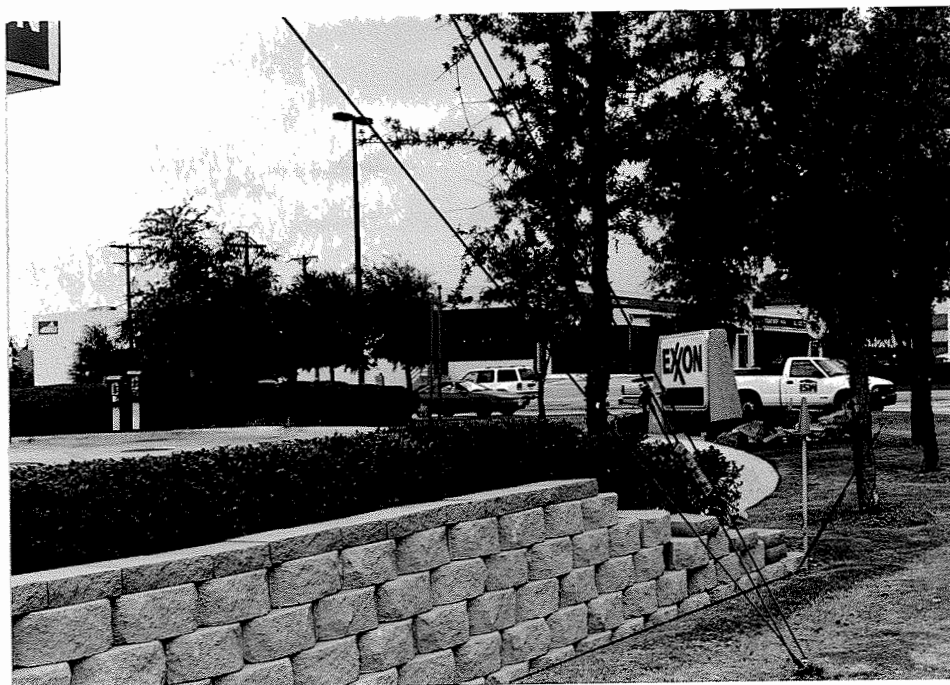
4. Point from which taken Mid-east side of subject Looking South along the Take

**Attach All Pertinent Photographs**

Parcel No. Exxon Local Address 4191 Beltline Road, Addison, Tx.

Date Taken 10-05-98 Taken by Mark A. Hipes

5. Point from which taken Mid-east side of the subject Looking North along the Take



6. Point from which taken Near the SE/c of the subject Looking Northeast along the Take

**Attach All Pertinent Photographs**

Parcel No. Exxon Local Address 4191 Beltline Road, Addison, Tx.

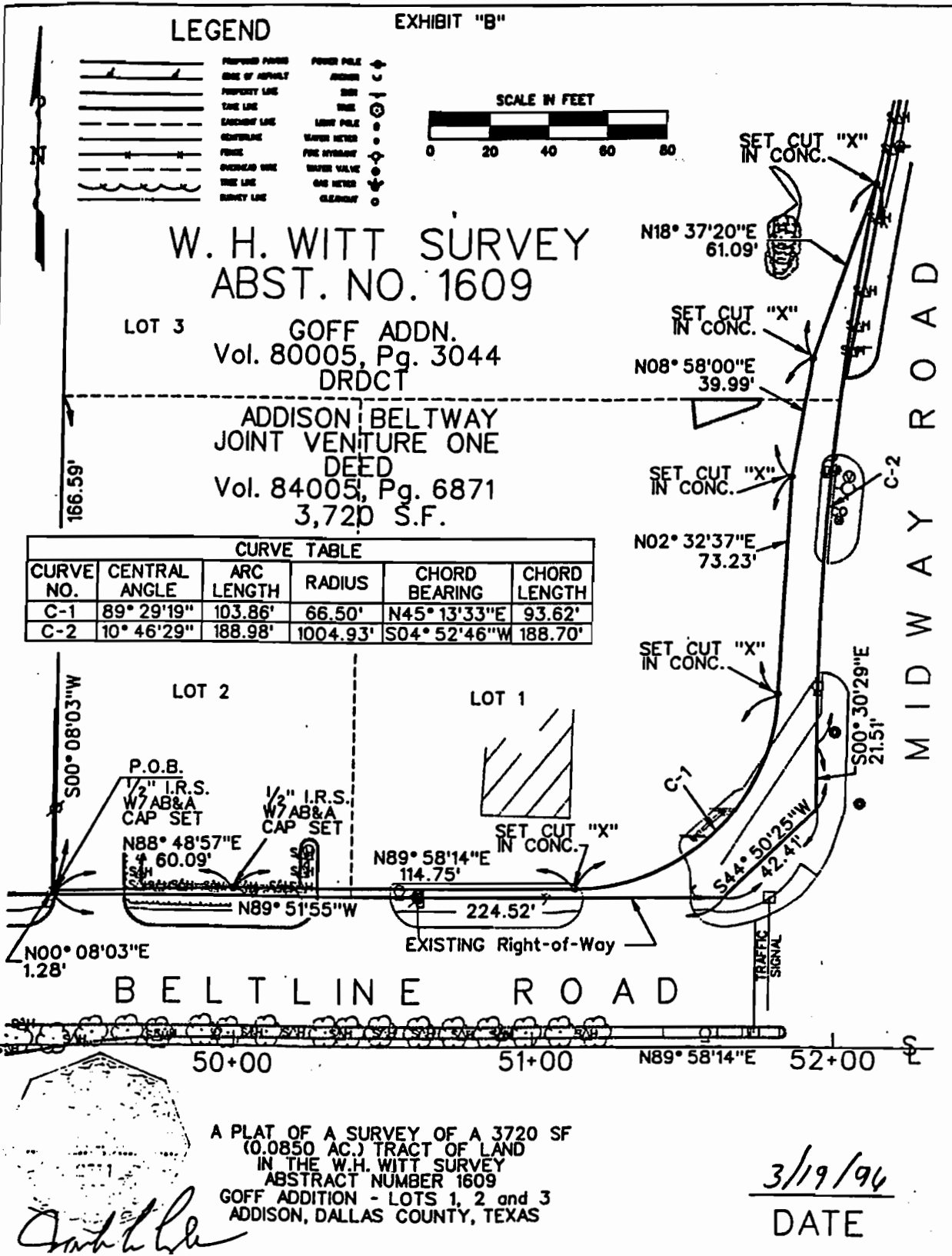
Date Taken 10-05-98 Taken by Mark A. Hipes

7. Point from which taken South-central side of the subject Looking West along the Take



8. Point from which taken SW/c of the subject Looking East along the Take

Sketch of Whole Property With Dimensions  
 Show Orientation, ROW Line, and Part Taken



**Data on Whole Property**

Legal Description: Part of Lots 1, 2, & 3 of Goff Addition, Addison, Dallas County, Texas.  
(W. H. Witt Survey, Abstract No. 1609)

Dimensions: Irregular feet x \_\_\_\_\_ feet = 25,600.39 sq.ft. \_\_\_\_\_ acres  
 Location (Urban): Street & No. 4191 Beltline Road, Addison, Texas

(Rural): \_\_\_\_\_  
 \_\_\_\_\_ Land Grant Survey \_\_\_\_\_

Neighborhood or Area Analysis:  
 See following pages labeled "Neighborhood Analysis"

Highest and Best Use, Zoning and Site Analysis of Subject Property:  
 See following pages labeled "Site Analysis", "Zoning" & "Highest and Best Use".

**Cost Approach Whole Property**

Estimated Reproduction Cost:

Main Building:	<u>1,081 sq. ft.</u>	@	<u>\$139.60</u>	per sq. ft.	=	<u>\$150,908</u>	
Porches:	<u>N/A</u>	ft.	@	\$	per	ft.	\$
Total Reproduction Cost							<u>\$150,908</u>
Less Accrued Depreciation 10%							<u>\$ 15,091</u>
Value Building Contributes to Whole Property							<u>\$135,817</u>
Other:							
1. See page 4-x	;	_____	ft. @ \$	_____	per	_____	ft. . . \$ _____
							Less Depreciation . . . . . \$ _____ \$ _____
2. _____	;	_____	ft. @ \$	_____	per	_____	ft. . . \$ _____ \$ _____
							Less Depreciation . . . . . \$ _____ \$ _____
3. _____	;	_____	ft. @ \$	_____	per	_____	ft. . . \$ _____ \$ _____
							Less Depreciation . . . . . \$ _____ \$ _____
Landscaping	\$ See pg. 4-x	;	Fencing	\$ See pg. 4-x	;	Walks & Drives	\$ See pg. 4-x . . . . . <u>\$347,079</u>
Value Improvements Contribute to Whole Property							<u>\$482,896</u>
Land	_____	\$18.50	per SF	_____	x	25,600.39 SF=	<u>\$473,607</u>
<b>Estimated Value by Cost Approach</b>							<u><b>\$956,503</b></u>

Furnish Comments on Depreciation Factors: See pgs. 4-ix and 4-x  
 See page 4-x for a cost breakdown of site improvements.

## NEIGHBORHOOD ANALYSIS

The subject neighborhood can best be defined by area thoroughfares and geographic boundaries. The neighborhood is considered that area within the boundaries of Quorum Drive to the east, Spring Valley to the south, Trinity Mills to the north, and Marsh Lane to the east.

### **Location**

The subject neighborhood is located within the Town of Addison in northern Dallas County. Portions of the cities of Dallas, Carrollton, and Farmers Branch are located within this neighborhood. The subject neighborhood encompasses significant commercial development.

The area of the subject neighborhood is predominantly built up with a compatible mixture of commercial and residential uses.

### **Thoroughfares and Access**

Interstate Highway 635 and the Dallas North Tollway provide the predominant access to the subject neighborhood. These highways are presently eight lane and six lane concrete thoroughfares respectively. Interstate 635 provides outer loop freeway access throughout the Dallas metropolitan area. The Dallas North Tollway provides thoroughfare access from the downtown region of Dallas to SH 121 in Collin County.

Primary north-south access within the subject neighborhood is provided by Quorum Drive, Addison Road, Midway Road, Marsh Lane and Josey Lane. Primary east-west access is provided by Spring Valley Road, Beltline Road, Keller Springs, and Trinity Mills Road.

In addition, there is in place a good quality infrastructure of secondary and collector streets which provide interior access within the neighborhood.

All of the above mentioned thoroughfares are important in relation to the subject neighborhood as these roads provide access throughout the area. The interior streets are generally either two-lane asphalt or concrete paved roads with concrete curbs and gutters. The primary thoroughfares are typically divided concrete roads with concrete curbing and gutters.

General neighborhood access and thoroughfares are considered adequate. Due to some of the areas heavy traffic volumes, some of the thoroughfares are nearer to full capacity use during the peak traffic times. Interstate Highway 35E is located to the west as it passes through the Cities of Dallas and Carrollton. This major highway provides access to the cities to the north and south of the subject neighborhood.

### **Surroundings/Trends in Development**

The subject neighborhood is approximately 85% developed and is comprised of a mixture of office, retail, commercial, and industrial uses, with both single family residential and multi-family developments interspersed throughout. Entertainment and regional shopping developments are located in close proximity of the subject neighborhood. Addison Airport is situated in the east-central portion of this area.

New office and multi-family developments are proximate to, or located within, this area. The Town of Addison is currently in the process of expanding its events center adjacent to the east side of the Addison Airport.

### **Social Considerations**

The subject's immediate neighborhood is predominantly retail, office, and entertainment oriented in nature.



Commercial development is more concentrated along the primary access routes within the immediate neighborhood. Interior streets along the smaller collector streets tend toward residential development and high-tech and industrial uses, where appropriate. While there is moderate space for future development, the current strong demand for major commercial development is depleting this supply. This area benefits from its proximity to the confluence of the Dallas North Tollway and IH-635.

#### **Economic Considerations**

The most prominent economic base for the subject area is associated with the office, retail, and commercial base of the Cities of Addison, Carrollton, and Farmers Branch which provides employment and services for most of the north-central Dallas County area. North of Trinity Mills Road in, Collin and Denton County, there remains a higher percentage of vacant land for expanding development. The subject neighborhood appears to be growing; however, large growth is expected to be somewhat limited due to the dwindling supply of land available for that development.

#### **Governmental Considerations**

The subject neighborhood is located primarily in the Town of Addison. All utilities are conveniently located and available in adequate quantities to maintain and support full development in the area. The area is in the Farmers Branch/Carrollton Independent School District.

#### **Environmental Considerations**

The subject neighborhood combined with the surrounding area provides a balanced land use pattern. The terrain is flat to rolling and generally lends itself to most types of development. No significant flood plain areas are felt to have a significant impact on development. No other adverse environmental conditions were noted in the subject area.

#### **Conclusion**

The subject neighborhood is located in the central portion of the Town of Addison, on one of the most traveled streets, Beltline Road, in the area. The area is considered to have adequate access and amenities, given its commercial nature. This neighborhood is considered to be growing with predominant land uses of a commercial nature and limited amounts of vacant land available for development. No major land use change is predicted in the near future within the subject area.

## SITE ANALYSIS

- Size:** The whole property contains approximately 25,600.39 SF of land according to information provided by the Town.
- Shape:** The subject site is near rectangular in shape with approximately 168' of frontage along the west side of Midway Road and approximately 160' of frontage along the north side of Beltline Road. This site is the corner portion of a shopping center site situated at the northwest corner of Beltline Road and Midway Road. *Note: The acquisition area extends beyond the platted service station portion of the site to include land area properly situated on the shopping center portion of the property. This will affect the land area estimates of the Remainder.*
- Access:** The subject property has road access frontage from Midway Road by way of a  $\pm 25'$  drive entrance at the northeast corner of the subject site and road access frontage from Beltline Road by way of a 24' joint drive entrance at the southwest corner of the subject site. *Note: This Beltline Road drive entrance will be expanded to a 40' wide joint drive entrance at the completion of the project.*
- Topography:** The subject site is approximately at grade with both Midway Road and Beltline Road, but above the existing grade of the west adjacent portion of the shopping center of which it is a portion. The site is basically level across the majority of its surface, but slopes down to the west to meet the lower site grade of the adjacent developed shopping center.
- Public Utilities:** All normal public utilities are in place and of adequate supply to support the improvements on the subject site.
- Easements/Deed Restrictions:** None noted in documents provided to the appraiser. Typical utility and access easements presumed in support of the site.
- Environmental Hazards** The subject is a convenience store with gasoline sales. The subject has 4 underground fuel storage tanks. The condition of these tanks is unknown, however no environmental problems were reported by the owner. **No on-site environmental hazards were observed by the appraiser. No land use history or environmental assessment of the subject site or surrounding area was made or provided the appraiser. The appraiser is not qualified to detect potential environmental hazards and a professional in this field should be retained for this purpose. The estimated value derived herein is subject to any type of environmental conditions that may arise that would have an affect on the value of the subject in the opinion of the appraiser.**
- Soil/Subsoil** No investigation was made or provided the appraiser concerning the soil conditions on the subject property. It is assumed that the soil and sub-soil are suitable for development purposes. Development has occurred within the subject area on similar sites with similar soil conditions.

**Surrounding Development**

Development surrounding the subject property includes retail, restaurant, and service station uses. Various forms of commercial development are adjacent to these uses. The immediate environs surrounding to the subject site to a considerable depth are considered to be commercial in nature.

**Special Conditions**

As previously noted, the subject improvements were reconstructed approximately two years ago. At the time of reconstruction, certain alterations were required by the Town of Addison so that the reconstructed property would be largely in compliance with the proposed right-of-way acquisition which is the subject of this report. Two drive entrances proximate to the existing corner of Beltline Road and Midway Road were closed. The improvements within these drive entrances (concrete paving & curbing) will require consideration under the category of "improvements in the Take" section of this report.

**ZONING**

The subject property is zoned "PD84-035, SU-2", for commercial use under the Zoning Ordinance of the Town of Addison. This zoning allows for the current use of the subject site as an Exxon "Tiger Mart" with gasoline sales.

## HIGHEST AND BEST USE

The Highest and Best Use, as defined by Real Estate Appraisal Terminology, Ballinger Publishing Company, Cambridge, Massachusetts (author Bryl D. Boyce, PH.D.), Page 107, is as follows:

*"That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.*

*Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in highest land value.*

*The definition immediately above applies specifically to the highest and best use of the land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use."*

In applying the above definition of "Highest and Best Use" to the Subject property, an analysis of physical, social and economic trends within the neighborhood was made. In addition to this analysis, the legal parameters associated with zoning ordinances, restrictions and building codes must be considered. The physical, social and economic trends within the Subject area will be discussed in the "Neighborhood and Trends" section of this report.

In summary, the subject is located at the northwest corner of Midway Road and Beltline Road, in an area comprised of predominantly commercial land uses. These land use trends are not predicted to change in the near future.

### **Physically Possible**

Physically, the subject is a fairly small parcel of land which appears to be a portion of a commercially improved shopping center site. There is a slight slope to the west into the shopping center. The basic site is characterized generally level surface. Access is adequate from Midway Road at the northeast corner of the site, and is adequate from Beltline Road at the southwest corner of the site.

As mentioned, the subject site is a portion of a surrounding shopping center development. While somewhat small for a typical "free standing" mini-mart service station by current standards, the additional available traffic circulation provided by the adjacent shopping center drive areas mitigates the apparent size deficiency which might be considered with this site.

### **Legally Permissible**

The subject is zoned for commercial use under the Town of Addison. Based on land use trends in the area, the present zoning classification is felt appropriate.

Commercial uses predominate in the neighborhood. Given the subject's location at the intersection of these

thoroughfares, a commercial zoning is felt appropriate.

**Financially Feasible/Maximally Productive**

In determining what uses would be financially feasible and maximally productive, economic factors must be considered. The whole of the subject site is developed with a convenience store/gas sales store. Since area competition for smaller retail/commercial uses is strong, the site would be considered appropriate for some type of retail/commercial use.

**Conclusion**

Based on the above factors, the estimated Highest and Best Use of the subject is for commercial/retail use given its present zoning. The estimated Highest and Best Use of the portion of the subject that is improved with a convenience store/gas sales is its continued use as improved.

## COST APPROACH-WHOLE PROPERTY

### MINI MART CONVENIENCE STORE

Marshall Valuation Service provides direct cost for Class "S" PreFabricated Food Booths" from Section 64, Page 1 as exhibited below: The subject is felt to be in the "Excellent Cost" range.

CLASS "S" MINI MART	
Direct Costs	Cost Per SF
Excellent	\$126.56
Good	\$110.87
Average	\$ N/A
Low Cost	\$97.21
Estimated Building Cost, Say	\$126.56
Adjusted by Time Multiplier (1.06)	\$134.15
Adjusted by Local Multiplier (.86)	\$115.37
Indirect Costs: Fees, Misc. 10% \$11.54	\$126.91
Entrepreneurial Profit (10%) \$12.69	\$139.60
Total Estimated Direct Cost, Say	\$139.60

The above cost do not include landscaping, walks, drives, gas pumps, tanks, canopies or other site improvements. The costs do include coolers, walk-in coolers, freezers and typical built-ins commensurate with the quality of the Food-Booth. Displays, counters, kitchen equipment and all other interior equipment are considered personal property and are not included in the cost figures above or in the valuation estimate. **Of particular note, the value of the "going concern" or business value is not included in the valuation process.**

### DEPRECIATION FACTOR

The main building improvement located on the subject site is approximately 2 years old as reported by the owner. Some of the existing site improvements were used in conjunction with the reconstruction of the site. Improvements suffer from normal physical deterioration. The economic age-life method of calculating depreciation will be utilized to estimate an applicable depreciation factor. This method is calculated by dividing the effective age of the improvements by their total economic life. The total economic life of buildings such as the subject was estimated at approximately 40 years according to Marshall's Life Expectancy Guidelines (Sec. 97, pg. 6). The effective age of the subject improvements was estimated at 4 years. Therefore, total depreciation was estimated as follows:

$$4 \div 40 = .10, \text{ say } 10\%$$

Depreciation estimates for the site improvements are shown on the following page.

SITE IMPROVEMENT COST BREAKDOWN  
4191 BELTLINE ROAD, ADDISON, TEXAS

ITEM	SIZE/ QUANTITY	UNIT COST	TOTAL COST	%	DEPREC.	DEPREC.	DEPREC. COST	*** SOURCE
1) CANOPY (TOTAL SF AREA)	3,570	\$24.00	\$85,680	20.00%	\$17,136	\$68,544	Sec. 64, Pg. 2	
2) FUEL TANKS (10000 gal.)	2	\$19,500.00	\$39,000	40.00%	\$15,600	\$23,400	Sec. 61, Pg. 5	
3) FUEL TANKS (8000 gal.)	2	\$17,000.00	\$34,000	40.00%	\$13,600	\$20,400	Sec. 61, Pg. 5	
4) MP DISPENSERS (6 hose)	6	\$14,000.00	\$84,000	20.00%	\$16,800	\$67,200	Sec. 64, Pg. 3	
5) YARD LIGHTS	6	\$1,500.00	\$9,000	20.00%	\$1,800	\$7,200	Sec. 64, Pg. 3	
6) INTERNAL CURBING (Est.)	350	\$8.00	\$2,800	10.00%	\$280	\$2,520	Sec. 64, Pg. 3	
7) AIR/WATER W/COMPRESSOR	1	\$2,000.00	\$2,000	60.00%	\$1,200	\$800	Sec. 64, Pg. 3	
8) PIPING (fuel/air/water)	1	\$35,000.00	\$35,000	10.00%	\$3,500	\$31,500	Sec. 64, Pg. 3	
9) PUMPS	4	\$1,200.00	\$4,800	40.00%	\$1,920	\$2,880	Sec. 64, Pg. 3	
10) SMALL SIGN	2	\$1,400.00	\$2,800	10.00%	\$280	\$2,520	Sec. 64, Pg. 3	
11) LARGE SIGN	1	\$12,000.00	\$12,000	10.00%	\$1,200	\$10,800	Sec. 64, Pg. 3	
12) ELEC. TOTALIZER (Per	36	\$1,200.00	\$43,200	20.00%	\$8,640	\$34,560	Sec. 64, Pg. 3	
13) ISLANDS (SF)	336	\$7.00	\$2,352	20.00%	\$470	\$1,882	Sec. 64, Pg. 3	
14) LANDSCP/MASONRY WALL	3,840	\$5.00	\$19,200	10.00%	\$1,920	\$17,280	Sec. 66, Pg. 7	
15) TRASH ENCLOSURE	162	\$8.00	\$1,296	10.00%	\$130	\$1,166	Sec. 66, Pg. 2	
16) CONCRETE PAVING (SF)	20,500	\$2.95	\$60,475	10.00%	\$6,048	\$54,427	Sec. 64, Pg. 3	

\*\*Total for all tanks/pumps/air  
\*\*\* Marshall's Valuation Service

### Appraiser's Check List

Parcel No. Exxon Local Address 4191 Beltline Road, Addison, TX  
 Kind of Street Concrete  
 Utilities, Water yes, Electricity yes, Gas yes, Sewer yes, Septic no  
 Type of Building Mini-Mart No. of Units N/A  
 Type and Quality of Construction Pre-fab metal/brick Age 2 yrs. Condition Good  
 No. Each Unit: Rooms N/A; Bedrooms N/A; Baths 2;  
 Closets N/A; Water Heaters N/A Gals N/A.

Interior : Type and Finish  
 Walls Vinyl/metal  
 Finished Floors Tile  
 Sub-Floors Concrete slab  
 Doors Alum. frame/metal-glass  
 Windows Alum. frame/plate glass  
 Trim N/A  
 Cabinets N/A  
 Bath Finish Tile/vinyl  
 No. & Kind: 2  
 Plumbing Fixtures Typical  
 Electrical Fixtures Typical  
 Type Wiring &  
 No. Outlets Typical  
 Heating Central  
 Cooling Central  
 Insulation N/A  
 Studs "X" "O.C.  
 Clg. Joists "X" "O.C.  
 Rafters "X" "O.C.  
 Roof Bracing Steel  
 Type Roof and  
 Condition flat metal, good est.

Foundation Concrete slab  
 Sills "X"  
 Floor Joists "X" O.C.  
 Siding N/A  
 Porches N/A  
 Privacy Arrangement N/A  
 Interior Condition Good  
 Exterior Condition Good  
 Garage: Type and Construction & No. Cars  
 Outbuildings N/A  
 Walks Concrete  
 Drives Concrete  
 Fences 100% N/A  
 50%  
 Trees & Landscaping Typical  
 Miscellaneous Self serve gas equip.

**Physical Depreciation Factors, General Condition of Improvements & Additional Remarks:**

See pages 4-x for depreciation estimates.

The Mini-Mart has coolers and fixtures which are considered personal property. Freezer and cooler costs are included in the overall cost of the building.





**Market Data Approach Whole Property - Land Only**

Purchase Price of Subject Property \$ Not Known Date N/A

Improvements Since Purchase and Estimated Cost: None known

Lease Terms or Rental Agreement: Twenty year graduated lease

**Representative Comparable Sales**

Sale Parties (Details on 2S)	<u>Yorkland to System</u>	<u>Tippin to CNL</u>	<u>SEC to Exxon</u>
Relative Location	<u>3/4 mi. W</u> 2-98 55,626 SF	<u>4 mi. NW</u> 10-97 60,984 SF	<u>1 mi. W</u> 2-96 68,354 SF
In Adjusting Sale Indicate Subject is * _____ Compared To Sale For:			
Sale Price/SF:	\$13.48/SF	\$16.40/SF	\$18.65/SF
<u>Time 10/98</u>	<u>+ 5%</u>	<u>+10%</u>	<u>+20%</u>
<u>Location</u>	<u>+20%</u>	<u>+10%</u>	<u>- 5%</u>
<u>Size</u>	<u>-10%</u>	<u>-10%</u>	<u>-10%</u>
<u>Access</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Exposure</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Zoning</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Utilities</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Topography</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Indicates	<u>\$15.57/SF</u>	<u>\$18.04/SF</u>	<u>\$19.02</u>

**Explanation of Adjustments with Reconciliation**

See following pages

\*Positive adjustments indicate subject is superior to sale.

Negative adjustments indicate subject is inferior to sale.

**SEE FOLLOWING PAGE FOR EXPLANATION OF ADJUSTMENTS**

Indicated Unit Value:	\$18.50/SF	
Indicated Site Value:	25,600.29 SF X \$18.50/SF	= \$473,607
<i>Use Reverse Side or Additional Pages, If Necessary</i>		Estimated Value By Market Data Approach <u>\$ 473,607</u>

## **EXPLANATION OF ADJUSTMENTS WITH RECONCILIATION**

The Highest and Best Use of the subject site as if vacant was estimated to be for commercial/retail use. The subject is zoned for commercial use, and sales with commercial zoning and/or commercial highest and best uses were utilized for a value estimate.

The subject appears to be platted out of the adjacent shopping center for the purpose of a service station lease. The plat of the subject, and information supplied to the appraiser indicates approximately 25,600.39 SF of site area. The subject will be valued on a square footage basis. The dissimilarities that exist when comparing the sales to the subject property must be adjusted for. The primary categories of adjustment are Property Rights, Financing Terms, Conditions of Sale, Time (Market Conditions), Location and Physical Characteristics. None of the sales required adjustment for Property Rights Conveyed, Financing Terms or Condition of Sale.

### **TIME**

The sales transpired from February of 1996 to February of 1996. Market conditions appear to have improved during this time frame and upward adjustment was made to each of the comparable sales to reflect the perceived upward pressure on land prices in the subject area. The "Time" adjustment will be applied first to each of the comparables so that the sale prices will be in current dollars. The remainder of the adjustments to the comparables will be made cumulatively.

### **LOCATION**

Location is a very important factor in the subject neighborhood and surrounding area. Certain areas of the neighborhood, as mentioned, command a higher per unit price than other areas and this must be taken into consideration.

The *Yorkland to System Sale* is located at the northwest corner of Business Avenue and Beltline Road. This corner is a minor controlled intersection to the west of the subject. Overall, this corner location is deemed to be inferior to that of the subject and an upward adjustment is applied to this sale. A McDonalds restaurant has been constructed on this site.

The *Tippin to CNL Sale* is located at the southeast corner of Josey Lane and Keller Springs. This is a controlled intersection on two major secondary thoroughfares, but is deemed not to carry the concentration of traffic as does the subject. Therefore, a moderate upward adjustment is applied to this sale. An Eckerd's Drug Store has been constructed on this site.

The *SEC to Exxon Sale* is located at the southeast corner of Beltline Road and Marsh Lane. Again, this location is at a controlled intersection of two major secondary thoroughfares. This location is judged to be slightly superior to that of the subject, given the traffic volume and surrounding development. An Exxon mini-mart/service station in conjunction with a Wendy's restaurant has been constructed on this site.

### **PHYSICAL FEATURES**

Physical features include the tangible and intangible characteristics which dictate the possible or probable use of a property. Some of these characteristics include zoning, availability of utilities (water, sewer, electricity, and gas), topography, shape, size, access and exposure. Some of the more important categories that have a direct bearing on the final value estimate for the subject are size, access, exposure, zoning, topography and public utilities.

#### Size

The subject property is considered to be a small size for commercial/retail uses. Typically larger "pad" sites

tend to be more flexible for convenient corner uses. For commercial uses, an optimum size parcel with better development utility may command more than a smaller site with less utility. Consideration was given in this category for the subject's utilization as compared to the "typical" mini-mart/service station, which appear to be the preference in the current market. All of the sales were larger than the subject and upward adjustments were made to reflect the perceived current market preference.

Access

Access is a key element in the success of a commercial development. Easy and direct access to a property is felt to have a positive effect on its value. The subject has adequate frontage along both Midway Road and Beltline Road to provide reasonable access to the site "as if" it were vacant and available for development. This situation is compatible with each of the comparable sales.

All of the sales are considered to have similar access and no adjustments were considered.

Exposure

Exposure is also a critical element which is necessary or advantageous for most types of commercial uses. Typically, exposure to major freeway systems or other high volume traffic arteries commands a premium. The subject has good exposure from Midway Road and Beltline Road and is felt to be comparable to the exposure available to each of the comparable sales. No adjustment were considered necessary for exposure.

Zoning

Zoning dictates the legal uses to which a property can be put. Zoning classifications vary in criteria such as required setbacks, allowable building height, allowable floor area ratios, lot coverage, etc.

The Highest and Best Use of the subject was estimated to be for commercial/retail use. All of the sales were zoned or utilized for commercial uses and no adjustment was considered necessary.

Public Utilities

The subject property and each of the comparable sales have access to all necessary utilities in sufficient quantities to support compatible developments. No adjustments are deemed warranted for this category.

Topography

The subject has fairly good topographical features and is similar to all of the sales. No adjustments were made.

**RECONCILIATION**

After adjustments were made to the sales, an indicated price per square foot range of \$15.57/SF to \$19.02/SF was derived. The corners most nearly similar to the subject indicated a range of ±\$18/SF to ±19/SF. A final per-square-foot price for the subject as a whole is estimated to be \$18.50/SF. Therefore:

$$25,600.39 \text{ SF} \quad @ \quad \$18.50/\text{SF} \quad = \quad \$473,607$$

(whole property-land value only)

## **MARKET DATA APPROACH - LAND AND IMPROVEMENTS**

The Market Approach involves the comparison of similar properties that have sold to the subject property. This approach was utilized in estimating the value of the subject's land. No truly comparable improved sales of convenience stores with gas sales could be found in the subject area or surrounding areas. Typically, sales of convenience stores involve the sale of the business entity (inventory, good will, trade fixtures, name) and the physical real estate. The segregation of these values is difficult to verify with the associated parties to the transaction and cannot be abstracted by the appraiser with any accuracy.

For this reason, this approach is considered inapplicable for use in the valuation process.

### Income Approach Whole Property

Justification of Gross Income, Rate and Method of Capitalization: See comments below

Estimated remaining economic life of improvements		
Stabilized Gross Income .....	\$ _____	
Vacancy _____%	\$ _____	
Effective Gross Income .....		\$ _____
Taxes:		
City .....	\$ _____	
State & County .....	\$ _____	
Miscellaneous (School, etc.) .....	\$ _____	
Insurance:		
Fire & Extended Coverage .....	\$ _____	
Miscellaneous .....	\$ _____	
Annual Deferred Maintenance .....	\$ _____	
Management _____%	\$ _____	
Operating Expenses .....	\$ _____	
Other Expenses _____	\$ _____	
Total Expenses before Depreciation .....		\$ _____
Net Income to Property .....		\$ _____
Less Income Attributable to (Land) (Improvements) \$ _____ @ _____ % .....		\$ _____
Income Attributable to (Land) (Improvements) .....		\$ _____
Income Capitalized @ _____ % ( _____ % Interest _____ % for Recapture of Capital) .		\$ _____
(Land) (Improvement ) .....		\$ _____
<b>ESTIMATED VALUE BY CAPITALIZATION APPROACH .....</b>		<b>\$ _____</b>

#### Additional Appraisal Information

(Furnish Gross Rent Multiple Information for Dwellings)

The utilization of the Income Approach for a mini-mart/service station was considered limited in the subject area. Comparable lease data for convenience stores/gas stations within the area of the subject was not available for confirmation. Due to the limited market data pertaining to rental rates on real estate only for buildings comparable to the subject, this approach was not considered in the valuation process.

The subject site is leased to Exxon. While the appraiser understands that the subject site lease data is available, lease data for other similar sites which have sold recently in the market is not available. Therefore, deriving a reliable indication of value for the subject site via the Income Approach is not viable.

**Final Estimate of Value**

**Reconciliation of Approaches to Value:**

The Cost Approach was considered to be the only reliable approach to value due to the special nature of the improvements. This approach estimated the replacement cost of the improvements less depreciation from all causes. The land value was estimated by the Market Approach which was felt to be a reliable method of valuation for the land. This approach utilized sales for similar vacant land and adjustments were made for dissimilarities. The Income and Market Approaches for the valuation of the improvements were not considered reliable due to the limited market data for operating convenience stores/service stations.

**Easements:**

Existing Easement(s), if any, which is not to be extinguished in purchase of the fee: See addendum

Effect of such easement(s) on the value of the fee: No positive or negative effect

Estimated Value of Whole Property, subject to above easement(s), if any .....	<u>\$956,503</u>
<b>Total</b> .....	<b><u>\$956,503</u></b>

**Values of Component Parts -- Whole Property**

Contributory Value of Improvements

Main Building	<u>1,081 SF</u>	=	<u>\$135,817</u>	
Canopy	<u>3,570 SF</u>	=	<u>\$ 68,544</u>	
Fuel Tanks	<u>4</u>	=	<u>\$ 43,800</u>	
Dispensers	<u>6</u>	=	<u>\$ 67,200</u>	
Air/Water	<u>1</u>	=	<u>\$ 800</u>	
Piping		=	<u>\$ 31,500</u>	
Pumps	<u>4</u>	=	<u>\$ 2,880</u>	
Signs	<u>2</u>	=	<u>\$ 13,320</u>	
Elec. Totaler	<u>36</u>	=	<u>\$ 34,560</u>	
Islands	<u>336 SF</u>	=	<u>\$ 1,882</u>	
Landscape,etc.	<u>3,840 SF</u>	=	<u>\$ 17,280</u>	
Trash Inclos.	<u>162 SF</u>	=	<u>\$ 1,166</u>	
Concrete Pav.	<u>20,500 SF</u>	=	<u>\$ 54,427</u>	
Yard Lights	<u>6</u>	=	<u>\$ 7,200</u>	
Curbing (int)	<u>350 LF</u>	=	<u>\$ 2,520</u>	
Total Improvements .....				<u>\$482,896</u>
Contributory Value of Land .....				<u>\$473,607</u>
Total as a Unit .....				<u>\$956,503</u>
<b>Total</b> .....				<b><u>\$956,503</u></b>

*Pages 10, 11, 12 and 13 should be omitted on whole takings*

**Data on Partial Taking**

Dimensions:

See pg. 3 x \_\_\_\_\_ = 3,720 sq. ft. Fee  
 \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ sq. ft./acres Easement

**Whole Property:**

The market value of the whole property is ..... \$ 956,503

**Part Taken:**

Considered as severed land, the market value of the fee simple title to the part being taken for highway purposes - less oil, gas and sulphur and subject to existing easements, if any, which are not to be extinguished -- is ..... \$ 81,887 (1)

**Remaining Property:**

The market value of the remainder immediately before the taking is \$ 874,616 (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is ..... \$ 870,866 (3)

**Net Damages or (Net Enhancements), if any:** ..... \$ 3,750

**Total Compensation** ..... \$ 85,637

**Appraisals of Part Taken and Remainder**

**(1) Park Taken**

Highest and Best Use: Part of Whole-Commercial Use/Convenience Store

Contributory Value of Improvements:

<u>Concrete* 1,168 SF ±</u>	<u>\$ 3,101</u>	
<u>Curbing* 80 LF ±</u>	<u>\$ 576</u>	
<u>Landscape/Masonry/Sprinkler</u>	<u>\$ 8,640</u>	
<u>Vent Pipes</u>	<u>\$ 250</u>	
<u>Monitoring Well</u>	<u>\$ 500</u>	
_____	\$ _____	
_____	\$ _____	
<b>Total Improvements</b>		<u>\$13,067</u>

Land:

Easement _____	acres/sq. ft. @ _____	\$ _____
Fee <u>3,720</u>	sq. ft. @ \$18.50/SF =	<u>\$ 68,820</u>
<b>Total Land</b>		<u>\$68,820</u>

**Total as a Unit:** ..... \$81,887

\*This figure includes existing concrete paving noted during the inspection of the subject and the concrete paving which was lost during the reconstruction of the improvements pending the right-of-way acquisition.

A monitoring well and vent pipes are located in the take area and the cost to relocate these items will be considered the cost to cure functional obsolescence created by the loss. The cost to cure will be reflected in the valuation of the Remainder After The Take.



## DESCRIPTION OF PART TAKEN

The part taken consist of a fee taking of approximately 3,720 SF along the southern and eastern sides of the subject property. The take area does not constitute a self sustaining economic unit within itself due to its shape and size and will be valued as a part of the whole.

**Note:**

*The take area is irregular in shape and is not wholly located on the Exxon site, but extends to the north along Midway, and the west along Beltline onto portions of the shopping center site. For the purpose of this valuation assignment, no distinction is made for this area outside the Exxon site, as it is presumed that Exxon has some form of joint use/access agreement with the adjoining shopping center which is under the same fee ownership as the Exxon site.*

The take line appears to include one of the two monitoring wells on the site, as well as the vent pipes for the underground fuel tanks. A significant portion of the landscape is located within the take area along the east side of the subject site. A disproportionate amount of landscape value is placed on the landscape in the take area to reflect 1) the nature of landscape located therein, and 2) to allow for the extra ordinary expense of the encompassed sprinkler system.

It was estimated by the appraiser that the relocation of the monitoring well and vent pipes to another location on the subject site would be feasible given the amount of available space.

Costs for relocation of the above items will be considered in the Remainder After Take section.

(2) Remainder Before Taking

Highest and Best Use: Commercial Use/Convenience store/service station

Contributory Value of Improvements:

Main Bldg.	\$135,817	
Canopy	\$ 68,544	
Fuel Tanks	\$ 43,800	
Dispensers	\$ 67,200	
Air/Water	\$ 800	
Piping	\$ 30,750	
Pumps	\$ 2,880	
Signs	\$ 13,320	
Elec. Totaler	\$ 34,560	
Islands	\$ 1,882	
Landscape, etc.	\$ 8,640	
Trash Enclosure	\$ 1,166	
Concrete Paving	\$ 51,326	
Yard Lights	\$ 7,200	
Curbing (interior)	\$ 1,944	
Total Improvements		\$469,829

Land:

Easement	acres/sq. ft. @	\$	
Fee 21,880.39*	sq. ft. @ \$18.50/SF =	\$404,787	
Total Land			\$404,787
<b>Total as a Unit:</b>			<b>\$874,616</b>

(3) Remainder After Taking

Highest and Best Use: Commercial Use/Convenience store/service station

Dimensions: \_\_\_\_\_ X \_\_\_\_\_ = \_\_\_\_\_ sq. ft./acres Easement  
 See pg. 3 \_\_\_\_\_ X \_\_\_\_\_ = 21,880.39\* sq. ft/ Fee

(a) Cost Approach Remainder After Taking

Contributory Value of Improvements:

Estimated Reproduction Cost

Main Building 1,081 sq.ft.	\$139.60	per sq.	ft.	\$150,908
Porches N/A	\$	per	ft.	\$
Total				\$150,908
Less Depreciation				\$ 15,091

Total

\$ 135,817

Improvements	Reproduction Cost	Depreciated Cost	
Canopy	\$ 68,544	\$ 68,544	\$ 68,544
Fuel Tanks	43,800	43,800	43,800
Dispensers	67,200	67,200	67,200
Air/Water		800	800
Piping	30,750	30,750	30,750
Pumps	2,880	2,880	2,880
Signs	13,320	13,320	13,320
Elec. Totaler	34,560	34,560	34,560
Islands	1,882	1,882	1,882
Landscape, etc.	8,640	8,640	8,640
Trash Enclosure	1,166	1,166	1,166
Concrete Paving	51,326	51,326	51,326
Yard Lights	7,200	7,200	7,200
Curbing (interior)	1,944	1,944	1,944

Less Cost to Cure Functional Obsolescence

(\$ 3,750)

Value Improvements Contribute to Remainder

\$ 466,079

Land:

Easement	acres/sq. ft. @	\$	
Fee 21,880.39*	/sq. ft. @ \$18.50/SF =	\$404,787	
Total Land			\$ 404,787

Estimated Value of Remainder:

\$ 870,866

Comments on Depreciation Factors: See pg. 11-i for "\*" note and comments.

## REMAINDER AFTER THE TAKE

Land Size: The Remainder size has not actually been reduced by the 3,720 SF indicated in this figure as a portion of the Take is situated on the adjacent property, which has the same fee simple owner as the Exxon site. The 3,720 SF Take has been taken off of the Exxon site size in an attempt for clarity.

Due to the location of the vent pipes and one monitoring well within the proposed ROW, these items will require relocation. This requires plugging, testing, relocating, and reporting efforts, plus possible saw cutting. Relocation of these items is estimated to be physically possible and economically feasible. The subject site has ample area within the driveway area at the southeast portion of the site to accommodate the relocation of the these items.

Two engineering firms were contacted concerning the probable cost of the plugging and relocation of these items; E A Engineering Science & Technology and USA Professional Services Group. A cost estimate to remove, plug, and relocate the vent pipes was estimated at \$1,000. Twenty-five percent of this amount was estimated by the appraiser to equate to the "improvement in the Take", and 75% of this cost was allocated for the relocation. An estimate of \$3,500 was made for the relocation of one monitoring well (to include testing, plugging, saw cutting, re-installation, and submitting the required reports), of which \$500 was allocated to the value of the "improvement in the Take" and \$3,000 estimated for the relocation expense.

**TOTAL ESTIMATED COST OF RELOCATION OF IMPROVEMENTS** **\$3,750**

This total cost will be charged as additional depreciation or the cost to cure the functional obsolescence created by the take.

(b) Market Data Approach Remainder After Taking - Land Only

Representative Comparable Sales

Sale Parties (Details on 2S)	<u>Yorkland to System</u>	<u>Tippin to CNL</u>	<u>SEC to Exxon</u>
Relative Location	<u>3/4 mi. W</u> 2-98 55,626 SF	<u>4 mi. NW</u> 10-97 60,984 SF	<u>1 mi. W</u> 2-96 68,354 SF
In Adjusting Sale Indicate Subject is * _____ Compared To Sale For:			
Sale Price/SF:	\$13.48/SF	\$16.40/SF	\$18.65/SF
<u>Time 10/98</u>	<u>+ 5%</u>	<u>+10%</u>	<u>+20%</u>
<u>Location</u>	<u>+20%</u>	<u>+10%</u>	<u>- 5%</u>
<u>Size</u>	<u>-10%</u>	<u>-10%</u>	<u>-10%</u>
<u>Access</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Exposure</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Zoning</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Utilities</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Topography</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Indicates	<u>\$15.57/SF</u>	<u>\$18.04/SF</u>	<u>\$19.02</u>

**Explanation of Adjustments with Reconciliation**

See following pages

\*Positive adjustments indicate subject is superior to sale.

Negative adjustments indicate subject is inferior to sale.

SEE FOLLOWING PAGE FOR EXPLANATION OF ADJUSTMENTS

Indicated Unit Value: \$18.50/SF  
Indicated Site Value: 21,880.39 SF X \$18.50/SF = \$404,787

*Use Reverse Side or Additional  
Pages, If Necessary*

Estimated Value By  
Market Data Approach  
\$ 404,787

## EXPLANATION OF ADJUSTMENTS WITH RECONCILIATION

The Highest and Best Use of the subject remainder as if vacant was estimated to be for commercial/retail use. The subject is zoned for commercial use, and sales with commercial zoning and/or commercial highest and best uses were utilized for a value estimate.

The subject appears to be platted out of the adjacent shopping center for the purpose of a service station lease. The plat of the subject, and information supplied to the appraiser indicates approximately 21,880.39 SF of Remainder site area. *See Note on Page 10-i.* The subject will be valued on a square footage basis. The dissimilarities that exist when comparing the sales to the subject property must be adjusted for. The primary categories of adjustment are Property Rights, Financing Terms, Conditions of Sale, Time (Market Conditions), Location and Physical Characteristics. None of the sales required adjustment for Property Rights Conveyed, Financing Terms or Condition of Sale.

### TIME

The sales transpired from February of 1996 to February of 1996. Market conditions appear to have improved during this time frame and upward adjustment was made to each of the comparable sales to reflect the perceived upward pressure on land prices in the subject area. The "Time" adjustment will be applied first to each of the comparables so that the sale prices will be in current dollars. The remainder of the adjustments to the comparables will be made cumulatively.

### LOCATION

Location is a very important factor in the subject neighborhood and surrounding area. Certain areas of the neighborhood, as mentioned, command a higher per unit price than other areas and this must be taken into consideration.

The *Yorkland to System Sale* is located at the northwest corner of Business Avenue and Beltline Road. This corner is a minor controlled intersection to the west of the subject. Overall, this corner location is deemed to be inferior to that of the subject and an upward adjustment is applied to this sale. A McDonalds restaurant has been constructed on this site.

The *Tippin to CNL Sale* is located at the southeast corner of Josey Lane and Keller Springs. This is a controlled intersection on two major secondary thoroughfares, but is deemed not to carry the concentration of traffic as does the subject. Therefore, a moderate upward adjustment is applied to this sale. An Eckerd's Drug Store has been constructed on this site.

The *SEC to Exxon Sale* is located at the southeast corner of Beltline Road and Marsh Lane. Again, this location is at a controlled intersection of two major secondary thoroughfares. This location is judged to be slightly superior to that of the subject, given the traffic volume and surrounding development. An Exxon mini-mart/service station in conjunction with a Wendy's restaurant has been constructed on this site.

### PHYSICAL FEATURES

Physical features include the tangible and intangible characteristics which dictate the possible or probable use of a property. Some of these characteristics include zoning, availability of utilities (water, sewer, electricity, and gas), topography, shape, size, access and exposure. Some of the more important categories that have a direct bearing on the final value estimate for the subject are size, access, exposure, zoning, topography and public utilities.

#### Size

The subject property is considered to be a small size for commercial/retail uses. Typically larger "pad" sites

tend to be more flexible for convenient corner uses. For commercial uses, an optimum size parcel with better development utility may command more than a smaller site with less utility. Consideration was given in this category for the subject's utilization as compared to the "typical" mini-mart/service station, which appear to be the preference in the current market. All of the sales were larger than the subject and upward adjustments were made to reflect the perceived current market preference.

Access

Access is a key element in the success of a commercial development. Easy and direct access to a property is felt to have a positive effect on its value. The subject has adequate frontage along both Midway Road and Beltline Road to provide reasonable access to the site "as if" it were vacant and available for development. This situation is compatible with each of the comparable sales.

All of the sales are considered to have similar access and no adjustments were considered.

Exposure

Exposure is also a critical element which is necessary or advantageous for most types of commercial uses. Typically, exposure to major freeway systems or other high volume traffic arteries commands a premium. The subject has good exposure from Midway Road and Beltline Road and is felt to be comparable to the exposure available to each of the comparable sales. No adjustment were considered necessary for exposure.

Zoning

Zoning dictates the legal uses to which a property can be put. Zoning classifications vary in criteria such as required setbacks, allowable building height, allowable floor area ratios, lot coverage, etc.

The Highest and Best Use of the subject was estimated to be for commercial/retail use. All of the sales were zoned or utilized for commercial uses and no adjustment was considered necessary.

Public Utilities

The subject property and each of the comparable sales have access to all necessary utilities in sufficient quantities to support compatible developments. No adjustments are deemed warranted for this category.

Topography

The subject has fairly good topographical features and is similar to all of the sales. No adjustments were made.

**RECONCILIATION**

After adjustments were made to the sales, an indicated price per square foot range of \$15.57/SF to \$19.02/SF was derived. The corners most nearly similar to the subject indicated a range of ±\$18/SF to ±19/SF. A final per-square-foot price for the subject as a whole is estimated to be \$18.50/SF. Therefore:

$$21,880.39 \text{ SF} \quad @ \quad \$18.50/\text{SF} \quad = \quad \$404,787$$

(Remainder property-land value only)

**(c) Income Approach Remainder After Taking**

Justification of Gross Income, Rate and Method of Capitalization: \_\_\_\_\_

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Estimated remaining economic life of improvements	_____	
Stabilized Gross Income .....	\$ _____	
Vacancy _____%	\$ _____	
Effective Gross Income .....		\$ _____
Taxes:		
City .....	\$ _____	
State & County .....	\$ _____	
Miscellaneous (School, etc.) .....	\$ _____	
Insurance:		
Fire & Extended Coverage .....	\$ _____	
Miscellaneous .....	\$ _____	
Annual Deferred Maintenance .....	\$ _____	
Management .....	\$ _____	
Operating Expenses .....	\$ _____	
Other Expenses .....	\$ _____	
Total Expenses before Depreciation .....		\$ _____
Net Income to Property .....		\$ _____
Less Income Attributable to (Land) (Improvements) \$ _____ @ _____%		\$ _____
Income Attributable to (Land) (Improvements) .....		\$ _____
Income Capitalized @ _____% ( _____% Interest _____% for Recapture of Capital)		\$ _____
(Land) (Improvement) .....		\$ _____
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$ _____

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**Additional Appraisal Information  
(Furnish Gross Rent Multiple Information for Dwellings)**

See following page.

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**Reconciliation and Final Estimate of Value - Remainder After Taking**

See following page.

*Use Reverse Side or  
Additional Pages, if necessary*

### **INCOME APPROACH TO VALUE - REMAINDER AFTER TAKE**

The utilization of the Income Approach for a mini-mart/service station was considered limited in the subject area. Comparable lease data for convenience stores/gas stations within the area of the subject was not available for confirmation. Due to the limited market data pertaining to rental rates on real estate only for buildings comparable to the subject, this approach was not considered in the valuation process.

The subject site is leased to Exxon. While the appraiser understands that the subject site lease data is available, lease data for other similar sites which have sold recently in the market is not available. Therefore, deriving a reliable indication of value for the subject site via the Income Approach is not viable.

### **RECONCILIATION OF APPROACHES TO VALUE - REMAINDER AFTER TAKE**

The Cost Approach was considered to be the only reliable approach to value due to the special nature of the improvements. This approach estimated the replacement cost of the improvements less depreciation from all causes. The land value was estimated by the Market Approach which was felt to be a reliable method of valuation for the land. This approach utilized sales for similar vacant land and adjustments were made for dissimilarities. The Income and Market Approaches for the valuation of the improvements were not considered reliable due to the limited market data for operating special purpose convenience stores.

As a result of the take, the monitoring well and vent pipes would have to be relocated. The cost of this relocation was considered additional functional obsolescence or the cost to cure the functional obsolescence created by the take. This cost to cure was deducted from the depreciated cost of the improvements for a final value estimate of the Remainder After the Take.














A final estimate of the value of the Remainder After Take is **\$870,866**.



# SALE MAP



Mag 14.00  
 Sun Oct 18 23:01 1998  
 Scale 1:31,250 (at center)  
 2000 Feet

-  Secondary SR/Road/Hwy Ramp
-  Toll Highway
-  Utility/Pipe
-  Railroad
-  Point of Interest
-  Small Town
-  Park/Reservation
-  Public Airport
-  Population Center
-  County Boundary
-  Water
-  River/Canal
-  Intermittent River

1000 Meters

**COMPARABLE DATA SUPPLEMENT**

Land Sale x Improved Sale     Rental Data    



Grantor/Lessor Yorkland Partners, LP Grantee/Lessee System Capital Real Property Corp.  
Date 02-17-98 Recording Information 98032/3990 Key Map D-14A  
Address NW/c Beltline Rd. & Business Ave., Addison, Tx. Zip Code      
Legal Description Part of Block 2, Beltline-Marsh Business Pk Addn, Addison, Tx.  
Confirmed Price \$ 750,000 Verified With Rick Fambro, Broker, 972-985-0500  
Terms and Conditions of Sale Cash to seller  
Rental Data N/A  
Land Size 55,626 SF Unit Price As Vacant \$ 13.48/SF  
Type Street Concrete Utilities All Available  
Improvement(s) Description None at sale  
Improvement(s) Size N/A (GBA)N/A (NRA) Unit Price as Improved \$ N/A  
Condition and Functional Design N/A  
Current Use McDonalds Fast Food Intended Use Commercial  
Date of Inspection 10-05-98 Zoning Commercial Flood Plain None  
Attach Additional Information    

Appraiser Mark A. Hipes 10/05/98  
(Typed, not signed) Date

**COMPARABLE DATA SUPPLEMENT**

Land Sale x Improved Sale \_\_\_\_\_ Rental Data \_\_\_\_\_



Grantor/Lessor Tippin's Restaurant, Inc. Grantee/Lessee CNL Retail Devel., Inc.

Date 10-02-97 Recording Information 97192/2282 Key Map D-3S

Address SE/c, Josey Ln. & Keller Springs, Carrollton, Tx. Zip Code \_\_\_\_\_

Legal Description Lot 1R, Blk. 1, Plaza II of Josey Ranch Addn., Carrollton, Tx

Confirmed Price \$ 1,000,000 Verified With Robert Bourne, grantee, 407-422-1574

Terms and Conditions of Sale All cash to seller

Rental Data N/A

Land Size 60,984 SF Unit Price As Vacant \$ \$16.40/SF

Type Street Concrete Utilities All Available

Improvement(s) Description Restaurant at sale, demolished since

Improvement(s) Size N/A (GBA)N/A (NRA) Unit Price as Improved \$ N/A

Condition and Functional Design Original improvements demolished

Current Use Eckerd's Drug Store Intended Use Commercial

Date of Inspection 10-05-98 Zoning Commercial Flood Plain None

Attach Additional Information Estimated \$17,000 demolition cost paid by grantee

Appraiser Mark A. Hipes 10-05-98  
(Typed, not signed) Date

**COMPARABLE DATA SUPPLEMENT**

Land Sale x Improved Sale      Rental Data     



Grantor/Lessor SEC Beltline & Marsh Ptnrs., LP Grantee/Lessee Exxon Corp.

Date 02-05-96 Recording Information 96024/1398 Key Map D-13D

Address SE/c Beltline & Marsh Ln., Addison, Tx. Zip Code     

Legal Description Lot 1, Block 1, Exwen Addn., Addison, Tx.

Confirmed Price \$ 1,275,000 Verified With Grantor

Terms and Conditions of Sale All cash to seller

Rental Data N/A

Land Size 68,354 SF Unit Price As Vacant \$ 18.65/SF

Type Street Concrete Utilities All Available

Improvement(s) Description None at sale

Improvement(s) Size N/A (GBA)N/A (NRA) Unit Price as Improved \$ N/A

Condition and Functional Design N/A

Current Use Fast Food & Service Station Intended Use Same

Date of Inspection 10-05-98 Zoning Commercial Flood Plain None

Attach Additional Information Joint development between Exxon & Wendy's

Appraiser Mark A. Hipes 10-05-98  
(Typed, not signed) Date

**ADDENDUM**

**Assumptions & Limiting Conditions  
Legal Description - Part Taken  
Title Policy/Sales History/Easements  
Certificate  
Qualifications**

**ASSUMPTIONS AND LIMITING CONDITIONS**  
(Read Carefully)

The following assumptions and limiting conditions are attached to and are made a part of this Appraisal (the "Appraisal") of the subject property (the "Property") described in this Appraisal ("Appraisal") made by Hipes & Associates (the "Appraiser") at the request of the person or entity (the Beneficiary") to whom and for whose exclusive use this Appraisal was prepared and delivered; and, this Appraisal is made by the Appraiser and accepted by the Beneficiary subject and strictly according to the within assumptions and limiting conditions:

1. That legal and equitable title to the Property is good and merchantable and that title is held by the owner ("Owner") of the Property in fee simple absolute forever, unless otherwise agreed by the Appraiser in writing. (No responsibility is assumed for matters legal or chance, nor is any opinion rendered as to the title to the Property. The possible existence of any disputes, suits, assessments, claims, liens or encumbrances has been disregarded, and the Property is appraised as though free and clear.)
2. That no survey of the Property has been made by the Appraiser and no responsibility is assumed in connection with any matters that may be disclosed by a current perfect survey of the Property. (Dimensions and areas of the Property and comparables were obtained by various means including estimate and are not represented or guaranteed to be exact.)
3. That allocations of value between land and improvements are applied only under the current program of occupancy and utilization, and are not made or intended to be used in conjunction with any other appraisal and, if so used, are invalid.
4. That all information contained in this Appraisal is private and confidential and is submitted strictly for the sole use of the Beneficiary; and, no other person or entity is entitled to read, use or rely upon the contents thereof. (Possession of the Appraisal or any copy thereof, does not carry with it the right of publication or use. The Appraiser will not be required to give any testimony or appear in any court or other proceeding by reason of making or delivering the Appraisal without the prior written approval of the Appraiser.)
5. That all information and comments pertaining to the Property and other properties is the personal opinion of the Appraiser formed after examination and study of the Property and its surroundings; and, although it is believed that the information, estimates and analyses contained herein are correct, the Appraiser does not warrant or guarantee them, and assumes no liability for errors in fact, analysis or judgement. (Any misinformation about the Property furnished to the Appraiser by the Beneficiary, at the option of the Appraiser, may release the Appraiser from any liability and invalidate the Appraisal.)
6. That all opinions of value contained in the Appraisal are merely estimates. (There is no warranty or guarantee, written or implied, made by the Appraiser that the Property is worth or will sell for the appraised value now or ever.)
7. That disclosure of the contents of this Appraisal is governed by the Uniform Standards of Professional Appraisal Practice, and that, in addition, neither all nor any part of the contents of this Appraisal (especially any conclusions of value, the identity of the Appraiser, shall be disseminated to the public through reports, proposals, brochures or any other means of

communication without the prior written consent and approval of the Appraiser. BENEFICIARY WILL NOT CAUSE, SUFFER OR PERMIT ANY PUBLIC DISSEMINATION OF THIS APPRAISAL TO OCCUR AND, BY ACCEPTING THIS APPRAISAL, BENEFICIARY INDEMNIFIES APPRAISER AGAINST ANY LOSS, COST, LIABILITY, DAMAGE OR CLAIM INCURRED WITHOUT REGARD TO FAULT BY APPRAISER ARISING IN CONNECTION WITH ANY SUCH UNAUTHORIZED DISCLOSURE BY BENEFICIARY.

8. That there are no latent defects or any hidden or any unapparent conditions of the Property, subsoil, or structures which would render the Property more or less valuable. (No responsibility is accepted or assumed by Appraiser for any such conditions or for analyses or engineering which may be required to discover them.)
9. That no environmental impact or environmental condition studies were either requested or made in conjunction with this Appraisal unless otherwise agreed by Appraiser in writing and shown in the Appraisal and the Appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions included in this Appraisal based upon any subsequent environmental impact or environmental condition studies, research, revelation or investigation. (In particular, unless otherwise agreed by Appraiser in writing, and shown in this Appraisal, this Appraisal/Appraiser assumes that no violations of any environmental, or other, laws affecting the Property are pending or threatened against the Property and that no toxic waste, hazardous materials or dangerous substances have ever been stored, used, produced, maintained, dumped or located on or about the Property.)
10. That the value of the Property is estimated on the basis that there will be no international or domestic political, economic, or other adverse conditions or any military or other conflicts including strikes and civil disorders that will seriously affect overall real estate values.
11. That Beneficiary understands that the real estate values are influenced by a large number of external factors, that the data contained in the Appraisal is all of the data that Appraiser considered necessary to support the value estimate and that the Appraiser has not knowingly withheld any pertinent facts; and, Beneficiary has been advised and agrees that the Appraisal does not warrant, represent or guarantee that Appraiser has knowledge or appreciation of all factors which might influence the value of the Property.
12. That due to the rapid changes in external factors affecting the value of the Property, Appraiser's value conclusions are considered reliable only as of the date of the Appraisal.
13. That on all appraisals made subject to satisfactory construction, repairs, or alterations of improvements, the Appraisal and value conclusions are contingent upon completion of such work on the improvements in a good and workmanlike manner, without dispute, per plans, in code, as agreed and within a reasonable period of time.
14. That the value estimate of the Property assumes financially and otherwise responsible ownership and competent management of the Property.
15. That the Appraisal consists of trade secrets and commercial or financial information which is privileged and confidential and exempted from disclosure under 5 U.S.C. 533 (b) (4). (Please notify Hipes and Associates of any request for any reproductions of this Appraisal.)

16. That accurate estimates of costs to cure deferred maintenance are difficult to make or assess and that many different approaches or arrangements can be attempted or applied in various ways. (Any estimates provided within this Appraisal represent reasonably probable costs given current market conditions, available information and the Appraiser's expertise. Further deferred maintenance affecting the Property is considered to be limited to only those items, if any specified in detail, in the Property section of this Appraisal.)
17. That the existence of potentially hazardous materials used in the construction or maintenance of the Property such as urea-formaldehyde foam insulation, asbestos in any form, and/or other dangerous substances or materials on the Property, has not been considered, unless otherwise shown in the Appraisal. (The Appraiser is not qualified to detect such material or substances and it is the responsibility of the Beneficiary to retain an expert in this field, if desired.)
18. That the liability of the Appraiser and its officer, directors and employees, agents, attorneys and shareholders is limited to the fee collected for preparation of the Appraisal. (Appraiser has no accountability or liability to any third party, except as otherwise agreed in writing by Appraiser and such other party.)
19. That any projected potential gross income of the Property referred to in the Appraisal may be based on lease summaries provided by the Beneficiary, Owner or third parties and Appraiser has not reviewed lease documents and assumes no responsibility for the authenticity, accuracy or completeness of lease information provided by others. (Appraiser suggests that legal advice be obtained regarding the interpretation of the lease provisions and contractual rights of parties under Leases.)
20. That Beneficiary and any party entitled to read this report will consider the Appraisal as only one factor together with many others including its own independent investment considerations and underwriting criteria or other observations, concerns or parameters in formulating its overall investment or operating decision. In particular, Appraiser assumes that the Beneficiary has made/obtained, relied upon and approved the following, none of which was furnished by Appraiser unless otherwise agreed by Appraiser in writing, to wit:
  - a. current survey of the Property showing boundary, roads, flood plains, utilities, encroachments, easements, etc.;
  - b. current title report of the Property with legible copies of all exceptions to title;
  - c. any needed soil tests, engineer's reports and legal and other expert opinions;
  - d. abstract or other report of environmental conditions or hazards affecting the Property;
  - e. current visual inspection of the Property and adequate study of its use, occupancy, history, condition and fitness for the purpose of underlying Beneficiary's request for this Appraisal;
  - f. copies of current insurance policy, tax statements, contracts, leases and notices affecting the Property;
  - g. any needed estoppel certificates of tenants, mortgagee's or others claiming any interest in the Property;
  - h. reports/opinions of Beneficiary's staff, contacts, agents and associates; and
  - i. Owner's experience with the Property.
21. That Appraiser's projections of income and expenses are not predictions of the future; rather, they are the Appraiser's best estimates of current market thinking about future income and expenses. (The Appraiser makes no warranty or guaranty that Appraiser's projections will



succeed or materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way forecast the conditions of a future real estate market; the Appraiser can only reflect, without warranty what the investment community, as of the date of the Appraisal, envisions for a particular time without assurances in terms of rental rates, expenses, capital, labor, supply, demand, ecology, etc.)

22. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) 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 (we) have no direct evidence relating to this issue, I (we) did not consider possible non-compliance with the requirements of ADA in estimating the value of the Property. Special Note: This may not be adequate if "readily achievable" barrier removal items are obvious and should have been identified.

EXHIBIT A

COUNTY DALLAS  
PARCEL 1

Page 1 of 3  
JANUARY 30, 1996

HIGHWAY: Addison Transit Pass-Belt Line Road/Midway Road  
PROJECT LIMITS FROM: 360 feet north, 435 feet east, 460 feet  
south, 485 feet west of intersection

CSJ: 8050-18-034  
ACCT: 8018-1-

BEING 0.0854 acre of land, more or less, situated in the W. H. Witt Survey, Abstract No.1609 in the Town of Addison, Dallas County, Texas, and being part of Lots 1, 2 and 3 of Goff Addition, an addition to the Town of Addison as shown on plat recorded in Volume 80005, Page 3044 of the Deed Records of Dallas County, Texas and being a part of that tract of land conveyed to Addison Beltway Joint Venture One as evidenced by deed recorded in Volume 84005, Page 6871 of said Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING at the northwest corner of Lot 2;

THENCE South 00 degrees 08 minutes 03 seconds West, along the west line of Lot 2, a distance of 166.59 feet to a 1/2" iron rod with cap marked AB&A set for the POINT OF BEGINNING in the proposed northerly right-of-way line of Belt Line Road;

- (1) THENCE, along said proposed northerly line, North 88 degrees 48 minutes 57 seconds East a distance of 60.09 feet to a 1/2" iron rod with cap marked AB&A set for an angle point;
- (2) THENCE North 89 degrees 58 minutes 14 seconds East, continuing along said line, a distance of 114.75 feet to an "x" cut in concrete set for the beginning of a curve to the left having a radius of 66.50 feet;
- (3) THENCE along said curve, through a central angle of 89 degrees 29 minutes 19 seconds, an arc distance of 103.86 feet (chord bears North 45 degrees 13 minutes 33 seconds East and is 93.62 feet in length) to an "x" cut in concrete set at the end of said curve;
- (4) THENCE, continuing along said line, North 02 degrees 32 minutes 37 seconds East a distance of 73.23 feet to an "x" cut in concrete set for corner;

EXHIBIT A

COUNTY DALLAS  
PARCEL 1

Page 3 of 3  
JANUARY 30, 1996

HIGHWAY: Addison Transit Pass-Belt Line Road/Midway Road  
PROJECT LIMITS FROM: 360 feet north, 435 feet east, 460 feet  
south, 485 feet west of intersection

CSJ: 8050-18-034  
ACCT: 8018-1-

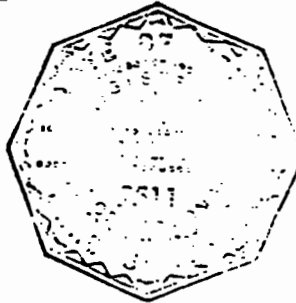
This description accompanies right-of-way map of even date  
herewith.



Jack L. Lyle  
Registered Professional Land Surveyor

3/19/96  
Date

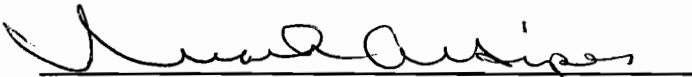
ARREDONDO, BRUNZ & ASSOCIATES, INC.  
11355 McCree Road  
Dallas, Texas 75238  
(214)341-9900



## APPRAISER'S CERTIFICATE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- Mark A. Hipes is currently certified under the Texas Appraiser Licensing and Certification board.
- I have made a personal inspection of the property that is the subject of this report.
- No one other than signors provided significant professional assistance in the preparation of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.



Mark A. Hipes  
Texas Certification No. TX-1321416-G

REAL ESTATE APPRAISAL REPORT  
STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

Parcel Number Fina Project Number Addison Transit Pass  
Address of Property SWC Beltline/Midway, Addison, TX Whole Taking \_\_\_\_\_ Partial Taking X  
Property Owner McCutchin Brothers JV Highway N/A  
Address \_\_\_\_\_ County Dallas  
Occupant's Name Gas Station/Convenience Store Between Stations \_\_\_\_\_

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the entire property, any special benefits and damages to the remainder property must be included in accordance with the laws of Texas.

Market Value may be defined as follows: "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."

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$ 69,552 as of 10-05-98 based upon my independent appraisal and the exercise of my professional judgment; That on 10-05-98 (date)(s), I personally inspected in the field the property herein appraised; that I afforded through condemnor's attorney, the property owner or his representative, the opportunity to accompany me at the time of the inspection;

The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal supplement and were inspected on 10-05-98 & others (date)(s);

That to the best of my knowledge and belief the statements contained in the appraisal hereinabove set forth are true, and the information upon which the opinions expressed therein are based is correct, subject to the limiting conditions therein set forth;

That I understand that such appraisal is to be used in connection with the acquisition of right-of-way for a highway to be constructed by the State of Texas with the assistance of Federal-Aid highway funds or other Federal funds, and that such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, has been disregarded in determining the compensation for the property;

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein;

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the State, I will immediately notify the State of such interest or interests;

That I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the State Department of Highways and Public Transportation of said State or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

October 7, 1998  
Date

  
Signature  
Mark A. Hipes

\_\_\_\_\_  
District Field Reviewer

**Attach All Pertinent Photographs**

Parcel No. Fina Local Address SWC Beltline Road/Midway Road, Addison, Tx.

Date Taken 10-05-98 Taken by Mark A. Hipes

1. Point from which taken NE across intersection from subject Looking SW toward subject



2. Point from which taken North of the subject Looking South at the subject

**Attach All Pertinent Photographs**

Parcel No. Fina Local Address SWC Beltline Road/Midway Road, Addison, Texas.

Date Taken 10-05-98 Taken by Mark A. Hipes

3. Point from which taken Northwest corner of Take Looking East along the Take



4. Point from which taken Northeast corner of Take Looking South along the Take

**Attach All Pertinent Photographs**

Parcel No. Fina Local Address SWC Beltline Road/Midway Road, Addison, Texas

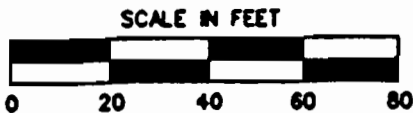
Date Taken 10-05-98 Taken by Mark A. Hipes

5. Point from which taken South end of Take Looking North along the Take

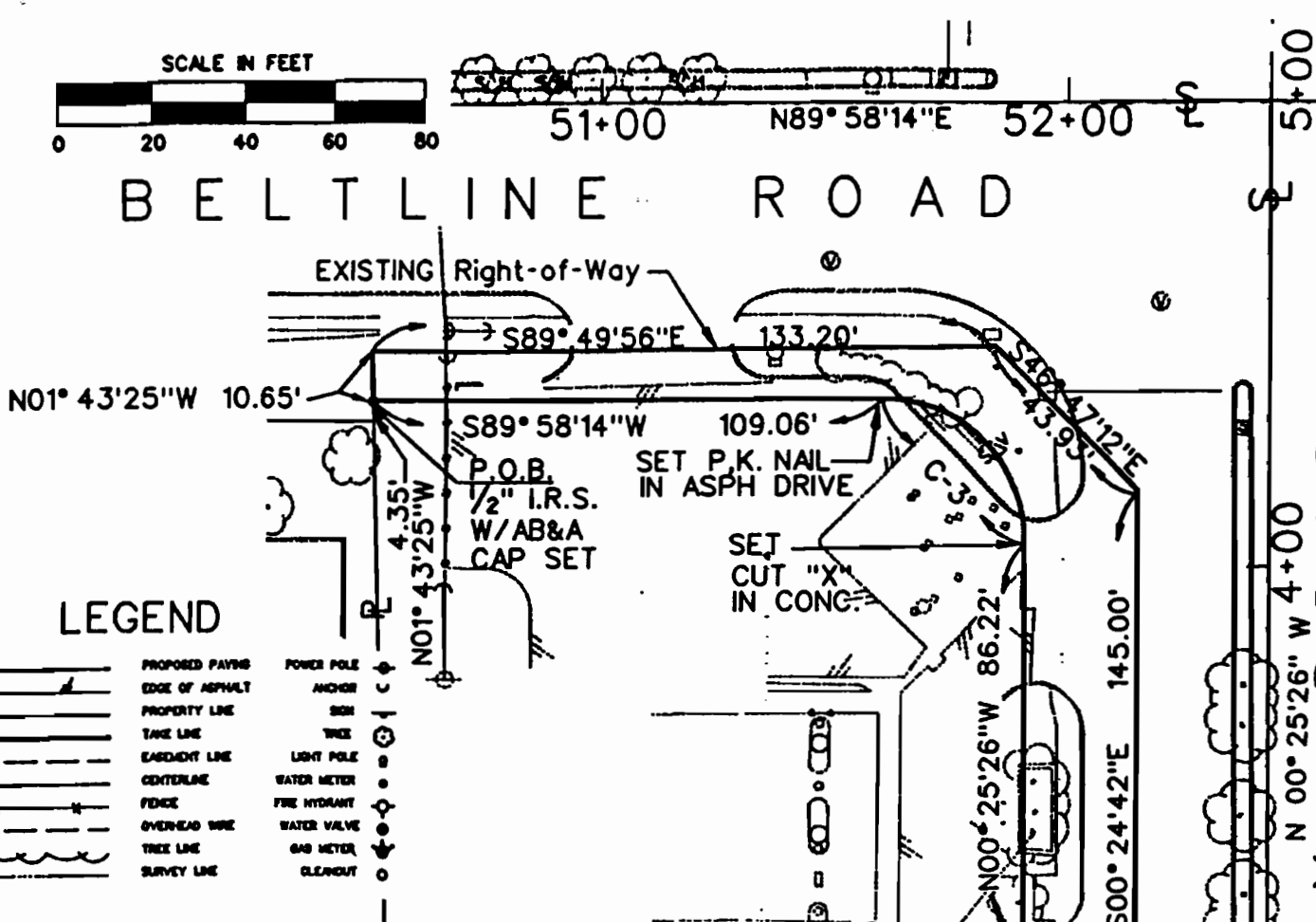


6. Point from which taken \_ Looking \_





# BELTLINE ROAD



## LEGEND

- |  |                 |  |              |
|--|-----------------|--|--------------|
|  | PROPOSED PAVING |  | POWER POLE   |
|  | EDGE OF ASPHALT |  | ANCHOR       |
|  | PROPERTY LINE   |  | BEN          |
|  | TAKE LINE       |  | TREE         |
|  | EASEMENT LINE   |  | LIGHT POLE   |
|  | CENTERLINE      |  | WATER METER  |
|  | FENCE           |  | FIRE HYDRANT |
|  | OVERHEAD WIRE   |  | WATER VALVE  |
|  | TREE LINE       |  | GAS METER    |
|  | SURVEY LINE     |  | CLEANTOUT    |

SAM'S CLUB ADDITION  
Vol. 92109, Pg. 3687  
DRDCT

McCUTCHIN BROTHERS  
JOINT VENTURE  
DEED  
Vol. 77011, Pg. 0734  
5,523 S.F.

## THOMAS L. CHENOWETH SURVEY ABST. NO. 273

LINE TABLE		
LINE NO.	BEARING	DISTANCE
T-2	S89° 35' 05" W	19.99'

CURVE TABLE					
CURVE NO.	CENTRAL ANGLE	ARC LENGTH	RADIUS	CHORD BEARING	CHORD LENGTH
C-3	89° 36' 32"	49.27'	31.50'	N45° 13' 35" W	44.40'
C-4	04° 12' 06"	66.62'	908.50'	N02° 31' 29" W	66.61'
C-5	02° 20' 13"	36.36'	891.50'	N03° 27' 26" W	36.36'

1/2" I.R.S.  
W/AB&A  
CAP SET

1/2" I.R.S.  
W/AB&A  
CAP SET

A PLAT OF A SURVEY OF A 5523 SF  
(0.1268 AC.) TRACT OF LAND IN THE  
THOMAS L. CHENOWETH SURVEY  
ABSTRACT NUMBER 273  
SAM'S CLUB ADDITION  
ADDISON, DALLAS COUNTY, TEXAS

3/19/96  
DATE

**Data on Whole Property**

Legal Description: A tract of land situated in the Thomas L. Chenoweth Survey, Abstract No. 273, in the Town of Addison, Dallas County, Texas.

Dimensions: Irregular feet x \_\_\_\_\_ feet = 22,646 sq.ft. \_\_\_\_\_ acres

Location (Urban): Street & No. Southwest corner of Beltline Rd. & Midway Rd., Addison, Texas

(Rural): \_\_\_\_\_  
 \_\_\_\_\_ Land Grant Survey \_\_\_\_\_

Neighborhood or Area Analysis:  
 See following pages labeled "Neighborhood Analysis"

Highest and Best Use, Zoning and Site Analysis of Subject Property:  
 See following pages labeled "Site Analysis", "Zoning" & "Highest and Best Use".

**Cost Approach Whole Property**

Estimated Reproduction Cost:			
Main Building:	<u>1,395 sq. ft.</u>	@ \$ <u>139.60</u>	per sq. _____ ft. \$ <u>194,742</u>
Porches:	<u>N/A</u>	ft. @ \$ _____	per _____ ft. \$ _____
Total Reproduction Cost			\$ <u>194,742</u>
Less Accrued Depreciation 25%			\$ <u>48,686</u>
Value Building Contributes to Whole Property			\$ <u>146,056</u>
Other:			
1. <u>See page 4-viii</u>	;	_____ ft. @ \$ _____	per _____ ft. ... \$ _____
			Less Depreciation ..... \$ _____ \$ _____
2. _____	;	_____ ft. @ \$ _____	per _____ ft. ... \$ _____
			Less Depreciation ..... \$ _____ \$ _____
3. _____	;	_____ ft. @ \$ _____	per _____ .... \$ _____
			Less Depreciation ..... \$ _____ \$ _____
Landscaping	\$ <u>See pg. 4-viii</u>	Fencing	\$ <u>See pg. 4-viii</u> ; Walks & Drives \$ <u>See pg. 4-viii</u> ..... \$ <u>146,585</u>
Value Improvements Contribute to Whole Property			\$ <u>292,641</u>
Land	\$ <u>18.50</u>	per SF	_____ x 22,646 SF = \$ <u>418,951</u>
<b>Estimated Value by Cost Approach</b>			\$ <u>711,592</u>

Furnish Comments on Depreciation Factors: See pgs. 4-vii and 4-viii.  
 See page 4-viii for a cost breakdown of site improvements.

## NEIGHBORHOOD ANALYSIS

The subject neighborhood can best be defined by area thoroughfares and geographic boundaries. The neighborhood is considered that area within the boundaries of Quorum Drive to the east, Spring Valley to the south, Trinity Mills to the north, and Marsh Lane to the east.

### **Location**

The subject neighborhood is located within the Town of Addison in northern Dallas County. Portions of the cities of Dallas, Carrollton, and Farmers Branch are located within this neighborhood. The subject neighborhood encompasses significant commercial development.

The area of the subject neighborhood is predominantly built up with a compatible mixture of commercial and residential uses.

### **Thoroughfares and Access**

Interstate Highway 635 and the Dallas North Tollway provide the predominant access to the subject neighborhood. These highways are presently eight lane and six lane concrete thoroughfares respectively. Interstate 635 provides outer loop freeway access throughout the Dallas metropolitan area. The Dallas North Tollway provides thoroughfare access from the downtown region of Dallas to SH 121 in Collin County.

Primary north-south access within the subject neighborhood is provided by Quorum Drive, Addison Road, Midway Road, Marsh Lane and Josey Lane. Primary east-west access is provided by Spring Valley Road, Beltline Road, Keller Springs, and Trinity Mills Road.

In addition, there is in place a good quality infrastructure of secondary and collector streets which provide interior access within the neighborhood.

All of the above mentioned thoroughfares are important in relation to the subject neighborhood as these roads provide access throughout the area. The interior streets are generally either two-lane asphalt or concrete paved roads with concrete curbs and gutters. The primary thoroughfares are typically divided concrete roads with concrete curbing and gutters.

General neighborhood access and thoroughfares are considered adequate. Due to some of the areas heavy traffic volumes, some of the thoroughfares are nearer to full capacity use during the peak traffic times. Interstate Highway 35E is located to the west as it passes through the Cities of Dallas and Carrollton. This major highway provides access to the cities to the north and south of the subject neighborhood.

### **Surroundings/Trends in Development**

The subject neighborhood is approximately 85% developed and is comprised of a mixture of office, retail, commercial, and industrial uses, with both single family residential and multi-family developments interspersed throughout. Entertainment and regional shopping developments are located in close proximity of the subject neighborhood. Addison Airport is situated in the east-central portion of this area.

New office and multi-family developments are proximate to, or located within, this area. The Town of Addison is currently in the process of expanding it's events center adjacent to the east side of the Addison Airport.

### **Social Considerations**

The subject's immediate neighborhood is predominantly retail, office, and entertainment oriented in nature.

Commercial development is more concentrated along the primary access routes within the immediate neighborhood. Interior streets along the smaller collector streets tend toward residential development and high-tech and industrial uses, where appropriate. While there is moderate space for future development, the current strong demand for major commercial development is depleting this supply. This area benefits from its proximity to the confluence of the Dallas North Tollway and IH-635.

#### **Economic Considerations**

The most prominent economic base for the subject area is associated with the office, retail, and commercial base of the Cities of Addison, Carrollton, and Farmers Branch which provides employment and services for most of the north-central Dallas County area. North of Trinity Mills Road in, Collin and Denton County, there remains a higher percentage of vacant land for expanding development. The subject neighborhood appears to be growing; however, large growth is expected to be somewhat limited due to the dwindling supply of land available for that development.

#### **Governmental Considerations**

The subject neighborhood is located primarily in the Town of Addison. All utilities are conveniently located and available in adequate quantities to maintain and support full development in the area. The area is in the Farmers Branch/Carrollton Independent School District.

#### **Environmental Considerations**

The subject neighborhood combined with the surrounding area provides a balanced land use pattern. The terrain is flat to rolling and generally lends itself to most types of development. No significant flood plain areas are felt to have a significant impact on development. No other adverse environmental conditions were noted in the subject area.

#### **Conclusion**

The subject neighborhood is located in the central portion of the Town of Addison, on one of the most traveled streets, Beltline Road, in the area. The area is considered to have adequate access and amenities, given its commercial nature. This neighborhood is considered to be growing with predominant land uses of a commercial nature and limited amounts of vacant land available for development. No major land use change is predicted in the near future within the subject area.

## SITE ANALYSIS

- Size:** The whole property contains approximately 22,646 SF of land according to information provided by the Town. According to the Town of Addison, it is likely that the size of this site would be permissible for its current use if it were vacant and available for development at the time of this appraisal.
- Shape:** The subject site is near rectangular in shape with approximately 145' of frontage along the west side of Midway Road and approximately 133' of frontage along the south side of Beltline Road. This site is the corner portion of what was originally a much larger site situated at the southwest quadrant of Beltline Road and Midway Road. *Note: The acquisition area may extend beyond the platted service station portion of the site to include land area properly situated on the restaurant site to the south of the subject property. This could affect the land area estimates of the Remainder.*
- Access:** The subject property has road access frontage from Midway Road by way of a  $\pm 15'$  drive entrance near Beltline Road, and a  $\pm 36'$  drive entrance near the property's southern boundary along the west side of Midway Road. Additionally, there is a  $\pm 34'$  driveway from the south side of Beltline Road to the west of the Beltline Road/Midway Road intersection.
- Topography:** The subject site is approximately at grade with both Midway Road and Beltline Road, but above the existing grade of the west adjacent property. The site is basically level across the majority of its surface, but slopes down to the west to meet the lower site grade of the adjacent developed property.
- Public Utilities:** All normal public utilities are in place and of adequate supply to support the improvements on the subject site.
- Easements/Deed Restrictions:** None noted in documents provided to the appraiser. Typical utility and access easements presumed in support of the site.
- Environmental Hazards** The subject is a convenience store with gasoline sales. The subject has 4 underground fuel storage tanks. The condition of these tanks is unknown, however no environmental problems were reported by the owner. **No on-site environmental hazards were observed by the appraiser. No land use history or environmental assessment of the subject site or surrounding area was made or provided the appraiser. The appraiser is not qualified to detect potential environmental hazards and a professional in this field should be retained for this purpose. The estimated value derived herein is subject to any type of environmental conditions that may arise that would have an affect on the value of the subject in the opinion of the appraiser.**
- Soil/Subsoil** No investigation was made or provided the appraiser concerning the soil conditions on the subject property. It is assumed that the soil and sub-soil are suitable for development purposes. Development has occurred within the subject area on similar sites with similar soil conditions.

**Surrounding Development**

Development surrounding the subject property includes retail, restaurant, and service station uses. Various forms of commercial development are adjacent to these uses. The immediate environs surrounding to the subject site to a considerable depth are considered to be commercial in nature.

**Special Conditions**

The subject service station was originally constructed in the 1978 - 1980 time frame on leased land as a Gulf service station. When Chevron acquired Gulf, the lease remained for the Chevron-Gulf service station. It is estimated that the "mini-mart" improvements were constructed  $\pm 10$  years ago, with various equipment upgrades occurring over time. The service station is now leased to Fina for a service station/mini-mart operation.

**ZONING**

The subject property is zoned "LR - 66, Local Retail", for commercial use under the Zoning Ordinance of the Town of Addison. This zoning allows for the current use of the subject site as a Fina mini-mart/service station.

## HIGHEST AND BEST USE

The Highest and Best Use, as defined by Real Estate Appraisal Terminology, Ballinger Publishing Company, Cambridge, Massachusetts (author Bryl D. Boyce, PH.D.), Page 107, is as follows:

*"That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.*

*Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in highest land value.*

*The definition immediately above applies specifically to the highest and best use of the land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use."*

In applying the above definition of "Highest and Best Use" to the Subject property, an analysis of physical, social and economic trends within the neighborhood was made. In addition to this analysis, the legal parameters associated with zoning ordinances, restrictions and building codes must be considered. The physical, social and economic trends within the Subject area will be discussed in the "Neighborhood and Trends" section of this report.

In summary, the subject is located at the northwest corner of Midway Road and Beltline Road, in an area comprised of predominantly commercial land uses. These land use trends are not predicted to change in the near future.

### **Physically Possible**

Physically, the subject is a fairly small parcel of land which was originally platted out of a much larger parcel of land which encompassed a substantial portion of the southwest quadrant of Beltline Road and Midway Road. There is a slope to the west from the subject. The basic site is characterized generally level surface. Access is adequate from Midway Road at the northeast corner of the site and the southeast corner of the site, and is adequate from Beltline Road near the northwest corner of the site.

As mentioned, the subject site was a small portion of a surrounding retail/restaurant development. While small for a typical "free standing" mini-mart service station by current standards, the Town of Addison indicates that utilization of the subject site for a mini-mart/service station would be reasonable, if the site were vacant and available for development. No adverse traffic conditions have been noted which would limit such available use. Traffic circulation problems have not been noted by the Town.

### **Legally Permissible**

The subject is zoned for commercial use under the Town of Addison. Based on land use trends in the area, the present zoning classification is felt appropriate.

Commercial uses predominate in the neighborhood. Given the subject's location at the intersection of these thoroughfares, a commercial zoning is felt appropriate.

**Financially Feasible/Maximally Productive**

In determining what uses would be financially feasible and maximally productive, economic factors must be considered. The whole of the subject site is developed with a convenience store/gas sales store. Since area competition for smaller retail/commercial uses is strong, the site would be considered appropriate for some type of retail/commercial use.

**Conclusion**

Based on the above factors, the estimated Highest and Best Use of the subject is for commercial/retail use given its present zoning. The estimated Highest and Best Use of the portion of the subject that is improved with a convenience store/gas sales is its continued use as improved.



## COST APPROACH-WHOLE PROPERTY

### MINI MART CONVENIENCE STORE

Marshall Valuation Service provides direct cost for Class "S" PreFabricated Food Booths" from Section 64, Page 1 as exhibited below: The subject is felt to be in the "Excellent Cost" range.

CLASS "S" MINI MART	
Direct Costs	Cost Per SF
Excellent	\$126.56
Good	\$110.87
Average	\$ N/A
Low Cost	\$97.21
Estimated Building Cost, Say	\$126.56
Adjusted by Time Multiplier (1.06)	\$134.15
Adjusted by Local Multiplier (.86)	\$115.37
Indirect Costs: Fees, Misc. 10% \$11.54	\$126.91
Entrepreneurial Profit (10%) \$12.69	\$139.60
Total Estimated Direct Cost, Say	\$139.60

The above cost do not include landscaping, walks, drives, gas pumps, tanks, canopies or other site improvements. The costs do include coolers, walk-in coolers, freezers and typical built-ins commensurate with the quality of the Food-Booth. Displays, counters, kitchen equipment and all other interior equipment are considered personal property and are not included in the cost figures above or in the valuation estimate. **Of particular note, the value of the "going concern" or business value is not included in the valuation process.**

### DEPRECIATION FACTOR

The main building improvement located on the subject site is approximately 10 years old as estimated by the Town. Some of the existing site improvements were used in conjunction with the reconstruction of the site to a mini-mart facility. Improvements suffer from normal physical deterioration. The economic age-life method of calculating depreciation will be utilized to estimate an applicable depreciation factor. This method is calculated by dividing the effective age of the improvements by their total economic life. The total economic life of buildings such as the subject was estimated at approximately 40 years according to Marshall's Life Expectancy Guidelines (Sec. 97, pg. 6). The effective age of the subject improvements was estimated at 10 years. Therefore, total depreciation was estimated as follows:

$$10 \div 40 = .10, \text{ say } 25\%$$

Depreciation estimates for the site improvements are shown on the following page.

SITE IMPROVEMENT COST BREAKDOWN  
 SWC OF BELTLINE ROAD & MIDWAY ROAD, ADD ISON, TEXAS

ITEM	SIZE/ QUANTITY	UNIT COST	TOTAL COST	%	DEPREC.	DEPREC. COST	DEPREC. COST	*** SOURCE
1) CANOPY (TOTAL SF AREA)	2,700	\$24.00	\$64,800	25.00%	\$16,200	\$48,600	Sec. 64, Pg. 2	
2) FUEL TANKS (12000 gal.)	2	\$23,100.00	\$46,200	50.00%	\$23,100	\$23,100	Sec. 61, Pg. 5	
3) ASPHALT PAVING	2,500	\$2.00	\$5,000	40.00%	\$2,000	\$3,000	Sec. 61, Pg. 5	
4) MP DISPENSERS (2 HOSE)	3	\$7,150.00	\$21,450	20.00%	\$4,290	\$17,160	Sec. 64, Pg. 3	
5) YARD LIGHTS	5	\$1,500.00	\$7,500	20.00%	\$1,500	\$6,000	Sec. 64, Pg. 3	
6) INTERNAL CURBING (Est.)	250	\$8.00	\$2,000	20.00%	\$400	\$1,600	Sec. 64, Pg. 3	
7) AIR/WATER W/COMPRESSOR	1	\$2,000.00	\$2,000	60.00%	\$1,200	\$800	Sec. 64, Pg. 3	
8) PIPING (fuel/air/water)	1	\$14,250.00	\$14,250	40.00%	\$5,700	\$8,550	Sec. 64, Pg. 3	
9) PUMPS	2	\$1,200.00	\$2,400	40.00%	\$960	\$1,440	Sec. 64, Pg. 3	
10) SMALL SIGN	0	\$0.00	\$0	10.00%	\$0	\$0	Sec. 64, Pg. 3	
11) LARGE SIGN	1	\$9,000.00	\$9,000	10.00%	\$900	\$8,100	Sec. 64, Pg. 3	
12) ELEC. TOTALIZER (Per	18	\$1,200.00	\$21,600	20.00%	\$4,320	\$17,280	Sec. 64, Pg. 3	
13) ISLANDS (SF)	108	\$7.00	\$756	20.00%	\$151	\$605	Sec. 64, Pg. 3	
14) LANDSCP/ETC	1,000	\$5.00	\$5,000	20.00%	\$1,000	\$4,000	Sec. 66, Pg. 7	
15) TRASH ENCLOSURE	40	\$15.00	\$600	25.00%	\$150	\$450	Sec. 66, Pg. 2	
16) CONCRETE PAVING (SF)	2,500	\$2.95	\$7,375	20.00%	\$1,475	\$5,900	Sec. 64, Pg. 3	

\*\*Total for all tanks/pumps/air  
 \*\*\* Marshall's Valuation Service

146585

## Appraiser's Check List

Parcel No. Fina Local Address Southwest corner of Beltline Rd./Midway Rd., Addison, TX  
 Kind of Street Concrete  
 Utilities, Water yes, Electricity yes, Gas yes, Sewer yes, Septic no  
 Type of Building Mini-Mart No. of Units N/A  
 Type and Quality of Construction brick/glass store front Age 10 yrs. Condition Good  
 No. Each Unit: Rooms N/A; Bedrooms N/A; Baths 2;  
 Closets N/A; Water Heaters N/A Gals N/A.

Interior : Type and Finish  
 Walls Vinyl/metal  
 Finished Floors Tile  
 Sub-Floors Concrete slab  
 Doors Alum. frame/metal-glass  
 Windows Alum. frame/plate glass  
 Trim N/A  
 Cabinets N/A  
 Bath Finish Tile/vinyl  
 No. & Kind: 2  
 Plumbing Fixtures Typical  
 Electrical Fixtures Typical  
 Type Wiring &  
 No. Outlets Typical  
 Heating Central  
 Cooling Central  
 Insulation N/A  
 Studs "X" "O.C.  
 Clg. Joists "X" "O.C.  
 Rafters "X" "O.C.  
 Roof Bracing Steel  
 Type Roof and  
 Condition flat metal, good est.

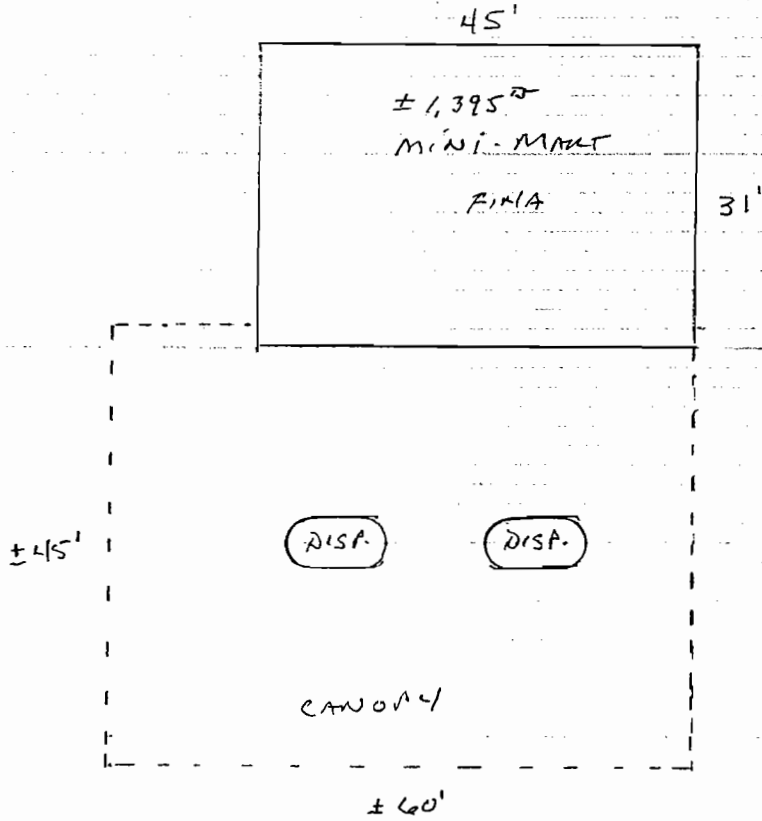
Foundation Concrete slab  
 Sills X "  
 Floor Joists "X" " O.C.  
 Siding N/A  
 Porches N/A  
 Privacy Arrangement N/A  
 Interior Condition Good  
 Exterior Condition Good  
 Garage: Type and Construction & No. Cars  
 Outbuildings N/A  
 Walks Concrete  
 Drives Concrete  
 Fences 100% N/A  
50%  
 Trees & Landscaping Typical  
 Miscellaneous Self serve gas equip.

**Physical Depreciation Factors, General Condition of Improvements & Additional Remarks:**

See pages 4-x for depreciation estimates.

The Mini-Mart has coolers and fixtures which are considered personal property. Freezer and cooler costs are included in the overall cost of the building.

### Sketch of Improvements With Dimensions



**Market Data Approach Whole Property - Land Only**

Purchase Price of Subject Property \$ Not Known Date N/A

Improvements Since Purchase and Estimated Cost: None known

Lease Terms or Rental Agreement: Not Disclosed

**Representative Comparable Sales**

Sale Parties (Details on 2S)	<u>Yorkland to System</u>	<u>Tippin to CNL</u>	<u>SEC to Exxon</u>
Relative Location	<u>3/4 mi. W</u> 2-98 55,626 SF	<u>4 mi. NW</u> 10-97 60,984 SF	<u>1 mi. W</u> 2-96 68,354 SF
In Adjusting Sale Indicate Subject is * _____ Compared To Sale For:			
Sale Price/SF:	\$13.48/SF	\$16.40/SF	\$18.65/SF
<u>Time 10/98</u>	<u>+ 5%</u>	<u>+10%</u>	<u>+20%</u>
<u>Location</u>	<u>+20%</u>	<u>+10%</u>	<u>- 5%</u>
<u>Size</u>	<u>-10%</u>	<u>-10%</u>	<u>-10%</u>
<u>Access</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Exposure</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Zoning</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Utilities</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Topography</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Indicates	<u>\$15.57/SF</u>	<u>\$18.04/SF</u>	<u>\$19.02</u>

**Explanation of Adjustments with Reconciliation**

See following pages

\*Positive adjustments indicate subject is superior to sale.

Negative adjustments indicate subject is inferior to sale.

SEE FOLLOWING PAGE FOR EXPLANATION OF ADJUSTMENTS

Indicated Unit Value:	\$18.50/SF	
Indicated Site Value:	22,646 SF X \$18.50/SF	= \$418,951
<i>Use Reverse Side or Additional Pages, If Necessary</i>		Estimated Value By Market Data Approach <u>\$ 418,951</u>

## **EXPLANATION OF ADJUSTMENTS WITH RECONCILIATION**

The Highest and Best Use of the subject site as if vacant was estimated to be for commercial/retail use. The subject is zoned for commercial use, and sales with commercial zoning and/or commercial highest and best uses were utilized for a value estimate.

The subject appears to be platted out of the adjacent shopping center for the purpose of a service station lease. The plat of the subject, and information supplied to the appraiser indicates approximately 25,600.39 SF of site area. The subject will be valued on a square footage basis. The dissimilarities that exist when comparing the sales to the subject property must be adjusted for. The primary categories of adjustment are Property Rights, Financing Terms, Conditions of Sale, Time (Market Conditions), Location and Physical Characteristics. None of the sales required adjustment for Property Rights Conveyed, Financing Terms or Condition of Sale.

### **TIME**

The sales transpired from February of 1996 to February of 1996. Market conditions appear to have improved during this time frame and upward adjustment was made to each of the comparable sales to reflect the perceived upward pressure on land prices in the subject area. The "Time" adjustment will be applied first to each of the comparables so that the sale prices will be in current dollars. The remainder of the adjustments to the comparables will be made cumulatively.

### **LOCATION**

Location is a very important factor in the subject neighborhood and surrounding area. Certain areas of the neighborhood, as mentioned, command a higher per unit price than other areas and this must be taken into consideration.

The *Yorkland to System Sale* is located at the northwest corner of Business Avenue and Beltline Road. This corner is a minor controlled intersection to the west of the subject. Overall, this corner location is deemed to be inferior to that of the subject and an upward adjustment is applied to this sale. A McDonalds restaurant has been constructed on this site.

The *Tippin to CNL Sale* is located at the southeast corner of Josey Lane and Keller Springs. This is a controlled intersection on two major secondary thoroughfares, but is deemed not to carry the concentration of traffic as does the subject. Therefore, a moderate upward adjustment is applied to this sale. An Eckerd's Drug Store has been constructed on this site.

The *SEC to Exxon Sale* is located at the southeast corner of Beltline Road and Marsh Lane. Again, this location is at a controlled intersection of two major secondary thoroughfares. This location is judged to be slightly superior to that of the subject, given the traffic volume and surrounding development. An Exxon mini-mart/service station in conjunction with a Wendy's restaurant has been constructed on this site.

### **PHYSICAL FEATURES**

Physical features include the tangible and intangible characteristics which dictate the possible or probable use of a property. Some of these characteristics include zoning, availability of utilities (water, sewer, electricity, and gas), topography, shape, size, access and exposure. Some of the more important categories that have a direct bearing on the final value estimate for the subject are size, access, exposure, zoning, topography and public utilities.

#### Size

The subject property is considered to be a small size for commercial/retail uses. Typically larger "pad" sites

tend to be more flexible for convenient corner uses. For commercial uses, an optimum size parcel with better development utility may command more than a smaller site with less utility. Consideration was given in this category for the subject's utilization as compared to the "typical" mini-mart/service station, which appear to be the preference in the current market. All of the sales were larger than the subject and upward adjustments were made to reflect the perceived current market preference.

Access

Access is a key element in the success of a commercial development. Easy and direct access to a property is felt to have a positive effect on its value. The subject has adequate frontage along both Midway Road and Beltline Road to provide reasonable access to the site "as if" it were vacant and available for development. This situation is compatible with each of the comparable sales.

All of the sales are considered to have similar access and no adjustments were considered.

Exposure

Exposure is also a critical element which is necessary or advantageous for most types of commercial uses. Typically, exposure to major freeway systems or other high volume traffic arteries commands a premium. The subject has good exposure from Midway Road and Beltline Road and is felt to be comparable to the exposure available to each of the comparable sales. No adjustment were considered necessary for exposure.

Zoning

Zoning dictates the legal uses to which a property can be put. Zoning classifications vary in criteria such as required setbacks, allowable building height, allowable floor area ratios, lot coverage, etc.

The Highest and Best Use of the subject was estimated to be for commercial/retail use. All of the sales were zoned or utilized for commercial uses and no adjustment was considered necessary.

Public Utilities

The subject property and each of the comparable sales have access to all necessary utilities in sufficient quantities to support compatible developments. No adjustments are deemed warranted for this category.

Topography

The subject has fairly good topographical features and is similar to all of the sales. No adjustments were made.

**RECONCILIATION**

After adjustments were made to the sales, an indicated price per square foot range of \$15.57/SF to \$19.02/SF was derived. The corners most nearly similar to the subject indicated a range of ±\$18/SF to ±19/SF. A final per-square-foot price for the subject as a whole is estimated to be \$18.50/SF. Therefore:

$$22,646 \text{ SF} \quad @ \quad \$18.50/\text{SF} \quad = \quad \$418,951$$

(whole property-land value only)

## **MARKET DATA APPROACH - LAND AND IMPROVEMENTS**

The Market Approach involves the comparison of similar properties that have sold to the subject property. This approach was utilized in estimating the value of the subject's land. No truly comparable improved sales of convenience stores with gas sales could be found in the subject area or surrounding areas. Typically, sales of convenience stores involve the sale of the business entity (inventory, good will, trade fixtures, name) and the physical real estate. The segregation of these values is difficult to verify with the associated parties to the transaction and cannot be abstracted by the appraiser with any accuracy.

For this reason, this approach is considered inapplicable for use in the valuation process.



**Income Approach Whole Property**

Justification of Gross Income, Rate and Method of Capitalization: See comments below

Estimated remaining economic life of improvements _____		
Stabilized Gross Income .....	\$ _____	
Vacancy _____ % .....	\$ _____	
Effective Gross Income .....		\$ _____
<b>Taxes:</b>		
City .....	\$ _____	
State & County .....	\$ _____	
Miscellaneous (School, etc.) .....	\$ _____	
<b>Insurance:</b>		
Fire & Extended Coverage .....	\$ _____	
Miscellaneous .....	\$ _____	
Annual Deferred Maintenance .....	\$ _____	
Management _____ % .....	\$ _____	
Operating Expenses .....	\$ _____	
Other Expenses _____ .....	\$ _____	
Total Expenses before Depreciation .....		\$ _____
Net Income to Property .....		\$ _____
Less Income Attributable to (Land) (Improvements) \$ _____ @ _____ % .....		\$ _____
Income Attributable to (Land) (Improvements) .....		\$ _____
Income Capitalized @ _____ % ( _____ % Interest _____ % for Recapture of Capital) .		\$ _____
(Land) (Improvement ) .....		\$ _____
<b>ESTIMATED VALUE BY CAPITALIZATION APPROACH .....</b>		<b>\$ _____</b>

**Additional Appraisal Information**

(Furnish Gross Rent Multiple Information for Dwellings)

The utilization of the Income Approach for a mini-mart/service station was considered limited in the subject area. Comparable lease data for convenience stores/gas stations within the area of the subject was not available for confirmation. Due to the limited market data pertaining to rental rates on real estate only for buildings comparable to the subject, this approach was not considered in the valuation process.

The subject site is leased to Fina. No lease data was made available to the appraiser for evaluation and lease data for other similar sites which have sold recently in the market is not available. Therefore, deriving a reliable indication of value for the subject site via the Income Approach is not viable.

**Final Estimate of Value**

**Reconciliation of Approaches to Value:**

The Cost Approach was considered to be the only reliable approach to value due to the special nature of the improvements. This approach estimated the replacement cost of the improvements less depreciation from all causes. The land value was estimated by the Market Approach which was felt to be a reliable method of valuation for the land. This approach utilized sales for similar vacant land and adjustments were made for dissimilarities. The Income and Market Approaches for the valuation of the improvements were not considered reliable due to the limited market data for operating convenience stores/service stations.

**Easements:**

Existing Easement(s), if any, which is not to be extinguished in purchase of the fee: See addendum

Effect of such easement(s) on the value of the fee: No positive or negative effect

Estimated Value of Whole Property, subject to above easement(s), if any .....	<u>\$711,592</u>
<b>Total</b> .....	<b><u>\$711,592</u></b>

**Values of Component Parts -- Whole Property**

**Contributory Value of Improvements**

Main Building	<u>1,395 SF</u>	=	<u>\$146,056</u>	
Canopy	<u>3,570 SF</u>	=	<u>\$ 48,600</u>	
Fuel Tanks	<u>2</u>	=	<u>\$ 23,100</u>	
Dispensers	<u>3</u>	=	<u>\$ 17,160</u>	
Air/Water	<u>1</u>	=	<u>\$ 800</u>	
Piping		=	<u>\$ 8,550</u>	
Pumps	<u>2</u>	=	<u>\$ 1,440</u>	
Signs	<u>1</u>	=	<u>\$ 8,100</u>	
Elec. Totaler	<u>18</u>	=	<u>\$ 17,280</u>	
Islands	<u>108 SF</u>	=	<u>\$ 605</u>	
Landscape,etc.	<u>1,000 SF</u>	=	<u>\$ 4,000</u>	
Trash Inclos.	<u>40 LF</u>	=	<u>\$ 450</u>	
Concrete Pav.	<u>2,500 SF</u>	=	<u>\$ 5,900</u>	
Asphalt Pav.	<u>2,500 SF</u>	=	<u>\$ 3,000</u>	
Yard Lights	<u>5</u>	=	<u>\$ 6,000</u>	
Curbing (int)	<u>250 LF</u>	=	<u>\$ 1,600</u>	
Total Improvements .....				<u>\$292,641</u>
Contributory Value of Land .....				<u>\$418,951</u>
Total as a Unit .....				<u>\$711,592</u>
<b>Total</b> .....				<b><u>\$711,592</u></b>

*Pages 10, 11, 12 and 13 should be omitted on whole takings*

**Data on Partial Taking**

Dimensions:

See pg. 3 x \_\_\_\_\_ = 2,700 sq. ft. Fee  
 \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ sq. ft./acres Easement

**Whole Property:**

The market value of the whole property is ..... \$ 711,592

**Part Taken:**

Considered as severed land, the market value of the fee simple title to the part being taken for highway purposes - less oil, gas and sulphur and subject to existing easements, if any, which are not to be extinguished -- is ..... \$ 68,802 (1)

**Remaining Property:**

The market value of the remainder immediately before the taking is \$ 642,790 (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is ..... \$ 642,040 (3)

**Net Damages or (Net Enhancements), if any:** ..... \$ 750

**Total Compensation** ..... \$ 69,552

**Appraisals of Part Taken and Remainder**

**(1) Part Taken**

Highest and Best Use: Part of Whole-Commercial Use/Convenience Store

Contributory Value of Improvements:

<u>Concrete 850 SF ±</u>	<u>\$ 2,006</u>	
<u>Curbing 140 LF ±</u>	<u>\$ 896</u>	
<u>Landscape/Sprinkler</u>	<u>\$ 4,000</u>	
<u>Vent Pipe</u>	<u>\$ 250</u>	
<u>Ident. Sign</u>	<u>\$ 8,100</u>	
<u>Light Standards (3)</u>	<u>\$ 3,600</u>	
_____	\$ _____	
_____	\$ _____	
<b>Total Improvements</b>		<u>\$18,852</u>

Land:

Easement _____	acres/sq. ft. @ _____	\$ _____
Fee <u>2,700</u>	sq. ft. @ <u>\$18.50/SF</u> =	<u>\$ 49,950</u>
<b>Total Land</b>		<u>\$49,950</u>

**Total as a Unit:** ..... \$68,802

Vent pipes are located in the take area and the cost to relocate these items will be considered the cost to cure functional obsolescence created by the loss. The cost to cure will be reflected in the valuation of the Remainder After The Take.

## DESCRIPTION OF PART TAKEN

The part taken consist of a fee taking of approximately 2,700 SF along the northern and eastern sides of the subject property. The take area does not constitute a self sustaining economic unit within itself due to its shape and size and will be valued as a part of the whole.

***Note:***

***The take area is irregular in shape and may not be wholly located on the Fina site, but may extend to the south along Midway onto portions of the restaurant site. For the purpose of this valuation assignment, no distinction is made for this area possibly outside the Fina site.***

The take line appears to outside of the monitoring wells on the site. A vent pipe for the underground fuel tanks and an identification sign is located within the Take area. Virtually all of the landscape is located within the take area along the east side of the subject site. All of landscape value is placed on the landscape in the take area to reflect 1) the nature of landscape located therein, and 2) to allow for the extra ordinary expense of the encompassed sprinkler system.

It was estimated by the appraiser that the relocation of the vent pipe to another location on the subject site would be feasible given the amount of available space.

Costs for relocation of the above items will be considered in the Remainder After Take section.

(2) Remainder Before Taking

Highest and Best Use: Commercial Use/Convenience store/service station

Contributory Value of Improvements:

Main Bldg.	\$146,056	
Canopy	\$ 48,600	
Fuel Tanks	\$ 23,100	
Dispensers	\$ 17,160	
Air/Water	\$ 800	
Piping	\$ 8,300	
Pumps	\$ 1,440	
Signs	\$ -0-	
Elec. Totaler	\$ 17,280	
Islands	\$ 605	
Landscape, etc.	\$ -0-	
Trash Enclosure	\$ 450	
Concrete Paving	\$ 3,894	
Asphalt Paving	\$ 3,000	
Yard Lights	\$ 2,400	
Curbing (interior)	\$ 704	
Total Improvements		\$273,789

Land:

Easement	_____ acres/sq. ft. @ _____	\$ _____
Fee 19,946*	_____ sq. ft. @ \$18.50/SF =	\$369,001
Total Land		\$369,001

Total as a Unit:

\$642,790

(3) Remainder After Taking

Highest and Best Use: Commercial Use/Convenience store/service station

Dimensions:	X _____ = _____	sq. ft./acres Easement
See pg. 3	X _____ = 19,946*	sq. ft/ Fee

(a) Cost Approach Remainder After Taking

Contributory Value of Improvements:

Estimated Reproduction Cost

Main Building 1,395 sq.ft.	\$139.60	per sq.	ft.	\$194,742
Porches N/A	\$ _____	per	ft.	\$ _____
Total				\$194,742
Less Depreciation				\$ 48,686

Total

\$ 146,056

Improvements	Reproduction Cost	Depreciated Cost	
Canopy	\$ _____	\$ 48,600	\$ 48,600
Fuel Tanks	_____	23,100	23,100
Dispensers	_____	17,160	17,160
Air/Water	_____	800	800
Piping	_____	8,300	8,300
Pumps	_____	1,440	1,440
Elec. Totaler	_____	17,280	17,280
Islands	_____	605	605
Trash Enclosure	_____	450	450
Concrete Paving	_____	3,894	3,894
Asphalt Paving	_____	3,000	3,000
Yard Lights	_____	2,400	2,400
Curbing (interior)	_____	704	704

Less Cost to Cure Functional Obsolescence

(\$ 750)

Value Improvements Contribute to Remainder

\$ 273,039

Land:

Easement	_____ acres/sq. ft. @ _____	\$ _____
Fee 19,946*	_____ /sq. ft. @ \$18.50/SF =	\$369,001
Total Land		\$ 369,001

Estimated Value of Remainder:

\$ 642,040

Comments on Depreciation Factors: See pg. 11-i for "\*" note and comments.

**REMAINDER AFTER THE TAKE**

Land Size: The Remainder size may not have been reduced by the 2,700 SF indicated in this figure as a portion of the Take may be situated on the adjacent property. The 2,700 SF Take has been taken off of the Fina site size in an attempt for clarity.

Due to the location of the vent pipes within the proposed ROW, this item will require relocation. This requires plugging, testing, relocating, and reporting efforts, plus possible saw cutting. Relocation of this item is estimated to be physically possible and economically feasible. The subject site has ample area within the driveway area at the northeast portion of the site to accommodate the relocation of the this item.

Two engineering firms were contacted concerning the probable cost of the plugging and relocation of these items; E A Engineering Science & Technology and USA Professional Services Group. A cost estimate to remove, plug, and relocate the vent pipes was estimated at \$1,000. Twenty-five percent of this amount was estimated by the appraiser to equate to the "improvement in the Take", and 75% of this cost was allocated for the relocation.

**TOTAL ESTIMATED COST OF RELOCATION OF IMPROVEMENTS** **\$3,750**

This total cost will be charged as additional depreciation or the cost to cure the functional obsolescence created by the take.

(b) Market Data Approach Remainder After Taking - Land Only

Representative Comparable Sales

Sale Parties (Details on 2S)	<u>Yorkland to System</u>	<u>Tippin to CNL</u>	<u>SEC to Exxon</u>
Relative Location	<u>3/4 mi. W</u> 2-98 55,626 SF	<u>4 mi. NW</u> 10-97 60,984 SF	<u>1 mi. W</u> 2-96 68,354 SF
In Adjusting Sale Indicate Subject is * _____ Compared To Sale For:			
Sale Price/SF:	\$13.48/SF	\$16.40/SF	\$18.65/SF
<u>Time 10/98</u>	<u>+ 5%</u>	<u>+10%</u>	<u>+20%</u>
<u>Location</u>	<u>+20%</u>	<u>+10%</u>	<u>- 5%</u>
<u>Size</u>	<u>-10%</u>	<u>-10%</u>	<u>-10%</u>
<u>Access</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Exposure</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Zoning</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Utilities</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Topography</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Indicates	<u>\$15.57/SF</u>	<u>\$18.04/SF</u>	<u>\$19.02</u>

**Explanation of Adjustments with Reconciliation**

See following pages

\*Positive adjustments indicate subject is superior to sale.

Negative adjustments indicate subject is inferior to sale.

SEE FOLLOWING PAGE FOR EXPLANATION OF ADJUSTMENTS

Indicated Unit Value: \$18.50/SF  
Indicated Site Value: 19,946 SF X \$18.50/SF = \$369,001

*Use Reverse Side or Additional  
Pages, If Necessary*

Estimated Value By  
Market Data Approach  
\$ 369,001

## EXPLANATION OF ADJUSTMENTS WITH RECONCILIATION

The Highest and Best Use of the subject remainder as if vacant was estimated to be for commercial/retail use. The subject is zoned for commercial use, and sales with commercial zoning and/or commercial highest and best uses were utilized for a value estimate.

The subject appears to be platted out of the adjacent shopping center for the purpose of a service station lease. The plat of the subject, and information supplied to the appraiser indicates approximately 21,880.39 SF of Remainder site area. *See Note on Page 10-i*. The subject will be valued on a square footage basis. The dissimilarities that exist when comparing the sales to the subject property must be adjusted for. The primary categories of adjustment are Property Rights, Financing Terms, Conditions of Sale, Time (Market Conditions), Location and Physical Characteristics. None of the sales required adjustment for Property Rights Conveyed, Financing Terms or Condition of Sale.

### TIME

The sales transpired from February of 1996 to February of 1996. Market conditions appear to have improved during this time frame and upward adjustment was made to each of the comparable sales to reflect the perceived upward pressure on land prices in the subject area. The "Time" adjustment will be applied first to each of the comparables so that the sale prices will be in current dollars. The remainder of the adjustments to the comparables will be made cumulatively.

### LOCATION

Location is a very important factor in the subject neighborhood and surrounding area. Certain areas of the neighborhood, as mentioned, command a higher per unit price than other areas and this must be taken into consideration.

The *Yorkland to System Sale* is located at the northwest corner of Business Avenue and Beltline Road. This corner is a minor controlled intersection to the west of the subject. Overall, this corner location is deemed to be inferior to that of the subject and an upward adjustment is applied to this sale. A McDonalds restaurant has been constructed on this site.

The *Tippin to CNL Sale* is located at the southeast corner of Josey Lane and Keller Springs. This is a controlled intersection on two major secondary thoroughfares, but is deemed not to carry the concentration of traffic as does the subject. Therefore, a moderate upward adjustment is applied to this sale. An Eckerd's Drug Store has been constructed on this site.

The *SEC to Exxon Sale* is located at the southeast corner of Beltline Road and Marsh Lane. Again, this location is at a controlled intersection of two major secondary thoroughfares. This location is judged to be slightly superior to that of the subject, given the traffic volume and surrounding development. An Exxon mini-mart/service station in conjunction with a Wendy's restaurant has been constructed on this site.

### PHYSICAL FEATURES

Physical features include the tangible and intangible characteristics which dictate the possible or probable use of a property. Some of these characteristics include zoning, availability of utilities (water, sewer, electricity, and gas), topography, shape, size, access and exposure. Some of the more important categories that have a direct bearing on the final value estimate for the subject are size, access, exposure, zoning, topography and public utilities.

#### Size

The subject property is considered to be a small size for commercial/retail uses. Typically larger "pad" sites



tend to be more flexible for convenient corner uses. For commercial uses, an optimum size parcel with better development utility may command more than a smaller site with less utility. Consideration was given in this category for the subject's utilization as compared to the "typical" mini-mart/service station, which appear to be the preference in the current market. All of the sales were larger than the subject and upward adjustments were made to reflect the perceived current market preference.

Access

Access is a key element in the success of a commercial development. Easy and direct access to a property is felt to have a positive effect on its value. The subject has adequate frontage along both Midway Road and Beltline Road to provide reasonable access to the site "as if" it were vacant and available for development. This situation is compatible with each of the comparable sales.

All of the sales are considered to have similar access and no adjustments were considered.

Exposure

Exposure is also a critical element which is necessary or advantageous for most types of commercial uses. Typically, exposure to major freeway systems or other high volume traffic arteries commands a premium. The subject has good exposure from Midway Road and Beltline Road and is felt to be comparable to the exposure available to each of the comparable sales. No adjustment were considered necessary for exposure.

Zoning

Zoning dictates the legal uses to which a property can be put. Zoning classifications vary in criteria such as required setbacks, allowable building height, allowable floor area ratios, lot coverage, etc.

The Highest and Best Use of the subject was estimated to be for commercial/retail use. All of the sales were zoned or utilized for commercial uses and no adjustment was considered necessary.

Public Utilities

The subject property and each of the comparable sales have access to all necessary utilities in sufficient quantities to support compatible developments. No adjustments are deemed warranted for this category.

Topography

The subject has fairly good topographical features and is similar to all of the sales. No adjustments were made.

**RECONCILIATION**

After adjustments were made to the sales, an indicated price per square foot range of \$15.57/SF to \$19.02/SF was derived. The corners most nearly similar to the subject indicated a range of ±\$18/SF to ±19/SF. A final per-square-foot price for the subject as a whole is estimated to be \$18.50/SF. Therefore:

$$19,946 \text{ SF} \quad @ \quad \$18.50/\text{SF} \quad = \quad \$369,001 \\ \text{(Remainder property-land value only)}$$

(c) Income Approach Remainder After Taking

Justification of Gross Income, Rate and Method of Capitalization: \_\_\_\_\_

Estimated remaining economic life of improvements _____	
Stabilized Gross Income .....	\$ _____
Vacancy _____ % .....	\$ _____
Effective Gross Income .....	\$ _____
Taxes:	
City .....	\$ _____
State & County .....	\$ _____
Miscellaneous (School, etc.) .....	\$ _____
Insurance:	
Fire & Extended Coverage .....	\$ _____
Miscellaneous .....	\$ _____
Annual Deferred Maintenance .....	\$ _____
Management .....	\$ _____
Operating Expenses .....	\$ _____
Other Expenses .....	\$ _____
Total Expenses before Depreciation .....	\$ _____
Net Income to Property .....	\$ _____
Less Income Attributable to (Land) (Improvements) \$ _____ @ _____ % .....	\$ _____
Income Attributable to (Land) (Improvements) .....	\$ _____
Income Capitalized @ _____ % ( _____ % Interest _____ % for Recapture of Capital)	\$ _____
(Land) (Improvement ) .....	\$ _____
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....	\$ _____

Additional Appraisal Information  
(Furnish Gross Rent Multiple Information for Dwellings)

See following page.

Reconciliation and Final Estimate of Value - Remainder After Taking

See following page.

Use Reverse Side or  
Additional Pages, if necessary

### **INCOME APPROACH TO VALUE - REMAINDER AFTER TAKE**

The utilization of the Income Approach for a mini-mart/service station was considered limited in the subject area. Comparable lease data for convenience stores/gas stations within the area of the subject was not available for confirmation. Due to the limited market data pertaining to rental rates on real estate only for buildings comparable to the subject, this approach was not considered in the valuation process.

The subject site is leased to Fina. The appraiser understands that the subject site lease data is not available. Lease data for other similar sites which have sold recently in the market is not available. Therefore, deriving a reliable indication of value for the subject site via the Income Approach is not viable.

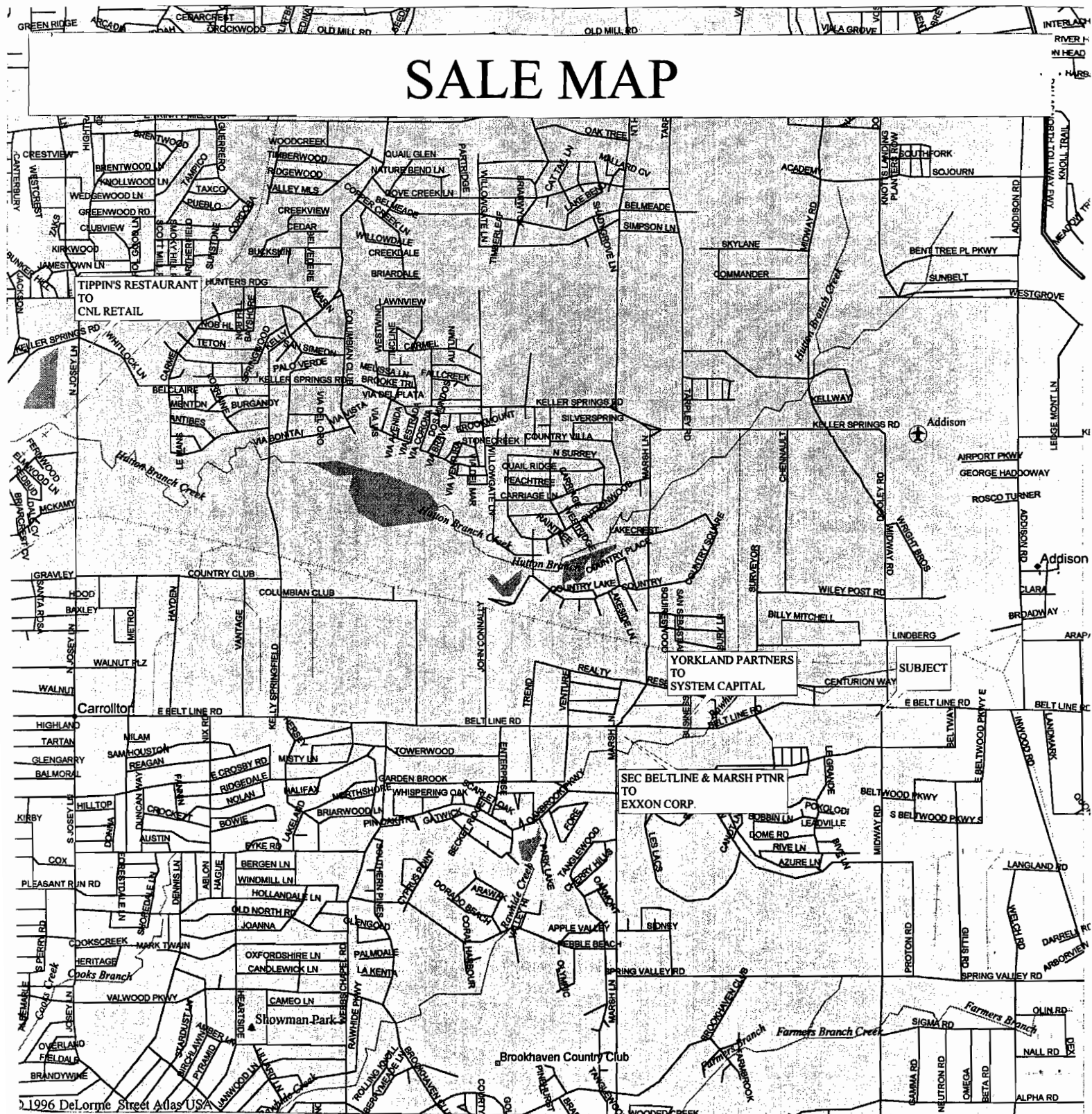
### **RECONCILIATION OF APPROACHES TO VALUE - REMAINDER AFTER TAKE**

The Cost Approach was considered to be the only reliable approach to value due to the special nature of the improvements. This approach estimated the replacement cost of the improvements less depreciation from all causes. The land value was estimated by the Market Approach which was felt to be a reliable method of valuation for the land. This approach utilized sales for similar vacant land and adjustments were made for dissimilarities. The Income and Market Approaches for the valuation of the improvements were not considered reliable due to the limited market data for operating special purpose convenience stores.














As a result of the take, the vent pipes would have to be relocated. The cost of this relocation was considered additional functional obsolescence or the cost to cure the functional obsolescence created by the take. This cost to cure was deducted from the depreciated cost of the improvements for a final value estimate of the Remainder After the Take.

A final estimate of the value of the Remainder After Take is \$642,040.

# SALE MAP



Mag 14.00  
 Sun Oct 18 23:02 1998  
 Scale 1:31,250 (at center)  
 2000 Feet  
 1000 Meters

-  Secondary SR/Road/Hwy Ramp
-  Toll Highway
-  Utility/Pipe
-  Railroad
-  Point of Interest
-  Small Town
-  Park/Reservation
-  Public Airport
-  Population Center
-  County Boundary
-  Water
-  River/Canal
-  Intermittent River

COMPARABLE DATA SUPPLEMENT

Land Sale x Improved Sale      Rental Data     



Grantor/Lessor Yorkland Partners, LP Grantee/Lessee System Capital Real Property Corp.  
Date 02-17-98 Recording Information 98032/3990 Key Map D-14A  
Address NW/c Beltline Rd. & Business Ave., Addison, Tx. Zip Code       
Legal Description Part of Block 2, Beltline-Marsh Business Pk Addn, Addison, Tx.  
Confirmed Price \$ 750,000 Verified With Rick Fambro, Broker, 972-985-0500  
Terms and Conditions of Sale Cash to seller  
Rental Data N/A  
Land Size 55,626 SF Unit Price As Vacant \$ 13.48/SF  
Type Street Concrete Utilities All Available  
Improvement(s) Description None at sale  
Improvement(s) Size N/A (GBA)N/A (NRA) Unit Price as Improved \$ N/A  
Condition and Functional Design N/A  
Current Use McDonalds Fast Food Intended Use Commercial  
Date of Inspection 10-05-98 Zoning Commercial Flood Plain None  
Attach Additional Information     

Appraiser Mark A. Hipes 10/05/98  
(Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

Land Sale x Improved Sale      Rental Data     



Grantor/Lessor Tippin's Restaurant, Inc. Grantee/Lessee CNL Retail Devel., Inc.  
Date 10-02-97 Recording Information 97192/2282 Key Map D-3S  
Address SE/c, Josey Ln. & Keller Springs, Carrollton, Tx. Zip Code       
Legal Description Lot 1R, Blk. 1, Plaza II of Josey Ranch Addn., Carrollton, Tx  
Confirmed Price \$ 1,000,000 Verified With Robert Bourne, grantee, 407-422-1574  
Terms and Conditions of Sale All cash to seller  
Rental Data N/A  
Land Size 60,984 SF Unit Price As Vacant \$ \$16.40/SF  
Type Street Concrete Utilities All Available  
Improvement(s) Description Restaurant at sale, demolished since  
Improvement(s) Size N/A (GBA)N/A (NRA) Unit Price as Improved \$ N/A  
Condition and Functional Design Original improvements demolished  
Current Use Eckerd's Drug Store Intended Use Commercial  
Date of Inspection 10-05-98 Zoning Commercial Flood Plain None  
Attach Additional Information Estimated \$17,000 demolition cost paid by grantee

Appraiser Mark A. Hipes 10-05-98  
(Typed, not signed) Date

**COMPARABLE DATA SUPPLEMENT**

Land Sale x Improved Sale \_\_\_\_\_ Rental Data \_\_\_\_\_



Grantor/Lessor SEC Beltline & Marsh Ptnrs., LP Grantee/Lessee Exxon Corp.

Date 02-05-96 Recording Information 96024/1398 Key Map D-13D

Address SE/c Beltline & Marsh Ln., Addison, Tx. Zip Code \_\_\_\_\_

Legal Description Lot 1, Block 1, Exwen Addn., Addison, Tx.

Confirmed Price \$ 1,275,000 Verified With Grantor

Terms and Conditions of Sale All cash to seller

Rental Data N/A

Land Size 68,354 SF Unit Price As Vacant \$ 18.65/SF

Type Street Concrete Utilities All Available

Improvement(s) Description None at sale

Improvement(s) Size N/A (GBA)N/A (NRA) Unit Price as Improved \$ N/A

Condition and Functional Design N/A

Current Use Fast Food & Service Station Intended Use Same

Date of Inspection 10-05-98 Zoning Commercial Flood Plain None

Attach Additional Information Joint development between Exxon & Wendy's

Appraiser Mark A. Hipes 10-05-98  
(Typed, not signed) Date

**ADDENDUM**

**Assumptions & Limiting Conditions  
Legal Description - Part Taken  
Title Policy/Sales History/Easements  
Certificate  
Qualifications**



## **ASSUMPTIONS AND LIMITING CONDITIONS**

(Read Carefully)

The following assumptions and limiting conditions are attached to and are made a part of this Appraisal (the "Appraisal") of the subject property (the "Property") described in this Appraisal ("Appraisal") made by Hipes & Associates (the "Appraiser") at the request of the person or entity (the Beneficiary") to whom and for whose exclusive use this Appraisal was prepared and delivered; and, this Appraisal is made by the Appraiser and accepted by the Beneficiary subject and strictly according to the within assumptions and limiting conditions:

1. That legal and equitable title to the Property is good and merchantable and that title is held by the owner ("Owner") of the Property in fee simple absolute forever, unless otherwise agreed by the Appraiser in writing. (No responsibility is assumed for matters legal or chance, nor is any opinion rendered as to the title to the Property. The possible existence of any disputes, suits, assessments, claims, liens or encumbrances has been disregarded, and the Property is appraised as though free and clear.)
2. That no survey of the Property has been made by the Appraiser and no responsibility is assumed in connection with any matters that may be disclosed by a current perfect survey of the Property. (Dimensions and areas of the Property and comparables were obtained by various means including estimate and are not represented or guaranteed to be exact.)
3. That allocations of value between land and improvements are applied only under the current program of occupancy and utilization, and are not made or intended to be used in conjunction with any other appraisal and, if so used, are invalid.
4. That all information contained in this Appraisal is private and confidential and is submitted strictly for the sole use of the Beneficiary; and, no other person or entity is entitled to read, use or rely upon the contents thereof. (Possession of the Appraisal or any copy thereof, does not carry with it the right of publication or use. The Appraiser will not be required to give any testimony or appear in any court or other proceeding by reason of making or delivering the Appraisal without the prior written approval of the Appraiser.)
5. That all information and comments pertaining to the Property and other properties is the personal opinion of the Appraiser formed after examination and study of the Property and its surroundings; and, although it is believed that the information, estimates and analyses contained herein are correct, the Appraiser does not warrant or guarantee them, and assumes no liability for errors in fact, analysis or judgement. (Any misinformation about the Property furnished to the Appraiser by the Beneficiary, at the option of the Appraiser, may release the Appraiser from any liability and invalidate the Appraisal.)
6. That all opinions of value contained in the Appraisal are merely estimates. (There is no warranty or guarantee, written or implied, made by the Appraiser that the Property is worth or will sell for the appraised value now or ever.)
7. That disclosure of the contents of this Appraisal is governed by the Uniform Standards of Professional Appraisal Practice, and that, in addition, neither all nor any part of the contents of this Appraisal (especially any conclusions of value, the identity of the Appraiser, shall be disseminated to the public through reports, proposals, brochures or any other means of

communication without the prior written consent and approval of the Appraiser. BENEFICIARY WILL NOT CAUSE, SUFFER OR PERMIT ANY PUBLIC DISSEMINATION OF THIS APPRAISAL TO OCCUR AND, BY ACCEPTING THIS APPRAISAL, BENEFICIARY INDEMNIFIES APPRAISER AGAINST ANY LOSS, COST, LIABILITY, DAMAGE OR CLAIM INCURRED WITHOUT REGARD TO FAULT BY APPRAISER ARISING IN CONNECTION WITH ANY SUCH UNAUTHORIZED DISCLOSURE BY BENEFICIARY.

8. That there are no latent defects or any hidden or any unapparent conditions of the Property, subsoil, or structures which would render the Property more or less valuable. (No responsibility is accepted or assumed by Appraiser for any such conditions or for analyses or engineering which may be required to discover them.)
9. That no environmental impact or environmental condition studies were either requested or made in conjunction with this Appraisal unless otherwise agreed by Appraiser in writing and shown in the Appraisal and the Appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions included in this Appraisal based upon any subsequent environmental impact or environmental condition studies, research, revelation or investigation. (In particular, unless otherwise agreed by Appraiser in writing, and shown in this Appraisal, this Appraisal/Appraiser assumes that no violations of any environmental, or other, laws affecting the Property are pending or threatened against the Property and that no toxic waste, hazardous materials or dangerous substances have ever been stored, used, produced, maintained, dumped or located on or about the Property.)
10. That the value of the Property is estimated on the basis that there will be no international or domestic political, economic, or other adverse conditions or any military or other conflicts including strikes and civil disorders that will seriously affect overall real estate values.
11. That Beneficiary understands that the real estate values are influenced by a large number of external factors, that the data contained in the Appraisal is all of the data that Appraiser considered necessary to support the value estimate and that the Appraiser has not knowingly withheld any pertinent facts; and, Beneficiary has been advised and agrees that the Appraisal does not warrant, represent or guarantee that Appraiser has knowledge or appreciation of all factors which might influence the value of the Property.
12. That due to the rapid changes in external factors affecting the value of the Property, Appraiser's value conclusions are considered reliable only as of the date of the Appraisal.
13. That on all appraisals made subject to satisfactory construction, repairs, or alterations of improvements, the Appraisal and value conclusions are contingent upon completion of such work on the improvements in a good and workmanlike manner, without dispute, per plans, in code, as agreed and within a reasonable period of time.
14. That the value estimate of the Property assumes financially and otherwise responsible ownership and competent management of the Property.
15. That the Appraisal consists of trade secrets and commercial or financial information which is privileged and confidential and exempted from disclosure under 5 U.S.C. 533 (b) (4). (Please notify Hipes and Associates of any request for any reproductions of this Appraisal.)

16. That accurate estimates of costs to cure deferred maintenance are difficult to make or assess and that many different approaches or arrangements can be attempted or applied in various ways. (Any estimates provided within this Appraisal represent reasonably probable costs given current market conditions, available information and the Appraiser's expertise. Further deferred maintenance affecting the Property is considered to be limited to only those items, if any specified in detail, in the Property section of this Appraisal.)
17. That the existence of potentially hazardous materials used in the construction or maintenance of the Property such as urea-formaldehyde foam insulation, asbestos in any form, and/or other dangerous substances or materials on the Property, has not been considered, unless otherwise shown in the Appraisal. (The Appraiser is not qualified to detect such material or substances and it is the responsibility of the Beneficiary to retain an expert in this field, if desired.)
18. That the liability of the Appraiser and its officer, directors and employees, agents, attorneys and shareholders is limited to the fee collected for preparation of the Appraisal. (Appraiser has no accountability or liability to any third party, except as otherwise agreed in writing by Appraiser and such other party.)
19. That any projected potential gross income of the Property referred to in the Appraisal may be based on lease summaries provided by the Beneficiary, Owner or third parties and Appraiser has not reviewed lease documents and assumes no responsibility for the authenticity, accuracy or completeness of lease information provided by others. (Appraiser suggests that legal advice be obtained regarding the interpretation of the lease provisions and contractual rights of parties under Leases.)
20. That Beneficiary and any party entitled to read this report will consider the Appraisal as only one factor together with many others including its own independent investment considerations and underwriting criteria or other observations, concerns or parameters in formulating its overall investment or operating decision. In particular, Appraiser assumes that the Beneficiary has made/obtained, relied upon and approved the following, none of which was furnished by Appraiser unless otherwise agreed by Appraiser in writing, to wit:
  - a. current survey of the Property showing boundary, roads, flood plains, utilities, encroachments, easements, etc.;
  - b. current title report of the Property with legible copies of all exceptions to title;
  - c. any needed soil tests, engineer's reports and legal and other expert opinions;
  - d. abstract or other report of environmental conditions or hazards affecting the Property;
  - e. current visual inspection of the Property and adequate study of its use, occupancy, history, condition and fitness for the purpose of underlying Beneficiary's request for this Appraisal;
  - f. copies of current insurance policy, tax statements, contracts, leases and notices affecting the Property;
  - g. any needed estoppel certificates of tenants, mortgagee's or others claiming any interest in the Property;
  - h. reports/opinions of Beneficiary's staff, contacts, agents and associates; and
  - i. Owner's experience with the Property.
21. That Appraiser's projections of income and expenses are not predictions of the future; rather, they are the Appraiser's best estimates of current market thinking about future income and expenses. (The Appraiser makes no warranty or guaranty that Appraiser's projections will

EXHIBIT A

Page 1 of 3

COUNTY: Dallas  
HIGHWAY: Addison Transit Pass-Belt Line Road/Midway Road  
PROJECT LIMITS: 360 feet north, 435 feet east, 460 feet  
south, 485 feet west of intersection

ACCOUNT: 8050-18-034  
PARCEL: 2

BEING 0.1268 acre of land, more or less, situated in the Thomas L. Chenoweth Survey, Abstract No.273 in the Town of Addison, Dallas County, Texas, and being part of the remainder of that tract of land conveyed to McCutchin Brothers Joint Venture as evidenced by deed recorded in Volume 77011, Page 0734 of said Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING in the west line of the remainder of the McCutchin tract at the southeast corner of the fifteen foot right-of-way dedication strip for Belt Line Road shown on plat of Sam's Club Addition to the Town of Addison recorded in Volume 92109, Page 3687 of said Deed Records;

THENCE North 01 degrees 43 minutes 25 seconds West, along the common line between said Addition and the remainder of the McCutchin tract, a distance of 4.35 feet to a 1/2" iron rod with cap marked AB&A set for the POINT OF BEGINNING in the proposed southerly right-of-way line of Belt Line Road;

- (1) THENCE, continuing along said common line, North 01 degrees 43 minutes 25 seconds West a distance of 10.65 feet to the northwest corner of the remainder of the McCutchin tract, the same being the northeast corner of said addition;
- (2) THENCE South 89 degrees 49 minutes 56 seconds East, along the southerly line of Belt Line Road, a distance of 133.20 feet to the north end of a cutback line to the west line of old Dooley Road;
- (3) THENCE South 46 degrees 47 minutes 12 seconds East, along said cutback line, a distance of 43.93 feet to the south end of said cutback line in the west line of old Dooley Road;
- (4) THENCE South 00 degrees 24 minutes 42 seconds East, along the west line of old Dooley Road, a distance of 145.00 feet;

EXHIBIT A

8050-18-034  
Parcel Number 2  
Page 2 of 3

- (5) THENCE South 89 degrees 35 minutes 05 seconds West a distance of 19.99 feet to the west line of Midway Road;
- (6) THENCE along said west line, South 00 degrees 24 minutes 55 seconds East a distance of 55.30 feet to a 1/2" iron rod with cap marked AB&A set in the curving proposed west line of Midway Road;
- (7) THENCE along said proposed west line, along a curve to the left having a radius of 891.50 feet, through a central angle of 02 degrees 20 minutes 13 seconds, an arc distance of 36.36 feet (chord bears North 03 degrees 27 minutes 28 seconds West and is 36.36 feet in length) to a 1/2" iron rod with cap marked AB&A set in the curving proposed west line of Midway Road;
- (8) THENCE continuing along said proposed west line, along a curve to the right having a radius of 908.50 feet, through a central angle of 04 degrees 12 minutes 06 seconds, an arc distance of 66.62 feet (chord bears North 02 degrees 31 minutes 32 seconds East and is 66.61 feet in length) to a PK nail set in the curving proposed west line of Midway Road;
- (9) THENCE North 00 degrees 25 minutes 26 seconds West, along the proposed west line of Midway Road, a distance of 86.22 feet to an "x" cut in concrete for the beginning of a curve to the left having a radius of 31.50 feet;
- (10) THENCE continuing along said proposed west line, along said curve, through a central angle of 89 degrees 36 minutes 32 seconds, an arc distance of 49.26 feet (chord bears North 45 degrees 13 minutes 35 seconds West and is 44.39 feet in length) to a PK nail set in the proposed southerly line of Belt Line Road;

EXHIBIT A

8050-18-034  
Parcel Number 2  
Page 3 of 3

(11) THENCE South 89 degrees 58 minutes 14 seconds West, along the proposed southerly line of Belt Line Road , a distance of 109.06 feet to the POINT OF BEGINNING and containing 5523 square feet or 0.1268 acre of land, more or less, of which 2700 square feet or 0.0620 acre of land lie within the existing Midway Road, for a net area of 2823 square feet or 0.0648 acre of land, more or less.

This description accompanies right-of-way map of even date herewith.



Jack L. Lyle  
Registered Professional Land Surveyor

1/30/96  
Date

ARREDONDO, BRUNZ & ASSOCIATES, INC.  
11355 McCree Road  
Dallas, Texas 75238  
(214) 341-9900

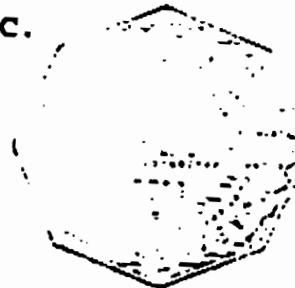


EXHIBIT A

## APPRAISER'S CERTIFICATE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- Mark A. Hipes is currently certified under the Texas Appraiser Licensing and Certification board.
- I have made a personal inspection of the property that is the subject of this report.
- No one other than signors provided significant professional assistance in the preparation of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.



Mark A. Hipes

Texas Certification No. TX-1321416-G

**MARK A. HIPES**  
**Qualifications**

Location of Office

7557 Rambler Road, Suite 260, LB 25, Dallas, Texas 75231

Education

Southern Methodist University

\* Bachelor of Business Administration - Quantitative Analysis

\* Master of Business Administration - Finance

Texas Real Estate Broker License - License No. 388907-26

Texas State Certified General Real Estate Appraiser - License No. TX-1321416-G

Appraisal Courses, Seminars

American Institute of Real Estate Appraisers

\* Course IIa - Case Studies in Real Estate Valuation

\* Course IIb - Valuation Analysis & Report Writing

Society of Real Estate Appraisers

\* Course 101 - Principals of Real Estate Appraisal

\* Course 201 - Income Property Valuation

\* Course R2 - Report Writing

Standards of Professional Practice

Various Seminars on Valuation & Litigation

Experience

02/87 to Present

Hipes & Associates

Independent Real Estate Appraiser

03/79 to 02/87

Dallas County Department of Public Works

Eminent Domain Appraiser

09/71 to 03/79

Self Employed

Financial Analysis/Real Estate Analysis

Types of Properties Appraised

Regional Malls

Industrial/Manufacturing

Automobile Dealerships

Shopping Centers

Apartments

Hospitals

Office

Farms/Ranches

Railroads

Office/Warehouses

Proposed Developments

Churches

Service Stations

Educational Facilities

Airports

All types of commercial/industrial properties and a variety of special use properties.

Extensive work in Eminent Domain & other forms of litigation valuation

Qualified as an "Expert Witness" in County, District, & Federal Courts